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VOLUME I, 1929

(12th February to 12th April 1929.)

SIXTH SESSION

OF THE

SECOND COUNCIL OF STATE, 1929



CALCUTTA: GOVERNMENT OF INDIA
CENTRAL PUBLICATION BRANCH
1929

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THE

COUNCIL OF STATE DEBATES

(OFFICIAL REPORT OF THE SIXTH SESSION OF THE SECOND COUNCIL OF STATE.)

VOLUME I—1929.

COUNCIL OF STATE.

Tuesday, 12th February, 1929.

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 Sixth 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 Sir Brojendra Mitter, Kt. (Law Member);

The Honourable Mr. Arthur Cecil McWatters, C.I.E. (Industries and Labour Secretary);

The Honourable Mr. Miles Irving, C.I.E., O.B.E. (Punjab: Nominated Official);

The Honourable Mr. Hugh Bayard Clayton, C.I.E. (Bombay: Nominated Official);

The Honourable Mr. Harold Lithgow Braidwood (Madras: Nominated Official);

The Honourable Rai Suresh Chandra Basu Bahadur (Bengal: Nominated Official).

RECENT ILLNESS OF HIS MAJESTY THE KING EMPEROR.

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH (Leader of the House): Sir, since the House last met, India with the rest of the Empire has passed through a period of grave anxiety on account of the illness of His Majesty the King Emperor. His Majesty has so endeared himself to every section of his subjects that the anxiety was both personal and universal. His recovery, which we may now look forward to with confidence, was an object of devout prayer and unfailing

[Sir Muhammad Habibullah.]

hope to every one of us. May his restoration to perfect health be rapid and may he, Sir, in the words of what is more an Imperial than a National Anthem, now be spared " long to reign over us ".

I would request you, Sir, to convey to His Majesty through His Excellency the Viceroy our humble and loyal good wishes for his speedy and complete recovery, and to the Royal Family, particularly to Her Majesty the Queen, our sympathy for the anxiety through which they have passed, our admiration for the calm courage with which they have borne that anxiety, and our fervent satisfaction that the period of strain and suspense is almost over.

THE HONOURABLE SARDAR CHARANJIT SINGH (Punjab: Nominated Non-Official): Sir, the world-wide British Empire on which it is truly said the sun never sets, composed as it is of many different countries in many different continents, is held under the unifying sway of His Majesty the King Emperor to whom all eyes across the seas look as the sign and symbol of their Imperial ideal. It was therefore natural that His Majesty's recent long and protracted illness should have cast a gloom over, and caused deep concern and anxiety in, every loyal heart. The prayers that went up to Heaven from every hearth and home for His Majesty's recovery are a sure indication of the depth of the feelings of affection and devotion which one and all feel for His Majesty's person and Throne. Now that our prayers have been heard by the Merciful Providence it is only meet that this Council should give expression to its sincere joy and thankfulness and lay before His Majesty with humble duty its most respectful congratulations. I beg, Sir, to second the proposal.

THE HONOURABLE PRINCE A. M. M. AKRAM HUSSAIN BAHADUR (Bengal: Nominated Non-Official): It is almost needless for anybody to dwell on what the Honourable the Leader of the House has said with regard to His Majesty's illness and his prospective recovery, but I take this opportunity to do myself the honour of associating myself with all the sentiments which he has expressed and which I have no doubt express the unanimous feeling of this House.

THE HONOURABLE THE PRESIDENT: I also wish to associate myself with the Council in this matter. I take it that it is the unanimous desire of all Honourable Members that I should send to His Majesty the King on behalf of the Council a message in the terms moved by the Honourable the Leader of the House; in particular that we should send to His Majesty an assurance of the deep sympathy and anxiety we felt during the long days of his serious illness, of our relief and satisfaction that he has progressed so far towards convalescence and of our earnest prayer that he may be speedily restored to a normal measure of health.

QUESTIONS AND ANSWERS.

REPORT ON THE WORKING OF THE NEW RUPEE RATIO OF 1*s.* 6*d.*

1. THE HONOURABLE SIR MANMOHANDAS RAMJI: (*a*) Will the Government be pleased to lay on the table any report from the Finance Department about the working of the ratio of Exchange after it was changed from 16*d.* to 18*d.* per rupee? (*b*) If there is no such report, will they be pleased to obtain one, and lay the same on the table?

REPORT ON THE WORKING OF THE NEW RUPEE RATIO OF 1*s.* 6*d.*

2. The HONOURABLE SIR MANMOHANDAS RAMJI: (*a*) Have Government got a report of the working of the new Rupee Ratio of 1*s.* 6*d.* and its effects on trade in general, and particularly on the principal export commodities like wheat, cotton and jute; if so, will they be pleased to place it on the table for the information of Members?

(*b*) If no such report, as is referred to in the above question, has been prepared, will Government be pleased to get such a report prepared?

THE HONOURABLE MR. E. BURDON: With your permission, Sir, I will answer questions Nos. 1 and 2 together.

(*a*) The Government of India have received no special reports on the subject indicated in the Honourable Member's questions, other than the annual reports of the Controller of the Currency, which, as the Honourable Member is aware, deal with a number of topics bearing closely on the inter-relation of trade and exchange.

(*b*) The Government of India do not propose to call for any such report.

RIFLE PRACTICE BY RAILWAY VOLUNTEERS IN CERTAIN VILLAGES IN MIDNAPUR.

3. THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY: (*a*) Is it a fact that people are turned out of certain villages in Midnapur to facilitate rifle practice by the railway volunteers? (*b*) If so, where are the villages and how many are they, and how long are the people turned out of them and at what time of the year?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: (*a*) The answer is in the negative. The firing takes place across open country and no villages have to be cleared. All that is necessary is to take steps to prevent persons or cattle from straying on to the range during the practice.

(*b*) Does not arise.

RUNNING AGROUND ON ITS WAY TO CALCUTTA OF A SHIP CONTAINING PETROLEUM.

4. THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY: (*a*) Has any enquiry been held about the recent running aground on its way to Calcutta of a ship containing a large quantity of petroleum? (*b*) If so, what has been the result of the enquiry?

THE HONOURABLE SIR GEOFFREY CORBETT: (*a*) Yes.

(*b*) It was found that the primary cause of the grounding was an error of judgment on the part of the pilot in charge in arriving at Fulta Point in a deep laden ship about half an hour earlier than he should have done, but that the pilot was justified in advising the jettisoning of 2,740 tons of cargo of kerosene oil. The Local Government accepted the above finding and directed that the pilot should be warned to exercise more care in future in handling vessels of deep draught.

SEPARATION OF JUDICIAL AND EXECUTIVE FUNCTIONS IN THE MADRAS PRESIDENCY.

5. THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY: (*a*) Is it a fact that a Committee appointed by the Madras Government in February 1923 has submitted a report on the separation of judicial and executive functions? (*b*) If so, what recommendations did it make and has the taking of any action thereon been stopped by the Government of India? (*c*) If so, why? (*d*) When are the Government of India taking any action in the matter? (*e*) What action will they take?

THE HONOURABLE MR. H. G. HAIG: (*a*) The reply is in the affirmative

(*b*) to (*e*). The report of the Committee, together with a statement by the Government of Madras, was laid on the table of the Madras Legislative Council in March 1924. As regards the decision of the Government of India, the Honourable Member is referred to the reply given by me to question* No. 41 asked by the Honourable Mr. Mahmood Suhrawardy on the 11th September 1928.

REPRESENTATION OF LABOUR AND THE DEPRESSED CLASSES IN THE BOMBAY LEGISLATIVE COUNCIL.

6. THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY: Has any effect been given by the Bombay Government to recommendations Nos. 34 and 35 of the Reforms Enquiry Committee seeking to give representation to labourers and the depressed classes? If so, what?

THE HONOURABLE MR. H. G. HAIG: Yes. The representation of labour and of the depressed classes in the Bombay Legislative Council has been increased by 2 and 1, respectively.

ACTION TAKEN ON THE RESOLUTION OF THE BENGAL LEGISLATIVE COUNCIL RECOMMENDING THE GRANT OF A SPECIAL FRANCHISE TO LABOUR.

7. THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY: (*a*) Is it a fact that in December 1925 a Resolution recommending the grant of a special franchise to labour was carried in the Bengal Legislative Council and was forwarded to the Government of India? (*b*) If so, what action has been taken in the matter?

THE HONOURABLE MR. H. G. HAIG: (*a*) Yes.

(*b*) The Government of India decided that the question should be postponed pending the enquiry of the Indian Statutory Commission.

NUMBER OF LICENCES FOR GUNS, ETC., GRANTED, REFUSED AND CANCELLED IN EACH OF THE LAST FIVE YEARS.

8. THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY: Will Government be pleased to state how many new licences were granted, how many applications for new licences were refused and how many old licences were cancelled during each of the last five years in respect of guns, rifles and revolvers, respectively, in British India?

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* *Vide* page 24 of Council of State Debates, Volume II, 1928.

THE HONOURABLE MR. H. G. HAIG: The Government of India are not in possession of the information asked for, and they do not consider that the very great labour that would be involved in collecting it from the local authorities all over British India would in the circumstances be justified.

INCREASE OR DECREASE IN THE SCALE OF FEES FOR LICENCES FOR GUNS, RIFLES AND REVOLVERS.

9. THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY: Do the Government contemplate increasing or decreasing the fees for licences for guns, rifles and revolvers in the near future ?

THE HONOURABLE MR. H. G. HAIG: No such proposal is under consideration.

LEVY OF AN EXTRA PONTAGE CHARGE FOR ALL TRAFFIC OVER THE HARDINGE BRIDGE ON THE EASTERN BENGAL RAILWAY.

10. THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY: Is it a fact that an extra charge for 20 miles on the tickets of all passengers travelling by the northern section of the Eastern Bengal Railway is levied for purposes of recouping the cost of the construction of the Hardinge Bridge over the Ganges ? If so, how far has the cost been recouped and when do the railway authorities concerned propose to stop the extra charge ?

THE HONOURABLE SIR GEOFFREY CORBETT: An extra pontage charge for all traffic, equivalent to 18 miles, is charged over this bridge. Figures are not available to show exactly how much has been collected owing to this extra charge since the bridge was opened to traffic, but as its cost was approximately 360 lakhs, it can be taken for granted that the cost of construction has not been recouped. There are no proposals for abandoning this extra charge, and I may add that the charge is not higher than was made for crossing the river before the bridge came into existence.

THE ISSURDI-PABNA-SADHUGUNJ RAILWAY.

11. THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY: *(a)* Will the Government be pleased to state whether any re-investigation has been made about the Issurdi-Pabna-Sadhugunj railway project ? *(b)* If so, *(i)* has the line been reported to be a good business project ? *(ii)* do Government contemplate sanctioning the project in the near future ? *(iii)* if so, when ?

THE HONOURABLE SIR GEOFFREY CORBETT: A revised note on the cost and traffic prospects of this project has been received and is now being examined by the Railway Board. Until their examination is completed, it is not possible to say whether the line is likely to be a paying proposition, or whether it will be undertaken.

STERLING LOAN ISSUED IN JANUARY 1929.

12. THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY: Will Government be pleased to state why the new sterling loan issued in January 1929 was not floated in India on a rupee basis ?

THE HONOURABLE MR. E. BURDON: I am afraid I must ask the Honourable Member if he will be so good as to wait until the Budget is presented, when he will have a more satisfactory opportunity of obtaining all the information he desires.

MANUFACTURE OF PAPER PULP FROM JUTE STICKS OR SUGARCANE REFUSE.

13. THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY: (*a*) Will Government be pleased to state whether any investigation has been made by the Forest Research Institute at Dehra Dun about the feasibility of making paper pulp from jute sticks or sugarcane refuse? (*b*) If not, why?

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH: (*a*) Yes, such investigations have been made.

(*b*) Does not arise.

EXCLUSION OF THE WORK DONE BY POSTAL INSPECTORS FROM THE INVESTIGATION INTO THE QUESTION OF THE TIME-TEST IN THE POSTAL DEPARTMENT.

14. THE HONOURABLE MR. G. S. KHAPARDE: (*a*) In view of the appointment of Mr. G. V. Bewoor, I.C.S., to investigate the question of the time-test in the Postal Department, will the Government be pleased to state whether the enquiry will include the work done by Postal Inspectors and the time-test applicable to them?

(*b*) If the answer to (*a*) be in the negative, will the Government be pleased to state the reason for excluding the work of the Postal Inspectors from the investigation?

(*c*) Has the increase in the work of the Postal Department added to the work of the Postal Inspectors?

THE HONOURABLE MR. A. C. McWATTERS: (*a*) and (*b*). No. There is no time-test for Inspectors of Post Offices.

(*c*) Yes, but additional appointments of Inspectors have been sanctioned to cope with the increase of work.

RAILWAY LINE FROM MANGALORE TO MALPE.

15. THE HONOURABLE RAO SAHIB DR. U. RAMA RAU: Will the Honourable the Member for Commerce be pleased to state

(*a*) in what stage the construction of the railway line from Mangalore to Malpe is at present;

(*b*) how long it will take to complete the project;

(*c*) whether any decision has been arrived at with regard to the proposal to extend the line, so as to provide a through communication by rail between Mangalore and Bombay?

THE HONOURABLE SIR GEOFFREY CORBETT: (*a*) Alternative coastal and inland routes are at present being surveyed.

(*b*) and (*c*). Until the survey has been completed, it is impossible to say how long it will take to complete the project, or whether it will be taken up. There is no present proposal to extend the line so as to provide through communication by rail between Mangalore and Bombay.

CLOSING OF THE RAILWAY STATION AT TRIKKANNAD ON THE SOUTH INDIAN RAILWAY.

16. THE HONOURABLE RAO SAHIB DR. U. RAMA RAU: (*a*) Is it a fact that the railway station at Trikkannad on the West Coast on the South Indian Railway line has been closed from the 1st January, 1929 ?

(*b*) Is it a fact that this station has been in existence for the last 21 years ?

(*c*) Is it a fact that very near the station, there are located about 15 fish-oil factories, a big tile factory, a Government fish-curing yard and a few public offices, such as the Post Office, Excise Office, etc. ?

(*d*) Is it a fact that school boys proceeded daily from that station on season tickets either to Mangalore or Kasargod to prosecute their studies ?

(*e*) Have the Government of India received any representation from the residents of Trikkannad and the adjoining localities to restore that station ?

(*f*) If so, what steps have the Government taken thereon ?

THE HONOURABLE SIR GEOFFREY CORBETT: Except from certain representations which were recently sent to them, the Railway Board are not aware that this station has been closed. They have sent a copy of the Honourable Member's question to the Agent of the South Indian Railway, with whom a decision rests.

STRIKE ON THE SOUTH INDIAN RAILWAY.

17. THE HONOURABLE RAO SAHIB DR. U. RAMA RAU: Will the Government be pleased to state

(*a*) the total strength of the workshops at Golden Rock, Trichinopoly, before the strike ;

(*b*) the number of workmen who have been discharged or have voluntarily resigned since ;

(*c*) the present strength of the workshops and how it compares with the minimum required for carrying on the daily routine work ;

(*d*) the total loss sustained by the South Indian Railway Company during the strike (*i*) through loss and damage to engines, rolling stock and the like, and (*ii*) through loss of traffic ;

(*e*) the number of lives lost and the number injured during the strike of (*i*) employees and (*ii*) passengers ; and

(*f*) the steps taken by the Agent, South Indian Railway, the Railway Board and the Government of India, respectively, to avert the strike ?

THE HONOURABLE SIR GEOFFREY CORBETT: (*a*) On the 31st March 1928 there were 1,871 workmen at Golden Rock, Trichinopoly.

(*b*) In all the workshops on the South Indian Railway, 5,016 men voluntarily resigned, thus obviating the necessity for discharging any men.

(c) The information is being obtained for the Honourable Member and will be furnished to him on receipt.

(d) It is impossible to make any accurate estimate of what the gross traffic earnings of the South Indian Railway would have been but for the strike. The estimated loss on account of engines and rolling stock as a result of the Kodaikanal Road accident is Rs. 92,500, and as a result of the Kattupakam accident Rs. 42,400.

(e) The total number of killed and injured were 4 and 42 respectively. They were all passengers.

(f) The Agent adopted a conciliatory attitude in all his negotiations with the Strike Committee. In fact, on the 18th July last, he informed the President of the Committee that he was prepared to refer two of the four points raised by the Committee to arbitration by the Labour Commissioner of the Madras Government, but the President refused to put this before his Committee. Short of surrendering to the Committee's demands, it was clear that there was no other way of averting the strike.

CONSTRUCTION OF A RAILWAY FROM DUNDUR TO NARGUND *viâ* NAVALGUND.

18. THE HONOURABLE RAO SAHIB DR. U. RAMA RAU: (a) Is it a fact that there was a proposal in 1913 to connect Hubli with Belgaum by rail and if so, what became of that project ?

(b) Is it a fact that the Railway Board sanctioned last September the survey of the construction of a railway line from Hubli to Belgaum *viâ* Dharwar and another from Dundur to Nargund *viâ* Navalgund ?

(c) Is it a fact that the latter project, *viz.*, the Dundur-Nargund line, has been dropped at the instance of the Madras and Southern Mahratta Railway, and if so, on what grounds ?

(d) Is it a fact that this route explores a vast agricultural tract and that many representations have been made by the inhabitants of Navalgund and the adjoining localities pressing for the construction of this line ?

(e) Will the Government be pleased to state what steps have been taken on these representations ?

THE HONOURABLE SIR GEOFFREY CORBETT: (a) Yes. It was dropped owing to the war.

(b) The survey of both these lines was sanctioned in August 1927.

(c) The project has not yet been finally dropped, for the examination of the results of the survey is not complete. But the examination, so far as it has gone, suggests that the line will not be remunerative and is not, therefore, likely to be taken up.

(d) and (e). Several representations asking for the construction of this line have been received. It was not necessary to take any specific action on them as the line was already being surveyd.

(1) REPORT OF THE ROAD DEVELOPMENT COMMITTEE.

(2) SUGGESTED TAX ON PETROL.

19. THE HONOURABLE RAO SAHIB DR. U. RAMA RAU: Will the Government be pleased to state

(a) what steps have been taken in connection with the Road Development Committee's Report;

(*b*) whether the suggested tax on petrol is proposed to be levied from the next official year ?

THE HONOURABLE SIR GEOFFREY CORBETT: (*a*) and (*b*). Local Governments and Administrations have been consulted on the recommendations of the Committee.

REPORT OF THE INDIAN CINEMATOGRAPH COMMITTEE.

20. THE HONOURABLE RAO SAHIB DR. U. RAMA RAU: Will the Government be pleased to state

(*a*) what steps have been taken in connection with the Cinematograph Committee's Report;

(*b*) whether it is intended to give protection, by means of legislation, to producers of Indian films;

(*c*) if so, when the Bill is likely to be introduced in the Central Legislature ?

THE HONOURABLE MR. A. C. MCWATTERS: (*a*) The Report is under the consideration of the Government of India.

(*b*) No decision has yet been reached.

(*c*) Does not arise.

DIFFERENT FORMS OF TAXES AND REVENUES, BOTH DIRECT AND INDIRECT, LEVIED AND RECEIVED BY THE CENTRAL AND PROVINCIAL GOVERNMENTS, ETC.

21. THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY: Will Government be pleased to furnish a tabular statement showing

(*a*) the different forms of taxes and revenues, both direct and indirect, levied and received by the Central and Provincial Governments in India;

(*b*) the amount realised under each of the above heads during the last five years;

(*c*) the proportion which Land Revenue and Income-tax respectively bear to the total collection in each of those five years;

(*d*) in what proportions Income-tax was realised in each of these 5 years from—

(*a*) incomes derived from

(1) Industry,

(2) Commerce,

(3) Professional earnings;

(*b*) Salaries ?

THE HONOURABLE MR. E. BURDON: (*a*), (*b*) and (*c*). The information required by the Honourable Member is given in the Finance and Revenue Accounts of the Government of India, copies of which are in the Library.

(*d*) A statement giving the information available is placed on the table.

Income-Tax Demand for the years 1923-24 to 1927-28.

—	1923-24.	1924-25.	1925-26.	1926-27.	1927-28.
1. Salaries . . .	2,55,07,057	2,60,73,751	2,83,98,577	2,90,22,562	2,98,94,985
2. Interest on securities	65,12,433	55,79,613	65,13,189	73,39,338	78,04,677
3. Income derived from property.	59,33,257	61,54,509	64,72,015	68,60,695	71,32,251
4. Income derived from business.	8,57,02,048	7,75,57,634	8,14,23,299	8,14,31,311	7,92,32,805
5. Professional earnings.	28,76,720	31,45,644	30,90,921	30,72,124	31,62,250
6. Income derived from other sources.	53.44,927	48,66,438	43,98,325	43,34,435	45,79,392
Total .	13,18,76,442	12.33,77,589	13,02,96,326	13,20,60,465	13,18,06,360
7. Arrears . . .	2,24,28,061	91,20,494	48,91,201	38,53,744	43,00,167
8. Penalties and miscellaneous.	6,39,579	4,81,027	5,38.595	6,66,241	6,95,999
9. Deductions under sections 15 and 17.	9,97,724	11,52,939	15,23,652	16,00,304	17,94,085
10. Refunds . .	1,48,73,738	1,15,70,221	1,48,46,099	1,67,48,237	1,49,64,014
11. Net Demand .	13,92,33,627	12,02,56,651	11,93,56,371	11,82,31,909	12,00,44,427
12. Net Collections . .	12,69,41,046	11,36,99,098	11,50,32,765	11,32,40,052	11,47,42,895

PLATFORM AT JALPAIGURI STATION ON THE EASTERN BENGAL RAILWAY.

22. THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY: Has the attention of Government been drawn to the great inconvenience felt by the people of Jalpaiguri on account of the want of a raised platform at Jalpaiguri station on the Eastern Bengal Railway? If so, will the grievance be redressed at an early date?

THE HONOURABLE SIR GEOFFREY CORBETT: The answer to the first part of the question is in the negative. A copy of the Honourable Member's question is being sent to the Agent of the Eastern Bengal Railway, who is competent to deal with the matter.

CONSTRUCTION OF A RAILWAY BETWEEN JESSORE AND RAJBARI ON THE EASTERN BENGAL RAILWAY.

23. THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY: Will the Government be pleased to state whether the construction of a railway line between Jessore and Rajbari or any other station near Rajbari on the Eastern Bengal Railway is under consideration? If so, when is the railway line going to be constructed?

THE HONOURABLE SIR GEOFFREY CORBETT: No such project is at present in contemplation.

SENDING OF REPRESENTATIVES FROM THE CENTRAL LEGISLATURE TO CONFER WITH THE JOINT COMMITTEE OF THE BRITISH PARLIAMENT FOR FRAMING THE FUTURE CONSTITUTION OF INDIA.

24. THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY: Do Government contemplate asking the Central Legislature in India to send their representatives to confer with the Joint Committee of the British Parliament for framing the future constitution for India? If so, on what terms?

THE HONOURABLE MR. H. G. HAIG: It is no doubt within the recollection of the Honourable Member that His Excellency the Viceroy in the statement, which he issued on the 8th November 1927, explained that it was the intention that delegations of the Indian Central Legislature would be invited to attend and confer with the Joint Committee of Parliament, and the Council may be assured that that intention still stands. Details have not yet been considered.

DEATHS OF MR. S. R. DAS AND SIR MUHAMMAD RAFIQUE.

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH (Leader of the House): Sir, it is my melancholy duty, perhaps for the fourth time in successive sessions of this House, to mourn the deaths of two of its former Members. I refer, Sir, to the sad loss which India has sustained through the demise of Mr. S. R. Das and of Sir Muhammad Rafique. Mr. Das was with us when we met last autumn in Simla. Though he looked none too well then, none of us thought that his indisposition was more than slight and transient. Fate knew and willed otherwise, and Government, this House and the country are the poorer to-day by his death. Sir, in Mr. Das Government have lost a loyal and sagacious Councillor, the House a persuasive speaker, a distinguished lawyer and a genial, kindly and generous-hearted Member, and the country a man of ripe experience, of public spirited and steadfast idealism and of ceaseless activity for India's progress. As Honourable Members are no doubt aware, Mr. Das was at the time of his death engaged upon the task of establishing in India an educational institution modelled on the lines of an English public school. His enthusiasm for this had kindled in the hearts of most of those with whom he had discussed his plans enthusiasm no less keen for what to the majority of us must be unfamiliar and exotic. That, Sir, is proof of the liveliness, energy and fervour of conviction with which Mr. Das took up a cause. It was these qualities which carried him to the head of his profession in Bengal, where he was Advocate General, and which earned him the esteem, if not the agreement, of those who differed from him. To these qualities he added a charm of personality, a kindly, generous and warm disposition which enriched his life with lasting, loyal and affectionate friendship. I count myself among those who got to know him late in life, but who learned to love and admire him no less than those who had enjoyed the privilege of his friendship much longer. To me, Sir, as I am sure to many in this House, his unexpected death has come with all the poignancy of a personal loss, and I would beg you, Sir, to communicate our deep and sincere sympathy to the family of the deceased.

Sir Muhammad Rafique was a Member of this House only for a short period and left us soon after his nomination to be a Member of the Council of the Secretary of State for India—an office which he held at the time of his death.

[Sir Muhammad Habibullah.]

Sir Muhammad Rafique came to us with a distinguished record of judicial service in the United Provinces, where he rose to be a Judge of the High Court and quickly made many friends among us by reason of his vivid and kindly personality. His death at the present juncture must mean the loss of wise counsel to those with whom he was associated and who are working in the public interests. To his family also, Sir, I would request you to communicate an expression of our sense of loss and our sympathy.

THE HONOURABLE SARDAR CHARANJIT SINGH (Punjab : Nominated Non-Official) : Sir, I beg to associate myself with the tribute which has been paid by the Honourable the Leader of the House to the memory of Mr. S. R. Das and Sir Muhammad Rafique. Mr. Das was a lawyer of great eminence and a most amiable colleague whom we had learnt to honour and to love. Sir Muhammad Rafique, as most of the Honourable Members will remember, was a Member of this House for a few months before he was appointed to the India Council in 1924. Even in that short period he left his mark, the memory of which it will be difficult to efface. Both Mr. Das and Sir Muhammad Rafique were my personal friends and in their deaths I feel a personal loss. I join in offering sincere condolence and sympathy to Mrs. Das and the members of the bereaved families.

THE HONOURABLE SIR GEORGE GODFREY (Bengal Chamber of Commerce) : Sir, I feel that, coming from the city of Calcutta, where the late Mr. S. R. Das made his name, I cannot let this opportunity pass without associating myself very warmly indeed on behalf of myself and on behalf of my constituency with the remarks which have been made by the Honourable Mover. Mr. S. R. Das made his name in Calcutta, and coming from the same city with which I have been so long connected I knew him well and I saw him rise step by step in his profession until he reached that very high and responsible post of a Member of the Viceroy's Council. By his death India has lost the services of a genuine, honest and human man. I strongly support the Honourable Leader.

THE HONOURABLE PRINCE A. M. M. AKRAM HUSSAIN BAHADUR (Bengal : Nominated Non-Official) : I should like also to join my voice to the tributes of respect and admiration and the sense of regret which have been expressed on the deaths of the late Mr. S. R. Das and Sir Muhammad Rafique.

*THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY (East Bengal : Non-Muhammadan) : Sir, I also fully associate myself with what has fallen from the Leader of the House about the deceased gentlemen. Mr. S. R. Das came from our province and, although I did not agree with him in political matters, we all admired his genial temper and his sincerity of belief. He was a learned lawyer and was of great help to us in this Council, and we all feel his loss very keenly. I had not the honour of knowing Sir Muhammad Rafique personally, but I appreciate what has fallen from my other friends about his personality and I associate myself with their remarks.

THE HONOURABLE THE PRESIDENT : It is difficult to add anything not only to what has been said in this House but also to the tributes that have appeared in the Press both in this country and in England in regard to the Honourable Mr. S. R. Das. They prove abundantly I think, that Mr. Das

* Speech not corrected by the Honourable Member.

was one of the perhaps few persons holding high official rank who could claim that they had no enemies. They also prove that he was a servant of India and a friend of India. I have no doubt that most of us individually have already tendered to Mrs. S. R. Das our sympathy in the grievous and sudden loss which she sustained, but I shall make it my business to send on behalf of this Council as a whole a message in the terms suggested by the Honourable the Leader of the House.

Sir Muhammad Rafique was a Member here for a short time, but all of us knew him as a man of public affairs. I knew him personally from the time that he was a District and Sessions Judge in the province to which I belong, and the facts that from that office he was promoted to a seat on the Bench of the High Court of Judicature at Allahabad, that after his retirement he was selected for nomination to a seat in this Council and from here was removed to the Council of the Secretary of State for India show abundantly that he possessed the confidence of the Government and the people, and they testify to the high esteem in which he was held. To his bereaved relatives also I shall on behalf of this Council send a message of sympathy.

MESSAGES FROM HIS EXCELLENCY THE VICEROY.

THE HONOURABLE THE PRESIDENT: I have Messages for the Council from His Excellency the Viceroy and Governor General.

PANEL OF CHAIRMEN.

The first Message is as follows :—

"*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 Rai Bahadur Lala Ram Saran Das ; in the second place, the Honourable Sir George Godfrey ; in the third place, the Honourable Sir Sankaran Nair ; and lastly, the Honourable Maharaja Sir Muhammad Ali Muhammad Khan, Khan Bahadur, of Mahmudabad.

(Sd.) IRWIN,
Viceroy and Governor General."

RAILWAY BUDGET.

The second Message is as follows :—

"*For the purposes of sub-section (1) of section 67A of the Government of India Act and in pursuance of Rules 13, 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 :*

Tuesday, 19th February	*Presentation in both Chambers.*
Thursday, 21st February	*General Discussion in the Legislative Assembly*
Friday, 22nd February	*General Discussion in the Council of State.*
Saturday, 23rd February. *Monday, 25th February* *Tuesday, 26th February* *Wednesday, 27th February*	*Voting of Demands for Grants in the Legislative Assembly.*

(Sd.) IRWIN,
Viceroy and Governor General."

GENERAL BUDGET.

A further Message is as follows :—

" 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 subjects other than Railways and for the subsequent stages in respect thereof in the Council of State and in the Legislative Assembly, namely :—

Thursday, 28th February at 5 p.m.	*Presentation in both Chambers.*
Monday, 4th March . .	*General Discussion in the Legislative Assembly.*
Tuesday, 5th March . .	
Wednesday, 6th March . .	*General Discussion in the Council of State.*
Thursday, 7th March . .	
Monday, 11th March . .	
Tuesday, 12th March . .	
Wednesday, 13th March, or Thursday, 14th March, according to which of these days is not a holiday for Id-ul-Fitr.	*Voting of Demands for Grants in the Legislative Assembly.*
Friday, 15th March . .	

(Sd.) IRWIN,

Viceroy and Governor General."

Finally :—

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

(Sd.) IRWIN,

Viceroy and Governor General."

(The Messages were received by the 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. 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 Hindu Inheritance (Removal of Disabilities) Act, 1928.

The Indian Mines (Amendment) Act, 1928.

The Indian Succession (Amendment) Act, 1928.

The Indian Trade Unions (Amendment) Act, 1928.

The Indian Income-tax (Amendment) Act, 1928.

The Match Industry (Protection) Act, 1928.

The Repealing and Amending Act, 1928.

The Madras Salt (Amendment) Act, 1928.

The Indian Insurance Companies Act, 1928.

The Indian Succession (Second Amendment) Act, 1928.

MESSAGE FROM THE LEGISLATIVE ASSEMBLY.

SECRETARY OF THE COUNCIL: Sir, the following Message has been received from the Legislative Assembly:

"I am directed to inform you that the Legislative Assembly have, at their meeting held on the 11th February, 1929, agreed without any amendments to the Bill further to amend the Indian Limitation Act, 1908, which was passed by the Council of State on the 14th March, 1928."

MOTION FOR THE ELECTION OF A PANEL FOR THE STANDING ADVISORY COMMITTEE FOR THE DEPARTMENT OF EDUCATION, HEALTH AND LANDS.

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 prescribed in the rules published in the Home Department Notification No. F. 49, dated the 22nd August, 1922, as amended by the Home Department Notification No. D. 794-C., dated the 30th January, 1924, a panel consisting of 6 members from which the members of the Standing Advisory Committee to advise on subjects, other than Indians Overseas and Emigration, dealt with in the Department of Education, Health and Lands, will be nominated."

Sir, I have nothing to add to this motion which is self-explanatory. I will only emphasise that the panel which the House is now being asked to elect is in respect of a Committee other than the one which deals with questions regarding emigration and Indians overseas. I will soon be approaching the House in regard to the election of a similar panel for the latter Committee.

Sir, I move.

The motion was adopted.

MOTION FOR THE ELECTION OF A PANEL FOR THE STANDING ADVISORY COMMITTEE FOR THE DEPARTMENT OF INDUSTRIES AND LABOUR.

THE HONOURABLE MR. A. C. McWATTERS (Industries and Labour Secretary): Sir, I beg to move:

"That this Council do proceed to elect in the manner described in the rules published in the Home Department Notification No. F. 49, dated the 22nd August, 1922, as amended by the Home Department Notification No. D. 794-C., dated the 30th January, 1924, a panel consisting of 6 members from which the members of the Standing Committee to advise on subjects in the Department of Industries and Labour, will be nominated."

I do not think it necessary, Sir, to add anything to the terms of this motion. The period of office of the Committee attached to the Industries and Labour Department has expired, and we are anxious to reconstitute it, as in this Department we find the greatest value constantly from the advice of this Committee.

The motion was adopted.

MOTION FOR THE ELECTION OF A PANEL FOR THE CENTRAL ADVISORY COUNCIL FOR RAILWAYS.

THE HONOURABLE SIR GEOFFREY CORBETT (Commerce Secretary): Sir, I beg to 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: In order to enable me to fix dates for nominations and for elections, if necessary, in connection with these motions, I would ask the Honourable Members of the Government who are responsible for the three motions if they could tell me if there is any degree of urgency in regard to the constitution of the panels to which the motions refer.

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH: There is no immediate urgency, Sir, so far as my motion is concerned.

THE HONOURABLE MR. A. C. McWATTERS: The position is the same, Sir, as regards mine.

THE HONOURABLE SIR GEOFFREY CORBETT: I should like mine, Sir, before the end of the month.

THE HONOURABLE THE PRESIDENT: Then I shall, in these circumstances, fix 11 O'clock on Monday morning next, the 18th February, as the hour up to which nominations in connection with these three panels of Standing Committees will be received by the Secretary. On that date, if necessary, I shall fix a date for the election.

PRESIDENCY-TOWNS INSOLVENCY (AMENDMENT) BILL.

THE HONOURABLE SIR BROJENDRA MITTER (Law Member). Sir, I beg to move for leave to introduce a Bill further to amend the Presidency-towns Insolvency Act, 1909, for a certain purpose.

This is a very short and simple measure. Under section 69 of the Presidency-towns Insolvency Act, the Official Assignee has to declare and distribute the first dividend, if any, within six months after the adjudication of the insolvent, unless the Official Assignee satisfies the Court that there is sufficient reason for postponing the declaration to a latter date. Sir, for the information of Members of this House who are not lawyers, I will briefly explain the scope of this Bill. Section 69 provides, as will be seen from the passage I have just read out, that within six months of the adjudication of the insolvent the first dividend has to be declared and distributed. In practice this period of six months has been found to be much too short, because after adjudication the insolvent has to file his schedule and from that schedule the Official Assignee, who is entrusted with the administration of the insolvent's estate, has to ascertain who the creditors are, what the assets are, and what the liabilities are, and after having ascertained all this, he has further to ascertain if there are any onerous obligations of the insolvent which he, the Official Assignee, is in a position to disclaim. Having done all this he finds he has certain assets in his hands for distribution. Now, it has been found in practice that six months' time is much too short for this purpose. Although the law says that he can come to Court for an extension of time, this provision has, in practice, been reduced to a mere formality, and, the sooner the formality is done away with, the better Having regard to this difficulty the Government of Madras proposed to enlarge the time from six months to a year, and to introduce legislation for that purpose in the Provincial Legislature, but the Government of India thought that since this was a matter which affected all the Presidency-towns to which this Act applies, the proper place for legislation was the Central Legislature. That is the reason why this Bill has been introduced here. I may further inform Honourable Members that this Act applies only to five towns, namely, Calcutta, Bombay, Madras, Karachi and Rangoon. It has no application anywhere else. The provision of the Bill is merely to enlarge the time from six months to a year. That is the scope of the Bill.

Sir, I move.

The motion was adopted.

THE HONOURABLE SIR BROJENDRA MITTER : Sir, I introduce the Bill.

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH (Leader of the House) : Sir, the list of business for to-morrow is already in the hands of Honourable Members. As there is no official business for Friday, the 15th, I have to announce that there will be no meeting on that date. On Monday, the 18th, I hope, however, to be able to make an announcement regarding Government business for next week.

The Council then adjourned till Eleven of the Clock on Wednesday, the 13th February, 1929.

COUNCIL OF STATE.

Wednesday, 13th February, 1929.

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* DEVELOPMENT OF WATERWAYS.

THE HONOURABLE RAO SAHIB DR. U. RAMA RAU (Madras : Non-Muhammadan) : Mr. President, I beg to move the following Resolution which stands in my name :

"This Council recommends to the Governor General in Council that, inasmuch as the Royal Commission on Agriculture have not dealt in their report with the question of the development of waterways in India as a means of transport of agriculture and other produce, he should forthwith appoint a Committee including Members of both Houses of the Central Legislature to examine the possibility and desirability of developing such means of communication and to suggest ways and means to effect such development."

Sir, when, on the 14th of September, 1927, I moved a similar Resolution on the subject of transport through waterways, the Honourable Mr. McWatters from the other side told us that the Agricultural Commission might perhaps take us nearer to the millennium and asked us to rest content till then. The Commission has come and gone. Their Report is out and nothing is mentioned therein about the development of waterways in India as a means of transport of agricultural and other produce. Beyond the laconic statement that "waterways are a valuable and extensively used means of communication in north-eastern India and Burma" the Report contains no hint as to the possibilities of their development. "All is well with the waterways" was the impression that the Commission evidently carried away with them in the absence of any definite representation made to them with regard to their development. The only complaint they had to hear and deal with was about the spread of water hyacinth in Assam, Bengal and Burma and the havoc it plays with the waterway traffic. Water hyacinth is certainly a subject quite within their jurisdiction and competency to inquire into and report on. But with regard to the development of waterways, the terms of reference perhaps precluded the Commission from making any inquiries. There can be no spontaneous representations from the public, for they also are tied down and restricted to answering merely the several items on the questionnaire. The cumulative effect of these limitations and restrictions is found in the absence of any reference to a subject "of very great importance for India", to use the words of the Honourable Mr. McWatters himself. This explains the need for this motion.

In the first place, it is contended that this is a purely local question and provincial authorities are already taking a lively interest in the matter and the Central Government need not therefore bother their head about it. Similarly, Sir, roads and their development are local matters, but the Central Government did step in. They appointed a Roads Committee and found

[Rao Sahib Dr. U. Rama Rau.]

ways and means to supplement provincial finance and did everything they could to co-ordinate their activities with those of Provincial Governments. The importance of the subject and the responsibility of the Central Government in the matter cannot be brought home more ably and more forcibly than in the following observations of my friend, an ex-Member of the Legislative Assembly, in his speech on the Railway Budget on the 22nd February 1926. He then said :

"There is another matter which I wish to mention—a matter of great importance. The Acworth Committee pointedly drew attention to the necessity for the creation of an office in the Government of India, namely, a Member for Transport. Transport does not consist merely in maintaining Railways. The time has come when we should look round and see whether waterways should not be taken in hand at once. Now that we have taken sufficient steps in safeguarding our Railways we should take up our waterways hand in hand with the Railways. They have been neglected in the past and the time has come when we should take up this question of waterways, and I hope that the Honourable the Member for Commerce before he lays down his office will add to the items to his credit this item of waterways and see that it is started in his Department, in order to take charge of the coastal traffic and to see that Ports give all facilities for developing coastal traffic in this country and also inland water traffic. We cannot depend upon Railways entirely for traffic. It is too costly for the people : it is not suited to the poor people of this country ; waterways are best suited to them and we have got ample natural facilities in that direction. We have got an abundant coastal line and we have got abundant rivers which judiciously manipulated will yield good results."

These were the remarks made by Mr. Rangachariar. My Honourable colleague Sir Haroon Jaffer had moved a similar Resolution in this Council some years ago and has exhausted the subject so thoroughly that I do not want to weary the House with a repetition of the arguments. The Honourable Mr. McWatters in his reply to my Resolution in September, 1927 agreed that.

"Nature has provided natural waterways and where they can be kept up at reasonable expense they are probably the cheapest form of transport, and even in these days with the development of motor transport and railways, there is still a great field in India for the preservation and development of waterways."

He went on to say :

"But the subject before the House is whether the time is now ripe for the appointment of a Central Committee to deal with waterways."

But Mr. Rangachariar, than whom no more level-headed politician and no greater confidant of the Government of India can be found to-day, holds the opposite view. He says that "the time has come for the Government of India to take up the waterways also and develop them." With the Railways rapidly progressing now under the ægis of the Government of India, with the roads about to be taken over under the protective wing of the Central Government, with Mr. Haji's Coastal Traffic Bill on the legislative anvil, promising a great future for India's maritime coastal trade, and with the development of inland waterways, which bids fair to be a boon to the poor in its cheapness and accessibility, the betterment of the lot of the agricultural population in India can be said to be insured.

Secondly, with regard to the existing waterways I must say that the attention paid to the subject by the Local Governments is very tardy and inadequate. Though it is now 18 months since my first Resolution was moved on the subject, the Buckingham Canal in my Presidency is repeating its old gruesome tale of neglect and inattention.

Thirdly and lastly, there is the possibility of the appointment of a Member (is it too soon to say Minister ?) for Transport in the Central Government. If such a contingency arises, and the Acworth Committee have already foreshadowed it, it will be in the fitness of things that the way should be cleared for his advent, so that when he comes he may take charge of the complete Communications Department—the Railways, Roads, the Coastal Traffic and Inland Waterways.

For these reasons, Sir, I wish a Committee to be appointed forthwith to go into the question of waterways and to suggest ways and means to develop them.

Sir, I move.

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY (East Bengal : Non-Muhammadan) : Sir, I rise to support the Resolution moved by my Honourable friend Dr. Rama Rau. Neither the Royal Commission on Agriculture nor the Roads Development Committee have given sufficient attention to the development of the waterways of India as a means of communication from one place to another, although the irrigation canals and the natural rivers have brought water to the very doors of the inhabitants of India. But neither of these bodies can be blamed for this neglect, inasmuch as the development of waterways was not strictly speaking within the scope of their investigation. The apathy of the Government is solely responsible for this, and they can even be charged with having destroyed the natural waterways of the country by their shortsighted policy of diverting the water from the rivers solely for irrigation purposes without at the same time providing facilities for transport over their canals.

The result has been harmful in a double way. In Upper India the rivers have been dried up by the diversion of water from them causing directly the destruction of all means of transport by water ; while in the lower provinces of Bengal, although there are no canals to cause diversion, the diversion of water from the rivers in Upper India has caused loss of strength in the current so that most rivers are getting choked up with silt. The irrigation policy of the Government has also been responsible for rendering the country malarious and unhealthy by raising the water level in Upper India and causing stagnation of the drainage system in the lower provinces. It has thus become necessary to adopt prompt measures to change the present policy of the Government so as to afford facilities for water transport and to prevent the drying or silting up of the rivers in the country. That transport by water is much less costly than transport over land by railway or other means no one can, I think, question. The Chamber of Commerce at Calcutta, I believe, had some time ago to admit that traffic by country boats still offers a great competition to the steamer services in Bengal. I do not know how far this is correct. My questions on this subject elicited no reply from the Government during the last Simla Session, but there is no doubt that, just as in the case of railways in Europe and recently even in some parts of India, the discovery of petrol and other cheap sources of motive power will enable small motor boats to successfully compete with steam vessels, and already such boats have begun to offer such competition in some of the rivers in East Bengal. There is still another direction in which transport by water offers a great advantage over transport by land. I mean the use of hydro-electric power. Some time ago the Government held an investigation about the prospect of generating hydro-electric power in the country, and their Committee came to the conclusion that such power could be generated in the submontane districts, but so long as the country

[Mr. Kumar Sankar Ray Chaudhury.]

remained industrially undeveloped to a greater extent there was not much use for the generation of such power. They were not concerned, however, with transport by water at the time and so they did not apply their minds to the question whether such power could be utilised for this purpose, and I think there is ample scope for utilising electric power generated in this way. Recently a gentleman in the Punjab has been utilising hydro-electric power for purposes of agriculture also, and his experiment has been highly spoken of, I believe, in the Report of the Agricultural Commission.

As regards parts other than the submontane tracts of India, on account of its flatness, the hydro-electric Committee made, so far as I remember, an unfavourable report; but I do not know, and being a layman I can only offer my suggestion with diffidence, whether they considered the feasibility of generating hydro-electricity there by the erection not of dams in the rivers, but by the creation of narrow gorges or artificial whirlpools therein which might serve the purpose without even creating a bar to traffic.

Moreover, where there are high banks on both sides of the river, as is the case with most rivers in North Bengal, I do not know whether they considered the feasibility of erecting artificial barriers from bank to bank so as to create water-falls strong enough to generate electricity. President Hoover in one of his recent utterances has laid great stress upon all these subjects, and I would earnestly recommend that the Government of India should similarly proceed to hold an investigation upon as wide a scope as possible.

*THE HONOURABLE SIR EBRAHIM HAROON JAFFER (Bombay Presidency: Muhammadan): Sir, I had the honour to move a similar Resolution on the 25th February, 1925. At that time my Resolution was negatived. I now strongly support the Resolution moved by my friend the Honourable Dr. Rama Rau.

I am sorry that the Agricultural Commission have not dealt with this important question in their Report. To my mind what is wanted is a careful study of the whole situation with the ultimate object of so draining the rivers and so dredging their courses as to make navigation quite possible. We are assured on very good authority that such a thing is very practicable and it would very materially lighten the burden of poverty and misery which India has to bear through flood havoes, and would at the same time result in inestimable benefits in the direction of removing water shortage, inadequate transport, insufficient facilities, bad drainage and disappearance of land from erosion, giving India in return extensive acquisition of new land, improved public health and above all unlimited electric power over those areas. America and Canada are just beginning to awake to the enormous possibilities of this kind of inland constructive work and both countries are contemplating the expenditure of millions of dollars on such schemes in the near future. Shall India lag behind these other countries, especially when our need is not merely acquisition of land, wealth and mechanical power, but the consolidation of land that has been washed away, prevention of floods, which are exacting a heavy toll of life every year, and solving of some of the most acute transport problems with which the nation has to deal? I hope, Sir, that this Resolution of my friend will be accepted, and I support it.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab: Non-Muhammadan): Sir, I rise to support the Resolution which has been moved by my Honourable friend, Dr. Rama Rau. I do not want to add much

* Speech not corrected by the Honourable Member.

to what has already been said by the Members who have spoken before me. I want to add, Sir, that in places where waterways can be developed from the business point of view, a move in that direction will be quite justified. Railways have proved a great boon for the development of the country, and wherever it is difficult to make a railway a paying concern, it is quite possible that a waterway may be the right substitute for it. In India many canals are navigable, and since sometime past some of these canals have been closed for water traffic. The reasons are not quite known to me, but I am sure that the companies who gave up navigation did it for want of Government attention to keep the channels free from silt and fit for proper navigation. In places which are sandy and where road transport is difficult, I think the waterways which do exist there and which can easily be developed for navigation should be developed.

With these words, Sir, I give my support to the Resolution.

THE HONOURABLE MR. A. C. McWATTERS (Industries and Labour Secretary): Sir, the Honourable Mover of this Resolution was no doubt quite correct in saying that when the debate on this subject was not pursued 18 months ago it was because we were awaiting the Report of the Agricultural Commission. But, if I may say so, both he and the other Honourable Members who have so far spoken to-day have done less than justice to the Royal Commission on Agriculture. It is true that their Report is a somewhat bulky volume and that may account for Honourable Members not having been able to find their way about in it. As a matter of fact, the Agricultural Commission did deal with this subject. They have made no less than three important recommendations in connection with it.

I would invite the attention of the House first of all to paragraph 292 and following paragraphs which deal at length with this question in connection with Bengal where it is of course a very important question indeed. They point out that one of the difficulties which has had to be met with in Bengal is that the existing Department of Irrigation in that province has not really had time or been competent to deal with the cognate questions of navigation and drainage, and their first recommendation is that the Department should be divided and that there should be constituted in Bengal a separate Department to be called the Waterways and Navigation Department. They then continue at length to examine the technical aspects of this question in Bengal. They point out the analogies from other countries where there are similar river systems, as in America, and they make an extremely important recommendation. They say:

"We accordingly recommend to the earnest consideration of the Bengal Government the desirability of appointing a committee of experts, which would include among its members at least one who is familiar with the management of the deltas of large rivers in other countries, such as for example that of the Mississipi, and we would suggest that one of the specific directions to such a committee should be to consider and report upon the advisability of setting up a Provincial Waterways Board."

We have there a recommendation for an expert committee. It is true they do not recommend a committee of Members of the Central Legislature. They do recommend, however, a committee, and a committee of experts, and one of the specific directions was that that committee should consider the appointment of a permanent body, a Provincial Waterways Board, which would continuously consider these important questions in Bengal. Then again, in paragraph 318, which had been seen by the Honourable Mover of the Resolution, they deal with the particular question of the clogging of the waterways of India by the water hyacinth, and their recommendation there was that—

"further research was urgently needed, and we consider that the formation of permanent work of this character should be one of the first questions to be taken up by the Council of Agricultural Research."

[Mr. A. C. McWatters.]

If, therefore, as a result of this Commission's recommendations, a Council of Agricultural Research is instituted one of the Council's first subjects of inquiry will be the improvement of waterways by research in order to eradicate the water hyacinth. I think then it is scarcely fair to the Royal Commission to suggest that they have not considered this question of waterways.

Since the Honourable Mover moved a similar Resolution in this House 18 months ago, the Government of India have carefully considered the subject as a result of that Resolution and as a result of consideration of the Agricultural Commission's Report, and they hold the view that the development of waterways is primarily a matter for the provinces. They hold also that it is a subject with which provinces are competent to deal. In order to develop this aspect of my reply, which is really my main reply to the Resolution, I may have to traverse a little of the ground which I covered 18 months ago when I replied to the Honourable Member's previous Resolution, but I will try to avoid repeating what I said then.

The principal areas in India where internal water transport is extremely important are three. First of all, there is north-eastern India, mainly Bengal. The subject was considered mainly in connection with Bengal in the years 1920-21, and the correspondence with the Secretary of State at that time has been laid on the table of this House. The recommendations at that time were opposed to the formation of a Central Waterways Board for India as a whole, and indeed at that time it was not considered desirable to recommend a local Waterways Board, but it was recommended that the Waterways Committee, which even at that time existed in Bengal, should be expanded and developed and that opportunity should be taken to enlist upon it representatives from other adjoining provinces where subjects came under discussion in which more than one province was interested. As I have said just now, the Agricultural Commission has recommended that this question of a Permanent Waterways Board for Bengal should be reconsidered as the result of an enquiry by an expert committee, and I have no doubt that the Government of Bengal will take that recommendation into their serious consideration. In Bengal of course one of the most important questions affecting waterways is the Grand Trunk Canal, and that question, as the House knows, was referred by the Local Government to a committee which I understand reported to the Local Government not long ago. We have not yet heard from the Local Government their final views on the report of that committee, but it is a matter which is of great local importance and arouses intense local interest; it is a matter primarily for the Local Government to consider and to proceed, if they choose, with this great project on which they have already spent a considerable amount of money.

The second area where waterways are extremely important is Burma. Now, in Burma, since the year 1923, there has been in existence a Board of Communications, and to that Board is attached a separate Waterways Committee. As I told the House 18 months ago, up to that time this Committee had dealt with no less than 33 different schemes affecting waterways, and in every case their recommendations had been accepted by the Local Government, with the result that new schemes totalling some 42 lakhs had been carried out in addition to improvements of existing waterways totalling 16 lakhs, while 3½ lakhs had been spent on research in connection with the water hyacinth. In addition a large number of further schemes involving large sums of money were under consideration. I have reason to believe that, since that time, this Waterways Committee has been actively functioning and I do not

think that the Burma Government really requires any help from us in dealing with the question of waterways. It has been dealing with it most actively and most efficiently.

The third area in India which is important in connection with waterways is the Honourable Mover's province of Madras. The Honourable Mover drew a rather pathetic picture of the state of the Buckingham Canal. He said it was repeating its "gruesome tale of neglect and inattention", or rather, I presume, the Government was. As a matter of fact, 18 months ago, I told the Honourable Member that I had information from Madras that schemes for improving the Buckingham Canal were then under consideration, and I have received information only a few days ago from Madras that a scheme costing approximately two lakhs has been sanctioned for this purpose and that work is actually in progress. And further as regards the canal system on the west coast, we have information that a considerable sum is at present being spent on removing silt and improving the condition of these west coast canals. Of course, in Madras, which is a province where motor transport and light railways have progressed further perhaps than in any other, it is probable that development of water transport will be mainly in the direction of improving the existing facilities rather than the launching of new schemes, because it has been found that internal transport arrangements by motor and light railway have been exceedingly successful in that part of the country. I think from what I have said it is fairly clear that Local Governments have not been inactive in those areas where waterways are most important.

The Honourable the Mover mentioned the appointment of a Central Committee to deal with roads. I suggest that this is really not at all an exact parallel. The development of roads in one province has an intimate connection with the development of roads in other provinces. The arterial communications cannot be developed in one province and neglected in another without affecting the value of the whole scheme, and therefore there is, as regards roads, a strong case for co-ordination. In the second place, in connection with roads there is an extra problem due to the development of motor transport and the still greater developments which we expect in the future. It was felt desirable that these users of the roads, these users-up of the roads I might almost say, should be made to pay something more than they do at present towards their upkeep. One of the suggestions which was obviously for consideration was that this extra taxation on the users of roads should be made through the means of the petrol excise. That is an item of central taxation, and therefore it is essential that the Central Government should come into the picture. In the case of waterways the position is different. They are practically confined to provincial areas. For instance, the navigable portion of the Indus falls entirely within one province and similarly with most of the main rivers. There is, as far as I know, only one link between adjoining provinces, namely, the Hijli Tidal and Orissa coast canal system, which joins Bengal to Orissa. But the Orissa Flood Committee reporting only the other day said that in the first place this canal system is very little used, and, in the second place, that it is a danger to the country because it holds up the flood water which otherwise would escape to the sea, and they have recommended that this particular canal system should be abandoned. Therefore, Sir, I think we may take it that in the case of waterways the problem does not present exactly the same features as the problem which is presented by roads. What the House is really being asked to do is to appoint a Central Committee to inquire into the efficiency of the administration by Local Governments of a provincial subject, and I think that unless very strong reason is shown why such an inquiry should be made, we ought to leave Local Governments to manage their own business,

[Mr. A. C. McWatters.]

appointing, if they choose, expert committees to advise them, and that we should not appoint a Central Committee to tour the whole country.

Before I sit down I should just like to say that if this is the view of the Government of India, it is not because they are in any way blind to the importance of the development of waterways. It is a subject which has been debated not merely twice but three times in this House, and I may say that the father of the subject is my friend the Honourable Sir Ebrahim Haroon Jaffer who moved a Resolution in somewhat similar terms in the year 1925. But I hope that he too will be satisfied that the attitude which the Government is now adopting is really the most practical attitude for dealing with this question. It is perfectly true that there is competition between different types of transport and that there is competition to some extent between railways and waterways. For instance, when there was no railway between Madras and Calcutta along the East Coast, it is obvious that other forms of transport had to be developed; but once the East Coast Railway came into existence it was inevitable that there should be a certain amount of competition between that Railway and, for instance, the Buckingham Canal which is now used mainly for bringing local produce from upcountry into Madras. I want to emphasise quite clearly that the Government of India are as anxious as any Member of this House that this subject should be properly considered. But they do consider that it should be left to Local Governments to deal with, with the help of expert committees to be appointed by them wherever they consider it necessary. I hope, therefore, that in view of the explanation I have given, the Honourable Mover will not think it necessary to press his Resolution.

*THE HONOURABLE SIR GEORGE GODFREY (Bengal Chamber of Commerce): Sir, I am in sympathy with the purpose underlying the Honourable Mover's Resolution, but I am sorry that I cannot support it, because I do not think that the Committee he proposes would provide effective machinery. If he had proposed that there should be created a Central Ministry of Transport to take charge of Railways, Roads and Inland Waterways I might possibly have welcomed it because I do consider that the maintenance and development of inland water traffic is of the greatest importance to the country. It is greatly to be deplored that many of the old natural waterways are fast dying out. For instance, in the North-East province there is a deterioration, to which the Honourable Mr. McWatters has just referred, of the Sunderbans routes from Calcutta to Assam. Those rivers are silting up and a recent report based on expert evidence is to the effect that the routes cannot possibly be kept open for large inland steamers for more than a few years. The position is so serious that it has recently been up before a special committee in Calcutta, and the Committee of the Chamber of Commerce have urged the Government of Bengal without any loss of time to take into consideration again the Grand Canal scheme to which the Honourable Mr. McWatters referred. Unfortunately, however, the Government of Bengal is in such a financial condition that there seems very little prospect of their being able to undertake that scheme in the near future. Therefore, although this has been dealt with as a provincial subject, it seems to me that the Government of Bengal is faced with a rapid deterioration of the existing routes and the impossibility of raising money to construct the new route. If there had been a Central Ministry

* Speech not corrected by the Honourable Member.

of Transport, upon whom fell the duty of taking charge of all means of transportation, namely, Railways, Roads and Waterways, one cannot but help thinking that such a Ministry would have faced the situation and would have said that the problem is of national importance, because it is of national importance—a great deal more than provincial—feeding as these do the great port of Calcutta. As I say, I feel that a Ministry of Transport would have taken upon itself to come forward with financial schemes, causing neighbouring provinces to co-operate and bringing about co-operation between the Central Government finances and provincial finances.

In regard to new waterways, I entirely agree with the views expressed by the Honourable Mr. McWatters on behalf of Government. The policy should mainly be directed towards improving existing waterways, not towards spending vast sums of money on canals for inland water navigation unless, as in the case of the Grand Canal scheme, there are to be alternatives or substitutes for dying waterways. He referred to the Orissa coast canal. That is an instance where a tremendous sum of money was spent many years ago. 30 years ago one could see that canal being used frequently by boats carrying crops up and down the country, but now it is dead. As he pointed out, the natural consequence of the railway coming in parallel was to kill this canal. But in regard to the development and improvement of existing waterways to enable them to hold their traffic, if a Provincial Government cannot take that in charge and cannot finance it, I consider it is the duty of the Central Government. But we cannot expect that unless there is some form of Ministry upon whom the duty will lie.

With these remarks I have to express my regret that I cannot support the Mover of the Resolution and I think that he would be well advised to realize that a Committee drawn from these two Houses would not be an expert committee and could not possibly deal with the subject satisfactorily.

THE HONOURABLE RAO SAHIB DR. U. RAMA RAU: Sir, the subject-matter of my Resolution is very important. That is accepted by the Member on the other side and also by the Agricultural Commission. The mere fact that this particular Resolution has been brought before this Council three times itself shows that the subject is of a very important nature. In the other House also my friend Mr. T. Rangachariar has pointedly drawn the attention of the Government to this matter. The last speaker remarked that he did not approve of a Committee like the one proposed going into the question and he would like to have a Member for Transport to tackle the question. I only wish that this Committee should sit and find out ways and means and make suggestions for a Department to administer it. I do not want it to manage the Department at all. The Committee can examine any experts they may wish to and after recording the evidence of experts formulate a scheme under which a Minister for Transport could carry on the work. The mere fact that the Agricultural Commission have drawn the attention of the Punjab and Burma Governments to the badly kept condition of the canals itself shows that there is every need to take this question into consideration.

Then again, Sir, so far as Madras is concerned, till the East Coast Railway was established the Buckingham Canal was kept in very good condition. When the railway extension from Madras to Bengal was established the canal was entirely neglected. Money was no longer spent to keep the canal in order and so for the last 15 years the canal has silted up and even ordinary boats with a draught of two or three feet cannot pass through it. That is because

[Rao Sahib Dr. U. Rama Rau.]

there is now the vested interests of the Railway. If the canal were kept in a good condition, transport over it being cheaper it would compete with the Railway. That is one reason why Government is not prepared to accept this Resolution.

My friend Mr. McWatters said that this was a local question whereas roads are an inter-provincial matter. As for that, Sir, in Cochin and Travancore where they have extensive canals, the canal system is not under the British Government at all, and unless the Central Government come to our rescue those canals cannot be kept in proper order and this means of transport cannot be kept going without the Central Government's intervention. There is further the question of coastal traffic which has to be considered by this Committee. I am not therefore at all satisfied with the reply given by the Government and will press the Resolution to a division.

THE HONOURABLE THE PRESIDENT: The question is:

"That the following Resolution be adopted, namely:

'This Council recommends to the Governor General in Council that, inasmuch as the Royal Commission on Agriculture have not dealt in their Report with the question of the development of waterways in India as a means of transport of agriculture and other produce, he should forthwith appoint a Committee including Members of both Houses of the Central Legislature to examine the possibility and desirability of developing such means of communication and to suggest ways and means to effect such development'."

The Council divided:

AYES—10.

Jaffer, The Honourable Sir Ebrahim Haroon.
Khaparde, The Honourable Mr. G. S.
Mehr Shah, The Honourable Nawab Sahibzada Saiyad Mohamad.
Mukherjee, The Honourable Srijut Loke-nath.
Ram Saran Das, The Honourable Rai Bahadur Lala.
Rama Rau, The Honourable Rao Sahib Dr. U.
Ray Chaudhury, The Honourable Mr. Kumar Sankar.
Sinha, The Honourable Mr. Anugraha Narayan.
Suhrawardy, The Honourable Mr. Mahmood.
Umar Hayat Khan, The Honourable Colonel Nawab Sir.

NOES—20.

Akram Husain Bahadur, The Honourable Prince A. M. M.
Basu, The Honourable Rai Bahadur Suresh Chandra.
Braidwood, The Honourable Mr. H. L.
Burdon, The Honourable Mr. E.
Charanjit Singh, The Honourable Sardar.
Clayton, The Honourable Mr. H. B.
Corbett, The Honourable Sir Geoffrey.
Godfrey, The Honourable Sir George.
Habibullah, The Honourable Khan Bahadur Sir Muhammad.
Haig, The Honourable Mr. H. G.
Harnam Singh, The Honourable Raja Sir.
Harper, The Honourable Mr. K. B.
Irving, The Honourable Mr. M.
Maqbul Husain, The Honourable Khan Bahadur Sheikh.
McWatters, The Honourable Mr. A. C.
Mitter, The Honourable Sir Brojendra.
Natesan, The Honourable Mr. G. A.
Symons, The Honourable Major-General T. H.
Thompson, The Honourable Sir John.
Weston, The Honourable Mr. D.

The motion was negatived.

RESOLUTION *RE* ESTABLISHMENT OF STEAMER SERVICES IN CONJUNCTION WITH STATE RAILWAYS.

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY (East Bengal : Non-Muhammadan) : Sir, after the discussion that has taken place on the last Resolution I do not think there remains much for me to say upon my Resolution, which reads as follows :

" This Council recommends to the Governor General in Council that he should take steps to establish steamer services in conjunction with State Railway systems wherever feasible."

The scope of this Resolution, Sir, is a very narrow one and there is no need for investigation, for steamers are already plying on many rivers in the country for a pretty long time with great success and competing favourably with State Railway systems. This is amply borne out by the recent disclosures made by the Government that the income derived from goods traffic on the Eastern Bengal Railway is less than the income derived from third class passengers, and I fail to understand why the State Railways should be conducted at a sacrifice of the interests of the country by allowing private companies to divert the goods traffic from these Railways. I therefore commend my Resolution to the acceptance of the House.

THE HONOURABLE SIR GEOFFREY CORBETT (Commerce Secretary) : I should like first, Sir, on behalf of the State Railways to acknowledge the compliment that has been paid to them by the Honourable Mover for their efficiency and solicitude for the public welfare—perhaps, Sir, an involuntary compliment and by implication, but none the less sincere on that account and none the less appreciated—and I should like on behalf of the Railway Board to acknowledge the public confidence in them which this Resolution implies, public confidence in a body which is sometimes in this House unfairly criticised.

Of course there is no objection in principle to steamer services being run by State Railways. In fact, I daresay the Honourable Mover is aware that 40 years ago there were a certain number of services run by the Railways in Bengal ; the most important, I think, were Goalundo to Narayanganj and Goalundo to Sirajganj ; and the last of these was finally withdrawn in 1895. I think it might be worth while for this House to consider the reasons for this withdrawal, because in those reasons they might find the objections to reviving that practice. The reasons for withdrawal were, first of all, that they were found not to be required by the public which were sufficiently provided for by the private companies ; and secondly, the services provided by the Railways in competition with the private companies were found to be unremunerative and so became a charge on the general tax-payer.

As I said, I think these reasons may suggest the objections to this Resolution. The first objection is in the nature of a legal objection, in that it is opposed to the law. Section 51 (*a*) of the Indian Railways Act permits a railway, with the sanction of the Governor General in Council, to " provide and maintain any means of transport which may be required for the reasonable convenience of passengers, animals or goods carried or to be carried on its railway " ; that is, the railway is only permitted by law to carry goods and passengers to or from a railway system, that is, as part of a journey, where it is required ; and it is only permitted to do so when the reasonable convenience of the public requires it ; that is, if sufficient services are provided from other sources, it would not be justifiable under the Railway Act for the Governor

[Sir Geoffrey Corbett.]

General in Council to sanction the provision of services by a railway company. Now, this is not a mere legal quibble; but the law, I think, sets definite and deliberate limits on the activities of railways for very good reasons. Let me put it this way. A railway system is essentially a monopoly which is created with the assistance and by the action of the State. It operates on its own permanent way and has the exclusive use of its permanent way. And for this reason it may be desirable, in the interests of the public, that a railway should be operated by the State; that is, this monopoly which inevitably exists should be exercised by the State under the control of the Legislature. But there are other forms of transport run on public highways, motor transport on roads, steamers on rivers and sea-going ships on the high seas, and these public highways are accessible to everyone alike. Now, if the State Railways were permitted to extend their activities over these public highways, they would, in their own interests and to get a return on the money invested, be forced into severe competition with private enterprise and they might ultimately, with all the resources of the State behind them, destroy private enterprise. Now, it is of course a familiar socialistic conception that all means of transport should be controlled and operated by the State. I am not going to enter into the *pros* and *cons* of this conception. We have to deal with the situation as it now stands and with the law as it now stands; and, as I have said, the law definitely restricts the activities of railways by these two specific limitations,—that is, firstly, any other means of transport operated by a railway must definitely be required for the reasonable conveyance of passengers and goods, and, secondly, they can only operate for the benefit of goods carried or to be carried on its railway. And of course as the Honourable Member is well aware, in the waterways of Bengal goods and passengers travel from one part to another without having been carried and without going to be carried on a railway. I think this House will agree with me that it is quite impossible for the Government to accept a Resolution which is opposed not only to the letter of the law, but also to its spirit and its intention and the policy which underlies it.

The second objection is a financial objection. As I said before, the river steamer services previously worked by the railway were withdrawn, and one of the reasons for the withdrawal was they were unremunerative. Now, it is not very easy for us—this House is probably aware—to raise all the money we require for railway developments if we are going to keep pace with the country's needs. Our railway programme may be restricted by our borrowing capacity; and in India, situated as we are, the State has to find all the capital which is required for railway developments. None is found by private companies, or practically none. So that it is very undesirable that we should limit private enterprise in other forms of transport, and make further drains upon State resources for the development of river transport. Now, perhaps the Honourable Member does not quite appreciate what a vast and costly undertaking these river steamer services are. It is not merely the purchasing of the steamers, it is not merely the provision of landing places. The river must be surveyed, there must be a pilot service, you must put up navigation marks by day and night. All these are provided now by the companies which are operating on the river. But if the State Railways are to enter into competition, it is quite clear that they would have to provide these services, and in addition there would have to be many workshops and whole staffs of employees. It would be a very big undertaking requiring very large capital; just as the existing river companies are large enterprises with a large capital. My point is that, as we are compelled by the nature of the case to provide all the capital for railway development, it is very

12 NOON.

important that we should encourage private enterprise to provide the capital for the development of other forms of transport, and we should not take any action which would discourage and even kill private enterprise in these directions. But in any case, apart from all that, we simply cannot afford to dissipate our restricted resources in duplicating or replacing existing services, which may not be perfect but which on the whole, I think, do, in the words of the Railway Act, provide for the requirements and for the reasonable convenience of passengers and goods.

My two objections to the Resolution can then be summed up as follows. In the first place, it is contrary to the existing law, which places a definite restriction on the activities of railways; and secondly, it is financially unwise and would indeed retard the development of communications in India as a whole, which is dependent on the limited amount of money available; and to that extent it would retard the economic development of the country.

For these reasons, Sir, I oppose this Resolution.

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY: Sir, various objections have been raised on behalf of the Government against my Resolution. I shall deal with some of them. The first objection raised is a legal one. With regard to that, my submission is that, if the Government is so minded, the law can be changed easily and that objection may be removed. As regards the financial ground, my submission is this. The Government cannot both blow hot and cold. When they say that they have failed in competing with private enterprise and they have therefore given up their steamer services, it does not lie in their mouth to say that private enterprise should not be crushed by the State competing with it. Besides, I do not want the Government to monopolise the waterways of the country. I want them to run steamer services along with private companies, and I do not understand why, if they can carry on such services with profit, the Government are unable to compete with them.

Then, as regards cost, my Honourable friend says the cost would be exorbitant. I do not know whether, compared with the railway system, the cost for the steamer services would be still greater, and I would like very much my learned friend to enlighten me on the subject. He mentioned the pilot service and navigation marks. Do the Government not maintain such services for the railways as well? I do not see why the Government should not undertake steamer services as well where railway service is impossible on account of intervening rivers.

I therefore commend this Resolution to the acceptance of the House.

THE HONOURABLE SIR GEOFFREY CORBETT: I think I need only deal very briefly, Sir, with the points raised by the Honourable the Mover in reply. The first is the legal point. I think I made it sufficiently clear in my first speech that it was not a legal quibble which could be removed at will by the Government; but that it was the expression of a deliberate policy of limiting the activities of railways, and that the deliberate policy, the established policy of Government, expressed by law, the law of the Legislature, the law of the land, could not be set aside at will and disregarded in reply to a Resolution.

I understand that the Honourable Mover's second point is this, that the steamship companies are in competition with the railways and are limiting

[Sir Geoffrey Corbett.]

their profits, and therefore the railways should enter into competition with them and destroy them and extend their monopoly over the waterways as well as the railways. I will merely put it to the House: Is that in the public interest?

THE HONOURABLE THE PRESIDENT: The question is:

"That the following Resolution be adopted, namely:

'This Council recommends to the Governor General in Council that he should take steps to establish steamer services in conjunction with State Railway systems wherever feasible'."

The motion was negatived.

ELECTION OF TWO MEMBERS TO REPRESENT THE COUNCIL OF STATE ON THE COURT OF THE DELHI UNIVERSITY.

THE HONOURABLE THE PRESIDENT: Before I adjourn the Council, I would remind Honourable Members, that is to say, the elected Members of this House, that they have been asked this morning to elect two of their number to represent the Council on the Court of the Delhi University. Under the Delhi University Act, No. VIII of 1922, section 18, and the Statutes of the University made under that section, two Members of this House, elected by the elected Members, sit on the Court of the Delhi University for three years, and the terms of office of Mr. Anugraha Narayan Sinha and Mr. Mahmood Suhrawardy are about to expire. I would suggest that it would be convenient for Honourable Members if, after I adjourn the House, they continue to sit in this Chamber and dispose of the business before them.

The Council then adjourned till Eleven of the Clock on Monday, the 18th February, 1929.

COUNCIL OF STATE.

Monday, 18th February, 1929.

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. Charles Cunningham Watson, C.S.I., C.I.E. (Political Secretary).

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY: Sir, I beg to move the Resolution .....

THE HONOURABLE THE PRESIDENT: Order, Order. Secretary.

MESSAGE FROM THE LEGISLATIVE ASSEMBLY.

SECRETARY OF THE COUNCIL: Sir, the following Message has been received from the Legislative Assembly:

"In accordance with Rule 36 (1) of the Indian Legislative Rules, I am directed to inform you that the amendments made by the Council of State in the Bill to alter the order in which certain heirs of a Hindu male dying intestate are entitled to succeed to his estate, were taken into consideration by the Legislative Assembly at their meeting held on the 12th February, 1929, and that the Legislative Assembly have agreed to the amendments."

ELECTIONS TO THE PANEL FOR THE STANDING ADVISORY COMMITTEE TO THE DEPARTMENT OF EDUCATION, HEALTH AND LANDS.

THE HONOURABLE THE PRESIDENT: Nominations for three panels from which are to be constituted certain Standing and Advisory Committees attached to the Departments of the Government of India closed at 11 o'clock this morning. For the Standing Advisory Committee to the Department of Education, Health and Lands six nominations were required. Four nominations have been received, and I have to declare the four following Honourable Members duly elected:

The Honourable Khan Bahadur Sir Ebrahim Haroon Jaffer,

The Honourable Srijut Lokenath Mukherjee,

The Honourable Dr. U. Rama Rau, and

The Honourable Munshi Narayan Prasad Ashthana.

For the two remaining vacancies nominations will be received up to 11 o'clock to-morrow morning.

ELECTIONS TO THE PANEL FOR THE STANDING COMMITTEE FOR THE DEPARTMENT OF INDUSTRIES AND LABOUR.

THE HONOURABLE THE PRESIDENT: For the Standing Committee for the Department of Industries and Labour six nominations were required and six nominations have been received. I have therefore to declare the following six Honourable Members duly elected :

The Honourable Colonel Nawab Sir Umar Hayat Khan,
The Honourable Mr. Kumar Sankar Ray Chaudhury,
The Honourable Khan Bahadur Sir Ebrahim Haroon Jaffer,
The Honourable Srijut Lokenath Mukherjee,
The Honourable Sir Arthur Froom, and
The Honourable Sir Phiroze Sethna.

ELECTIONS TO THE PANEL FOR THE CENTRAL ADVISORY COMMITTEE ON RAILWAYS.

THE HONOURABLE THE PRESIDENT: For the Central Advisory Committee on Railways eight nominations were required and eight nominations have been received, and I have therefore also to declare the following eight Honourable Members duly elected :

The Honourable Mr. Mahmood Suhrawardy,
The Honourable Srijut Lokenath Mukherjee,
The Honourable Khan Bahadur Sir Ebrahim Haroon Jaffer,
The Honourable Mr. Kumar Sankar Ray Chaudhury,
The Honourable Rai Bahadur Lala Ram Saran Das,
The Honourable Sardar Charanjit Singh,
The Honourable Colonel Nawab Sir Umar Hayat Khan, and
The Honourable Mr. C. A. Natesan.

RESOLUTION *RE* REPEAL OF THE INDIAN ARMS ACT.

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY (East Bengal : Non-Muhammadan) : Sir, I beg to move the Resolution that stands in my name which runs as follows :

"This Council recommends to the Governor General in Council that he should take steps to have the Indian Arms Act repealed or brought into line with the law in force in England."

The history of the Arms Act in India, Sir, I venture to submit, is a history of mistrust of the people and failure of its professed object. The policy involved in this Act had been introduced ever since the advent of British rule in India. No other nation had imposed such disabilities upon a conquered nation in the world, and Sir Edward Bayley could cite the case of Ireland only, ruled also by England, when quoting a precedent from Europe. The actual Act restricting the use of arms in India was introduced at a time of panic some time after the Sepoy Mutiny with the object of crushing the freedom movement in India, but

its professed object was the maintenance of law and order. That it has been able to secure the real object for the time being was borne out by the speech of the Honourable Mr. Kincaid when he said :

" In the year 1860 the first Indian Arms Act was passed. That was 58 years ago, and from that time to this there has not been one serious rising in any part of India ",

while the fact of its failure in attaining its professed object of maintaining law and order except at the cost of emasculating the whole nation is amply borne out by the following words of the then Home Member, Sir William Vincent, in his speech on the Resolution of my friend the Honourable Mr. Khaparde :

" To return to the Act of 1860, it was found in a few years after the measure was enacted, that a larger number of cheap fire-arms were being imported and used throughout the country and the consequence of that was that large gangs of armed bandits wandered about the country who became too powerful for the police to cope with. * * It shortly became necessary therefore to impose further restrictions on the possession of arms to preserve law and order."

The original Act of 1860 prevented the carrying of arms without licence, but the Act of 1878 made the possession of arms even illegal without a licence. The Government have thus been forging new fetters from time to time, and in their zeal for maintaining order been casting all principles of law even to the winds, but have they been able to maintain any order in the country unaided by the peaceful nature of the people of India ? Have, when the people are roused, crimes become less frequent, or riots, agrarian or communal, ceased to take place ? Or rather, have they not been more and more on the increase and do they not flare up at convenient moments for the Government at the instance of interested people, as stated by the Honourable Mr. Kincaid, acting behind the rioters ? Have the Government been able to prevent the dacoits from getting arms, or rather have they not been supplied with guns from the stock confiscated from the people by the police and from those held by poor Anglo-Indians so that the law had to be changed to prevent the easy confiscation of guns held by former licensees and to remove the distinction in favour of the Anglo-Indians ?

Instead of being able to confront us with the success of their efforts and with what really has been, the Government try to terrorise us into submission by drawing gloomy pictures of what would have been the result if they had not acted in the manner they have done. The cause of the difference in the law between England and India, Sir William Vincent went on to say, is the difference in conditions between the two countries, namely, that the people in England are more civilised, less prone to violence, and the necessity of avoiding force as a means of determining quarrels is fully recognized. Is it really so ? Are the Indians with their ancient civilisation more prone to violence than the English people ? If that were so, it would not have been an easy matter to disarm them. Is the necessity of avoiding force as a means of determining quarrels less fully recognised in India than in England ? Even Sir John Simon with his vast experience of English litigation was impressed with the enormous amount of litigation prevailing in India. Just as in India there are agrarian riots, so are there poaching affrays in England " in which fire-arms are used " (I am quoting Sir William Vincent) ; but, taking into consideration the difference in area and population between the two countries, can it be said that such riots or affrays are more frequent in India than in England ? And even if it be so, what is the cause of such difference and why are riots like these less frequent and almost non-existent in the Indian States existing co-mingled

[Mr. Kumar Sankar Ray Chaudhury.]

with British India and peopled by the same races, although no such restrictions about the possession of arms prevail there ? If the absence of any such provisions in the Indian States and in other countries of the world has in no way fostered lawlessness in those States and countries, there is no reason why it should do so in British India. Moreover, if one studies the psychology of these riots and assaults a little carefully, especially their latest developments, one cannot but come to the conclusion that they are entirely due to the utterly helpless condition in which the people of British India have been placed by Government by being deprived of their arms. For it is idle curiosity which leads light-hearted people to poke their noses into any small scuffle at a street corner which is the course of all these riots, and when the scuffle has further developed people flock to it in large numbers simply because of the absence of any deadly weapons with them which would otherwise have deterred them from doing so. When afterwards the riots do take a serious turn and passions are aroused, turning light-hearted curiosity into a spirit of angry revenge, there is no longer any open riot, and we witness the gruesome spectacle of secret stabbing and murder in which the ruffians can freely indulge because they know they can fly with safety on account of the people round about not being in possession of fire-arms. The Government have declared themselves powerless with the limited police force at their disposal to control such situations, and have gradually altered the rules so as to allow richer people to possess arms more freely. But how far these rules are being given effect to we do not know. My question on the subject has not been answered by the Honourable Mr. Haig. This, no doubt, has to some extent won the richer people over to the side of Government, but, unless the people as a whole are allowed to possess arms freely, I venture to submit that the situation cannot be tackled at all, because the richer classes will surely never rise so quickly to a sense of civic responsibility in times of rioting and trouble as people less favourably circumstanced. To this the Government object on the ground that they " must retain the power to impose restrictions to prevent arms, and particularly fire-arms, from falling into the possession of lawless and dangerous persons ". But has any such power been thought necessary to be reserved to Government in any other country ? If not, why should the Government ask for any such power here unless it be for the reason that it is a foreign Government and cannot trust the people of the country ? Conceding for the sake of argument that it is necessary to prevent arms from falling into the hands of lawless and dangerous persons, why should not the power to brand persons as lawless and dangerous be vested in the hands of the judiciary rather than of the executive and be subject to appeal to higher Courts, so that it may be open to the executive to bring such cases to them whenever any one asks for a licence and they think he ought to be prevented from getting a gun, under provisions like section 110 of the Code of Criminal Procedure ? Some of my friends on the other hand, I suppose, would like to suggest the wholesale arrest of such persons in times of trouble. But the Government have not the power to do that, and such a procedure without any trial whatsoever will not be tolerated in these democratic days, and I doubt very much the efficacy of such measures. The Goonda Acts passed in some provinces have proved a failure, partly owing to the difficulty of ascertaining who a *goonda* is and partly because they are able to buy off the police. Apart from the question of internal tranquillity, there is also involved the question of the defence of India. My friend the Honourable Mr. Khaparde, when he moved a similar Resolution on a previous occasion, was perhaps misled by the Delhi War Conference, which had taken place some time before, to believe that the Government was " willing to improve this law, or to make alterations

in this law so as to bring it more or less into conformity with the English Act," and he put forward his Resolution because he did not like the subject to be dropped. Otherwise he would not have beaten about the bush simply with his tin canister for the purpose of merely scaring away harmless beasts from his crops. I fail to understand why he did not deal at all with the question of the necessity of arms for " public purposes, that is to say, for national defence or national purposes ", as he called it. The subsequent conduct of Government has cleared away all such misapprehensions and in the present state of international affairs, with the naval superiority of England gradually being equalled by other nations, the Bolshevists trying to hug us in their embrace at our western gate across troubled Afghanistan and China shorn of her embarrassing pigtail and awakened on our eastern frontier, we cannot remain, nor is it to the interest of Great Britain to retain us, in a helpless and disarmed condition if she at all wants to retain any connection with India.

With these words I commend this Resolution to the acceptance of the House.

THE HONOURABLE MR. G. S. KHAPARDE (Berar Representative): Sir, I moved this Resolution in the old Council and there was a good deal of discussion. The general wish was to relax the rigour of the Arms Act; not to do away with it entirely, but to bring it into conformity with the English Act. Various reasons were given which need not be gone into now. The net result of the discussions was that a small informal Committee was appointed and they recommended relaxations and now the Act is much better than it used to be, though still it does not meet all the necessities of the situation. The difficulty is much felt in the mufassil. When you make an application for arms, generally it is referred to the head of the police, and the head of the police sends it to a subordinate and that subordinate to another subordinate until it percolates down to the village constable. Then the village constable's report goes back along the same official trail, and ultimately nobody knows what has happened. Often the petitions are lost. I would like therefore that the Act should be brought into conformity with the English law. I do not go so far as to say that the Arms Act should be repealed and that we should have no Arms Act in the Indian Empire. That is an impossible demand from my point of view. But it ought to be made easier for honest people to get licences and it ought to be difficult only for bad characters to get them. That is really the aim of our Arms Act. But I think, as things stand, that the honest man who applies for a licence has generally to wait for six months and then it is doubtful if the answer will be in the affirmative. But the dishonest man has his own ways of proceeding and he can easily possess himself of arms. So that the bad man who ought not to get arms is able to get them much more easily than the honest man. What I want is that the honest man should be put on the same level terms with the questionable character who can easily get arms now by underhand means. That is my whole contention. So far as one can judge from the English law, it is rather easy to obtain a licence in England and it does not take so much time. Time is often of great importance in this matter of a licence. When crops are growing up wild animals sometimes give a great deal of trouble and do much damage, and the old practice of tying up tin cans and making other noises to scare them away is not of much use, and the result is that before a licence and a gun can be obtained the damage has all been done. So you require something more. A man applies and generally he does not hear anything about his application until the crops are destroyed.

[Mr. G. S. Khaparde.]

I return to my old proposition that it should be made easy or at least as reasonable as it is under the English law and not so prolonged as it is under the Indian law. Sir, I therefore move my amendment :

"That after the words 'Indian Arms Act' the words 'repealed or' be omitted."

The rest of the Resolution stands. Sir, I move my amendment.

THE HONOURABLE MR. H. G. HAIG (Home Secretary) : Sir, the Resolution before the Council presents us with two alternatives, the repeal of the Indian Arms Act or the recommendation that it should be brought into line with the law in force in England. An amendment has also been moved restricting us to the second of those alternatives. I propose, in the first place, to deal with the former alternative, the more extreme, and therefore I hope the more easy to convince the House that it is not really practicable. The Honourable the Mover seemed to contemplate with equanimity a state of affairs in India where every person could supply himself with arms in any quantity, as he pleased. This may be from his point of view an ideal picture, but it did not appear to me that he had really carefully considered the actual facts which confront us in this country. We all know, in spite of what the Honourable the Mover said, that there are elements in the population in India which are essentially not law-abiding. I need only refer to the crime which is unfortunately in many parts of the country still very common, the crime of dacoity, robbery by armed gangs. Well, Sir, what would be the position if every dacoit in India could arm himself with a deadly weapon ? Is it probable that the police would be able to cope with this very difficult crime of dacoity as they cope with it now ? And further, surely the events of the last two or three years have revealed to us all a certain underworld that emerges with savagery during the riots that have unfortunately taken place in some of our big cities. It may be a revelation to some Honourable Members, but at any rate it is a fact that we cannot ignore. Suppose for a moment that in the deplorable events that have recently been taking place in Bombay the rioters and the murderers had been armed with fire-arms instead of with the improvised weapons with which they committed their outrages, does the Honourable Member really think that we should have got through this difficult and dangerous time as easily as we have ? He appeared to suggest—I do not wish to do the Honourable Member an injustice and I am not quite sure that I heard accurately what he said—but as far as I understood him he suggested that if everybody in the population were armed and habitually went armed they would not quarrel with each other, because they would all be too much afraid of the other man. Well, Sir, that is his view ; I think it is too pacific a view of human nature. That is not the experience, that the carrying of arms leads to peace. The carrying of arms, Sir, often leads to war. The restrictions on the carrying of arms are in the interests of the people, in the interests of the decent, law-abiding citizens whom I suppose the Honourable Member represents. I am not sure what peculiar virtue he imagines is to be found in the carrying of arms which is to outweigh these fatal disadvantages. The carrying of arms, Sir, is not ordinarily regarded as a sign of advanced civilization. The Honourable Member will perhaps accept the authority of Sir Henry Maine who once said :

"There is no surer sign of barbarism than the habit of carrying arms, and no clearer mark of an advancing civilization than the gradual disuse of this practice."

I think that that, Sir, is clearly the case. The system of carrying arms and settling our quarrels by ourselves is really the negation of law. We do not

want to produce all over India the conditions that prevail on the borderland of the North-West Frontier.

I turn now to the amendment. The Honourable Mr. Khaparde recognises that certain restrictions on the carrying of arms are necessary, and he merely wants this Council to support the proposal that our law in India should be brought into line with the law in force in England. He referred to the Resolution which he moved on the same lines in the old Imperial Legislative Council in 1918. I read that Resolution with great interest, and one of the things which struck me most was how far we have advanced since those days—a point which I think the Honourable Mr. Khaparde did not perhaps fully recognise, though he gave us credit for having done something. His point then was, and his point I think now is, that the English practice, by which he understood the right of every man to carry arms, subject to negligible limitations, should be introduced in this country. Well, Sir, he assumes that the English practice is necessarily better than the Indian practice. I do not think we need always make that assumption. I think that, while we have much to learn from England, occasionally we are in a position to show the way to England. In the Department of my Honourable friend Sir Geoffrey Corbett not very many years ago the policy of discriminating protection was adopted which probably at the time shocked the more orthodox opinion in England, and yet two or three years later we find England adopting in its own interests almost exactly the policy which India had adopted a few years before. Well, Sir, the House possibly does not realise that in regard to this question of arms, the matter is not so very different. In 1918, the Honourable Mr. Khaparde was urging India to adopt the principles of England. The Government of India thought otherwise, and, while introducing many modifications of their practice, did not abandon their principles. Only two years later, in 1920, the English people, realising the dangers of their own practice, decided to follow ours. In 1920, a Fire-arms Act was passed in England which, I maintain, is based essentially on the principles that are found in our Indian Arms Act. In England a man can no longer claim a fire-arm as an ordinary right. He has to satisfy an officer—and I may mention that that officer is not a Magistrate but a chief officer of police—he has to satisfy the chief officer of police that he is a proper person to be entrusted with arms. And what were the reasons for this change of policy? Precisely those reasons which have always made the Government of India oppose any change in our existing policy. It was found that the crime of robbery under arms had become common. The police were constantly confronted by armed criminals, and this was found in a population which, with all due respect to the Honourable Mr. Kumar Sankar Ray Chaudhury, I maintain is probably the most law-abiding population in the world. Yet that was the effect in England of the unrestricted right of any person to obtain arms. I admit, Sir, that there were grounds for complaint in 1918 as to the manner in which the Arms Act was administered. The procedure for obtaining a licence was often dilatory and uncertain. I think the Honourable Mr. Khaparde has hardly realised the complete change that since that time has come over the administration of the Arms Act, very largely, I think, as a result of the Resolution which he himself moved in 1918. The whole matter was carefully considered by a Committee and a new administrative policy was adopted and enunciated in a Resolution of the Government of India, dated the 21st March, 1919. That Resolution covered one of the main points of complaint, as I have always understood the matter. It said that to persons of approved character and status licences will ordinarily be issued on application and without previous inquiry. And that policy, Sir, was carried further in 1923 when the general definition which was commended

[Mr. H. G. Haig.]

to the attention of Local Governments of persons who should be regarded as being of approved character and status was extended to cover those who were paying Rs. 500 land revenue, any payer of income-tax, and Government servants in receipt of a pay of Rs. 100 a month. Well, Sir, I maintain that that introduced into the administration of the Arms Act an extremely liberal policy, a policy indeed which some of my predecessors might have regarded as even dangerous. I want to give some figures to the House to show them what has been the actual effect of this change of policy. The Honourable Mr. Kumar Sankar Ray Chaudhury made it a matter, I do not say of complaint but at any rate of comment, that I had not furnished him with certain figures in answer to a question he asked the other day. Those figures were not available, but I will give him some figures which are available. I have here before me the figures showing the number of licences in British India in 1921, which was a year or two years after the new policy had been introduced, and in 1927. I will give the House merely those which relate to breach-loading guns, for the great majority of those who have under the new policy applied for licences applied for licences for breach-loading guns. In the Honourable Member's own province of Bengal I give the figures roughly there were 18,000 such licences in 1921. In 1927 there were 36,000 licences. In the Punjab there were, in 1921, 11,000 licences for breach-loading guns: in 1927 that figure had risen to 29,000. The same kind of figures are to be found in all provinces. Burma 7,000 in 1921 and 20,000 in 1927. I do not wish to weary the House with any further detailed recital of these figures, but the total for British India of this one form of weapon only, namely, breach-loading guns, was in 1921 roughly 97,000 and in 1927, 197,000. That is to say, that in these six years, the number of breach-loading guns in British India had been increased by 100,000. I hope that the House will consider those figures as a very striking comment on the new policy that has been adopted in the administration of the Arms Act in the last few years.

I hope, Sir, that I have convinced the House that restrictions on the possession of arms in India are required, and that that principle moreover has been recognised after painful experience even in England. I hope I have shown that the rules have been worked in a liberal spirit and that restrictions have been relaxed to the very limit of what is safe. I hope, therefore, that this Council will have no hesitation in rejecting a Resolution, one part of which is plainly foolhardy and the other part of which, I submit, is superfluous.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN (Punjab: Nominated Non-Official): Sir, whenever a question like this has come before the House I think I have always been consistent. Some of the Honourable Members who come from the South do not realise that there are different parts in this big Empire where people are absolutely different from one another. If one goes still further north, the people are still more different. In my province, Sir, there are so many murders that they will exceed in number the murders in all the rest of India put together. They have not got fire-arms but they have invented certain other weapons which are better than swords, called *chavis*. A *chavi* is a sort of sword tied on to a big club, and it is heavier and more deadly. Many murders and dacoities are committed with them. There are enmities among the people, and instead of removing the animals from the crops, as pointed out by the Honourable the Mover of the amendment, our people try to remove enemies from their houses. That is the difference between the people of the North and South. Directly the War began, two or three districts where there were people of martial spirit got entirely

out of hand, and it was with the greatest difficulty that Government were able to cope with them, for, ordinarily speaking, the police constables in one police station are only eight or ten and they have to cope with a population of thousands in villages where there are no *pucca* roads. If any disturbance is created among warlike people like these and if they also possess fire-arms, I think that without summoning the army it will be very difficult for the police to put affairs right, and perhaps a very large sum of money and double or treble the present police will be required to cope with the situation. All know, Sir, about the Babar Akali menace. When it was at its height every man who tried to come in their way and help the administration was murdered. One hot weather two police officers came to my place and I thought I must have done something wrong and that they might have come to arrest me. But later on I found out that they had letters from the Government that I should at once raise about a squadron of armed police, which I did in no time, and it was with that, Sir, that the Babar Akali menace was put right. We had dacoits whom nobody could get at because they were ex-army people and possessed rifles, and they went on for six months before they were hunted down. So that, if there is no restriction and if arms are given to those who are at the same time poor and can use the arms, I think it will be more or less creating a sort of civil war. I think the House also knows about the present trouble in Afghanistan. They have got rifles and you see day after day how many men are being killed in the conflict. China also has been mentioned, but we know what sort of trouble China has had with these arms. If arms were made common, what will happen ? I think some secret societies—they already exist—would get possession of arms and would so terrorise the officials by killing them one by one that the smooth running of the administration would become very difficult. In these circumstances, especially in my part of the country, I think it will be disastrous to give arms as suggested by the Mover. He says that we should be on a par with England and that we should get those powers which the Parliament possesses in England. If we were on a par with them in other things we would require no Reforms Commission. But if we are not on a par with them in other things, why should we on this particular point be considered on a par with them and why should we, with such a large Empire, perhaps ten or twenty times larger than England, adopt such rules ? Again, Sir, if so many arms were given, already every beast and bird is being removed good or bad, from the country, and perhaps one may now go to some places where one could find some sort of *shikar*, and kill something, but when the arms are made common no sport of any description will be left in the country. It is not really for sport. I think they would simply kill everything which comes in their way and those who are humanitarian and who think that even birds and beasts should not be killed would not support the idea of wholesale arms being placed in the hands of the people. In Bengal itself, from where my friend comes, I think we all know that when pistols or revolvers get into the hands of some hot-headed youngsters, what sort of trouble they create by killing police officials and magistrates and people even in the jails. We had the experience only the other day of one of our best police officers being killed by fire-arms. Even people who are more or less harmless in nature would very soon change to the contrary if they had arms. So I would suggest to the House, from what experience I have of the possession of arms in my part of the country, that they should not hesitate to reject this Resolution.

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY: Sir, I am sorry I cannot withdraw my Resolution. The Honourable Mr. Haig has, I submit, thoroughly exposed the fallacy of the arguments of previous

[Mr. Kumar Sankar Ray Chaudhury.]

Government Members that the condition of India is different from that of England. That the law in England has now been made somewhat similar to that of India shows that the British Government, now that labour is striving for power, is becoming more and more autocratic. That is why I want the repeal of the Arms Act and have asked for its being brought into line with the law in England only in the alternative. There has no doubt been some increase in the grant of licences, but some of this is due to the fact that all persons, irrespective of their nationality, have now to take out licences. As regards the prevalence of riots I have already submitted that the only way of preventing them is to allow people to have arms. I have no quarrel with the observation of Sir Henry Maine. In ordinary times that is perfectly valid. But when times are out of joint it is desirable that people should have arms so as to be able to defend themselves and to prevent riots from taking a serious turn. With these words, Sir, I submit my Resolution to the acceptance of the House.

THE HONOURABLE THE PRESIDENT: The original question was that the following Resolution be adopted, namely:—

"This Council recommends to the Governor General in Council that he should take steps to have the Indian Arms Act repealed or brought into line with the law in force in England".

Since which an amendment has been moved:

"That after the words 'Indian Arms Act' the words 'repealed or' be omitted".

The question is that that amendment be made.

The Council divided:

AYES—10.

Ashthana, The Honourable Mr. Narayan Prasad.	Mukerjee, The Honourable Srijut Lokenath.
Govind Das, The Honourable Seth.	Natesan, The Honourable Mr. G. A.
Jaffer, The Honourable Sir Ebrahim Haroon.	Rama Rau, The Honourable Rao Sahib Dr. U.
Khaparde, The Honourable Mr. G. S.	Ray Chaudhury, The Honourable Mr. Kumar Sankar.
Mookerjee, The Honourable Srijut Rama Prasad.	Zubair, The Honourable Shah Muhammad.

NOES—25.

Abdul Karim, The Honourable Khan Bahadur Maulvi.	Harnam Singh, The Honourable Raja Sir.
Akram Husain Bahadur, The Honourable Prince A. M. M.	Harper, The Honourable Mr. K. B.
Basu, The Honourable Rai Bahadur Suresh Chandra.	Irving, The Honourable Mr. M.
Braidwood, The Honourable Mr. H. L.	Maqbul Hussain, The Honourable Khan Bahadur Sheikh.
Burdon, The Honourable Mr. E.	McWatters, The Honourable Mr. A. C.
Charanjit Singh, The Honourable Sardar.	Mitter, The Honourable Sir Brojendra.
Clayton, The Honourable Mr. H. B.	Suhrawardy, The Honourable Mr. Mahmood.
Commander-in-Chief, His Excellency the.	Symons, The Honourable Major-General T. H.
Corbett, The Honourable Sir Geoffrey.	Thompson, The Honourable Sir John.
Dadabhoy, The Honourable Sir Maneckji.	Umar Hayat Khan, The Honourable Colonel Nawab Sir.
Godfrey, The Honourable Sir George.	Watson, The Honourable Mr. C. C.
Habibullah, The Honourable Khan Bahadur Sir Muhammad.	Weston, The Honourable Mr. D.
Haig, The Honourable Mr. H. G.	

The motion was negatived.

THE HONOURABLE THE PRESIDENT: The question then is:

"That the original Resolution be adopted."

The motion was negatived.

RESOLUTION *RE* RETURN TICKETS ON STATE RAILWAYS FOR THIRD CLASS PASSENGERS.

THE HONOURABLE SETH GOVIND DAS (Central Provinces : General) : Sir, I rise to move the Resolution which stands in my name. It reads thus :

"This Council recommends to the Governor General in Council that he should take steps for the issue from an early date of ordinary and eight-monthly return tickets at reduced rates to third class passengers on all State Railways".

At the very outset, Sir, I want to assure the House that I am not going to take very long to-day and that I will finish my remarks within a few minutes. Two years ago, I moved a Resolution in this very House asking for a reduction of third class fares to the extent of 33 per cent. At that time Sir Charles Innes, the then Commerce Member, opposed my Resolution most vehemently and said that if my Resolution was accepted it would entail a loss of 11 crores of rupees to Railways. He declared that the Resolution was entirely impractical. But what followed ? After one year we find that on many Railways, though not on all, third class fares were reduced by 16 per cent. Things such as these lead us to believe that whatever is brought forward by non-official Members of this House is always deemed impractical, but when the Government wants to do the same thing it becomes entirely practical. Sir, I do not want to conceal the motive which has led me to table this motion. My object is to give as much relief to the poor of this country as possible. Everybody knows, and it has been repeated times without number, that nowhere in the world is there a population so poor as in this country. Everybody knows that there are millions of people who do not get sufficient food to keep their bodies and souls together ; everybody knows that there are millions in this country who have not sufficient clothing to cover their bodies. It goes without saying that the people who travel third class are generally people of this sort. Travel for them is not a luxury. They travel only when necessity compels them to do so. Now, Sir, if we look at the percentages of the various classes of passengers, we find that third class passengers comprise 98 per cent. of the whole. We find the same thing in regard to railway earnings from passenger traffic. A recent report published by the Railway Board shows that first class passengers have paid only Rs. 1,13,71,000 by way of fares. Second and intermediate class passengers have paid about 3½ crores. But, Sir, what third class passengers have paid is eight times more than all the higher class passengers taken together. And what are the facilities which are being given to these third class passengers ? We find a big list of these facilities in this very report. I admit that some facilities have been given ; I admit that fares have also been reduced to some extent, but the question is whether it is satisfactory. I say, Sir, it is not satisfactory. Even to-day a first class passenger gets fourteen times more space in his compartment than a third class passenger....

THE HONOURABLE SIR MANECKJI DADABHOY (Central Provinces : Nominated Non-Official) : How many times more does he pay ?

THE HONOURABLE SETH GOVIND DAS : I was coming to it myself. He pays only six times more. Besides he gets sleeping accommodation which nowhere in the world does a higher class passenger get without paying extra for it. Then, Sir the treatment that is given to these third class passengers is also deplorable. I should like to place before this House my own personal experience in this respect. Once I was waiting at Cawnpore station for a train. I went near the third class waiting room entrance, and I found that the passengers were made to wait there like a flock of sheep. To add insult to injury, I noticed an Anglo-Indian ticket collector saying to another Anglo-Indian who

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also looked like a ticket collector, "Well, this Bharatpur lot has given too much trouble to me to-day, because it has turned up to-day in too big a number and proper punishment ought to be given to it". And the punishment that he proposed was that they should be let out from the waiting room after five minutes of the arrival of the train. On that day I learnt, Sir, that these third class passengers were called "the Bharatpur lot" with contempt and their turning up in a big number and giving more revenue to the Railway Department is also considered to be one of their crimes.

These return tickets which my Resolution demands are given on certain lines to first and second class passengers only, and not to third class passengers. Sir, this year, according to my opinion, is the best year for bringing such a Resolution. We see from the Railway Report that this year has been the best year for the traffic. What do we find in the Report? The gross earnings of State-owned Railways reached the record figure of 104 crores, or an increase of $5\frac{3}{4}$ crores as compared with 1926-27. The net profit which accrued to Government after meeting interest charges amounted to 11 crores as against $7\frac{1}{2}$ crores in the previous year. The total earnings of all Railways including those with which the Government of India are not directly concerned amounted to Rs. $118\frac{1}{2}$ crores, of which Rs. $69\frac{1}{2}$ crores were from goods traffic and Rs. $39\frac{1}{4}$ crores from passenger traffic. There was a large increase in earnings from goods traffic chiefly due to improved earnings from oil-seeds, fuel, metallic ores and iron and steel. Now, Sir, if we see the earnings from passengers we find the same thing. The passenger earnings increased by 1 crore, which is accounted for by an increase of over 18 millions in the number of passengers carried. The increase in passenger traffic is mainly attributed to the stimulus given by reduction of fares. Two years ago, Sir, when I moved a Resolution for reduction of fares to an extent of 33 per cent, the Honourable the Commerce Member said that it would bring a loss of 11 crores to Railways. It is noteworthy that though on certain lines the fares were reduced by 16 per cent., yet the revenues increased by 1 crore of rupees in one year on account of more traffic. And, Sir, this increase is also neither from first class passengers, nor from second class passengers. If we see the number of passengers who travelled first class, we find that it is already reduced: the number of second class passengers has remained the same. There has been an increase in intermediate class passengers and there has been an immense increase in traffic in third class passengers. It clearly shows that on account of the reduction made in third class fares on certain lines, this increase has taken place, and I say, Sir, if return tickets are issued at reduced rates to third class passengers, traffic will still more increase and the loss to Government on account of reduced rates will be more than compensated for by the greater amount of traffic.

Some of my friends told me some days back, when I had a conversation with them on this Resolution, that if eight-monthly return tickets were given to third class passengers, they would probably lose them, because even many first and second class passengers lose them. Well, Sir, the first and second class passengers might lose their tickets, because money is not very dear to them: they can afford to keep these tickets carelessly. But third class passengers who are so poor can never lose their tickets. I have seen, Sir, how carefully they keep even their tobacco in their *chadder* which they wrap round their heads and their match boxes in the pockets of their *mirjai*. Their tickets are very valuable to them and they will never be lost, because their earnings are not by speculation or by such other means. They earn their little money by the sweat of their brow.

Sir, I commend this Resolution to the acceptance of this House.

THE HONOURABLE MR. NARAYAN PRASAD ASHTHANA (United Provinces Northern : Non-Muhammadan) : Sir, I rise to support the Resolution which has just been moved with such lucidity by my friend, the Honourable Seth Govind Das. In supporting the Resolution I have to say a very few words, and my reason for supporting the Resolution is this. On the East Indian Railway very recently week-end return tickets for third class passengers have been introduced. Now, if week-end third class return tickets have become very popular, I see no reason why ordinary and eight-monthly third class return tickets should not become as popular. The week-end return ticket is from Friday, as we know, and ends on the midnight of the following Tuesday. These week-end return tickets are issued at $1\frac{1}{4}$ fares, while the ordinary return tickets at $1\frac{1}{2}$ and eight-monthly return tickets at $1\frac{3}{4}$ fares, and they expire after some time depending on the distances, 18 days, 10 days or 9 days. Therefore, any reason that might be given for not introducing these tickets would equally apply to the introduction of the week-end third class return tickets. Therefore, my submission to this House is that, if the Government come forward with any reason for not introducing these tickets, they would be stultifying themselves, because they have already sanctioned the introduction of week-end return tickets on the East Indian Railway.

THE HONOURABLE RAO SAHIB DR. U. RAMA RAU (Madras: Non-Muhammadan) : Sir, the question before the House is whether the Government are willing to extend the privilege which they have extended to first and second class passengers to third class passengers. We know from the accounts in the Railway Administration Report that third class passengers contribute a large portion of the collections. Such being the case, if any concession should be granted at all, it must be for the third class passengers, because the income from third-class passengers will always be a big amount, eight times the total sum from first and second class passengers. So that it seems to be both unfair and unsound for the railway authorities to grant concessions to first and second class passengers alone. And further, if this concession is granted to third class passengers, the increase in traffic will be enormous. That is proved by the fact that since the recent reduction in third class fares, the income from that source has considerably increased. There is another aspect of the question that has not been brought out sufficiently. It is that there are a large number of servants and poorly-paid employees who are employed in different firms and Government offices in big cities ; many of those working in the Punjab, Bengal and Delhi, for instance, have come all the way from Madras. They have to travel thousands and thousands of miles before they reach home. If this concession is granted, it will be a great boon to them : otherwise it will not be possible for them to visit their distant homes at least once a year, as my Honourable friend put it. If this concession is introduced, it will be a great boon to them and will facilitate their going home and coming back without any inconvenience. And so I appeal to the Members of this House to extend to third class passengers the same privilege which is granted to first and second class passengers of ordinary and eight-monthly return tickets at reduced rates.

With these few observations I support the Resolution of my Honourable friend.

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY (East Bengal : Non-Muhammadan) : Sir, I also rise to give my support to this Resolution, and I have to draw the attention of the House to a fact which has come to my knowledge. It is this, that a large number of people from Bihar every year flock to the northern districts of Bengal for purposes of cultivation,

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and if return tickets are available to them, it will give them a great impetus to go to different parts of the country to avail themselves of such opportunities. It will thus relieve a large amount of unemployment among these people. I therefore submit that these concessions should be extended to them.

THE HONOURABLE SIR GEOFFREY CORBETT (Commerce Secretary): It must be a matter of great satisfaction, Sir, to the Honourable the Mover, and indeed to this Council generally, that the suggestions made by him two years ago, in spite of the vehement opposition of the Commerce Member, were so rapidly accepted by the Railway administration; and if I have to oppose the motion to-day, I hope he will regard it as a good omen of eventual success. It is an interesting question, this question of return tickets, and there are, I think, two difficulties that we have to face. In the first place, there is the administrative difficulty. The Honourable the Mover has already referred to the danger of a man losing his return ticket. Well, I do not know that the Railways are much troubled by that, because he would have to buy another. The difficulty really is this. If you issue a single ticket, it has got the date stamped on it and it can only be used on that date. It is a very good check. But if you issue a ticket for a long period, the return half has no date stamped on it, and there is a danger that, if by any oversight the return half is not given up, it may be used several times. Now, I am not putting this up as an excuse. It is a thing that actually occurs already, I am afraid, in the case of first and second class passengers. I think it is generally admitted that travelling without a ticket is very rife in this country, and the administration of the Railways has to be directed towards preventing it as far as possible. I do not stigmatise this country on this account. I think it is a general feeling all over the world that no moral obliquity attaches to three forms of cheating,—railway companies, income-tax and customs. I think that is generally admitted in all countries, and just because there is no moral sanction against this travelling two or three times over with the same ticket, it is necessary in the interests of the public revenues and the tax-payers generally that no stimulus (to use the word of my Honourable friend) should be given to this form of cheating.

THE HONOURABLE SIR MANECKJI DADABHOY: Is there any difficulty in stamping the return half?

THE HONOURABLE SIR GEOFFREY CORBETT: There is, because it must be stamped on the date of the journey. If he does not give it up, it cannot be stamped. I thought that was fairly clear. If you have a return half, you can always keep it and use it again and again, if it is not given up. And if you have an eight-monthly return, you can use it many times. Until it has been actually stamped, it can never be identified.

THE HONOURABLE RAO SAHIB DR. U. RAMA RAU: It is the same with the first and second class tickets.

THE HONOURABLE SIR GEOFFREY CORBETT: I am afraid it is. As I have already said, it is reported by the Railways that this abuse of the first and second class return tickets is not uncommon. We do not wish to extend the field of it any more than is necessary; and as the Honourable Dr. Rama Rau has pointed out, the third class passengers exceed the first and second class passengers very largely.

THE HONOURABLE SIR MANECKJI DADABHOY : Are you not able to devise any other check ?

THE HONOURABLE SIR GEOFFREY CORBETT : Well, Sir, I would not press this difficulty too far. I dare say some means might be found to overcome it. But there *is* this difficulty. The second point is the question of finance. I was very glad to see that the motion was so worded as to call for *reduced* rates and not *concession* rates, and that the Honourable the Mover, who is a sound business man, made no suggestion that we should make a concession in this matter, but emphasised very strongly that the increased traffic would more than recoup us for the loss incurred by any reduction made. He quoted in support of this view the fact that there had been an increase in traffic as a result of the reduction in single third class fares last year. Naturally there has been an increase in traffic, but I think he is likely to hear from the Chief Commissioner of Railways in his budget speech to-morrow that the increase in traffic has been rather disappointing, not so much as we had hoped, and has failed to recoup us to the extent that we had expected for the loss incurred from the reduction. Well, as the Honourable the Mover has really put it, the Railways have got to run at a profit, at least they have got to pay their way, and this reduction would only be justified if there were a sufficient increase in traffic to recoup the loss. Now, the actual loss has been estimated—I have had it worked out for me—the actual loss from this reduction, if 50 per cent of the third class passengers availed themselves of the privilege of buying return tickets, would be 250 lakhs in a year. That is without allowing for any increase in traffic. Probably it would lead to a net loss of 150 lakhs if there were a substantial increase in traffic—perhaps rather more. Well, that is a considerable sum. I should say that our general policy in the working of Railways is to follow the line which the Honourable the Mover himself laid down two years ago, and that is, to make a general reduction in the single fares of third class passengers rather than make special reductions for return fares. It is believed that that is on the whole to the benefit of the third class travelling community, and also that it acts as a greater stimulus to travelling than any reduction on return tickets. That is the general policy of the railway companies in this matter. But as one of the speakers pointed out, third class week-end tickets have been introduced on certain Railways. It is a very interesting experiment, and we hope that it will result in a stimulus to traffic which would justify a further extension. They are for short periods only—for week-ends—and the administrative difficulty that I mentioned of using a ticket twice or three times over is not likely to arise. The week-end may perhaps be regarded as a peculiar period for third class passengers. We do not expect the third class passenger to develop "the week-end habit" to any great extent. But it is a fact, that in the large towns where the factories are closed on Sundays, if the workers can get out for short distances for the week-end, it is advantageous to them, and, at the same time, they react more sharply to the stimulus of cheaper fares than persons travelling on business. You indulge in pleasure more frequently if you can afford it : if you are travelling on business, you have to go anyhow. Well, as I have said, week-end return tickets are now being issued in certain localities, and its effect is being carefully watched, and I think we can rely on the Agents, with the advice of their Advisory Committees to extend the practice to wider fields, perhaps to ordinary return tickets, perhaps even for long periods, provided some satisfactory arrangement for check can be found. But any extension in this direction must be subject to two considerations, firstly, to the financial consideration, namely, that it must repay itself, not at once perhaps, but over a period, and, secondly, following on the first really, that some means must be devised to prevent the cheating of the

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Railways by using the return half more than once. I hope the Honourable the Mover will not be disappointed in my reply, and will forgive me if I am unable to accept his Resolution that steps should be taken at an early date for the issue of ordinary and eight-monthly return tickets.

THE HONOURABLE SETH GOVIND DAS: Sir, to-day is the first day in this House, so far as I am concerned, that I am willing to withdraw my Resolution. Sir Geoffrey Corbett has really not opposed my Resolution as vehemently as was done by Sir Charles Innes, but has given me certain assurances. As I said, Sir, when I was moving the Resolution, my object in bringing forward this Resolution was to give as much relief to the poor people of this country as possible, and when, Sir, he is ready to consider the matter.....

THE HONOURABLE SIR MANECKJI DADABHOY: I rise to a point of order, Sir. Is the Honourable Member entitled to speak when he withdraws his Resolution?

THE HONOURABLE THE PRESIDENT: The Honourable Member has not yet withdrawn his Resolution. I think he is quite entitled to speak and explain the reason why he is withdrawing. The case of a Resolution withdrawn after a debate is very different from the case of a Resolution withdrawn at the outset.

THE HONOURABLE SETH GOVIND DAS: Thank you very much, Sir. What I was going to say was that my object in bringing this Resolution was to give as much relief to the poor people as possible, and I am glad to see that the Honourable Sir Geoffrey Corbett is willing to consider the matter. Whether he gives them return tickets or sees his way further to reduce the fares does not matter much to me.

Now, Sir, as regards the loss of 250 lakhs to the Railways by issuing return tickets to third class passengers, I might say that it is an exaggeration just as Sir Charles Innes indulged in an exaggeration two years ago. He said, Sir, that 11 crores of loss will be sustained by Railways if a 33 per cent. reduction was made in third class fares. But, Sir, as I said, a 16 per cent. reduction was made on certain lines and there has been an increase in earnings. In that very way, Sir, I think that this 250 lakhs is also an exaggeration.

Then, Sir Geoffrey Corbett said that there has not been as much increase in traffic as the Railway Department expected when the reductions were made. That might be the case, but there is no doubt about one thing, and that is that in spite of the reduction there has been an increase in earnings to an extent of one crore of rupees from passengers.

Sir Geoffrey Corbett has said much about corruption on account of return tickets. I shall be the last person to make a suggestion to make the people more immoral by travelling twice or thrice with the same ticket. With these few words, and in view of the assurances which I have received from the Honourable Sir Geoffrey Corbett, I am willing to withdraw my Resolution.

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

RESOLUTION *RE* BETTING AT RACES.

THE HONOURABLE RAO SAHIB DR. U. RAMA RAU (Madras: Non-Muhammadan): Mr. President, I beg to move the following Resolution which stands in my name:

"This Council recommends to the Governor General in Council that betting at the races within the jurisdiction of the Local Administrations under the direct control of the Government of India be prohibited."

Sir, this Resolution, though restricted in its application only to Local Administrations under the direct control of the Government of India, has a wider significance in that it deals with the whole subject of betting and gambling at the horse races throughout India which has become a growing evil, sapping the morals of the people and undermining the wealth of the country, apart from making the entire Indian nation physically and mentally weak and effete. Betting at the races is a western vice, only very recently imported into our land, and has already caused untold suffering in many a happy home and has led to many suicides, murders and crimes of a nefarious nature, and it is high time, therefore, that the Government should intervene and put a stop to this vice before it gets out of control. The economic evil of betting is too patent to need elaboration. It takes immense sums annually from the national pocket without yielding any positive good in return. In England it has been estimated that peoples' wealth is drained annually to the extent of £300,000,000 on all forms of betting, out of which £170,000,000 go to the pockets of book-makers for which they make no useful return of any sort. There is at least this consideration, that in England, the money betted does not go out of the country, but here in India, except perhaps a small fraction of it, all that money goes into the pockets of foreigners who more freely take part in these games and gamblings than the sons of the soil and who have acquired a more thorough knowledge and gained much greater experience in these parts than the people of this country.

Betting at the races to my mind seems to be another variety of foreign exploitation of which India has long been a victim. No reliable statistics are available as to the exact national drain annually involved in respect of betting in India, but when we consider that in Madras alone the local race club could boast of a net gain of several lakhs every year, the national loss must be considerable indeed. A poor country like India with its annual epidemics and famines, with a major portion of its inhabitants depending solely on agriculture for their sustenance, and with a heavy and oppressive land tax to bear, cannot afford this additional drain, whether it is for the purpose of sport or for purposes of trade. I say for purposes of trade, because this curious explanation was devised some time ago by His Excellency Lord Willingdon, late Governor of Madras, when his race course policy was seriously criticised by me in the Madras Council. He said that racing fostered the trade in horses, and that betting at the races was meant to test the power of resistance of the people to temptations of that sort. I do not know what additional volume of trade in horses the races have brought about and how far the people have stood the test of temptations. We have in Sir Clement Hindley a recent convert to Lord Willingdon's curious theory. Apart from the growing volume of trade expected in horses and the pleasurable pursuit of horse breeding and rearing which racing affords, he finds in racing also the prosperity of the Railways, of which he was the virtual head in India till a few months ago as the President of the Railway Board. Sir Clement Hindley has been peculiarly fortunate in his career. He has left the Railway Board in India to take up a similar position in the Race Course Board in England. The comfort of third

[Rao Sahib Dr. U. Ram Rau.]

class passengers always looms large in his mind, whether he be in England or in India. He takes credit for having done much in the way of draining the poor man's small savings in India by providing him with railway facilities and comfort in order to enable him to attend races with the least possible trouble and inconvenience. He made a notable utterance at the Savoy Hotel recently which is worth quoting here. Sir Clement said :

"There was one problem of railway working which was always prominent- it was the problem of comfort for third class passengers. The Board wants to see racing adopted more for third class passengers of the turf, and as we have found on the railways in India, it is a policy which pays not only politically but as a means of bringing back prosperity to the whole business of racing in the country."

I have nothing to say about Sir Clement's race policy in England, but so far as India is concerned his policy has already made the miserable third class passengers all the more miserable. The poor third class passenger goes to the races not to enjoy the sight but in expectation of a windfall, and he returns a sadder though not wiser man. However much Sir Clement may boast of his railway *cum* race course policy in India before his English audience and gloat over the financial prosperity of the whole business of racing in England, the incontrovertible fact remains that the people of India have been ruined physically, mentally, morally and materially to an unutterable extent already by these races, and unless the Government and the Legislature try to grapple with the serious situation caused by betting at races at once and prevent further ruin, I am afraid that all hope of India's salvation will be lost.

So much for the economic side. On the social evil due to betting and gambling I need not dilate at any length. In the first place gambling among all classes of workers reduces the national output by at least 20 per cent. Secondly, the result of gambling imposes a heavy burden on the whole trading community. Thirdly, betting is beyond all comparison the most fruitful source of crime. Fourthly, betting corrupts every sport it touches. Fifthly, betting is at once a source of violent crime and the means whereby the ranks of violent criminals are recruited. And sixthly and lastly, it is a cause of much demoralization and corruption among the police. These were the conclusions drawn by a violent critic of gambling—a true clergyman, a man of God and a God-fearing man after long and careful study of the conditions existing in England at the present day. He sums up his conclusions in these pathetic words :

"If then gambling wastes wealth, hinders output, injures honest traders, creates criminals, ruins homes, corrupts sport, fosters violent crime and demoralizes the police, surely there is a strong obligation, not merely on every Christian "—

—and may I add, on every Christian Government—

" but on every decent citizen to abstain in every way from this vice and to refuse to countenance or encourage it in any way."

Coming next to the moral aspects of gambling, it must be said that gambling is unquestionably injurious to character. It is a sin against one's own soul, it is a sin against one's neighbour and against society as a whole. Again, Sir, I would quote the words of that great Churchman, the Reverend Peter Green, M.A., Canon of Manchester and Chaplain to His Majesty the King Emperor, from his book on betting and gambling :

" There is as far as I can see only one thing that can be said in extenuation of this vice. The lives of many men and women, we are told, are so dull and dreary under the unnatural conditions of our modern civilisation that they turn to betting as a remedy and

it does yield a little colour, a little excitement, a little real if quickly passing pleasure and relief. No doubt it is a true description of life alike for many of the bored and idle rich and for the depraved and unwashed poor. But as good a defence might be put up on these lines for drunkenness or sexual vice. These things also yield a little colour, a little excitement, a little real if quickly passing and dearly purchased pleasure and relief. But the real recipe for happiness is not to drug oneself with vice, whether by means of alcohol, sexual indulgence or gambling, but to learn the joys of service and to fight in noble battles. In the long run it is more interesting and exciting to fight Satan than to serve him"

Sir, I think I have said enough to convince you about the evils of gambling and betting. There is a mistaken impression in the public mind that the State itself winks at betting in races and so people can freely and with impunity bet and gamble. Such an impression should be removed by the State legislating strongly and completely against betting. It is with that end in view that I have tabled this Resolution. I know that this Resolution may be unpalatable to many, but like the bitter pill it ought to be swallowed if you want to keep the nation healthy and wealthy and save the people from wreck and ruin. The Government of India must set the example and prohibit betting in the areas under their direct control. The Provincial Governments will then follow suit, and with drastic legislation and the creation of a strong public opinion against it by education and propaganda, the betting evil will, I am sure, soon be eradicated and the people will be spared from misery and starvation.

With these words I commend my Resolution for your kind acceptance.

THE HONOURABLE SIR GEORGE GODFREY (Bengal Chamber of Commerce): Sir, I rise to oppose this Resolution on principle, but not because one of my principles is to encourage betting. Far from it. Whenever I come away from a race course with light pockets I feel that I should rejoice if betting were unknown in the world and I mentally consign totalizators and bookmakers to another kingdom. No, Sir, I am not objecting on moral grounds, nor on immoral grounds, but solely because I think opposition is necessary on account of the impracticability of any law which might be passed. A law which can be transgressed so readily is objectionable in itself. It would immediately produce a huge number of law-breakers and criminals. The Resolution recommends a prohibition which is impracticable. It might be possible to stop open, straightforward, honest betting, but until human nature, and in particular the oriental nature is changed, no prohibition can stop gambling or betting. Betting if prohibited on race courses would take place in secret or with veiled publicity, the prohibition would create criminals and would certainly introduce corruption and dishonesty among the police whose duty it would be to ferret out those who were secretly betting. In my opinion, the crime which has been referred to in such glowing terms by the Honourable the Mover would be increased, amongst the police particularly, if such a law was introduced. Moreover, the magistrates and the law courts would be submerged and overcrowded with real and trumped-up cases of infringement of the law. Whatever the moral feeling may be, I regard the impracticability of such a law as overwhelming; and on those grounds and for the credit of this House I certainly oppose this Resolution.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN (Punjab: Nominated Non-Official): Speaking, Sir, from the Muhammadan religious point of view, betting in our religion is prohibited. On that point, I will not proceed any further. But there are two kinds of betting which are not prohibited but even encouraged, and that is betting on horses and betting on shooting. One is meant to get a better breed of horses in order to beat the others. This is more or less from a soldierly point of view so that a man may be able

[Sir Umar Hayat Khan.]

to get away when needed from his enemy or pursue his enemy and catch him. I am a member of the Horse Breeding Society and we have been trying to see various clubs and to encourage races for indigenous horses, and that is only with this aim, that we may be able to breed such horses as may compete well with others. That is for the good of the horses of the country. The other betting about shooting is also on the same principle, that each man should learn to shoot and by competition he may be a better soldier and a better shot. So, directly there is a law made which prohibits us from performing a religious duty, naturally I should object to it, and any Muhammadan who knows about Islam would object on the principle of religion. I am not at all, as I have said, from the religious point of view or other points of view against the Mover, because ordinarily betting and gambling are not good things, but I think in places where they bring revenue to the State they might be allowed. I hear that coursing electric hare in England brings so much money that all the widows of the country get their pensions out of that. That I think we have read in the papers. If a poor man has got no money to gamble with—and as we heard just a little while ago that most of the Indians cannot get food and clothing—I do not think the majority of the population will ever gamble; but those who have got money have got lots of ways to throw that money away when they please, as in gambling dens. (*The Honourable Seth Govind Das*: "There is no harm; it is a very good suggestion.") Especially when I see it from the religious point of view and the point of view of having better horses for regimental purposes or for racing, there is nothing against betting.

THE HONOURABLE SRIJUT RAMA PRASAD MOOKERJEE (West Bengal: Non-Muhammadan): Sir, gambling in general is illegal and therefore anybody who proposes or supports gambling at races has to show that an exception ought to be made in that case. Two arguments have been advanced in England and those also have been advanced in India as to why gambling ought to be allowed at races. One, which has already been referred to, is that horse breeding ought to be encouraged, and unless there is racing you do not encourage horse breeding in the same way as you would otherwise do. To take up this point first so far as we in India are concerned. So far as I am aware, almost all the races in India are run by horses which are imported. How many horses are country-bred that run races in India? I would stand corrected if any Honourable Member could give any information to the contrary.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN: They are increasing daily.

THE HONOURABLE SRIJUT RAMA PRASAD MOOKERJEE: The Honourable Sir Umar Hayat Khan says they are increasing daily, but to what extent are they increasing? So far as Calcutta, Bombay or Lucknow is concerned and as far as I have been able to see from the papers, almost all the races, with one or two exceptions, are run by horses which are imported from outside India. Are we here in India to encourage horse-breeding in places outside India even if we recognise betting to be an evil? The second argument has been that it gives money to the State, but what is the amount that the State actually receives? Is it not infinitesimally small when compared with the colossal amount which is lost by the nation at large and which is made by the book-makers and by the Turf Clubs? I do not know much of the Turf Clubs, but recently I saw a report of the Calcutta Turf Club. What fabulous money is at the disposal of that Turf Club and for what purpose is it used? Is it used for any part of the national development of the country?

THE HONOURABLE SIR MANECKJI DADABHOY: They spend a lot of money on charities.

THE HONOURABLE SRIJUT RAMA PRASAD MOOKERJEE: Sir, the Honourable Sir Maneckji Dadabhoy is correct in saying that a portion is spent on charities. Again I ask, how many lakhs and lakhs are made out of race courses and what small portion is given out to charities? If for the purpose of having a few thousands for charity we are to support a crime of this character—I would regard betting as a crime—I would be the last man to support betting at the race course. We in India had never any betting at races before the advent of British rule here. Sir Umar Hayat Khan has stated that according to his *Shariat* betting is allowed on horse races. I plead ignorance of his *Shariat*, but certainly he has not stated that a religious benefit would accrue to the man if he bets on the race course; he has not and cannot put it that way. From the economic point of view, from the social point of view, betting at the races has been creating havoc in every part of the country. People who live in the southern part of Calcutta know to what extent betting at races has permeated to every stratum of society,—how people who cannot earn their living, who cannot feed the members of their family both times in the day, how even students in their teens go to the race course week after week on the offchance of getting something. But in attempting to get something from the race course the majority of the people lose there; for the simple reason that if a person pays one rupee or five or ten rupees and gets ten to twenty times over from the race course by staking that sum, for every person who wins there must be a hundred or five hundred others who must be losing thereby, and that is certainly economic wastage. I would strongly support the proposition which has been moved by the Honourable Dr. Rama Rau.

THE HONOURABLE MR. H. G. HAIG (Home Secretary): Sir, I should like to invite the attention of the Council to the actual terms of the Resolution moved by my Honourable friend because I cannot help thinking that some of the speeches have travelled a little widely. He recommends to the Governor General in Council that betting at the races within the jurisdiction of the Local Administrations under the direct control of the Government of India be prohibited. The Honourable Dr. Rama Rau denounced in strong terms betting and racing and gambling in general, and in particular referred to the evil effects in Madras, and as far as I understood him made some reflections on the present activities of Sir Clement Hindley in England. Well, Sir, I am not taking a purely technical point against the Honourable the Mover when I remind him of the terms of his Resolution. He has drawn his Resolution in these terms because the subject—the regulation of betting and gambling—is a provincial subject and this Council can only directly deal with matters within the jurisdiction of the Local Administrations under the direct control of the Government of India. But, Sir, why is the regulation of betting and gambling a provincial subject? The regulation of theft and murder is not a provincial subject. We do not leave it to the provinces to decide whether theft or murder is a crime. The very fact that the regulation of betting and gambling is a provincial subject shows that in the judgment of Government betting and gambling are matters to be regulated more or less in accordance with local facts and circumstances. They are not necessarily outside the moral pale and that is my first point of disagreement with the Honourable Dr. Rama Rau. They have to be looked at with reference to their effects. The principle which I think guides legislation in India on this subject is that, wherever betting or gambling is felt to be doing real harm, there legislation is introduced in the interests of the community. But it has never been accepted as a principle that betting is in

[Mr. H. G. Haig.]

itself an immoral thing. Only in its effects it may have evil results on the community. I would refer to the Public Gambling Act which is in force in the areas mentioned in the Resolution,—and similar Acts are in force all over India. That Act is a permissive Act. It may be applied locally in certain areas where betting or gambling is likely to have evil effects on the population. It may be applied in towns or in places in the immediate vicinity of towns. But it does not apply without special notification even to towns. It is only where there is felt to be an evil that the Act is applied. I would not like the Council to think that I am not alive to the evils that may be produced by betting or gambling. In my earlier days it was very often my duty as a magistrate to try cases under the Gambling Act, and I was well aware of the public opinion that there was against gambling and of the evil effects on certain portions of the population who indulge in this practice. But with regard to the actual matter before the Council, the question we have to ask ourselves, I suggest, is whether in these particular areas betting at horse races has become a serious evil that should be regulated by legislation. I had expected when I came here this morning that the Honourable Dr. Rama Rau had perhaps been prosecuting his researches into this matter, in time unfortunately denied to me, by attending the races in Delhi last Saturday. But I heard no reference to any such experiences. In fact, he gave us no practical instances at all of the evil which by this Resolution he is suggesting should be prohibited. Where betting or gambling really leads to abuse, the public opinion in this country is not slow in asserting itself and drawing the attention of the authorities. I know myself that at Agra, opium-gambling was a great scandal, and it disturbed public opinion there very seriously. It was admitted on all hands that it was a matter to be dealt with by legislation, and special legislation was introduced to make *satta* or opium gambling, rain gambling and such things illegal. In the same way in this very city of Delhi, I notice that in 1916 the Chief Commissioner wrote to the Government of India drawing attention to the same evil of opium gambling and he said :

"I have received constant representations from respectable Indians of Delhi City regarding the prevalence of opium gambling and the evils consequent on the presence of a number of shops for this form of wagering."

Well, Sir, my point is this, that where an evil that requires remedy is present, there representations are made to the Government and Government take action. In this case no representations have been made, and I cannot help feeling that my Honourable friend's Resolution, so far as the particular areas to which he refers are concerned, is a theoretical Resolution, and that really what he wants us to do is to suggest to Madras or to Bombay that they should prohibit betting within their jurisdictions. Well, Sir, in these areas if the matter is really a serious evil, public opinion may be expected to assert itself. Actually I believe in Bombay some years ago it was felt that betting at races required regulation and legislation was introduced. I think, Sir, we must leave the Local Governments to deal with their own problem, and as no case has been made out for action within the particular jurisdictions under the Government of India, I would invite this House to vote against my Honourable friend's Resolution.

THE HONOURABLE SRIJUT RAMA PRASAD MOOKERJEE: In Calcutta at least the race course is within the Fort area and under the jurisdiction of the military authorities.

THE HONOURABLE MR. H. G. HAIG : I think, Sir, it is under the jurisdiction of the Bengal Government.

THE HONOURABLE RAO SAHIB DR. U. RAMA RAU : Sir, the Honourable Member opposite has admitted that gambling is bad and betting is bad, but he says that we have not brought forward any specific cases. It is not possible to bring in specific cases either in Delhi or in any other place because it requires a good deal of working and tact. It is for the purpose of handling such cases that we want Government to take some steps either by enacting a law or by taking some other safeguards to prevent betting. My sole object was to draw the attention of the Government of India to the evil of betting not only in Delhi alone but also all over India. In Madras there is an impression going round that the Government are in favour of betting at horse races because successive Governors used to attend the races in State. That gives the impression outside that the Government also is a party to it. So, my object in bringing this Resolution was that the Government must come out with their opinion, whether they approve of betting at the races or whether they do not approve of it, and if they do not approve of it, let them say that gambling is bad, that betting is bad and that they do not like these things, and I withdraw the Resolution. But in the observations of my Honourable friend opposite there is nothing to indicate whether the Government of India approve of it or disapprove of it. If he assures me that the Government of India disapprove of betting at the races, certainly I have no objection to withdrawing the Resolution. Otherwise I will press the Resolution to a division.

1 P.M.

THE HONOURABLE THE PRESIDENT : The question is :

"That the following Resolution be adopted, namely :

'This Council recommends to the Governor General in Council that betting at the races within the jurisdiction of the Local Administrations under the direct control of the Government of India be prohibited'."

The motion was negatived.

STATEMENT OF BUSINESS.

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH (Leader of the House) : I promised, Sir, to make a statement of the business for this week, to-day. To-morrow, as Honourable Members are aware, the Railway Budget will be presented. A motion will then be made by the Honourable Sir Brojendra Mitter that the Presidency-towns Insolvency (Amendment) Bill be taken into consideration, and if that motion be carried, that the Bill be passed. As there is at present no other official business which can be placed before the House there will be no meeting of the Council on the 20th or 21st February. Thereafter the House will meet on Friday the 22nd when the general discussion of the Railway Budget will take place.

The Council then adjourned till Eleven of the Clock on Tuesday, the 19th February, 1929.

COUNCIL OF STATE.

Tuesday, 19th February, 1929.

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

MEMBER SWORN.

The Honourable Sir Frederick Austen Hadow, Kt., C.V.O., (Chief Commissioner of Railways).

ELECTIONS TO THE PANEL FOR THE STANDING ADVISORY COMMITTEE FOR THE DEPARTMENT OF EDUCATION, HEALTH AND LANDS.

THE HONOURABLE THE PRESIDENT: Two further nominations have been received to fill the two vacancies on the panel for the Standing Advisory Committee for the Department of Education, Health and Lands. I have therefore to declare the Honourable Sardar Charanjit Singh and the Honourable Srijut Rama Prasad Mookerjee duly elected to that panel.

THE RAILWAY BUDGET FOR 1929-30.

INTRODUCTORY.

THE HONOURABLE SIR AUSTEN HADOW (Chief Commissioner of Railways): Sir, I rise to present to the Council a statement of the estimated revenue and expenditure of the Governor General in Council for the year 1929-30 in respect of Railways.

2. Since the Budget for the current year was put before the Council a year ago, we have had an appreciable expansion of the mileage of Indian Railways. The additional mileage opened in the year 1927-28 was 699 miles as compared with 421 miles in 1926-27; in the current year we hope that a total additional mileage of about 1,300 miles will have been opened by the end of March 1929 and the total mileage of Indian Railways may, therefore, amount to over 41,000 by the end of this financial year. These figures represent the mileage of all Indian Railways—that is, they include the mileage of railways owned by Indian States, Companies and District Boards. The additional mileage actually financed from the Budget and expected to be opened during the current year will, it is hoped, be about 1,090 miles, bringing up the total State-owned mileage to over 29,500.

3. Moreover there has been an addition to the mileage managed by the State for, since the Burma Railways Company was bought out by Government on the first of January 1929, the working of this railway system has been taken over by the State, so that there are now five systems

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the East Indian, the Great Indian Peninsula, the North-Western, the Eastern Bengal and the Burma Railways, owned and worked by the State. There are five other important railways, in which the State owns the greater part of the capital, worked by Companies under contract, and there are yet others in which distinct parts are owned by Government and the Companies. The Budget figures are derived from the results of working all the above lines, but are also affected to a minor degree by the working results of certain other Company-owned Railways, on which Government has guaranteed a certain return on capital and is entitled to a share of surplus profits, when earned.

4. For more detailed information in regard to the ownership of different parts of the Indian Railway system, I would refer those who are interested to Appendix A of the Report on Indian Railways, Volume I, for the year 1927-28 which has been published recently. I would remind the Council, also, that a distinction is drawn throughout the Budget figures between commercial lines and strategic lines. The North-Western Railway system includes an appreciable mileage of strategic lines on the North-West Frontier, which are treated separately in the accounts, as the interest on their capital cost and the loss incurred in working them are met from the General Revenues. Having given the Council this brief descriptive sketch of the railway system of India, I will now proceed to the real business of the day, namely, the results of our working of it and our estimate of revenue and expenditure for the year 1929-30, but I would explain that in my remarks generally the figures, which I shall quote, will be for the commercial lines only, for, as I have just explained, the figures of earnings and working expenses of strategic lines are treated separately, and they form an insignificant part of the whole.

Actuals for 1927-28.

5. Considering first the final results for the year 1927-28, it will be seen that the anticipated results, as estimated a few weeks before the close of the year and put before this Council twelve months ago, were not far wrong. Our actual total receipts from commercial lines amounted to nearly 104¼ crores of rupees, about half a crore more than the revised estimate figures, while our working expenses were in excess by ¾ crore as we had not allowed sufficiently for the cost of moving a traffic so much higher than our original estimate, and certain unexpected adjustments had also to be made. The result was, therefore, that our net gain from commercial lines was 1,254 lakhs, 22 lakhs less than the revised estimate, and after meeting the loss on strategic lines we paid 6,28 lakhs as our contribution to general revenues and added 4,57 lakhs to the railway reserve. This, however, is past history now and I will pass on to the revised estimate for the current year.

Revised Estimate, 1928-29.

6. The gross earnings of the current year, as a whole, are considerably better than we expected when preparing our original Budget a year ago. It will be remembered that at that time we estimated that, if the reductions of rates and fares then announced were not introduced, the total receipts might be expected to amount to a little over 105 crores from commercial lines. But we calculated that the reduction of those rates and fares would have the effect of taking 2 crores off this figure, and we

therefore estimated our probable total receipts at about 103¼ crores. We have now increased the figure in the revised estimate to 105¾, which is about 2 crores higher than the actuals for 1927-28. The railway systems mainly responsible for the improvement in earnings up to the end of January were the Madras and Southern Mahratta Railway, the Bombay, Baroda and Central India Railway and the Great Indian Peninsula Railway.

7. Our passenger earnings during the current year have been somewhat disappointing, and under this head we have found it necessary to cut down our Budget figure by 36 lakhs, making it slightly below the actuals for last financial year. This traffic has not in fact responded as quickly as we expected to the reductions in fares introduced last year. The goods earnings, on the other hand, are expected to be ¾ crores higher than we estimated, and 2 crores more than in 1927-28. As indicated in paragraph 5 of the Budget Memorandum, all the principal commodities have contributed to this result except coal and coke. I shall refer to the question of the coal traffic again presently but it is noticeable that in the first seven months of the current financial year we had nearly as good an increase in total goods ton mileage over the similar period in the year 1927-28 as we had in the latter year over the year 1926-27. In the months April to October 1928 the increase was 377 million, or almost 3·2 per cent.

8. As I have shown, we have been able to anticipate a good increase in earnings in the current financial year. This will not, however, result in higher net receipts, for our original estimate of working expenses during the current year is likely to be exceeded by 2 crores. We have put this figure now at 64⅔ crores, which is 1⅓ of a crore higher than the final figure for 1927-28. The increase is under the heads Administration, Operation and Depreciation ; under the first two it is accounted for largely by extra provision for staff on lines newly opened, and for working a heavier traffic on existing lines. The fuel bill, however, which comes under the head " Operation ", shows a reduction by about 9 lakhs in spite of the additional train mileage run and, although this is partly due to a lower price being paid for market coal, it is also attributable to the fuel economy campaign which is being pursued. The higher figure under Depreciation is, of course, accounted for by the large addition to capital expenditure. The estimated expenditure under Repairs and Maintenance is almost the same as last year, but it is worth noting that the cost of keeping our rolling stock in repair is expected to be 14 lakhs less than in 1927-28 ; this, following on the marked decrease in such expenditure in 1927-28, indicates that further satisfactory progress is being made in our workshop methods.

9. The final result then of the year's working, so far as we can estimate it at present, is likely to show 105¾ crores as our total receipts from commercial lines and total charges amounting to just over 95 crores, leaving a net gain of 10,71 lakhs, which is 183 lakhs less than last year's surplus, but 7 lakhs more than our original estimate for the current year. Of this surplus, 180 lakhs are required to meet the loss on strategic lines, the figures for which call for no particular remarks, general revenues will receive 5,46 lakhs and 3,45 lakhs will go to the railway reserve which, on this anticipation, will amount to 19,30 lakhs at the close of the year.

10. In these circumstances and following up the action which we took twelve months ago in examining what reductions of rates and fares might be expected to stimulate traffic and quickly make good to us the initial loss that is involved in making such reductions, we have again considered what should be done in this direction. As before, we first looked into the question

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of passenger fares. During the current year, as the Council are aware, we have brought into effect reductions of third class passenger fares on all the State-managed Railways, except the Eastern Bengal Railway where the circumstances were special and needed more careful examination. We have now decided to reduce the third class passenger fares for the longer distances on this railway, as we have done on the others, to an extent that would cost us about 8½ lakhs in earnings if no increase were to result. We hope, however, to get a quick response and we estimate the loss in earnings next year due to this reduction at 5 lakhs. We shall also make reductions in rates for the carriage by goods train of fresh fruit and vegetables on the North-Western, East Indian and Eastern Bengal Railways, and reductions in rates for forest produce on the Eastern Bengal and Great Indian Peninsula Railways. These are naturally not to be considered of first rate importance, but probably every one will agree in considering it of first importance to reduce rates for coal, and we have come to the conclusion that the time has come to make a further reduction in these rates. Throughout the current year we have been making a careful examination of the present rates for the carriage of coal, coke and patent fuel, and, in view of the benefits which we can expect to get from the stimulus which cheaper coal will tend to give to up-country industries, we believe that the reduction we propose on coal rates for long distances, though it will no doubt mean an immediate decrease of earnings, will come back to us within a short time. We do not propose to alter the existing scale of rates for distances up to 400 miles, but only the scale for distances over 400 miles. Under the latter scale the rate for the first 200 miles which is 0·15 pie per maund per mile will remain as it is. For the additional distance above 200 miles we propose to reduce rates appreciably on the State-managed Railways (except the Burma Railways), and we hope the Company-managed Railways will adopt the same scale. Our proposals are that, instead of the present rate of 0·07 pie per maund per mile which obtains for coal carried for distances above 200 miles up to 500 miles and 0·06 pie per maund per mile for the additional distance beyond 500 miles, we shall charge a rate of 0·06 pie per maund per mile for the additional distance beyond 200 miles up to 400 miles, and a rate of 0·05 pie per maund per mile for the distance over 400 miles. As an instance of the effect of this, I may mention that the reduced rate from the Jherria coalfields to Lahore will be about Rs. 1-4 less per ton than the present rate. It will be seen that the reduction is an appreciable one, and we estimate that if it were to give us no increase in coal traffic it would cost us 62 lakhs in earnings per year. It has been calculated that these reductions in rates and fares taken together will probably cost us 65 lakhs in the next financial year even after allowing for the immediate increase of traffic which they may be expected to produce.

Budget Estimate, 1929-30.

11. We now come to the Budget estimate for next financial year. As usual we must assume for present purposes that we shall have a fair monsoon, but we have estimated for a smaller increase both in passenger miles and in goods ton miles than we did a year ago and have allowed for the drop in earnings mentioned just now as the estimated effect of the reduced rates and fares. We have thus arrived at a figure of 105½ crores for our gross traffic receipts from commercial lines in 1929-30, as compared with our revised figure of 104⅓ crores for the current year, and altogether, adding on to

our traffic receipts the interest on balances of Depreciation and Reserve Funds, on investments and our share of profits, etc., from subsidised Companies, we get a figure for total receipts amounting to 107⅓ crores as compared with 105¾ crores, our revised estimate for the current year.

12. In calculating our working expenses for next year, we have estimated that our expenditure under the head "Administration" will be the same as the revised figure for the current year, that we shall spend 40 lakhs less under "Repairs and Maintenance" and 13 lakhs more under "Operation". The net result is a decrease of 27 lakhs, but the decrease would have amounted to 55 lakhs if we had not made a special provision of 28 lakhs, 10 under "Administration" and 18 under "Operation", for improving the service conditions of our lower paid employees. As explained in paragraphs 21 and 23 of the Budget Memorandum, we propose to undertake a thorough examination into this matter, and we have already taken preliminary steps to this end. If the proposal to add a new member to the Railway Board is agreed to, it will be one of his duties to conduct this enquiry, but it must be recognised that the enquiry will take some time and that the provision of 28 lakhs for the purpose of ameliorating such conditions of service is little more than a guess at what may be required. We hope to make a further saving of 17 lakhs in the cost of repairing our rolling stock, and about 35 lakhs on our fuel bill, the latter being partly due to the favourable contracts we have recently let for market coal, but more so to the advantage we shall ourselves derive from the reduced coal rates I have previously referred to. With the further increase in our Capital account next year, our payment to the Depreciation Fund will rise by 58 lakhs and our Interest charges by 97 lakhs, and the total charges we expect to have to meet next financial year will amount to 96 crores, or about one crore more than those in the revised estimate of the current year.

13. On our anticipations, therefore, of total receipts amounting to 107⅓ crores and charges slightly over 96 crores, we arrive at a net gain from commercial lines in 1929-30 of 11¼ crores, about half a crore more than we expect to get in the current year, but 1¼ crore less than we made in 1927-28. After setting aside 1¾ crores to meet the estimated loss on strategic lines, and paying 6¼ crores to General Revenues, we shall have left 3¼ crores to appropriate to the railway reserve, which, if our estimates are fairly accurate, will have a balance of about 22½ crores on the 31st March 1930. By the same date it is estimated that our depreciation fund will amount to over 13½ crores.

Capital Expenditure.

14. Turning now to our Capital Budget, I explained twelve months ago the arrangement we had been following, under which each railway was allowed to include in its approved programme works involving expenditure during the year somewhat in excess of what we expected they would spend. I also showed that, as the Engineering organisation on the various railways improved, this over-allotment was becoming less necessary. During the current year Railways have in fact made such good progress with sanctioned works that we now expect them to spend about 26 crores against our Budget estimate of 24 crores. As I have already indicated, we anticipate that during the current year nearly 1,100 miles of new lines, financed from the Budget, will be opened for traffic, and it is here particularly that quicker progress has been made than we anticipated, for our rather cautious estimate of twelve months back mentioned 800 miles as the mileage to be opened during the year.

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15. The most important new line opened throughout during the current year is the north to south connection from Balharshah to Kazipet through His Exalted Highness the Nizam's dominions, which it was originally hoped to open by the end of last financial year. This was not financed from the Railway Board's Budget, but will be such a valuable line in shortening a journey between North and South India that it must be mentioned. Of Budget lines opened during the year or expected to be opened, I would mention as most important the Daltonganj Barkakhana line, 114 miles long, known as the Central Indian Coalfields Railway, the Kangra Valley Railway in the Punjab, 103 miles long, and two important chord lines Villupuram to Trichinopoly, 108 miles, and Dindigul to Pollachi, 75 miles long, both in South India. Most of the other new lines opened are short branches or extensions varying in length from 10 miles to 50 miles.

Capital Budget, 1929-30.

16. In framing our Capital Budget for 1929-30, we have attached great importance to the idea that all possible efforts should be directed to the pushing forward of open line improvement schemes and new lines, which have already been started, so that they may be completed and begin to justify the expenditure on them as early as possible. We have therefore, in consultation with Agents, arranged for their programmes to be prepared with this main object in view and have avoided, as far as possible, allotting funds for the inception of new works until most of the others can be completed. Moreover, we are satisfied that the large over-allotments, which we found it necessary to make in recent years, are now unnecessary and on a proposed Capital expenditure of 26½ crores in 1929-30 we have only allowed an over-allotment of 65 lakhs.

17. On open lines we propose to spend 18,17 lakhs, of which 601 lakhs will be on rolling stock, and on lines under construction and new lines an expenditure of 8,33 lakhs is estimated. In Appendix I, attached to the Budget Memorandum, there is a great deal of detailed information about the items of works and rolling stock which work up to the figure of 18,17 lakhs expenditure which it is proposed to incur next year on our open lines, and the programmes of the individual railway administrations are shown, as usual, in the pink books. I will not weary the Council with detailed remarks about various individual works shown in the Programme, but I should like to make a brief explanation in regard to the headings under which the expenditure is classified. It is hardly necessary for me to invite the attention of the Council again to the need for strengthening the track and bridges on all the more important routes, in order that we may be able to move our increasing traffic with safety, economy and efficiency by means of heavier and faster trains which require heavier locomotives to work them. We have provided 3,30 lakhs for this purpose in 1929-30. It would be obviously uneconomical not to pursue this policy while we have some sections in a route which are not up to standard, for improved working cannot be made altogether effective on an improved section until the adjoining sections are also strengthened. But it would be incorrect to give the impression that it is only under the heading of "track and bridges" that increase of capacity is the object of expenditure on our open lines. In fact the ultimate object of nearly all the open line expenditure analysed under different heads in paragraphs 5 to 7 of Appendix I of the Budget Memorandum is this. The provision of 2,36 lakhs under the heads

"Doubling" and "Electrification", covering the improvement of the Madras suburban lines, and the conversion to electric working of the Great Indian Peninsula Railway main lines from Bombay to the top of the Western Ghauts, is designed directly to obtain increased capacity and more economical working. Expenditure under "Remodelling of Yards" (1,60 lakhs) and "Workshops, etc." (1,42 lakhs) is perhaps not quite as clearly aimed at the same object but is really just as necessary to allow of full advantage being obtained from the work done under other heads. And so with the remaining heads, they all connect up together as bits of the machine, though some of the amenities for passengers fall into a somewhat different category.

18. The 601 lakhs allotted to Rolling Stock in the Budget provide for the entire cost of additional locomotives and vehicles and also for the capital portion of the cost of modern type locomotives and vehicles which are to be obtained in replacement of old and worn out ones. On the Broad Gauge we do not propose to add to the authorised stock of locomotives, but to purchase 146 modern locomotives in replacement of old ones which are out of date and uneconomical to keep in repair. All these 146 will be new standard engines of six different types. For the Metre Gauge lines we propose to get 154 new engines, of which 29 will be additions, and 126 of these will be of the new standard types. It will be seen then that out of a total of 300 new engines included in next year's programme, 257 will be of our new standard types, an indication of the value of Standardisation, for as these engines are required for seven Broad Gauge Administrations and for seven Metre Gauge Administrations there would almost certainly have been a very much larger number of types ordered if there had been no standardisation. I might mention that with the addition of these 257 the total number of new standard engines that have been ordered will rise to 606, the year 1929-30 being the fourth programme in which they have appeared.

As regards Coaching Stock, we have included 314 broad gauge and 334 metre gauge units (one bogie carriage reckoning as two units), of which 194 and 210 units respectively will be additions and we have shown 1,353 broad gauge and 2,148 metre gauge goods wagons, of which 758 metre gauge units will be additions. These wagon figures are, it should be noted, exclusive of all special types of goods stock, such as oil tanks, rail and timber trucks, etc., etc. Approximately 3,500 carriage-underframes and wagons included in the 1929-30 programme are to be built to the new standard designs. I would bring to the notice of the Council the large proportion of our new rolling stock which is allocated as renewals, *i.e.*, in replacement of worn out stock of inferior and obsolete types. The debit to our depreciation fund on this account in the year 1929-30 is estimated at 461 lakhs.

19. Among the construction projects, for which provision is made in 1929-30, we have several large ones already in hand, which require heavy allotments of funds if they are to be pushed on with vigour. I will mention a few of these. First, there is the Raipur-Parvatipur project, designed to connect the Central Provinces with the East Coast near the new Harbour of Vizagapatam to which we have allotted 90 lakhs. The aim is that this line and the new Harbour shall be completed at about the same time, for the financial success of each is dependent on the other. Then we have provided 77 lakhs for the Calcutta Chord Railway and Bally Bridge, 50 lakhs for the Lucknow-Sultanpur-Zafarabad, 50 lakhs for the Minbu-Pakokku project, west of the Irrawaddy in Burma, and 50 lakhs for the main line bridge over the Irrawaddy at Sagaing. There are six other projects (two on the South Indian Railway, one in Sind, two in Lower Bengal and one on the Great Indian Peninsula Railway) which require allotments of 25 lakhs or more.

[Sir Austen Hadow.]

20. A complete list of the construction projects in hand and to be started (we hope) in 1929-30 will be found in Appendix I of the Budget Memorandum. The only new line of major importance, which we propose to start next year, is the Dacca-Aricha cross connection in Lower Bengal, for we desire, as mentioned above, to concentrate effort on the completion of the projects, some of them very large ones, which are already in hand. During the course of next year we hope that we shall add new mileage, not far short of 600 miles, to our open lines. The most important of these are the Guntur-Macherla branch, 80 miles long, in the Madras Presidency south of the Kistna River, the Qilla Saifullah-Fort Sandeman Extension along the Zhob Valley in Baluchistan, 89 miles long, and a section of 83 miles at the south eastern end of the Raipur-Parvatipur Railway.

21. As regards future developments of our railway system, the Council are, I think, aware that it is a definite responsibility of each of our big railway administrations to consider possibilities of new railway extension within its sphere of influence and our Agents have, therefore, a number of further investigations in hand, which are naturally in different stages of progress. Since the Budget for the current year was presented, we have come to the definite conclusion that a new broad gauge connection from Karachi to Agra cannot be considered at present, as the return we should get on the heavy capital expenditure involved would be very small indeed. There are, however, one or two other big projects as well as many little ones which appear to look promising, the most important being the Bombay-Sind connection which may, I venture to hope, find a place in the programme before long.

22. Before I close my remarks on the Capital Budget I must mention one other matter. During the current year Government has bought out the Burma Railways Company at a cost of 4 crores. Notice has now been given to the Southern Punjab Railway Company of Government's intention to purchase the lines owned by them at the end of December next. This will cost us just over 7 crores and bring the total Capital Budget up to 33½ crores. It is anticipated that this will increase our net annual revenue by 47 lakhs, but in addition there will be important administrative advantages to be gained by the transaction.

23. I will not detain the Council much longer. Meetings of our Standing Committees on Standardisation of the various kinds of equipment continue to be held at regular intervals. I have already shown what a large proportion of our orders for rolling stock against 1929-30 is for locomotives, carriage-underframes and wagons of the new standard designs. As regards wagons, we have not got on as quickly as we hoped with the design of a high capacity coal wagon suitable for mechanical loading, and I am afraid we cannot expect to see any of these wagons in service before the end of 1930. The new Standing Committee on Stores Standards and Specifications will, it is expected, hold its third meeting next month. An event of some importance to Indian Railways has lately taken place in the establishment of a Calcutta branch of Messrs. Rendel, Palmer and Tritton, our Consulting Engineers in London. There are many ways, we anticipate, in which this branch will be able to assist our work.

24. Our publicity propaganda continues to grow in new directions, and some of the results obtained are very decidedly encouraging. On certain lines, such as the Eastern Bengal and Great Indian Peninsula Railways, students' specials, bazaar specials, and third class conducted excursions are apparently

creating an entirely new traffic. The Great Indian Peninsula Railway received so many demands for students' specials during the last X'mas holidays that they had not sufficient stock to meet them. We are further satisfied that one of the best ways of encouraging railway travel amongst the illiterate masses is by means of Cinemas, and as all the State Railways have now provided themselves with Cinema cars, the number of free Cinema displays given during the current year has been very great. On the Railway side also we have made progress especially in the 'safety first' line. A further recent development has been the out-turn of a third class pilgrim tourist car by the North-Western Railway, which was recently on view in our Publicity Exhibition close by. This car will, we hope, be found suitable for marriage parties and for parties attending places of pilgrimage. A similar metre gauge car on the South Indian Railway has met with a very favourable reception by the public, and we hope that those constructed by the North-Western and East Indian Railways will also be freely used.

Our Publicity Bureau in London has become so popular that it has been decided to take premises of our own and we are now in negotiation for the opening of a similar Bureau in New York. There can be no doubt of the value of the foreign tourist traffic to India and there are distinctly good signs of this improving under the Publicity campaign which is now being carried on in Europe.

I hope that some of the Honourable Members of this Council were able recently to visit the Exhibition, which the officers of our Publicity Department organised, and have been able to realise from it the extent of our activities in this line.

25. I have indicated, Sir, how our railway system is growing, and how our earnings are steadily improving. We have been able to show at the same time that the annual cost of keeping our rolling stock in repair has decreased in the last two years and that we hope for a further decrease next year. Moreover, we are carrying through our repairs more quickly so that rolling stock spends less time out of use and this means less capital expenditure on additional stock to carry the increasing traffic. We are also reducing our fuel consumption per unit of work done, and in other ways, as we know by our statistics, our operation work has noticeably improved. I do not mean to suggest that we shall rest satisfied with these results or that there is not ample scope for further improvement and progress; I can assure the Council that we try to keep our eyes open to any possible means of obtaining still better results in all ways. There are other matters on which I should have liked to speak in order that I might give the credit that is due to the various grades of our staff for their continued efforts, but I hope, Sir, that the results we have been able to show will be considered satisfactory by this Council, and that I have not wearied Honourable Members unduly by the length of my remarks.

PRESIDENCY-TOWNS INSOLVENCY (AMENDMENT) BILL.

THE HONOURABLE SIR BROJENDRA MITTER (Law Member): Sir I move that the Bill further to amend the Presidency-towns Insolvency Act, 1909, for a certain purpose be taken into consideration.

Sir, as I explained last week, the scope of the Bill is to extend the period for the declaration and distribution of the first dividend by the Official Assignee from six months to a year. Six months' time has been found to be much too

[Sir Brojendra Mitter.]

short, and the Madras Government proposed to legislate in the Provincial Council to extend this period to a year. The Government of India thought this was a matter which concerned other places than Madras, and this Bill has therefore been introduced in the Central Legislature.

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 SIR BROJENDRA MITTER: Sir, I move that the Bill be passed.

The motion was adopted.

The Council then adjourned till Eleven of the Clock on Friday, the 22nd February, 1929.

COUNCIL OF STATE.

Friday, 22nd February, 1929.

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 SETH GOVIND DAS (Central Provinces : General) : Sir, I would have been very much delighted if I could have seen my way to congratulate the Honourable the Commerce Member and the Chief Commissioner of Railways on the Budget they have presented to this House. Sir, in spite of the best efforts made by the Honourable the Commerce Member, I think the Budget which we have before us is not a satisfactory Budget. Congratulations in the other place have been showered upon the Honourable the Commerce Member for the greater earnings of Railways which he has shown in this year's Budget. But, Sir, if we see the earnings from the financial point of view, and if we go somewhat deep into the matter, we find that the position is altogether different. The earnings should be judged from the percentage of the profit which we derived from the capital and not from the lump sum of the earnings, which have been shown in the Budget. Now, Sir, as regards the profit on the capital, if we see the figures we find that in 1924-25 the total mileage of the railways was 27,324, the income per mile was 37,407, that is, 5·85 per cent. To-day, that is in 1929-30, we find that the actual mileage of the railways has gone up to 30,000 and the income per mile has decreased to 35,666 and the percentage is 5·39. When they go on increasing the mileage, the lump sum in the earnings will naturally go up, but we have to see whether this increase is according to the mileage of the railways ; and if we see the mileage of the railways we find that in fact the earnings have gone down and have not increased. Half per cent. looks a small amount ; but on 700 crores of capital this becomes about 3½ crores and therefore it is in fact a big loss. It will be said, Sir, that this decrease is on account of reduction in fares. In this respect, first of all, I have to say that the reduction in fares has not been appreciable and then the reduction which has taken place in the fares is more than compensated by increased traffic. Therefore, Sir, this argument has no legs to stand upon. However, I do not mean that Railways should go on earning more and more and give 19 per cent. dividend to the State or to the private companies, as has been done by the Bengal and North Western Railway. In England there is a Standard Revenues Act that controls the affairs of railways which belong even to private companies. Here, Sir, the railways belong to the State and we in fact want such a kind of law in India. The point which I wanted to make was that the jubilation which has taken place in an unusual degree on account of the increase of the earnings of the railways is without reason, because, as I have just pointed out, the earnings from the financial point of view have actually gone down.

[Seth Govind Das.]

Now, Sir, as regards the new proposals in the Budget, we find that these proposals are also not so sound and cannot be said to be beyond dispute. The first proposal is for the appointment of a new Member on the Railway Board and it is said that this new Member will specially look after the affairs of labour. Rupees 64,000 per year have been demanded from us for this expenditure and we have been assured that this Member will look after the interests of 8 lakhs of labourers who are working on Railways. To me it seems, Sir, that Government have tried to kill two birds with one stone. They want to provide somebody with this big job and at the same time they want us to support this proposal, because this Member is going to look after the affairs of labourers. In fact, Sir they have tried to place us on the horns of a dilemma. If we sanction this amount, Rs. 64,000 per year, there will be an additional burden on the public of this country, and if we do not, then Government will accuse us and say that we did not stand by labour. Sir, this is not a novelty with the Government. They have always tried to place us on the horns of a dilemma. When they wanted the 1*s.* 6*d.* ratio, they said that this ratio would be beneficial to the labouring classes and we found that the capitalists and labourites were about to quarrel. When we wanted to reduce the salt duty, they came forward and said, " If you want to reduce the salt duty, provincial contributions cannot be remitted ", thus they seem to amuse themselves at our expense by always placing us on the horns of dilemmas. But, Sir, thanks to the Government, we have also become used to face these. If we think that the appointment of this new Member will be a useless burden on the public of this country, we will not hesitate to reject this proposal. My submission is, Sir, that if the Government really care for labour they should appoint a Director or a Deputy Director under any present Member on the Railway Board. Sir, the task of looking after labour is not of a technical nature and it is not required that a man on such a high salary should be appointed to this office. (*An Honourable Member :* " Question ".) But, Sir, if the Government have decided to create a new job, for God's sake let them not do it in the name of labour.

The second new thing which we find in the Budget is the reduction of third class fares on the Eastern Bengal Railway. In this respect I have to urge that this is only a piece of belated justice. On several State Railways third class fares have already been reduced and this is only a thing which was overdue.

Sir, on the 18th instant, when I moved a Resolution in this House for the reduction of third class fares the Honourable Sir Geoffrey Corbett assured me that the Railway Board had launched on a policy of reduction of third class fares and that they would do as much in this respect as possible. I thought that this year, which according to them was a prosperous year for Railways, they would reduce third class fares on all lines, but to my entire disappointment I find that only on one line has the fare been reduced and that too over long distances. Many times I have said that third class passengers do not travel for luxury. They travel for necessity and their necessity does not take them to long distances. We find that third class passengers travel roughly for three purposes. Firstly, for their business, and they have no business concerns in Bombay, Calcutta, Karachi or Rangoon ; their business headquarters are in their own districts and they go to these headquarters either for purchasing or for selling things or for litigation, and these district headquarters are not far off from the places where they actually live. The second purpose for which these poor people travel is for social visits, such as marriage or condolence, and I may point out, that these places also are not far from the places where they live. The third object of their travel is pilgrimage, and I admit that this

object takes them to long distances. But, Sir, if we go a bit deeper into the matter, we find that on pilgrimage too they do not travel at a stretch. They break their journey at all intermediate stations where there is a place of pilgrimage and they do not stay there for a day or two but for weeks. Therefore these long journeys also break up into small travels. Sir, as I have said so many times and as many Honourable Members have said in this House and in the other place, the reduction of third class fares is not beneficial to the poor people of this country unless and until they are made for smaller distances, because the poor people of this country do not go to long distances, and we find that in this Budget the reduction for small distances has not been made.

Now, Sir, as regards the facilities which are given to third class passengers I have more than once said in this House that they are far from satisfactory. Writing in *Young India* recently, Mahatma Gandhi said :

" Now that I have resumed third class travelling after many years, my eyes are opened to the fact that the condition is about the same that ruled five years ago. Third class carriages and especially latrines are just as dirty and unkempt as they ever were. ..... Then, there is the larger question of improvement in accommodation by the construction of more and better carriages. This no doubt involves considerable expense. But as it is the third class railway traffic which is the most paying part of railway administration, it is due to that vast travelling public that at least a minimum of comfort is insured for them."

Sir, I hope this year the Railway Board will see its way to look after the comforts of and facilities for third class passengers.

Now, Sir, the third new thing which we find in this Budget is the reduction in freight on coal and forest produce, and I have to mention that here too the position is not very satisfactory. As far as my province, the Central Provinces, is concerned, it is full of forests and what we have to pay to send our timber to Calcutta by the East Indian Railway is much more than what the Burma people have to pay for the timber which they export to Calcutta. The result is that the Burma timber which is sold in Calcutta becomes cheaper than the Central Provinces timber which is sent from the Central Provinces to Calcutta. I hope, Sir, that the Railway Board will see that more reductions are made on the East Indian Railway for this forest produce.

One thing more, Sir, and I have done, and that is about the capital outlay on the Railways. In this respect, I have to speak about my own province. The Central Provinces is a province which needs more communications for the development of its industries. These are some of the lines which are wanted in the Central Provinces as soon as possible : Jubbulpore to Damoh *viâ* Singrampur, 69 miles ; Bilaspur to Mungali and then on to Mandla, 70 miles ; Mandla to Dindori and on to Birsingpur in the Rewa State, 108 miles ; and Jukehi on the Great Indian Peninsula beyond Katni to Bijiruhogarh, Barhi to Chandia on the Bengal Nagpur Railway, 80 miles. In Berar the following lines are required : Akola to Hiverked and on to Khandwa, 96 miles ; Amraoti to Mosi and Narkhed, 72 miles ; Khamgaon to Khikli and Jalna, 114 miles ; and Akola to Basim and to Hingoli, 92 miles. These lines total about 700 miles. The last two have some connection with the Hyderabad State and the Railway Board will have to consult the Nizam's Government about it. What I want to submit is that the Railway Board should do as much in this respect as possible.

In conclusion I beg to mention, Sir, that what we want is a reduction of expenditure and the Indianisation of the Railways. Now, if we look at the present Budget, we find that it has not been improved in this respect. At the same time, we want that facilities and as large reductions and concessions in fares as possible should be given to the poor people of this country

[Seth Govind Das.]

Sir, as this has not been done in the present year, I am not in a position to congratulate the Honourable the Commerce Member and the Chief Commissioner of Railways on the Budget which they have presented before this House. Of course, I admit that the Honourable Sir George Rainy has tried his best to do as much as possible, but our disappointment is keen to find that his efforts did not bear the fruit which we expected they would bear. Sir, I have done.

THE HONOURABLE SIR MANECKJI DADABHOY (Central Provinces: Nominated Non-Official): Sir, I rise to offer a few observations on the Railway Budget. In doing so, I entirely disagree with my Honourable friend Seth Govind Das when he states that he is not able to see his way to congratulate the Railway Administration on the presentation of this Budget. I never expected a member of the Congress Party and an absentee landlord to appreciate the magnitude of a great commercial undertaking such as our Indian Railways.

THE HONOURABLE SETH GOVIND DAS: I am interested in commerce also. I am not a landlord only.

THE HONOURABLE SIR MANECKJI DADABHOY: My friend has stated that he is disappointed with the small percentage of the railway earnings, and he thinks these earnings are not compatible with the large sums involved and comprised in the railway assets. My friend brought forward a Resolution only the other day for the reduction of third class railway fares. To-day he is dissatisfied with the small percentage of the railway earnings. My friend has failed to appreciate that he cannot blow hot and cold on the same occasion.....

THE HONOURABLE SETH GOVIND DAS: I think both things can be done at the same time.

THE HONOURABLE SIR MANECKJI DADABHOY: He forgets that an increase in railway earnings is incompatible with a general reduction in freights and rates.

THE HONOURABLE SETH GOVIND DAS: May I point out, Sir, if the Honourable Member will give way, that last year considerable reductions were made in third.....

THE HONOURABLE THE PRESIDENT: The Honourable Member is attempting to make a second speech.

THE HONOURABLE SETH GOVIND DAS: Only a minute, Sir.

THE HONOURABLE THE PRESIDENT: The Honourable Member knows quite well that at this stage, having once made a speech, he can only offer a personal explanation. It does not seem to me that he is attempting to do that. Sir Maneckji Dadabhoy.

THE HONOURABLE SIR MANECKJI DADABHOY: Sir, I desire only to point out that the Honourable Member has taken up a most incompatible and indefensible position. (*The Honourable Seth Govind Das*: "Question.") He has also said that he is disappointed with the increase. I will just refresh

his memory with a few small figures. In 1927-28, the railway surplus over the expenditure, or in other words, the net gain was 12½ crores. In 1928-29, the railway earnings were 10¾ crores and if the expectations of the Railway Administration prove correct, the railway earnings for 1929-30 will be about 11½ crores.

THE HONOURABLE SETH GOVIND DAS: Read the mileage also.

THE HONOURABLE SIR MANECKJI DADABHOY: In matters like this we can only take about three years' average. The total earnings during these three years have been 33¾ crores, giving us an average figure of 11½ crores. I want my friend to point out to me any undertaking in any part of the world as a parallel to our Railway Administration. If my friend was acquainted with the history of the Railway Administrations of other countries he would not have made the observations which he has made to-day. I know it has been the fashion to attack the Railway Administration of Government. I remember in my early Parliamentary life I used to hear so often that ever since the Railways were being constructed in this country, the railway policy of the Governmment of India was wasteful and extravagant and that expenditure on sanitary works and education was starved (*The Honourable Seth Govind Das*: "Even to-day it is right.") and money was diverted to the Railways. My friend ought to know what an examination of the figures shows to-day. We have capital assets of Rs. 700 crores to-day which are equal to about £500,000,000, and on this we receive this income. Not only that. We have not spent all the 700 crores. We have not raised on loans entirely all these 700 crores. During the last five years we have provided capital expenditure from our earnings, and in the early years of the railway policy and programme we raised loans at 3½ and 4 per cent. and we have built up a fine system of railways in India which is giving to-day, even according to my friend's lowest figure, an income of 5·39. Sir, this is not a small matter to be depreciated, and I have not the slightest doubt that the railway policy which has been steadily pursued is one which is an absolutely wise one, and I congratulate the Railway Member and the Chief Commissioner of Railways and Mr. Parsons, the Financial Commissioner, on the great achievements which they have been able to obtain.

Sir, in this connection I will briefly refer to the question of reserves. We have already built up with the end of this financial year a reserve of 19½ crores. If the expectations of the Honourable the Commerce Member prove true, by the end of the next financial year we shall have built up a reserve of Rs. 22½ crores. I am fully aware that the primary object of building up this reserve is for the purpose of making sure our payment of the fixed charge under the Convention to the general revenues. That was really the main and primary object of the reserve. I entirely agree that every possible endeavour should be made to build up and maintain a good and substantial reserve, but I wish to ask the Railway Administration to consider at this stage and see whether this policy of building up reserves is to be indefinitely pursued or to be brought to a standstill when a proper figure is reached which will ensure us against all difficulties and which will enable us regularly to pay up the fixed charge to the general revenues. Sir, my examination and my study of the Railway Budgets for the last five years have convinced me that these reserves are becoming somewhat unduly high. I thoroughly appreciate the anxiety of the Government of India to build up a substantial reserve, but I think that when the reserve has attained and accumulated to a figure of about Rs. 30 crores, it would be time to halt for the simple reason that during the last five

[Sir Maneckji Dadabhoy.]

years it was only on one single isolated occasion that we had to withdraw money from this Reserve Fund. If my memory is correct, it was in 1926-27 that we withdrew the paltry sum of Rs. 7 lakhs only to make up the fixed charge which was due to the general revenues on that occasion. On no other occasion have we drawn any sums from the Reserve Fund, and I feel that further increases in these reserves mean further delay in making suitable reforms and in reducing rates and fares as are essentially necessary for the more popular working of our Railways. I hope my Honourable friend the Commerce Member will understand that, in making these observations, I do not deprecate their efforts in any way. I fully realize that it is an insurance against straitened or unfavourable financial circumstances in the future. But, at the same time, I think that as the Committee is now sitting to consider whether the Convention needs any alteration or not, it is time for the Government of India to give this matter their very careful consideration. Sir, in this connection I have only one word to say about the loss on strategic railways. I shall not raise to-day the question whether our losses on strategic railways should be wholly borne by the Indian exchequer, but as we are losing about Rs. 1,75,00,000 annually on these railways, I would request the Honourable Member to ascertain if no further economies can be made in the working of these strategic lines, because it is essential that India should be protected against this heavy perennial loss. I realize that these lines are absolutely necessary for safety and for maintaining peace all over India, but, at the same time, I consider that the expenditure on these lines should be strictly restrained and economies practised as far as possible.

Sir, I congratulate the Railway Board on the reduction in coal freights. It is a belated measure of concession, but, at the same time, I feel it will be very highly appreciated by the country at large. The last reduction in coal freights was made in the year 1926 and very welcome and substantial reductions have now been made. My argument is that these reductions will not affect railway revenues in any way. In 1926, after the reduction was made, taking the case of the East Indian Railway for instance, the tonnage carried in 1927-28 increased by 31 per cent. and the earnings of that Railway from coal increased by 33 per cent. I am sanguine that similar results will follow the reductions now made. Though, as pointed out by Sir George Rainy, there will be an initial loss on account of the reduction of coal freights of 53 lakhs, I have not the slightest doubt that my Honourable friend the Railway Member will tell a different tale next year.

Sir, with regard to general reductions in rates and fares, I also appreciate the work which has been done in the past by the Railway Administration. In order to restore general solvency to the Railways, it was found necessary some years ago to raise considerably the rates and fares to a much higher level. The result of that was an all-round decided increase in our revenues. The time has now come when a further substantial reduction is necessary. We must endeavour with the increase of Railway rates to go back as near as possible to the pre-war rates and fares—the increase still varies from 30 to 60 per cent. on different Railways which is undoubtedly high. Unlike my friend Seth Govind Das, I shall even be satisfied if the Railways only yield a revenue of 5 per cent. You cannot in the case of a sound commercial undertaking look forward to huge and speculative dividends. You can expect a huge speculative dividend only in the case of a speculative concern in which you are just as liable to lose money. In the case of a commercial undertaking like our Railways, if they give us a return of only 5 per cent., it will be a matter for congratulation, not

only to the administration, but the country at large. I shall welcome at further reduction in third class fares and also for short distances. Reductions in the rates for parcels and luggage must be also considered and effected. In this connection I would raise an important point, and in doing so I do not wish to do any injustice to the Railway Member and his brilliant staff of Railway officers who have done such wonderful work and who have done their best in considering the diverse claims for reduction in rates and fares ; but I think it would conduce to the smoother working of the railway machine and would restore confidence in the Assembly and the opposition party if some statutory provision like the Railway Act of 1921 in England is introduced in this country. What I mean is that we ought by Statute to fix the limits to which Railway Administrations can raise rates and fares. This has been done successfully in Great Britain. The circumstances there are a little different, and there may be in India no necessity for such legislation in the case of our State-managed Railways, but we must not forget that, besides the four State-managed Railways in this country, there are many railways which are owned and managed by Companies and there are also railways owned by District Boards. It is, therefore, essential that there should be some statutory provision restraining Railway Administrations from the imposition of arbitrary and excessive rates and fares. This matter is worthy of consideration, and I trust the Government of India will take into consideration at an early date the enactment of legislation of this kind.

Sir, I wish to say a few words in connection with the appointment of a fifth Member of the Railway Board, and, disagreeing again with my friend Seth Govind Das. I congratulate the Railway Administration on their frankness and courage in coming forward before this House and the Assembly and asking for the appointment of a fifth Member, and confessing at the same time that the present administration of the Railway Board is not in a position to meet its future obligations and responsibilities with efficiency. Sir George Rainy has made out an unanswerable case in his speech in the other House in which he has referred to the difficulties he has to contend with. I will not go into the details of the question, but will only read out a passage from Sir George Rainy's speech which ought to convince every Honourable Member here of the necessity and importance of this new appointment. He said :

" For the last two years the work of the Railway Board has been under my close observation and what I have said reproduces the impression left in my mind by what I have seen. It has become more and more clear to me that the general Member is being asked to perform impossibilities, and that it is idle to expect that any one man should possess all the qualifications required for dealing with the various aspects of his work."

This is quite enough for me. I would accept Sir George Rainy's statement with implicit faith in a matter of this character. Sir George Rainy has proved during the two years that he has held this office that he has not been wanting in keeping a constant eye and supervision in regard to all matters where economy could possibly be effected, and when he comes before this House and implores us for the appointment of an additional Member on the ground that his Department, as at present constituted, is not in a position to cope with the work, I consider it simply foolish on the part of anyone of us to object to the appointment of this new Member. (*The Honourable Seth Govind Das* : " Question ".) My friend says that this is going to involve us in an expenditure of about Rs. 6,000 a month. I know it is going to involve us in an expenditure of Rs. 75,000 a year. I quite admit that. What is Rs. 75,000 when you consider the great advantage and the efficiency of the Railway Administration ? I believe that if we agree to the appointment of a new Member, the Railway

[Sir Maneckji Dadabhoy.]

Administration will be carried on in such a way as will bring us increased revenue, it will be a source of strength to the Railway Administration, and I therefore cannot understand why, for a paltry sum of Rs. 75,000, we should turn down a proposal which has been deliberately made and put forward before this Council after due deliberation, not only by the Railway Member, but by the Government of India who have also accepted the recommendation. Sir, it is said that the new Member will be entrusted with numerous railway problems which have arisen of late. It is perfectly true that in the past three years labour problems have amazingly grown in number, importance and complexity. I quite understand and I appreciate the difficulty of the Railway Board. We all know that during the last twelve months strikes on the Bengal Nagpur Railway, strikes at Jamshedpur, strikes lasting for nearly six months in Bombay and discontent among the low-paid employees of the Railways have entailed a great deal of anxiety and personal work and trouble on the Railway Administration, and if we can help to alleviate that trouble to a certain extent and obtain more efficiency and greater despatch in the disposal of railway questions, I think it would be a reasonable thing for us to agree to such a proposal. (*The Honourable Seth Govind Das*: "One more Member will be the panacea for all ills!") Sir, if the scheme materialises—and I hope it will materialise and I hope the Assembly will have the good sense to accept this proposal, though the Standing Finance Committee for Railways have refused to accept it, I hope it will be accepted—in that case I urge and pray that the best available man with competent knowledge of Indian labour conditions and with a good intellectual and moral backing will be selected. I am decidedly in favour of the best man being selected for this work, but, at the same time, I would request the Railway Administration that if an Indian gentleman of such qualifications and ability is obtainable in this instance, he will be appointed on the Railway Board. I have no doubt that in the various Railway Departments of Government there are some distinguished and fully qualified Indians now serving who have given great satisfaction, and, provided all things are equal, provided a man with such suitable qualifications is obtainable, I again do hope and pray that he will be appointed. That will be quite in consonance with the wishes of the Assembly who have times out of number asked for the appointment of an Indian Railway Member; but, at the same time, I must warn the Government, I hope they will not be weak enough to appoint an Indian politician on this Board. We do not want politics to be imported into a big commercial undertaking like the Railway Administration. We want the Railway Administration to be free from politics altogether. We do not want a man from outside, from the public life of India with political bias to occupy such a post, import his political bias into the commercial business of the country and thus ruin and disorganise a well-arranged and well-conducted department as it is existing to-day. It will be a fatal error for Government to make.

Sir, I will not weary the Council with any further remarks. I will only ask my friend Sir George Rainy to enlighten this Council about the promise that was made some years ago regarding the use of contractors for the purpose of carrying out railway construction works in India, to what extent it has been fulfilled and has materialised. I personally believe that railway construction work can be done more economically by the appointment and delegation of such work to contractors than departmentally. There is a certain amount of wastage connected with departmental working, and I hope this policy will be strictly enforced in all future works of new construction. I should also like to have from him a little information on another point. Two years ago they had employed nine men from engineering colleges and eight from those who had gone

to England for their training in the Railway Department. I wish to know how far that experiment has proved a success. I am anxious that the Railway Board should carry out the decision of Government, based on the recommendation of the Lee Commission, so as to permit of recruitment of 75 per cent. of vacancies in India. Sir, I shall not detain the Council any longer. I shall only, in conclusion, say that I whole-heartedly join in paying my tribute to a band of loyal and indefatigably hard-working officers of the Railway Board who have contributed to the success of this Budget.

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY (East Bengal: Non-Muhammadan): Sir, the principal topic for discussion in this year's Railway Budget, if I may say so, is the addition of a Member to the Railway Board. That labour needs personal interest and looking after, as has been expressed by His Excellency the Governor General, and that the existence of a Department is necessary for it need not be questioned. But is there no such Department as Labour under the charge of the Honourable Sir Bhupendra Nath Mitra? If so, what is the need for the creation of a separate Department for the Railway Board? Moreover, will not the creation of such a Department under the Railway Board cause an overlapping and clash of jurisdiction between the technical, general and the proposed establishment Member of the Railway Board, for under everyone of them there will be employed a large number of subordinate staff, whom the Government do not certainly propose to place under the control and supervision of the establishment Member independently of the particular Members concerned? Even if it be necessary to create a separate Department under the Railway Board for railway establishment, I do not find any justification for the provision of a separate Member for this Department. The office of the Chief Commissioner of the Railway Board is a sinecure post. As the term Board suggests, he is the *primus inter pares* among the Members of the Railway Board, so that he is not their head, and although his superior the Commerce Member and His Excellency the Governor General and the Prime Minister of England are all in charge of some Departments or other, he is in charge of no Department. He is merely "the recognised adviser of Government in all railway questions", different branches of which are in charge of more competent Members of the Board of almost equal status and with special training. I therefore think that he should be placed in special charge of either the General or the proposed Establishment Department instead of a new Member being added to the Railway Board.

I shall now briefly deal with some other aspects of the Railway Budget. The Railway Budget for the year now ending discloses a gloomy state of things so far as the condition of the country is concerned. No doubt the traffic in grains and ground-nuts has somewhat increased, but this, I think, is due to the failure of crops in certain parts of India and the consequent necessity for carrying food crops to those parts; and that the traffic in ground-nuts has largely increased indicates that the people have been forced to live more upon them than upon proper foodstuffs. Although the export of coal shows no falling off, the internal traffic in coal and kerosene, two of the necessities of life with the people, has fallen off. People employed in the coal trade have been crying themselves hoarse over the freight policy on coal, but the Government have been making a very tardy and belated response to it. The coal purchase policy of the Government Railways is also without any principle. Where private and Indian enterprise is largely existent in the country, as in the case of the coal trade, the Government do not hesitate to compete with them by opening railway collieries of their own, but where no such enterprise exists in the country as in the case of steamer communication, it will not do so, simply

[Mr. Kumar Sankar Ray Chaudhury.]

because it would interfere with the interests of big steamship combines of foreign countries, although every civilised country is trying its best to prevent the creation of such combines for the exploitation of the people. The partiality in this respect is all the more invidious in this country because the Government here are committed to a policy of nationalisation of the communications, unlike in England where Railways are almost wholly run by private enterprise. As regards the purchase of stores, on the contrary we find the policy is well defined and whatever the principle might be, partly through the policy of purchasing stores in this country and partly through doing it in England, the actual practice has always been to purchase British goods, whatever the cost might be, instead of creating the field for their production in this country. The wagon industry scandal some time ago has amply exposed such policy and so also that of the production of locomotives and bridge-building materials. The Government no doubt show that a large quantity of stores is purchased in India, but that most of it is raw material admits of no doubt and would, if possible, have been purchased in England instead of in this country, but that the former is not possible, and so the latter cannot be avoided. The construction of carriages for third class passengers does not stand favourable comparison with that for higher class passengers, nor is ample provision made for the amenities of such passengers.

I shall now deal with some of the grievances of that part of the country which I have the honour to represent, namely, East and North Bengal. We are all grateful to the railway authorities for the reduction of third class passenger fares on the Eastern Bengal Railway. But the fact that no reduction is being made in short distance fares will greatly take away from the effect of such reduction as people in Bengal, especially the poorer classes, are not in the habit of making long distance journeys. The fish trade has brought in a large amount of profit and the rate of its freight ought to be reduced. The electrification of the suburban railway at Calcutta is still under consideration ; so also the Pabna-Sadhuganj Railway, and these questions ought to be settled at an early date. More attention has been paid to the carriage of goods traffic by the provision of more wagons, but they are mostly of the metre gauge type, and the broad gauge type which comes more in competition with the steamers is being neglected. The construction of a line between Jessore and some station on the new Kalukhali Kamarkharti Bhatiapara line would shorten the distance between Calcutta and Goalundo by about 40 miles ; but the Government do not contemplate the construction of this line, nor do they, I believe, contemplate the extension of this line to Khulna so as to connect this place with East Bengal. If the Government do not propose to establish steamer lines in connection with their railway system in East Bengal, I fail to realise the necessity of retaining a Marine Superintendent as one of the district officers.

I shall now conclude my remarks with some suggestions about the supply of some information to us. In the Explanatory Memorandum, the average cost of repairs of various kinds of railway carriages for different railway systems have been given, but no comparative table has been supplied to us about the cost of the same kind of repairs and coal consumption of the different railways, to enable us to judge whether they are being economically carried on in all the Railways. This is all the more necessary because we find the Eastern Bengal Railway and the Assam Bengal Railway, which were hitherto unremunerative, recently show greater profits, while the Bombay, Baroda and Central India Railway is being run at a loss.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : Sir, I congratulate the Honourable the Railway Member, the Honourable the Chief Commissioner, and the Honourable Mr. Parsons and his colleagues, on the surplus Budget that they have presented us this year. In the papers before us I find that 180 lakhs are being provided to meet the loss on the strategic railways. Some years back, I moved in this Honourable House that the accounts for commercial lines be kept separate from strategic lines. The Government very kindly agreed to this and now we get two separate statements, but I should like to know from Government whether this loss incurred on strategic lines is debited to the military Budget or not. In my opinion, Sir, it ought to be debited to the military Budget so that the country should know that in every year the total military expenditure is such and such. I also find, Sir, that the railway reserve at the close of this year will amount to 19·30 crores and it is expected to increase to 22½ crores in the coming year. I agree with my Honourable friend Sir Maneckji Dadabhoy and I therefore wish to state that there should be a halt to the additions to these reserves. In my opinion 20 crores is a reasonable figure at which we should stop, and then any income over and above that ought to be spent in the way of reduction of railway fares and freights. The Honourable Sir Austen Hadow, in this speech delivered in this House the other day, said :

"Turning now to our Capital Budget, I explained twelve months ago the arrangement we had been following, under which each Railway was allowed to include in its approved programme works involving expenditure during the year somewhat in excess of what we expected they would spend."

I beg to say in this connection that only a couple of months ago, even important works in progress on the North-Western Railway, and probably on other Railways, were all of a sudden stopped. Of course the people were giving different meanings to this sudden cut on behalf of the Railway although provision for the estimated expenditure existed in the Budget. I should like the Honourable the Railway Member kindly to say what were the facts which brought about this sudden cut.

12 NOON.

I also, Sir, take this opportunity to express the great loss that the Railway Board has suffered in the premature death of Mr. J. Kaul, a promising and an able officer of the Railway Board, who for some time officiated as Secretary. In him we have lost a rising and a useful officer.

As regards the profit of 10,71 lakhs made in the railway earnings, I beg to say that a sufficient sum has not been spent on facilities for the travelling public in the shape of raised platforms, waiting sheds and shelters, staff quarters and increase in salaries and re-shuffling of grades for the lower paid staff, etc. The provision made in the Budget I consider is too small.

The speech of the Chief Commissioner of Railways does not give any indication as to the decision of the Railway Board on the recommendations of the Royal Commission on Agriculture. On this point, Sir, I should like the Honourable the Railway Member kindly to throw some light.

We welcome the reduction in fares and freights made. I agree with my colleagues in saying that the reduction of third class fares for long distances does not materially benefit the third class traveller who on an average travels about 33 miles.

Reduction has been made on coal freights for long distances, but liquid fuel and crude oil have been totally ignored. In these days of internal combustion engines a certain number of boilers are consuming liquid fuel which,

[Lala Ram Saran Das.]

as far as I know, burns only one-third as compared to coal, and in case a corresponding reduction is made on this industrial material, I think it will be of great benefit to industry and agriculture.

As regards the additional appointment of a Railway Member, I agree with my friend Sir Maneckji Dadabhoy that in a business concern like a Railway Board, the responsibilities of which are increasing every year by increase of mileage, for the sake of efficiency we ought not to grudge the appointment of another Member. In the other House the Honourable the Commerce Member said yesterday that the Government intended to appoint Mr. Hayman as an additional Member of the Board and that they were contemplating appointing Mr. Rau in place of Mr. Parsons who is shortly going on leave. Both these officers, and particularly Mr. Hayman, are gifted officers, and I think their appointment will add certainly to efficiency.

Last year, during the discussion of the Railway Budget, I represented that wherever electric current is available, electric fans be installed in third and intermediate class waiting halls at railway stations. This matter, as far as I remember, was brought for consideration before the various local Advisory Committees of the Railways, but owing to policy this has been refused. On the one hand, Sir, we are spending large sums of money in publicity in India and abroad, which means that we are trying to get more passenger and goods traffic ; but on the other hand we are refusing facilities and inducements to the passengers who are at our doors. The expenditure is trifling, and I hope the Railways will agree to give this little facility to the passengers at least in places where we have extremes of heat.

In the new Budget, Sir, I find that provision has been made for additional goods rolling stock to the extent of 87½ lakhs. I should like to ask, Sir, whether the surplus stock of 30,000 wagons has been absorbed by the increased trade demand. Last year I represented that the proceedings of the Railway Advisory Committees in India be placed before both the Houses of the Indian Legislature with a report as to what proposals were adopted and what proposals were rejected and, in the case of rejected proposals, what were the reasons for those rejections. I got no reply to this suggestion last year, but I hope I will be fortunate enough to get some reply this time. As regards the Advisory Committees, Sir, I beg to say that as there are no detailed orders on the subject, the Agents of the various Railway Administrations, who are *ex-officio* Chairmen of such local Advisory Committees, use their discretion in allowing or disallowing proposals. Some take a sympathetic view, while others perhaps consider the Advisory Committees a nuisance. I should like the Railway Board to intervene in this matter and issue clear instructions on the subject so that the Advisory Committees may be more useful than they are proving at present. All the questions which concern the travelling public or trade according to the Acworth Committee's Report are to be put before the Advisory Committees, but my experience shows that this is not always done. Sometimes very important proposals affecting the public are not placed before the Committee. I will not take much of the Council's time on this matter, but will illustrate what I say by an example. On the North-Western Railway the Pattoki station and yard were to be remodelled. The Local Advisory Committee was not taken into confidence in regard to the location of the overbridge and the level-crossing and of the booking and goods offices. That resulted in great trouble and inconvenience to the Pattoki Mandi people who approached many members of the Committee. I drew the attention of the Committee to the

important points of the position of the overbridge and of the railway crossing. I proved to the satisfaction, as far as I could gather, of the Chairman of the Committee that a change in the positions of the overbridge and of the crossing was necessary. The crossing was eventually changed, but as the removal of the bridge would have been more expensive and perhaps would have proved that it had been wrongly placed in the first instance, the foot bridge was not moved. If this matter had been placed before the Advisory Committee beforehand this inconvenience to the traders would not have been caused. When I asked why no reference was made to the Advisory Committee I was told that under the rules the local district authorities were to be consulted and they, I was told, were consulted. Then, Sir, I find that four dining cars have been provided for in the Budget for the North-Western Railway. I should like to ask whether any of these will be Indian dining cars. This question has been considered by the North-Western Railway Advisory Committee and all the Indian non-official members were unanimously of opinion that an Indian dining car for higher class passengers was necessary. The Chairman of the Committee was kind enough to get designs prepared, discussed and approved by the Committee, but I do not know how far the scheme of construction has matured and whether any Indian dining cars have been included in the present year's programme.

One anomaly, Sir, exists on Railways, and that is that the civil engineers have not got the option of a provident fund, unlike all the other superior establishments of the Railways. This point, Sir, is rather surprising, and I should like to know why this singular exception has been made in the case of civil engineers. There is another grievance which some engineers feel in regard to the matter of their domicile. The engineers who have qualified themselves from Indian colleges, and particularly from Roorkee, and who have put in long years of good service are now being deprived of the Lee Commission benefits purely on the point of domicile. In that connection I want to say that, as far as I can gather, the question of domicile is being decided by the declaration that those students gave when they joined the Roorkee or other colleges. There have been instances, Sir, of certain students who passed so low on the list of the Indian colleges that they could not secure appointments but upon qualifying themselves in English colleges came out and were appointed as senior to those who had passed out higher on the list from the Indian colleges and got the Lee Commission concessions. This, Sir, is not just and I would request the Railway Board kindly to consider this question. I myself think that when these students, who are now officers in the Railway Engineering Department, joined the Indian colleges and gave their declaration of domicile they were minors at the time, and I do not know whether that declaration can be held to be valid in law. In my opinion the declaration ought to have been taken from their parents who were more competent to state whether they were of Indian domicile or not. Apart from that it is not reasonable to expect that people should look 20 or 30 years ahead when making a declaration of this nature. They were not at that time aware of all the implications of the declaration they were asked to make. Engineers who passed out after 1917 are, I believe, being refused the Lee concessions, while those who passed out before that date are not barred.

Sir, I would refer to what I think is a distinct change in policy in answering questions concerning Railways in this House and in the other place. Some time back really satisfactory answers were given to Members, but of late a change has taken place and the answers that we generally get are the stereotyped sort of answers that the question has been referred to the Agent of the Railway concerned because he is competent to deal with the matter.

[Lala Ram Saran Das.]

I do not think this House deserves that sort of treatment, and I hope that the Government will revert to its former policy and give that consideration to both Houses of the Legislature which they deserve.

The question of literate apprentices, Sir, has been my pet subject in Railway Budget discussions. I am sorry to say that the pledge which the late Chief Commissioner of Railways gave in this House as to the employment of the mechanical apprentices deputed by the North Western Railway for training to the Maclagan College has not been fully fulfilled. The Railway Board, as one can guess, must have asked the North Western Railway Administration to fulfil the conditions of agreements ; but what has actually happened ? The actual result of this representation is that the form of agreement of employment is changed and the condition in which it was stipulated that after satisfactory results and satisfactory reports the apprentices would be confirmed, has been taken away and now a new clause has been inserted that after five years' training the boys would be thrown on the open market and they could do whatever they liked. On the other hand, Sir, before I made these representations in this House there used to be no cadre for these qualified apprentices. The evil result of my representation, I am sorry to say, has been that a cadre has now been fixed and only a few vacancies will be offered to the apprentices who are to pass out in the near future. Owing to unemployment in the country, Sir, I suggested last year that more and more posts should be thrown open to literate persons in the Mechanical Department, and I hope, Sir, that the Railways will kindly move fast in that matter. But one thing, which is a very important one and which I think the Railway Board already knows because one of the Members of the Railway Board was discussing the subject with me, is that the present *mistris*, foremen and shedmen are prejudiced against these literate apprentices ; I am sorry to say that even in examination papers this prejudice does exist. I talked this matter over with Mr. Wrench and drew his pointed attention to it. I said that on the one side we are introducing a new opening but on the other side anti-forces are working to spoil it. If I rightly remember, I suggested that a specially educated foreman should be put in charge of training these apprentices and their papers should be sent to independent persons who have not given them training for seeing and marking the examination papers. I make these suggestions, Sir, in the interests of literate people taking a turn towards the mecahnical line, which I am glad they are now gladly taking.

The supply of drinking water is the burning question in the burning heat of Upper India. Of late Seva Samitis and other bodies who were meeting the public demand for the supply of drinking water at various stations have been disallowed. I am no advocate of these public bodies so far as these affairs are concerned. In case the railway people consider that outside interference in this direction is not proper, let them adequately add to their staff. Although it is said that adequate additional staff has been provided for the supply of drinking water, I can assure this House that it is not so. In case these bodies are not to be employed any further, additional adequate provision for the supply of drinking water must be made.

One more point I want to touch upon, and that is, for many years past Seva Samitis and Mahabir Dals have rendered great assistance to the public in social gatherings. Railway concessions are given to scouts and to various other bodies who do such charitable work but these concessions are refused to Seva Samitis and Mahabir Dals. I would earnestly and strongly request

the Railways kindly to include these bodies in the list of their concessions. At the last Kurukshetra Fair and at the last Kumbh Fair at Hardwar both these institutions rendered unparalleled services and at the coming Kumbh Mela at Allahabad preparations are being made from even now by these social workers to send volunteers in still larger numbers.

One more point, Sir, and I shall finish, and that is lower scale of pay of the staff on the Bengal and North Western Railway. The position on that Railway is now becoming intolerable, and I would urge the Government to terminate the contract of this Railway in 1932 when it expires. So far as I learn, Sir, from the memorial that was submitted by the various employees of the Bengal and North Western Railway to the Agent, the reply given was because the cost of living on the area which that Railway traversed was lower, therefore they did not give a higher salary as was in force on the East Indian Railway. But I might say, Sir, that the Bengal and North Western Railway generally runs parallel to the East Indian Railway and sometimes traverses it and so, Sir, that reply of the Agent of the Bengal and North Western Railway is, in my opinion, not just and proper, and I wish that the Railway Board will intervene and get justice done, and see that that Railway, which is making now over 19 per cent. as dividend, is not allowed to treat so shabbily their staff which is instrumental in bringing that big return.

THE HONOURABLE RAO SAHIB DR. U. RAMA RAU (Madras : Non-Muhammadan) : Sir, the prosperity of a Railway Budget is measured not by its surpluses, but by the contentment of the Railway staff and the comforts and conveniences afforded to the travelling and the trading public. Judged from these standpoints, it must be said, that failure is writ large on the face of the Government Railway Administration in India. We have, throughout the railway systems in this country, a poorly-paid, discontented subordinate staff, on whose fidelity, honesty and integrity depend not only the safety of the travelling public but also the success of the Railway Administration. The provision in the Budget for the year 1929-30 of Rs. 28 lakhs, 10 under Administration and 18 under Operation, for improving the service conditions of the lower paid employees is quite insufficient to meet ever-increasing demand for better living wages. I wish the Railway Administration would provide more funds for this purpose. It is most unfortunate that of late strikes and lock-outs have become the order of the day. These are naturally followed by mischief and violence on the part of the strikers and repression and oppression on the part of the Government, resulting in loss of lives and damage to property on either side. It has often been said in defence of the Railway Administrations that the subordinate employees are a set of illiterate and uneducated voiceless people who have been roused to action and excesses only by agitators and but for whose interference they would end their life-time in the service of the Railways with the pittance they get and would not dare to raise their little finger and clamour for more pay and better prospects. This plea connotes a misreading of the world's history and a misconception of the realities. The great European War has awakened a democratic consciousness throughout the world, white, black, brown or yellow, and the so-called illiterate and uneducated masses in India cannot be said to have escaped its influence. The Railway Administration in India have failed to diagnose the disease properly and apply timely and suitable remedies. Their policy of " reduction and retrenchment " in the railway workshops recently and their blind adherence to the principle of " demand and supply ", which made them turn a deaf ear to the legitimate demands of the subordinate staff for better pay and prospects, are in the main responsible for the deplorable occurrences which we have witnessed at Khargpur on the

[Rao Sahib Dr. U. Rama Rau.]

Bengal Nagpur Railway two years ago, and recently on the South Indian Railway. This reminds me of the story of an American doctor, who knows only how to bring on and cure fits. Whenever any patient went to him, he would give a pill which would bring on fits. He knows how to cure fits. He never cared to understand the real malady of the patient nor administered the right kind of relief. In some such position the Government of India stand to-day. The prices of food-stuffs have risen considerably after the War, and there has been growing unemployment in the land, and the Railway Companies never thought of raising the pay of their subordinate staff on the score that more men are available for less wages, while in all other departments of Government, including their Railway Department, the prospects of the employees have been substantially improved. There is naturally some discontent among the staff, and instead of diagnosing the disease and tryng to allay their feeling, by kind words and petty concessions, the Government have created fits in them like the American doctor, by wholesale reduction and retrenchment for which they have an effective remedy in prosecution and persecution. Sir, I am one of those who condemn strikes as a means of redressing wrongs. They are no doubt dangerous weapons in the hands of the illiterate. But if strikes are inevitable, there must be some means of averting them. I have always advocated the appointment of conciliatory or arbitration boards to hear the grievances of railway employees and settle their disputes. The psychology of human beings, especially of Indians, is such that, differ however much they may among themselves, when a third party sits to arbitrate, much of the estrangement, much of the ill-feeling gradually vanishes and the parties bow to its decision, good or bad, favourable or unfavourable. The Honourable Sir George Rainy, the Railway Member, assured me sometime ago that he has no objection to set up arbitration boards, whenever there is a threatened strike. In the case of the South Indian Railway strike, this assurance was never translated into action and things were left to drift for themselves. The late Sir George Paddison, who was Labour Commissioner in Madras, openly expressed on the floor of the other House of which he was a distinguished Member for some time, that his first duty lay as a Labour Commissioner in setting differences among employers and employees and always averting a strike and its horrible consequences. But his successor played the part of a Nero fiddling in the Northern Circars when Rome was burning and the strike situation on the South Indian Railway was getting worse and worse. If the Government want the Railways to thrive in India, they must first try to keep their employees happy and contented. Repression and oppression will only drive discontent underground. I would suggest, therefore, that a permanent Arbitration Board be set up preferably from among the members of the Central Advisory Council for Railways, and all disputes referred to that body for disposal in the future.

I now come to the question of fares and freights. My friend Sir Maneckji Dadabhoy said it was not possible to reduce third class fares and at the same time show an increased income. This is not true. Last year, when third class fares were reduced, the income went up by a crore of rupees. The third class fares on some of the Railways, especially the Company-managed ones, are still heavy. Up to 1—50 miles, where the traffic is heaviest, there is no palpable change in fares. The result is that the suburban railway traffic has been practically besieged by the motor-bus. Especially in Madras, whose suburban traffic is largely served by that slow, indifferent Railway, the South Indian Railway, the motor-bus has been a formidable rival. The fares for season tickets must be reduced and the train service accelerated in speed and number. The doubling of the railway line is no doubt assured us within the stipulated

time—a year and a half from now. But the progress so far made is not promising and the suburban passengers are in the meanwhile put to a good deal of trouble and inconvenience. The Company requires screwing up a bit and should be asked to expedite the works. The provision of intermediate class on all passenger trains on the South Indian Railway and the Madras and Southern Mahratta Railway where they do not exist is a desideratum. To try to copy the English model by lessening the number of classes in trains is ill-suited to Indian conditions where the greater part of the population is immersed in poverty. The intermediate class will serve the middle class population admirably, and instead of huddling them with the illiterate masses in third class compartments, to provide them with more decent accommodation would be a boon. I hope the Government will not overlook this matter.

With regard to railway freights, I have to cite two instances of hardship and ask for redress. The first is about the railway freight imposed on medicines. Imported and indigenous medicines are subjected to a very heavy railway freight, while being transported from place to place in India. There are eight classifications for general goods. The charges vary from ·38 pies per maund to 1·04 pies per maund. Medicines are classified under class 8, and charged at the maximum freight, 1·04 pies per maund. This rate is nearly three times that of rice and twice that of other foodstuffs. People must first live to consume food, and when people die in large numbers for want of cheap medicines, during illness, of what avail is cheap food for them ? I know from my experience of over 30 years as a general practitioner in Madras, patients taking only one course of medicine or two at the outset, and when they find slight improvement suddenly stopping without taking a further course of treatment which would give them a perfect cure and prevent a relapse. This is undoubtedly due to the dearness of medicine and the costliness of treatment. About two crores of medicines are annually imported into India and half as much is manufactured in India. The imported medicines arrive in all the chief ports of the country and have to find their way into the interior and the heavy railway freight together with the retail dealer's profits, augments their price. Country drugs have been classified under class 4 and are liable to be charged less. But the railway authorities interpret them as crude drugs only, such as herbs and roots, and contend that finished products, which are subject to heavy freight, do not come under this category. The Railway Rates Committee take no heed of any representations made to them on the subject. The Alembic Chemical Works, Bombay, for instance, drew the pointed attention of the Rates Committee recently to this freight question but they declined to interfere. I fail to see why such a high freight is imposed on medicines. Is it a toll levied by the Government on the sick and the suffering, as if the toll taken by death is not sufficient ? I cannot conceive of any enlightened Government indirectly taxing the sick by taxing medicines. Last year, the Honourable Member for Commerce announced a reduction in freights on horses, dogs and motor cars, thus helping the races, shows and aristocrats ! I appeal to him to have a soft corner in his heart for suffering humanity as well.

Next, there is the question of railway freight on manganese. Manganese mining was once a flourishing industry in the Madras Presidency, but is undergoing a great crisis at present owing to competition from Brazil and South Africa. In the Bellary District alone there are about half a dozen mines. The railway freight has been uniform more or less from all the railway stations to the harbour. It was about 0-4-6 per maund more or less when the market conditions were favourable. Merchants did not grudge to pay this freight. But the freight has been enhanced to 0-5-8 per maund or so, while the market price per manganese itself has gone down from 23*d. c. i. f.* in 1927 to 8*d.* per unit

[Rao Sahib Dr. U. Rama Rau.]

in 1928. If to the killing foreign competition is added a crushing railway freight, where is the chance for nascent indigenous industries in India to thrive ? It behoves the Government, therefore, to take immediate steps to reduce the freight in this case and thus give protection to this industry.

Let me now pass on to the comforts of passengers. I understand and am subject to correction that on the South Indian Railway, free licences were issued hitherto to vendors of eatables at railway stations, but now they are made to pay licence fees, which come to a heavy sum especially at first and second class stations. I do not know what is done with these fees. They naturally raise the cost price of eatables, etc., and throw an additional burden on the poor third class passengers. Apart from the wisdom or otherwise of levying those licence fees, I consider that its entire appropriation by the Railway Company is altogether unjustifiable. There must be a corresponding return to the passengers who pay them indirectly by good, fresh, unadulterated edibles being sold and their quality ensured by inspection and certification by qualified food inspectors. I am told only one or two such food inspectors have been appointed recently, but they are unqualified men and their number is totally inadequate. More qualified food inspectors must be entertained and the station master must not be entrusted with this task. The Catering Department newly opened by the South Indian Railway earns enormous profits and these profits should be utilised to cheapen the messing charges and to provide nourishing meals. Again, the sanitary condition of latrines in third class compartments and the floors is anything but desirable. When through trains take two or three days to arrive at their destinations, it is necessary that the compartments should be well swept and kept clean and the latrines cleaned twice or three times daily. There should be a medical and sanitary subordinate travelling in the train with a sufficient number of sweepers, who should be held responsible not only for the sanitary condition of the trains, but should also render medical aid to passengers in the event of any accident or mishap. While on this subject of medical relief, I am constrained to observe that medical relief to the subordinates is poor and scanty and the medical staff on all the Railways, especially on both the South Indian Railway and the Madras and Southern Mahratta Railway, should be strengthened. At present, Sir, on all the different Railways in India, only 45 lakhs of rupees are spent on medical administration to look after the comforts of thousands of sick people. This amount is very inadequate to give proper medical relief. More hospitals and dispensaries must be provided at convenient centres. These proposals, if carried out, will undoubtedly add to the comfort of the passengers. In the Railway Budget every year, a certain sum is provided for the comfort of third class passengers. In this year's Budget also, under the heading " Amenities for passengers ", over 1½ crores of rupees have been provided for 1929-30 for expenditure on the various facilities for passengers. When I went into the details I saw that 1,32 lakhs have been provided for additions and betterment to lower class passengers, but there is no knowing how it is distributed among the various Railway Administrations and how the latter expend their respective allotments. A more detailed explanation in the Budgets of the various Railway Administrations in this direction will be useful.

Lastly, there is the vexed question of the Indianization of the railway services. This is going on now at a snail's pace. The cry that one Indian at least should be admitted into the Railway Board has been ignored in the past. My friends have already mentioned about the additional Member for the Railway Board. Now there is a demand for an additional Member for the Railway

Board at an additional cost of nearly a lakh of rupees. The Standing Finance Committee for Railways has rightly disapproved of the proposal. Now it has been placed before the Assembly for sanction and the Commerce Member has mentioned the names of the persons who are likely to be appointed. So far as we are concerned, we do not mind who is appointed to the posts. But in spite of the Standing Finance Committee's disapproval, if the Assembly passes the grant for an additional Member of the Railway Board, I hope the Government will not fail to appoint an Indian to the newly created post. I trust that the Government will pay greater attention to the subject of Indianization of railway services in the future than they have done in the past, and thus disabuse the minds of the public of any sinister motive on their part.

Sir, the Honourable the Chief Commissioner, in his speech, under the heading " Actuals for 1927-28 " said :

" Our actual total receipts from commercial lines amounted to nearly 104¼ crores of rupees, about half a crore more than the revised estimate figures, while our working expenses were in excess by ⅝ths of a crore as we had not allowed sufficiently for the cost of moving a traffic so much higher than our original estimate, and certain unexpected adjustments had also to be made."

I should like to know what those unexpected adjustments are. With these few remarks, Sir, I resume my seat.

THE HONOURABLE MR. MAHENDRA PRASAD (Bihar and Orissa : Non-Muhammadan) : Sir, we people of the poor province of Bihar are generally thankful for small mercies and I will certainly be thankful to the Railway Member and the Chief Commissioner for the small reductions that they have thought fit to make this year in fares, freights and rates. No doubt long distance passengers will get some relief, but I believe the poorer people will not be very much benefited. Unless the rates for short distances are reduced it will not do much good to the poorer people of my province. From my province a large number of people have to go to Eastern Bengal and other places and they have to cover long distances by the Bengal and North Western Railway ; but this Railway Company does not in the least care for the convenience of the passengers who travel by that railway. They have to cover only a small distance by the Eastern Bengal Railway and by other Railways, so this concession will not very much help them. I would very strongly suggest that a reduction should be made even for small distances. As the Bengal and North Western Railway is managed not by the State but by a Company, I think nothing can be done unless there is some fixed maximum for freights and fares. It has been very well said by the Honourable Sir Maneckji Dadabhoy that, unless we fix a maximum for freights and fares, it will not be possible for the Railways that are managed by Companies to give concessions to the passengers and to goods traffic. Therefore, its fixation is, I think, very essential. No doubt some reduction in fares and freights has been made, but I think that even after that, the Railway has not shown much decrease in its earnings. I believe that by reducing fares and freights we will not certainly reduce the income as well. When the Honourable Seth Govind Das said that it was possible to reduce the rate and still give a fair return on the amount invested he meant that Railways have now taken a longer mileage, and have a larger amount of capital invested, and over all this expenses have to be distributed, which were before distributed over less mileage and capital. I believe the income would not decrease, and at the same time that the rate can be brought down. These two things are not incompatible.

[Mr. Mahendra Prasad.]

I am glad that some provision has been made for improving the pay of employees and for making better arrangements for their housing. But nothing like that is being done by the Bengal and North Western Railway. I am glad that Rai Bahadur Ram Saran Das has drawn the attention of the House to that fact. On the Bengal and North Western Railway the servants are so ill-paid that I think some of the clerks get only Rs. 10 to Rs. 15 a month and they have such wretched " quarters to live in that it is simply impossible for a man with a family to live in them." If the people of Bihar and Orissa, who are served mainly by the Bengal and North Western Railway, are to be helped by these reductions in freights and fares, I think the only way to do it is to take over the Bengal and North Western Railway from the Company and place it under the management of the State. The chief business of the Company is to earn very high dividends. They do not care in the least for the convenience of their passengers or for anything else. They do not even care for their employees. It is impossible to make them do anything in the matter of reductions of fares or in providing amenities for passengers. Now that the time has come the State will take over the management from the Company and this will help the people of the province of Bihar to a very great extent. I believe the people of Bihar and Orissa have a claim on Sir George Rainy as he has spent a large portion of his service in that province, and they confidently expect that he will look to their interests in this matter. We are not asking for special concessions but only for bare justice.

Then, Sir, I have come to learn that the Chief Auditor on the North Western Railway has issued a circular or some other instruction directing the stoppage of the recruitment of Hindus in the offices under his control, and only non-Hindus are to be appointed to posts under him. This will create great irritation in the minds of the people of the Punjab, and I would like to draw the attention of the Honourable Member for Railways to that matter. The Eastern Bengal Railway authorities have also issued a circular making some differentiation between Indians and Anglo-Indians in the matter of appointments. That is also a matter which ought to be looked into by the Honourable Member in charge, as Government have said that the term " Indians " includes " Anglo-Indians " as well. So far as Indianization generally is concerned, I am afraid that if it is proceeding at all it is proceeding at a very slow rate. I am told that when Mr. Parsons goes on leave Mr. Rau will be temporarily taken in his place. But that does not suffice. There ought to be a permanent Member on the Board if the Resolution of the Assembly is to be given effect to and if the wishes of the people are taken into consideration. This is a matter which is overdue and there should be no more delay in the appointment of an Indian Member on the Railway Board.

Turning again to the Bengal and North Western Railway, the position there is that even officers of comparatively high rank are at the mercy of their superiors. Any man who incurs the displeasure of his superior, even unjustly, has to suffer, and there is nothing like a Public Service Commission to which he can appeal. In the interests of the railway service there ought to be some arrangement like the one which prevails in State Railways, so that the men may be safeguarded against the unjust displeasure of their superior officers. I do not want to take up any more of the time of the House, and will only say that in the interests of the people served by the Bengal and North Western Railway, if passengers are to be given the facilities which they enjoy on other Railways, and if the employees are to have the same treatment as they receive on other Railways, the only way in which the Government can do these

things is to take over the Bengal and North Western Railway, and until they do that they will be doing us the greatest possible injustice.

THE HONOURABLE SIR GEORGE RAINY (Member for Commerce and Railways): Mr. President, I have listened with the greatest interest to the discussion which has taken place to-day in this House regarding the Railway Budget and I have to thank various Members, and particularly my Honourable friend Sir Maneckji Dadabhoy, for the very kindly way they have spoken about the Railway Department and about myself. I cannot find it in my heart to believe that in reality my friend Seth Govind Das really regards us as so impossible as in his speech he rather was inclined to suggest. It is true he credited me personally with good intentions, but the sort of picture of myself that seemed to be impressed on his mind was that of a "beautiful and ineffectual angel beating in the void his luminous wings in vain". The first point taken by my Honourable friend was that the Railways were not doing well because whereas we had in the year 1924-25 surplus profits amounting to 5·85 per cent. upon the capital at charge, we had now got down to a figure of only 5·39 per cent. upon the capital at charge. I have two replies to that. One of them is that, if our surplus profits had remained as high as 5·85 per cent. this House would have had grave reason to complain of us, because that is an unnecessarily high percentage. When we find that we have reached that level, we take steps by reductions in rates and fares to bring down the percentage to a reasonable level. This year we are making some reductions even though our profits are at a lower figure. In the second place, he said that the average return per mile of railway in operation had gone down. I would like to point out to him that when you build a number of new lines in the hope and expectation that they will be remunerative, it is quite possible that for the first two or three years they will not be remunerative because the traffic takes time to develop. In any case the return you get from these new lines cannot approach the scale of the return you get on your older lines. That is in the nature of the case. Therefore, at a time when a vigorous policy of construction of new lines is in operation, I should expect to see some small decline in the average return per mile of line operated.

My Honourable friend criticised the steps Government proposed to take for the appointment of an additional Member of the Railway Board and he complained that we had seated him on the sharp horns of a dilemma. For his consolation I may point out that the Members of the Assembly have even sharper horns to sit upon, as that House will have to vote on the proposal, while the Honourable Member in this House is relieved of that obligation, and need do no more than express an opinion about it. The general opinion of the Members who have spoken is, I think, in favour of the Government proposals. I do not want to speak at length on this subject to-day, because in another place to-morrow, or possibly on Monday, I shall have to deal with it fully. Some of the Members of this House have no doubt heard already of the announcement as to the personnel that I made in the Assembly yesterday, but in case there are other Members who have not heard about it —I do not think my Honourable friend Sir Maneckji Dadabhoy had done so— I should like to repeat that, if the new appointment comes into existence, it is the intention of the Government of India that Mr. Hayman should be appointed to the new Membership and that Mr. Rau, Director of Finance, should act for Mr. Parsons when he goes on leave (*The Honourable Sir Maneckji Dadabhoy:* "Hear, hear").

1 P.M.

[Sir George Rainy.]

My Honourable friend had a good deal to say about third class fares and nearly all the Members who spoke pointed out that the average distance travelled by a third class passenger was very short and that it was not possible to do much for them unless we saw our way to make a reduction in third class fares. My Honourable friend, Seth Govind Das, went a little further than that. He said that the financial condition of the Railways was so prosperous that he thought we were in a position now to make that reduction. I do not think he was very consistent in taking up that position, because if the falling off in the return on the capital at charge was so serious as he said, then clearly we are not in a prosperous condition. Sir, I do not think that there is any difference of opinion in this House, or in the other House, as to what we should like to do. If we saw our way to make a general reduction in third class fares, it would certainly give great satisfaction to the Government of India and to the Railway Board, as I am sure it would to the Members of the Legislature, but in these matters we cannot do everything that we want to do at the same time, and sooner or later the Government of India and the Legislature will have to choose whether it is more desirable, in the interests of the country, that there should be biggish reductions in third class fares, or whether more money should be spent in trying to raise the standard of life of our railway employees, or again whether we should spend a great deal of money in providing further amenities for third class passengers. I do not say that it is not possible to combine all these different things to a certain extent, but what I do say is that you cannot do a great deal at the same time in any one of these directions without to some extent sacrificing the others. No doubt the House will appreciate the importance of that and the kind of difficulty with which the Government are faced when they have to decide what it is best to do.

My Honourable friend Seth Govind Das had one small point about the rates on forest produce on the East Indian Railway. As he will have seen from the Budget Memorandum, we are making reductions on two of the State-managed Railways, and I said yesterday at another place that I was quite prepared to write to the various Railway Administrations drawing their attention to what was being done on the Great Indian Peninsula and Eastern Bengal Railways in order to see whether anything similar could be done on these Railways. What the result may be I do not know. However, we will draw their attention to the point.

My Honourable friend Sir Maneckji Dadabhoy, as well as one or two other Members, referred to the Reserve Fund and to the very large sum to which it has now accumulated. That, Mr. President, is a matter which must necessarily be examined by the Committee which has been appointed to review the Convention for the separation of railway finance. It is a very important matter and it certainly will be considered, but I do not think it would be right for me to express any views on the subject until I have had the advantage of hearing what the non-official members of that Committee think, and indeed until the Government of India have fully considered these views and have made up their mind. Similarly, I think the question how the loss on strategic lines should be dealt with is very likely to come before that Committee. On a very small point of fact perhaps I may make a correction. My Honourable friend said he believed we had once made a small withdrawal of Rs. 7 lakhs from the balance of the Reserve Fund. The actual fact is this, that Sir Charles Innes expected that that would be necessary and made provision accordingly in the revised estimates for the year 1926-27, but actually the results of the

year turned out to be rather better than was expected, and instead of a withdrawal from the Reserve Fund in that year there was an actual addition to it.

My Honourable friend mentioned the policy that has been adopted of making larger use of contractors in the case of big railway works instead of constructing them departmentally. I have not got full information here, but there has certainly been no change of policy since Sir Charles Innes announced that it was the intention of the Railway Board to make larger use of contractors for big works than had been the practice in the past. I have got here a list of some of the important works which have been constructed by contractors in recent years and it includes the Kala Bagh bridge now under construction and bridges over the Jhelum and the Chenab on one of the Railways of the Punjab. On the South Indian Railway a big contract has been given for all bridges constructed, and perhaps the biggest of all the contracts is the construction of the tunnels on the realignment of the Boreghat section of the Great Indian Peninsula Railway. There is no intention to change our policy in that respect. The actual number of big contracts we give out in a year obviously depends on the amount of work we undertake in that year, and if you examine the figures, there might be ups and downs in a particular year. We might in one year give out a very big contract, work on which would go on for two or more years.

My Honourable friend Mr. Kumar Sankar Ray Chaudhury made one remark that surprised me a great deal when he said that the Chief Commissioner of Railways had a sinecure post. I only regret that my friend Sir Austen Hadow cannot reply to that particular criticism, but I can certainly testify from my own experience that his post is anything but a sinecure, and one of the advantages which I hope will result from the appointment of an additional Member is that it will give some relief to the Chief Commissioner who must, as things are at present, frequently come to the rescue of the other Members and in order to relieve them take a considerable share of the work which ought naturally to go to them in the first instance. I can assure the House that, if they are under the impression that there are any sinecure appointments in the Railway Board, they are deceiving themselves on that point. There are no such appointments.

Another remark my Honourable friend made was that the coal purchase policy of the Railway Board seemed to be directed against Indians, whereas the steamer service policy was rather designed in favour of Europeans. I am very interested to hear that our coal purchase policy is directed against Indians, because the Bengal Chamber of Commerce seem to have a very different view on that subject seeing that they have in the past rather considered that it was they who were the principal sufferers. But I can assure the House on this question, as regards the coal purchase policy of the Government of India, that it is not directed against any section of the community. All that we are endeavouring to do is to see that the Railways are adequately provided with the means of obtaining their own coal from their own mines to this extent that, should prices again threaten to rise to an exorbitant level, to a level approaching the level at which they stood not so very long ago, then the Railways will be in a better position to protect themselves than they were then. It is not our object to push on a very active programme of development so as to diminish our purchases in the open market, and Honourable Members will see from the Memorandum that in the coming year we expect that our production from our own mines will be rather lower and our purchases in the open market rather higher than they have been this year.

[Sir George Rainy.]

My Honourable friend Lala Ram Saran Das had a number of points to which he drew attention. It will not be possible for me to deal at length with all his points, or indeed with many of the points raised by him and by the speakers who spoke subsequently. To some of them I am not in a position at the moment to give a detailed reply, and in others I think it is perhaps better that I should examine what has been said at leisure and see whether there is anything that can be done to give effect to the wishes expressed by Honourable Members. There are, however, a few points which I think I might notice. One of the points raised by my Honourable friend was that he wanted to know what action the Railway Board had taken to give effect to the recommendations of the Royal Commission on Agriculture. Well, I can give him some information about that. One of these recommendations was that Railways should review the possibility of giving further concessions for fertilisers. In this particular matter, the Railway Board got ahead of the Royal Commission. Before the Report was published they had reduced their rates on manures and oil cakes on all the principal Railways. They have reduced the rates for manures to the absolute minimum, that is to one-tenth of a pie per maund. In that matter, as I say, we got ahead of the Commission. Then, there was the recommendation that railway freights on agricultural machinery and implements should be examined and where possible concessions given. We have already revised the classification of machinery used for agricultural purposes not worked by their own power. We have reduced them from fourth class at railway risk and second class at owner's risk to first class at owner's risk, or at railway risk, if packed, and to third class at railway risk, if unpacked. That is a substantial reduction in the rates. Another recommendation was that rates for wood charcoal and coal should be examined. As the House knows, we have reduced the rates of long distance coal and on two Railways the rates for wood and charcoal are being brought down. The other recommendations are for a reduction of the rate on fodder, to the removal of a certain anomaly in the rates for agricultural implements and the carriage of livestock, and the provision of facilities for rapid transport. These have been referred to the Indian Railway Conference Association because concerted action by the Railways is necessary. We will certainly take steps to see that no undue delay occurs in the consideration of these matters. Another point my Honourable friend raised was, that he wanted some sort of annual statement as to the work done by the local Advisory Committee. Yesterday I undertook in another place, in response to a request made there, that every year we would prepare a short pamphlet giving a summary of what has been done in the various Committees, and either circulate it with the Budget papers or else circulate it to Members somewhat earlier in the Session. Naturally if this is done in the case of the Legislative Assembly it will also be done in the case of the Council of State.

My Honourable friend drew attention to a case on the North Western Railway where the remodelling of a station yard, I think it was, had not been referred to the local Advisory Committee with the result apparently that the manner in which it was actually constructed was not the best from the point of view of the public. To my mind that is a matter on which it is very desirable that the local Advisory Committee should be consulted. We will look into the matter, and if it seems advisable we will write to Agents on the subject. Quite clearly, a case of that kind is one where everyone must desire to meet the convenience of the merchants and the other persons who have to use the yard, and therefore it is common sense that every step should be taken to find out beforehand what their views are on the subject.

I am afraid I must leave over most of the other points taken by my Honourable friend, but I would like to let him know that quite recently we have issued orders extending to the Seva Samiti the same concessions on State-managed Railways which are already enjoyed by the boy scouts, and that we have written to the Company-managed Railways to suggest that they should take similar action.

I heard my Honourable friend Dr. Rama Rau's speech rather imperfectly, and I think that I had better not attempt to reply in detail to what he said, but I can assure him that, as soon as the proceedings of this meeting are published, I will read his speech and see what can be done to deal with the points to which he attaches importance. Finally, I think the only other matter to which I need refer to-day is the question of the purchase of the Bengal and North Western Railway. If the decision to purchase is taken, then we shall have to take over the line in 1932. The date is coming near when we shall have to come to a decision on the subject, but it has not yet actually arrived, and in fact the Government of India have not yet taken up the matter for consideration with a view to a decision. They will, however, of course attach great weight to all that may be said in either House of the Legislature on that subject. I should like in bringing my speech to a close, Mr. President, to thank Members once more for the very kindly tone of their speeches.

THE HONOURABLE SETH GOVIND DAS: With your permission, Sir, I should like to know from the Honourable the Commerce Member what he proposes to do in regard to the new projects for the Central Provinces to which I referred in my speech.

THE HONOURABLE SIR GEORGE RAINY: I am afraid it is hardly possible. That is exactly the kind of question on which it is very difficult without previous notice to attempt to give a detailed explanation; but as I know my Honourable friend is specially interested in that matter, I think it ought to be possible, if he could come round to the Railway Board's office some day, for them to inform him how these matters stand.

STATEMENT OF BUSINESS.

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH (Leader of the House): Sir, as Honourable Members are aware, on Monday, the 25th, and Wednesday, the 27th the Council will meet to transact non-official business. As, however, there is no official business on Tuesday, the 26th, there will be no meeting on that date. On Thursday, the 28th February, the Council will meet at 5 P.M. when the General Budget will be presented.

The Council then adjourned till Eleven of the Clock on Monday, the 25th February, 1929.

COUNCIL OF STATE.

Monday, 25th February, 1929.

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. (Director General, Indian Medical Service).

QUESTIONS AND ANSWERS.

SUBMISSION TO THE CONTROLLER, LOCAL CLEARING OFFICE (ENEMY DEBTS), OF CLAIMS BY LASCAR SEAMEN.

25. THE HONOURABLE MR. G. S. KHAPARDE: Will Government be pleased to state whether the Indian Seamen's Union, Calcutta, was informed either by Government or by the Shipping Master, Calcutta, about the instruction given by the Controller, Local Clearing Office (Enemy Debts), for submission of claims by lascar seamen before the 31st March 1928 ? If not, why ?

THE HONOURABLE SIR BROJENDRA MITTER: The Government of India left it to the Shipping Master, Calcutta, to notify the last day for submitting claims. He reported that he had done so by fixing notices on the office Notice Boards at the Calcutta and Kidderpore Shipping Offices. He did not forward the notice to the Indian Seamen's Union as office-bearers of the Union are frequently in attendance at the Shipping Offices and are conversant with all notices posted on the office Notice Boards.

TOTAL AMOUNT RECEIVED FOR THE INDIAN SEAMEN (ENEMY DEBTS) ACCOUNT.

26. THE HONOURABLE MR. G. S. KHAPARDE: Will Government be pleased to state the total amount received by them for the Indian Seamen (Enemy Debts) account and whether it is intended to extend its benefits to all Indian seamen who suffered during the war irrespective of any time limit for submission of their claims ?

THE HONOURABLE SIR BROJENDRA MITTER: A sum of Rs. 25 lakhs was voted in 1924 by the Legislative Assembly for the payment of reparation claims to persons of Indian domicile. Out of this grant, a sum of Rs. 2,15,161 has already been sanctioned by the Government of India for payment as compensation to Indian seamen for loss and suffering to them caused by enemy action during the war. It will not be possible to extend the grant of compensation from this grant to all Indian seamen who suffered during the war irrespective of any time limit for the submission of their claims. Repeated press-

communiqués and notices have been issued from 1920 onwards calling for reparation claims from British Indian nationals for loss and suffering by enemy action during the war. Although the Government of India consider that such notices were ample to enable all Indian seamen who have any claim to present same, yet having regard to representations received from certain seamen and Seamen's Unions they have under consideration the granting of still further time within which claims can be presented.

EXISTING CONTRACT FOR THE CARRIAGE OF MAILS BETWEEN ENGLAND AND INDIA.

27. THE HONOURABLE MR. G. S. KHAPARDE (on behalf of the Honourable Rai Bahadur Lala Ram Saran Das): Will Government be pleased to lay upon the table a copy of any information which has been furnished to the Honourable Sir Phiroze Sethna in reply to his question asked in the Council of State on the 17th September, 1928, regarding the existing contract for the carriage of mails between England and India, in connection with which the Honourable Mr Clow stated that the information asked for by the Honourable Member would be collected and supplied as soon as possible ?

THE HONOURABLE MR. A. C. McWATTERS: A copy of the statement which was furnished to the Honourable Sir Phiroze Sethna as promised by the Honourable Mr. Clow is laid upon the table of the House. It will be observed that it is not confined to a formal answer to the points specifically raised by the Honourable Member but is designed to furnish a fuller statement of the position regarding the contract in question.

STATEMENT.

Separate contracts existed from 1850 for the conveyance of mails to India, China and Australia, the net loss on the Indian and China contracts being shared equally between Great Britain and India*. Since 1867 the P. and O. Company have been carrying the East Indian and China mails under contracts made from time to time with His Majesty's Postmaster-General. During the years 1867-1888 the payments made by India ranged between £65,240 and £75,000 per annum. Since 1888 the Australian service has also formed part of these contracts from which year the mails were first carried *through* the Suez Canal. From 1876 to 1889 the contribution paid by India to the subsidy was apportioned on the basis of an arbitration in 1876, by Lord Halifax, of certain vexed questions. The share of subsidy paid by India ranged during this period from £67,820 to £69,380 annually. Questions of detail regarding the apportionment of cost arose between 1876 and 1889 and were duly settled at the time. In 1890, however, India gave up that system of apportionment and made a fixed payment of £59,900 every year and this continued until the year 1898.

2. In the latter year, a sixth contract was arranged with the P. and O. Company by the British Post Office for a subsidy of £330,000, for a period of 7 years. India raised at that time certain questions regarding the principles to be followed in the apportionment of the subsidy, and as these questions could not be settled by agreement, the matter was submitted to the arbitration of Lord Morley, who decided that the following main principles should be observed in apportioning the subsidy. This is known as Lord Morley's Award.

(*a*) The cost of the Australian service (which was then fixed at £85,000) should first be deducted from the subsidy.

(*b*) The service should be divided into seven sections as shown in the margin and the cost of each section should be ascertained by dividing the subsidy in proportion to the annual mileage of each section.

Brindisi to Port Said ; Port Said to Aden ; Aden to Bombay ; Aden to Colombo ; Colombo to Singapore ; Singapore to Hongkong ; Hongkong to Shanghai.

* Just before 1867 the Indian share was £41,000.

(*e*) India should pay for the cost of the sections up to Bombay according to the proportion of letters sent and received by it in relation to the letters sent and received by the other contributing countries.

(*d*) The postage collections in India and the United Kingdom on correspondence conveyed over the service, and transit charges realized from non contributing countries who availed themselves of the service should be pooled and after deducting payments for Continental transit and rates to other countries, the balance should be *equally* divided. This was called the pooling account.

(*e*) The credit on account of this pooling should go to reduce the share of India's subsidy.

(*f*) India should bear the whole cost of sorting at sea between Aden and Bombay.

3. The contract made in 1898 was extended to 1907 and an account was prepared in 1903 by the London General Post Office in accordance with the principles of Lord Morley's Award. According to this India's annual contribution was fixed at £59,330 from the year 1898. The subsidy to the Company was, however, increased on the 1st February 1905 by £10,000 (making the total subsidy £340,000), and, in consequence, India's share rose to £61,226 from 1905-06. In 1907, however, the Company agreed on certain considerations to accept a reduced subsidy of £315,000 with retrospective effect from 1st February 1905 and in consequence India's share for the years 1905-06 to 1907-08 was revised and stood at £56,485, the excess amount which had been already paid in accordance with the former assessment being adjusted in due course.

4. The P. and O. contract was again renewed for seven years from 1st February, 1908 on a reduced subsidy of £305,000 and in consequence India's contribution was reduced proportionately and was fixed at £54,588 as from the year 1908-09. India continued to pay at this rate until 1914-15.

5. In 1915 a refund of £30,000 on account of the three years 1912-13 to 1914-15 was made to India by the British Post Office. This refund appears to have been based on statistics taken in 1913 which revealed a position more favourable to this country than the previous accounts anticipated. In 1917, again, a fresh account was prepared in accordance with the principles of Lord Morley's Award on the basis of the figures of 1913, and further adjustments in respect of certain other items were also made in that account. As a result, India's total share for the three years referred to was calculated at £90,452, thus giving an average figure of £30,151 for each of the three years. This reduction in India's share was mainly due to credits in respect of the pooling account having increased to £27,772 as indicated by the figures of 1913, from £6,513 in the account of 1903. Simultaneously, with the decrease in our share, the account of 1917 showed an increase of over £100,000 in the share of the United Kingdom.

6. About this time it appears that the British Post Office found that the principles of Lord Morley's Award were since 1913 re-acting upon them unfavourably and they were dissatisfied with its application. They therefore addressed themselves to seeking the adoption of some alternative methods of determining a more equitable apportionment of the subsidy. When the account of 1917 showed an appreciable increase in the share of cost borne by the British Post Office this stimulated their desire to escape from the situation which the Award had created. The contract which expired in 1915 was extended from time to time but India continued to make provisional payments at the *old* rate of £54,558 until 1920. The total payments made in this manner during the period amounted to £249,038.

7. The provisional payments having been discontinued, in 1921, the British Post Office called in question the equity of the principles of Lord Morley's Award and the whole question of the apportionment of subsidy came under review. A lengthy discussion ensued between the Government of India, the Secretary of State and the British Post Office and two Conferences were held at the London General Post Office in April and July 1923 at which Sir (then Mr.) Geoffrey Clarke and Mr. Sams were present. The British Post Office were able successfully to show that the strict application of the pooling arrangement under the Award would result in India eventually receiving a subsidy for allowing her mails to be carried by the P. and O. service instead of paying for this to be done. India, on the other hand, resisted their demand for arrear payments and required a modification of the methods it was proposed to follow in calculating her share of subsidy.

8. Eventually it was decided that the successive steps to be taken for the assessment of the share of India's subsidy were to ascertain :—

(*a*) the gross amount to be apportioned by adding incidental expenses to the amount of the subsidy.

(These incidental expenses at that time were £15,000 a year for the Channel service and the net cost of the Indian Mail Officer service, about £200 a year.)

(*b*) the net amount to be apportioned by deducting from the gross amount under (*a*) all receipts from foreign administrations and the sea postage on all parcels sent over the service whether by contributors or non-contributors.

(*c*) the Postal Union value* of the mails sent by each contributor at the appropriate sea transit rates for (1) letters and postcards and (2) other articles.

Having arrived at these facts the subsidy would be apportioned by dividing the net amount under (*b*) in the same proportions as the ascertained amounts under (*c*) amongst the several contributors.

9. The above method was applied to the figures of 1922 and worked out an annual subsidy of approximately £22,000. It was, further, decided that payments based on this method should come into force from the 1st April 1923. The rate of the annual subsidy ascertained under the method described in paragraph 8 will vary periodically on the basis of the Union statistics —which are taken every five years— and annually so far as the receipts from sea postage on parcels are concerned. The Union statistics were last taken in 1924 and are due to be taken next in 1929.

10. Regarding the past, the British Post Office renewed their claim, on the basis of the new method and the figures of 1922, for a sum of £68,511, in addition to the provisional payments which had been made. This included a sum of £12,167 on account of the cost of the Aden-Bombay sea post office up to July 1916. The Sea post office was actually abolished in September 1914, but in view of certain considerations it was agreed by the Government of India not to press for any rebate for the period prior to 1st July 1916. This whole question of arrears payment was ultimately decided by the British Post Office agreeing at the instance of the Secretary of State to consider the total amount of provisional payments already made, namely, £249,038 as adequate to cover India's contribution to the subsidy for the period from 1st February 1915 to 31st March 1923. This works out to an annual average subsidy of £30,494 for the period referred to, namely, 1915-16 to 1922-23.

11. The P. and O. contract which has been extended from time to time since 1915 cannot, as at present arranged, terminate before the 31st January 1931.

*Postal Union value means the transit charges that would have been paid for the conveyance of correspondence by the P. & O. Service at the rates prescribed by the Universal Postal Union, had the service been owned by another Administration.

EXTENSION OF THE DELHI PROVINCE.

28. THE HONOURABLE MR. G. S. KHAPARDE (on behalf of the Honourable Rai Bahadur Lala Ram Saran Das) : Will the Government kindly state whether it is contemplated to enlarge the Delhi Province by taking over certain districts from the Ambala and Meerut Divisions ? If this is a fact, what districts are likely to be thus taken over ?

THE HONOURABLE MR. H. G. HAIG : No such proposal is under consideration.

THE HAVELI PROJECT.

29. THE HONOURABLE MR. G. S. KHAPARDE (on behalf of the Honourable Rai Bahadur Lala Ram Saran Das) : Will the Government kindly state what decision has been arrived at between the Bombay and Punjab Governments as to the Havelian Canal Project being taken in hand ?

THE HONOURABLE MR. A. C. McWATTERS : Presumably the Honourable Member refers to the Haveli Project in regard to which a reply was given to a question by him on the 23rd August 1926. The revised project referred to in that reply has not yet been received from the Government of the Punjab.

RESOLUTION *RE* SEPARATE KARNATAKA PROVINCE.

THE HONOURABLE RAO SAHIB DR. U. RAMA RAU (Madras : Non-Muhammadan) : Sir, I beg to move the following Resolution :

"This Council recommends to the Governor General in Council that a Committee be appointed forthwith, consisting of two members elected by the elected Members of the Central Legislature, two members elected by the elected Members of the Bombay Legislative Council and two members similarly elected by the Madras Legislative Council, with a non-official Chairman nominated by the Government of India and a financial expert as Secretary and with power to co-opt any technical expert or experts whom the Committee may consider necessary, to enquire into, and devise ways and means for the formation of a separate Karnataka Province and submit their report, before the 31st December, 1929, for the consideration of the Government of India."

Sir, a full two years have rolled by since I moved a similar Resolution in this Council on this subject. Judging from the apathy of the Government then and the fate of my Resolution and that of the amendment moved by my Honourable friend Mr. Ramadas, I despair of its success even now. But if I persist in moving it again, it is because much water has flowed under the bridge since then and great political happenings have occurred which justify the re-opening of the subject. The unwanted Simon Commission is making headway, determined to push through its inquiry whether the people will it or no. The intelligentsia of India have conferred together and have put forth their minimum national demand. The Committee of the All-Parties Conference have recommended the redistribution of provinces on a linguistic basis. The case of Karnataka has been ably put forth and pleaded by the representatives of the Karnataka, and the Committee were convinced of the reasonableness of that demand. The Nehru Report at page 64 says :

"The case for the Karnataka was placed before us by a representative of the Karnataka Unification Sangh and the Karnataka Provincial Congress Committee. It had been ably prepared with a wealth of information, historical, cultural and statistical. All our questions were answered satisfactorily and in our opinion a strong *primâ facie* case for unification and the formation of Karnataka as a separate province was made."

Further on the Committee says :

"We were informed that the demand for unification came from the vast majority of the population, if not practically all. There was no Hindu-Moslem problem but there was a Brahman-non-Brahman problem although this did not affect the question of unification much. There was no organised opposition although a small number of Brahmans were opposed. On behalf of the Mahrashtrians in some of the border districts a fear was expressed that their language might suffer, but safeguards for this might be provided for.

Financially the position of the Karnataka was very strong and even at present there was a considerable surplus in the British part of the Karnataka."

Then further on the Report says :

"We cannot of course decide this question finally but we feel that the advocates of unification have *primâ facie* established their right to it. We cannot suggest the exact limits of the new province. It may be that some of the border tracts are bilingual and an enquiry will have to be made on the spot. This work will have to be done by an expert committee."

Sir, it only remains for the Government of India to be satisfied, but that seems to me to be a stupendous, formidable and almost impossible task. I suggest therefore in this Resolution the appointment of a Committee to go into the whole question and report to the Government on the necessity or otherwise of the separation. Sir, the old Karnataka Province which was homogeneous for more than a thousand years has been split up. Its people are in a hopeless

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minority of 19 and 6 per cent., respectively, in the Bombay and Madras Presidencies, and the Kanarese districts form the tail ends of both those administrations. They are furthest from the capital towns. Communications and education have been grievously neglected. For a High Court and for a University the Karnatakas have to run to Bombay and Madras where their language has but scant respect. There is hardly even one man to represent the four districts of Kannada, namely, Belgaum, Dharwar, Bijapur and Karwar, in the Senate of the Bombay University. Karnataka contributes about Rs. 48 lakhs in excess of what is spent on her, and yet irrigation and agricultural improvements are at a discount here. The majority languages, such as Marathi and Telugu, are encroaching on Kannada, and during the last Census-decade she has lost about two lakhs. Therefore, Sir, we demand to-day the unification of the eight districts of Belgaum, Dharwar, Bijapur, Karwar, Mangalore, Bellary, Coorg and the Nilgiris, and the five outlying talukas of Kollegal, Hosur, Krishnagiri, Madakasira and Sholapur. The total area is 35,408 square miles and the population is about 6½ millions. Except the districts of the Nilgiris and the four talukas, Kollegal, Hosur, Krishnagiri and Madakasira, the whole territory is contiguous, and even that district and those talukas can be approached through Kannada territory, namely, Mysore. For the present, the Karnatakas wisely postpone the unification of the territory situated in the Indian States, leaving that question to be tackled in connection with the scheme for self-government in which Indian States have also to be included.

Enough has been said already by me on this subject when I moved my Resolution last in this Council, and I do not wish to weary this House again with a repetition of those arguments here. The only grounds on which I have to meet the Government on this question are (1) popular demand and (2) administrative expediency. Stress is made more on the popular demand and the Honourable Mr. Crerar replying to my Resolution on the 17th February 1926 observed :

"Now, Sir, it is a very remarkable thing that the Honourable Dr. U. Rama Rau gave no clear indication of the existence of any strong measure of popular support. Still less did he indicate to us that the measure has been considered and debated in the local Legislative Councils. I think we should be acting very dangerously indeed if we ourselves at this stage accepted this Resolution regarding which we have not the slightest ground for believing that the local Legislative Councils desire to urge it—with regard to which indeed we have evidence that opinion in one local Legislative Council at any rate is distinctly averse to it."

Sir, the local Legislative Councils, composed as they are of Government officials and nominated Members, who always play second fiddle to the officials, cannot be expected to give a decisive vote on the popular side. With an imperfect machinery, such as the local Legislative Councils, it is not possible to gauge the people's will through them. That at least one Council has declared in favour of the separation is a sure indication of the existence of a strong popular demand. A direct enquiry is therefore inevitable and has to be instituted and the people's wishes ascertained. The first Karnataka Provincial Conference held in 1920 in Dharwar, when Sir V. P. Madhava Rao presided, passed a resolution asking for a separate Karnataka province. Many Karnataka organisations have met and held conferences recently under their auspices, such as the 5th Karnataka Provincial Conference, the 3rd Karnataka Unification Conference, the 4th Karnataka Women's Conference, the 2nd Karnataka Hindi Conference, the 1st Karnataka Khadi Conference, the 4th Karnataka Ayurvedic Conference and the 14th Karnataka Sahitya Sammelan, and passed resolutions urging the unification of Karnataka ; Coorg, though it has a separate

administration of its own, is perfectly willing to be yoked to Karnataka, and the Zamindars' Conference of Coorg has passed resolutions during the past three years favouring the unification scheme. I hold two telegrams which I got this morning, one from Dharwar and another from Bagalkot, which run thus :

From Dharwar :

" Unification day celebrated throughout Karnataka on twenty-second in thirty places including Belgaum, Bellary, Bangalore. Resolutions urging unification passed. Whole Karnataka with you in your attempts."

From Bagalkot :

" Public meeting unanimously supports your unification motion."

Then in Madras under the presidency of Dr. Mallaya, M.L.C., a meeting was held in the Gokhale Hall supporting my Resolution. What are they, Sir, I ask, if not popular demands ?

Secondly, with regard to administrative expediency, I must point out that Karnataka, as it stands to-day, is an undeveloped province. The Government have not only themselves neglected in the past to develop the resources of the Karnataka, but have made nearly 6½ millions of people in Karnataka also neglect their language, culture, art and literature. It cannot be denied that Karnataka, has immense potentialities for economic development. First of all there is vast scope for irrigation works, seeing that many streams, such as the Krishna, the Tungabhadra, the Chataprabha, the Beema, the Malaprabha, the Varadha and many other minor streams, traverse the Karnataka tract. Such irrigation is sure to double the agricultural yield in many parts of Karnataka. Secondly, a port at Bhatkal together with railway communications will make Karnataka a great commercial centre and maritime province. With its richness in teak, it can start useful industries, such as ship-building. Thirdly, Karnataka has rich geological strata, as evidenced by the Kobhalgitti gold fields, manganese ore, Kolar gold fields, etc. Exploration of it is likely to lead to rich rifts of many a useful ore. Fourthly, a vast amount of raw material to-day, such as cotton, cotton-seed, ground-nut, kopra, myrabolam, etc., is exported. There are clear possibilities for developing the manufacture of cloth and oils. Lastly, though by no means the least, development of electric works is possible in the near future in Karnataka as it has the Sahyadri Hill ranges and numerous water-ways crossing over them. Karnataka will moreover be a self-supporting province. The total revenue of British Karnataka is about Rs. 257 lakhs and the total expenditure Rs. 209 lakhs, leaving a clear balance of Rs. 48 lakhs for running the Provincial Government at a liberal computation when it comes into existence. The people of Karnataka are prepared to pay adequately for the piper, provided they are permitted to enjoy the tune all alone. The Government have accepted the principle of redistribution of provinces on a linguistic basis and incorporated it in section 52A of the Government of India Act. Already a separate Karnataka Province has been carved out by the Congress and is now functioning as such. That itself is sufficient to demonstrate the wishes of the people in favour of the measure. I think, Sir, I have made out a strong case for the separation. An impartial Committee alone will be able to look at the question in its right perspective and solve it satisfactorily. I have specially provided that the Committee should be composed mainly of two members elected by the elected Members of the Central Legislature, two members elected by the elected Members of the Bombay Legislative Council and two members similarly elected by the Madras Legislative Council with a non-official Chairman nominated by the Government of India, with a financial expert as Secretary and with power

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to co-opt any technical expert or experts, so as to give it a thoroughly representative character.

Sir, with these few words, I move my Resolution.

THE HONOURABLE MR. H. G. HAIG (Home Secretary): Sir, the Resolution moved by the Honourable Dr. Rama Rau, if I understand it correctly, assumes that a separate Karnataka Province is to be constituted and asks Government to set up the machinery necessary for working out the details. Well, Sir, as the Honourable Dr. Rama Rau has already explained to the Council, this is no new question. Two years ago it fell to me to offer some observations about a somewhat similar Resolution for setting up an Andhra Province, and I made at that time a few general reflections on this proposal of dividing the Madras Presidency into three or four separate areas. There is little that I can add now to what I said then. We have in the first place to examine and try to come to conclusions on the general theory of linguistic provinces. I admit that that theory has certain attractions. On the other hand, those who stress more practical considerations and administrative tradition and connections could no doubt produce many arguments against these proposals. The second point which I made at that time, Sir, was that we have in this Council a recurring cycle of Resolutions dealing with the three different parts of the Madras Presidency. Instead of a proposal coming up that Madras should be partitioned we have a proposal, first of all, for an Andhra Province, then for a Karnataka Province, then for a Tamil Province, and then we start the circle over again and we have had, I think, for the second time the Andhra Province and for the second time the Karnataka Province. I do not really think that a problem like this can be properly considered in isolation from the arrangements which are proposed or contemplated for the rest of Madras. The problem really is: Shall the Madras Presidency continue as it is at present, or shall it be divided into three or four separate areas on a linguistic basis? Then, we have to weigh the administrative considerations, the practical considerations, matters like finance and so on, against the feeling, whatever it may be, in favour of such proposals. Now, with regard to that feeling, the Honourable Dr. Rama Rau has drawn the attention of the Council to the Nehru Committee's Report. That Report at present, I gather, is to be regarded as an authoritative document. What may happen to it after the 31st of December I am not quite sure. I understand that until the 31st of December it represents the views of the Congress Party, but on the 1st of January a change comes over the situation and such virtue as it has goes out of it. Fortunately, that date has not yet come and we may regard the Nehru Committee's Report as expressing the views of the Congress Party. . . .

THE HONOURABLE SETH GOVIND DAS: And of many other Parties.

THE HONOURABLE MR. H. G. HAIG: And of other Parties. I agree. It seems to me, Sir, that the authors of the Report showed themselves to be amazingly easy to convince on this subject of public feeling in regard to the Karnataka Province. The Honourable Dr. Rama Rau has already read out to the Council some of the remarks made in the Report. The case, as far as I understand it, was placed before the Committee, by a single gentleman who is described as a representative of the Karnataka Unification Sangh and the Karnataka Provincial Congress Committee, and he must evidently have been a person of great learning and eloquence: he was able to provide them with a wealth of information, he was able to answer all their questions satisfactorily.

He was even able to persuade them that he spoke for the whole country, that the demand for unification came from the vast majority of the population, if not practically all. Well, Sir, bureaucrats may have many defects, but I think they would be inclined to scrutinise a little more closely the claims of this one gentleman to represent a people, a claim so easily made and so seldom justified. I notice that one member of the Committee had some doubts on this point. He even went so far as to suggest that " the opposition may be greater than we imagine and they may not have approached us as they did not know that we were considering the question ". This was an embarrassing suggestion which was at once repudiated by the other members of the Committee. But when we are engaged in a really serious problem like this, setting up a new administrative division, a new government in India, we have to go into matters very much more carefully and much more closely than the Committee were able to, and we cannot accept the *ex parte* statement of one single individual and assume that because nobody else came forward nobody had any other opinion. However, Sir, I do not want to stress that too much. Let us assume, let us take the greater part of my Honourable friend's case, let us assume that there is a considerable body of reasoned opinion in favour of the constitution of this province. We cannot, I think, go so far as the Nehru Committee and assume that there is no opposition, no arguments on the other side. But let us assume that there is a considerable body of opinion in favour of it. Surely, Sir, it is clear that, even if that is so, we cannot at the present time do what my Honourable friend invites us to do and set up a Committee to inquire into the formation of this province. My Honourable friend is aware, though no doubt he would like to forget it, that the Statutory Commission is now in India inquiring into the future constitution of this country. And one of the problems which is before the Statutory Commission is this question of whether the country should be divided into smaller units than our present administrative units, and whether the suggestion for a division by linguistic areas is or is not sound. Actually at the moment the Statutory Commission is in Madras. I do not know whether my Honourable friend confines his reading to such newspapers, if any, as have declined to publish information about the doings of the Statutory Commission. I do not confine my reading to such newspapers, and I find that at the present moment representations are being made to the Indian Statutory Commission dealing with these very problems. We cannot tell, Sir, what the conclusions of the Statutory Commission may be, but it is at least clear that, while they are inquiring into this very important question, we cannot set up a separate inquiry to cover the same ground. My Honourable friend no doubt feels strongly on this subject. I have no opinion. I know very little about the Madras Presidency or the proposed Karnataka Province. But the most practical course for my Honourable friend, if he wishes to commend these views and if he wishes to see them adopted, would surely have been to place them before the body which is really in a position to give an opinion about it. This illustrates, if I may say so, one of the practical inconveniences of the boycott and brings out what I ventured to say last year, namely, that to stand aside from this inquiry is not the most effective way of influencing the result.

One other point, Sir, I observed that my Honourable friend Dr. Rama Rau made no mention of the supplementary report of the Nehru Committee. They contemplate that an inquiry should be made into the constitution of the Karnataka and Andhra as separate provinces, but I understand that they do not recommend that any such inquiry should be made now but that it should be postponed until after the establishment of the new constitution. However that may be, it is quite clear that this is not the time for setting up

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the inquiry which the Honourable Dr. Rama Rau recommends that we should now undertake. We have to wait until the body which is examining this question has come to its conclusions and reported.

On these grounds, Sir, I must oppose the Resolution.

THE HONOURABLE RAO SAHIB DR. U. RAMA RAU: Sir, my Honourable friend opposite has entirely misunderstood me when he said that my object was to divide the Madras Presidency into three provinces. That is not at all my object. In fact, only one or two districts, South Canara and Bellary form a portion of the Madras Presidency, whereas the Andhra and Tamil districts contain 8 or 9 or 12 in each. My object is not to divide the Madras Presidency into three parts. My object is to take one or two districts from the Madras Presidency and four districts from the Bombay Presidency and constitute them into a separate province. By so doing you are not dividing the Madras Presidency into three portions. Even if my Honourable friend admits that the claims of the Andhra and Tamil districts ought to be considered, they stand on a different footing altogether. The special need for a Karnataka Province stands on a much higher level. They are in a helpless minority. Their membership in the local Legislative Council of Madras cannot be more than two; in Bombay they are not more than two or three. If they want to go to a High Court, they have to travel 500 miles to reach the Madras side, and if they have to go to Bombay, they will have to travel 300 to 400 miles. They are thus in a great difficulty. That is the reason why I want to have a separate Karnataka Province for meeting their conditions.

Then my Honourable friend says that he does not want to decide the question unless we hear the other side also. That is exactly why I want a Committee to be constituted consisting of officials and non-officials, men who are in favour of a Karnataka Province and men who are against it. It is to settle all the details that I am asking for a Committee. As for the financial aspect of the question, I have already said in my opening remarks that there is a surplus of Rs. 78 lakhs and that is quite enough to run the administration.

As for the Simon Commission going into the question of the formation of provinces on a linguistic basis, these details they can never go through. Their time is so very limited that a Committee of this nature is absolutely necessary to go into this question. The work cannot be finished in two days. They would have to go from place to place and collect enough materials which the Simon Commission will not be able to do in the very limited time at their disposal. So, Sir, with these few observations, I ask the Council to support my Resolution.

THE HONOURABLE THE PRESIDENT: The question is:

"That the following Resolution be adopted, namely:

This Council recommends to the Governor General in Council that a Committee be appointed forthwith, consisting of two members elected by the elected Members of the Central Legislature, two members elected by the elected Members of the Bombay Legislative Council and two members similarly elected by the Madras Legislative Council, with a non-official Chairman nominated by the Government of India and a financial expert as Secretary and with power to co-opt any technical expert or experts whom the Committee may consider necessary, to enquire into, and devise ways and means for the formation of a separate Karnataka Province and submit their report, before the 31st December, 1929, for the consideration of the Government of India."

The motion was negatived.

RESOLUTION *RE* SLAUGHTER OF MILCH COWS FOR THE SUPPLY OF BEEF TO THE ARMY.

THE HONOURABLE SETH GOVIND DAS (Central Provinces : General) : Sir, I rise to move the Resolution which stands in my name and which reads thus :

"This Council recommends to the Governor General in Council that he should take early steps to stop the slaughter of milch cows in British India for the supply of beef to the Commissariat of the Indian Army."

About 18 months ago, when I moved a Resolution in this House for the prohibition of the slaughter of milch cows, buffaloes and draught animals up to ten years of age, the Honourable Sir Muhammad Habibullah opposed my Resolution on three grounds. He said :

"It is inexpedient, impracticable and premature."

In calling it inexpedient, the Honourable Sir Muhammad Habibullah said :

"I say inexpedient and I use that word advisedly. From the trend of the speech of my Honourable friend, it is quite apparent that he has laboured to convince the Muslim Members of this House, and I take it the Muslims outside this House also, that in bringing forward this Resolution he was in no way actuated by any intention whatsoever of raking up feelings between the two communities. But, Sir, may I ask him whether he regards the present as an opportune moment for the purpose of starting a controversy over a subject which is, if I am informed rightly, one of the main issues for the consideration of the Unity Conference which is sitting now in Simla ?"

Now, Sir, in the Resolution which I am bringing to-day, I have tried to avoid the Hindu-Moslem controversy altogether. I am not asking my Muhammadan friends to do anything in the matter, but I am asking His Excellency the Commander-in-Chief and the Government to stop the slaughter of milch cows for the soldiers.

Then, Sir Muhammad Habibullah called my Resolution impracticable. He said :

"I said, Sir, it was impracticable and I emphasise that word. What is it that he asks the Governor General in Council to do ? He asks the Governor General in Council to take immediate steps to prevent the slaughter of milch cows, buffaloes and draught animals used for agricultural purposes up to ten years of age. There is, to begin with, the objection which the present constitution provides, namely, that veterinary and agriculture are provincial transferred subjects. Not only that · the slaughter of animals is entirely a matter provided for by Municipal and Local Board Acts."

Here again, Sir, the Resolution which I am moving to-day has nothing to do with Provincial Governments or local self-government. I am asking for something which concerns the Central Government only. The Report of the Royal Commission on Agriculture says that the present condition of cattle in India is such that the Central Government should take more interest in the matter. This is, Sir, what the Royal Commission on Agriculture says :

"The great importance to India of cattle improvement and the magnitude of the problem make it desirable that the Central Government should pay much more attention in the future to this subject."

Then, Sir, the third ground on which Sir Muhammad Habibullah opposed my Resolution was that it was premature. He said :

"Lastly, I said, Sir, the Resolution was premature. I am not quite sure whether Honourable Members of this House are fully aware of the steps that are being taken from time to time by the Government of India and the Provincial Governments to tackle this very important problem of improving the stock and the breed of cattle and the value of cattle and milk produce to the people."

[Seth Govind Das.]

Well, Sir, in this respect I have to say that these are the old, old grounds on which all popular measures are opposed. When we want adult franchise it is said that it is a premature demand because the whole of the population is not educated ; and when we want a compulsory system of education, it is said that it is a premature demand too because the conditions of India are not such as to enable a compulsory system to be enforced. In the same way, Sir, when we want Swaraj, it is said that that is a premature demand because we cannot defend our country ; and when we ask for the control of the military, it is said that that is also premature. Now, Sir, may I ask, are we not moving in a vicious circle ? Are we fit for anything ? Are we mature for anything ? I would ask my Honourable friend Sir Muhammad Habibullah what has been done in this respect in the last 18 months ? Have the Government done anything ? If my Resolution was premature at that time, does he think, since nothing has been done in the interval, that it has become mature now ?

Now, Sir, let us see how many cows are slaughtered for the military. I will give the figures in this respect which have been furnished to us by His Excellency the Commander-in-Chief and by Mr. Mackworth Young, the Army Secretary, in reply to questions which were asked in this House and in the Assembly. On the 7th March 1927 the late Honourable Lala Sukhbir Sinha asked :

" Will His Excellency the Commander-in-Chief be pleased to give the following information :

(*a*) List of all Cantonment slaughter-houses in India where cattle are killed for beef ;

(*b*) total number of British officers and soldiers to whom beef is supplied ;

(*c*) total quantity of beef supplied to them every year ;

(*d*) whether any beef is imported, and, if so, how much and from what country ;

(*e*) how many cows and bullocks are killed every year in all the slaughter-houses for military requirements ;

(*f*) is there any age limit up to which cattle are passed and allowed to be killed ; and

(*g*) is it a fact that cows below the age of 5 years are generally killed ? ".

His Excellency replied :

" (*a*) The number as stated in reply to question No. 68, dated the 15th February, 1921, in the Legislative Assembly, was 85. The present day figure may be taken as about the same.

(*b*) I am unable to give the exact number of British officers and soldiers to whom this is supplied either free or on payment, but the sanctioned establishment of British troops in India, including the Royal Air Force, is 6,666 officers and 61,275 other ranks.

(*c*) The estimated requirements during 1926-27 were 8,538 tons, including weight of bone, calculated at the rate of 6 lbs., including bone, per man per week.

(*d*) 50 tons of tinned beef are imported from Australia every year for purposes of the turnover of mobilisation reserves and of maintenance stocks.

(*e*) The total number will be obtained and communicated to the Honourable Member.

(*f*) Yes, the age limit is between 3 and 9 years.

(*g*) No, Sir."

Then on the 26th March, 1928, Mr. Siddheswar Pasad Sinha asked in the Legislative Assembly :

" Will the Government be pleased to state the number of (1) oxen, (2) cows, (3) buffaloes, (4) calves slaughtered for military food during the last three financial years ? "

Mr. Young, Army Secretary, replied :

" Approximately 63,750 cows and 25,000 bullocks are killed every year for military requirements. As has often been explained before, no calves and no buffaloes are slaughtered in military butcheries."

Now, Sir, it will be said that only useless animals are slaughtered for this purpose. My Honourable friend Sir Muhammad Habibullah opposed my first Resolution on this ground, and he quoted a passage in his support from Mr. Keating's " Rural Economy of the Bombay Deccan ". But, Sir, I am at a loss to understand why he was not convinced by the overwhelming evidence which I produced at that time to convince him that the slaughter which was going on was not of useless but of most useful animals, and in my support I quoted no less authorities than those of Sir B. N. Sarma, *ex*-Executive Councillor of His Excellency the Viceroy, who was in charge of the Agriculture Department, Dr. Harold H. Mann, Director of Agriculture, Bombay Presidency, Mr. Hamilton, Director of Agriculture, Punjab, Mr. R. C. Wood, Director of Agriculture, Madras, Mr. S. Miligan, Imperial Agriculturist, Pusa, Mr. C. M. Hutchinson, Imperial Agricultural Veterologist, Pusa, and Mr. C. F. Pyne, I.C.S., Chairman, Calcutta Corporation. They all say in very very clear terms that the animals which are slaughtered are most useful animals, and if this statement of mine, even now, is not accepted by His Excellency the Commander-in-Chief when he speaks to-day, I shall again quote these authorities while replying to the debate, and will prove to the hilt that there is no doubt of the fact that the animals slaughtered are most useful animals. His Excellency, in fact, did accept this in his reply to the Honourable Lala Sukhbir Sinha's question. He said that the average age of the animals taken to slaughter houses for the military was between three and nine years. And at this age, Sir, the animals are most useful.

Sir, what has been the result of this indiscriminate slaughter ? Our population has deteriorated both physically and financially. It is well known that most of the Hindus, who of course are in a majority in India, both by custom and religion, are vegetarians. They depend largely for their nutrition upon ghee and milk, and they are not getting this in sufficient quantities at the present day. The prices of ghee and milk have gone up considerably, and those commodities are now beyond the reach of the poor people of this country. The Agricultural Commission has accepted this fact and it says :

" In all the larger towns, the supply of fresh (liquid) milk is small ; in Bombay it has been estimated at about seven gallons and in Calcutta at about eight gallons per head per annum.....

Throughout India generally, the supply of fresh milk in villages is stated to be defective. In the Central Provinces the supply is estimted at less than 3 ounces per head daily, or 6½ gallons per head per annum ; in Bombay most villages are short of milk ; in Madras and in the United Provinces the supply of fresh milk in villages is said to suffice for the demand. In Bihar and Orissa the supply is considered to be too small for the cultivator's household needs.

All the evidence available points to the conclusion that the consumption of fresh milk in India is very small when compared with such countries as the United States of America, Denmark, Sweden and Switzerland. Since the desire for milk is widespread and the consumption is relatively small, it would appear that the difficulties in the way of economic milk production and distribution in India are formidable.

For children fresh cows' milk is preferred, and in certain areas, as in Sind, adults also prefer it.

The position may be summed up by stating that there is unquestionably a large unsatisfied demand for ghee ; there is a relatively small unsatisfied demand for butter; there is also, in all cities, an unsatisfied demand for milk at lower prices ; it must therefore be inferred that consumers, in general, are not able to pay the prices which, in existing conditions, are required to produce the supply."

[Seth Govind Das.]

Now, Sir, it will be said that the prices of other articles have also gone up. I admit that the prices of other articles have gone up, but not to the extent that the price of milk has gone up, and this can be compared. In 1890, we got 25 seers of wheat to a rupee, 28 seers of gram to a rupee, 12 seers of rice to a rupee, and 64 seers of milk to a rupee, while to-day we get 6½ seers of wheat to a rupee, 8 seers of gram to a rupee, 5 seers of rice to a rupee, and only 4 seers of milk to a rupee. The difference is quite clear.

The result of not getting this nutrition is quite evident if we look at the population of this country. We can see what kind of bodies the majority of people have; they are weak and frail, and therefore liable to so many diseases, to so many epidemics, and the death-rate in India is far higher than the death-rate of any civilised country of the world. Infantile mortality in this country is simply shocking, and the fact that infantile mortality is due to the lack of milk has been accepted even by the Government officials. Colonel Mactagert, Sanitary Officer of the United Provinces Government, says:

"By cheapening the price of the milk so as to bring it within the reach of the poorer classes, more would be effected towards reducing the infantile mortality than the presence of any number of trained *dais* would accomplish."

Now, Sir, the Agricultural Commission has accepted this insufficiency of milk and it has recommended many measures for the improvement of the condition of the cattle, while, Sir, it has said nothing either for or against the slaughter of cows. I admit that the recommendations which have been made by the Agricultural Commission are very useful. I admit that if those recommendations are put into operation the condition of the cattle will improve; but, Sir, the point is that it will take a long time to put those recommendations into practice, and therefore it will take a very long time to improve the cattle of this country. This has been accepted by the Commission itself. It says:

"The improvement of cattle is a slow and difficult business."

In one place the Commission says:

"The second is the necessity for efforts to secure for dry cows and cows in-calf better treatment than they now receive."

In another place what it says shows that it is against the export of cows as well. It says:

"The export of cows is usually undesirable and should be closely watched by the Government."

God knows, Sir, why the Commissioners of this Commission are satisfied by merely advising the general public that dry cows should be looked after more and only suggesting to the Government that they should keep an eye on the export. If we compare the figures of export, we find that export is merely negligible if compared with the slaughter. They ought to have advised the Government to do something at least for these dry cows. They ought to have told the Government that at least where cows are slaughtered for military or other purposes in which Government have a hand, such slaughter should be stopped. But they are conveniently silent on this point.

So far, with regard to the physical deterioration of the people. Now, as far as the financial deterioration is concerned, I will only say one word. It is a matter of common knowledge that India is an agricultural country. 83 per cent. of our population is dependent on agriculture, and the agriculture of this country is not dependent upon machines, it is not dependent upon

horses, it is not dependent upon donkeys but it is dependent upon bullocks, and the Agricultural Commission itself has accepted that good bullocks are very few in India. Good bullocks can be had from good cows, and therefore saving the life of these cows is an essential point to which we should pay attention.

In conclusion, Sir, I beg to appeal both to my Muhammadan brethren and to the Government in this respect. To the Muhammadans I have to say that they are not foreigners in this land. To them I have to say that they must look at this matter from a broader point of view ; it is as essential for Muhammadans as it is for Hindus. Muhammadans are also dependent in this country upon agriculture. They do want bullocks ; they do want milk and ghee. Their babies are also dying for want of milk. In the villages the majority of Muhammadans cannot afford to eat meat on account of their poor condition for weeks and weeks together, and the only nutrition which they get in villages is ghee and milk. Therefore, Sir, I say that they will be doing good to their own community by supporting my Resolution. To the Government, and especially to His Excellency the Commander-in-Chief, for whom I have a great respect and who has made himself universally respected in this country by his sympathetic behaviour, I have to say that they should give the matter their very sympathetic and serious consideration. Sir, their troops, I mean British troops, can do without beef, and if mutton is provided for them they can do very well, while the people of this country are dying for want of ghee and milk. I admit that mutton will cost more, but I assure His Excellency the Commander-in-Chief that if he accepts my Resolution and if this is a votable item, the Assembly will vote for more expenditure on mutton if he assures the Assembly that no beef will be used in the Military Department. I appeal to him, Sir, in the name of the teeming millions of people of this country—poor they are, weak and frail they are, liable to diseases they are ; they are becoming weaker and weaker on account of not getting nutrition ; they are dying from so many diseases, from so many epidemics,—to accept my Resolution. I appeal to him, Sir, in the name of millions of babies born and unborn in this country, who are dying and who would die for want of milk, to accept my Resolution.

Sir, I move.

THE HONOURABLE RAO SAHIB DR. U. RAMA RAU (Madras : Non-Muhammadan) : Mr. President, milk is a very good article of diet. Milk is needed by all people in India and also outside. For Indians, Europeans, Muhammadans, Parsis, Christians, for everybody, milk is a very essential thing. Especially, as my friend Seth Govind Das observed, milk is absolutely necessary for children under one year. If you take the statistics of the number of children dying under one year, it is enormous. Nowhere in the whole world do children under one year die in such large numbers as in India. It is all due to want of proper feeding. Mothers have no milk with which to feed their children, since they have to go to work, and because the children do not get enough milk from cows they die in large numbers, children not only of Hindus, but also of Muhammadans, Parsis, Christians and Europeans. So, the best way to prevent infantile mortality is to see that the supply of milk is increased in the country. From the statistics you will understand that the number of milch cows in India is going down day by day, and also that the price of milk is considerably going up, so much so that ordinary coolies and labourers are not in a position to buy milk and supply it to their children. In consideration of that alone this Resolution must be accepted by the Government. Also my friend

[Rao Sahib Dr. U. Rama Rau.]

does not say that beef must not be eaten in India at all. He does not say that at all. He says that the supply of beef from milch cows should be prohibited in the Commissariat of the Indian Army. My Muhammadan friends have nothing to complain of, because he has not touched their religious sentiments. Bullocks are available for the supply of beef.

1 P.M. Also, Sir, as a medical man I may bring to the notice of the Members here that beef is one of the hardest of meats to digest. Especially in a country like India, beef is not at all suitable. But for those who are anxious to eat beef, instead of destroying milch cows they could destroy some other kind of animals. So I appeal to Members of this House to support this Resolution moved by my friend Seth Govind Das.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN (Punjab: Nominated Non-Official): Sir, I have spoken before on a Resolution similar to the one which is now before the House. I think it would not be right if some of us did not get up to say that to-day's Resolution has been moved very ably. But it has to be seen from different points of view. No doubt it has got various bearings. First, we see it from the Muhammadan religious point of view. We are allowed no doubt to slaughter cattle when they are not useful for other purposes, and anything which is allowed to us by religion we do not like that it should be prohibited by any legislation or Resolution. But at the same time, it is not obligatory that for all sacrifices on such days as *Id*, etc., we should slaughter cows or calves, etc. We can do it with sheep also. And we have to respect the religious feelings of our countrymen, the Hindus, and if we do, we do it socially more than religiously. But from the agricultural point of view, which, being in India, one has also to consider, no doubt some steps ought to be taken to see that the agriculturists get good milch cows and good bullocks. I know that Government is doing a lot in that direction, but unfortunately we, who are agriculturists, are not moving abreast of the times in the matter, and I think that my friend and all of us instead of moving such Resolutions ought to organise just in the same way as we have organised about breeding horses. We know that horse breeding is very useful to the country and the army. In the same way, we ought to have some organisation to see that our milch cows and other animals are properly looked after; we should discriminate and ensure that the best of them are not slaughtered. I may also mention to the House that since the automobile has come into use, lots of bullocks that the Government had for the purposes of bullock carts are being sold and mechanical transport is being brought into use. So that in itself would save lots of animals for ploughing purposes. As to the milch cows, the proprietors, I think, are keen enough to see that, when they have an animal useful for their purposes, they will not let it go. But then at the same time there are certain animals which economically would not pay the owner to keep. If there were certain religious societies of our friends, the Hindus, they would take them over and pay the necessary money to the owner; of course the owner would not let his cattle go for nominal prices unless he was very philanthropic. He has to sell his animals at the best price he can get, and I do not think it is very easy to interfere with his proprietary rights. It is for this purpose, Sir, that I think, though the Resolution has been very ably moved, it is not right to interfere with the proprietary rights of the owners, and I think it will sufficiently appeal to all who hear us outside if we say that there is a great necessity for organising public opinion as well as to organise ourselves to look after this matter, rather than that we should ask the Government to do it against the wishes of the people. It is the people in reality who

ought to do it and if they move in the direction and get properly organised, I think one day this question will also be properly considered by the Government.

As for the soldiers, Sir, being one of them, I think there are times and times, but in ordinary times I think other meat could be used for the soldiers until very great necessity arises. So I would not commit myself to voting on one side or the other, but I do appreciate the Resolution.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: Sir, I wish that my Honourable friend, Seth Govind Das, could have seen his way to asking a question about this subject before he tabled a Resolution. I say this because his Resolution is that we "should stop the slaughter of milch cows in British India for the supply of beef to the Commissariat of the Indian Army". Well, as a matter of fact that whole Resolution I can answer in one or two words by saying that we do not accept any tenders of milch cows for slaughter to supply to the troops. If you come to think about it that would be governed by the economic factor which my friend the Honourable Colonel Sir Umar Hayat Khan has just mentioned. The price we pay for our beef is very very small indeed. As a matter of fact, it is just under two annas a pound. Is it reasonable that any man having a decent milch cow could afford to sell it for what he would get for the cow in the slaughter house? Equally, we cannot think of obtaining or wish to obtain bullocks that are suitable for draught purposes. Their value to their owner is considerably greater than what we could possibly give them for slaughter purposes. Therefore, as far as that is concerned, the question is answered by the fact that honestly we do not accept these milch cows nor are we able to accept or wish to accept bullocks that are suitable for draught purposes. It is only barren cows and it is only bullocks that are really unsuitable for draught purposes that are tendered to us and that are bought by our commission agents. I think it is probably realised by all the Members of the House that beef constitutes practically an essential food for the British soldier. Not only is it an essential food, but it is the food which the medical authorities have decided is the most suited to him.

THE HONOURABLE SETH GOVIND DAS: Cannot it be replaced by mutton, Sir?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: My Honourable friend mentions mutton. That we do supply from time to time, but it will probably come as a surprise to the House to realise that the cost of the substitution of one extra day's mutton a week in place of beef comes to something like 4½ lakhs a year.

THE HONOURABLE SETH GOVIND DAS: I think that is an exaggeration. However, whatever is required will be sanctioned by the Assembly if it is votable.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: That is quite a different question. The military budget would have to meet it. We cannot get an outside grant for it, I can assure my Honourable friend. And when in addition to the price I mention the fact that in the view of the medical authorities beef is more suitable, we naturally from that point of view could not contemplate a large increase or any increase to the mutton ration we now issue.

[The Commander-in-Chief.]

My Honourable friend has mentioned the Agricultural Commission and the point that they made that the supply of milk in this country was absolutely insufficient. I think there is no doubt about that. But my Honourable friend has not mentioned another point which was brought out emphatically by the Agricultural Commission, namely, the enormous number of useless cattle existing in this country, cows as well as bullocks, which are consuming daily a very large proportion of the very little fodder which would otherwise be available for the useful ones. That I think is a fact which one has to bear very much in mind. The Honourable Dr. Rama Rau also mentioned the fact that the cows in this country were decreasing in number. I happened to notice the other day the quinquennial reports that are made by the census authorities on the subject, and as a matter of fact, from what I noticed in the census reports, the numbers are increasing every time a census is made. Occasionally of course, when we get a famine, numbers do decrease, but as a rule the numbers are certainly increasing every five years.

My friend Seth Govind Das has talked about the substitution of mutton. I have given the reason why we cannot do that. But let me assure him that one does sympathise in this matter. I may tell him that as long as 17 years ago, when I was Quarter Master General in India, I went into this question to see if it would not be possible to substitute for the beef obtainable in this country imported beef. I did that because we know that the beef imported from Australia is very much more nutritious and certainly very much more preferred by the British soldier, but, unfortunately, the economic factors make it impossible to do so. I have just said that our average price of beef in this country is about 2 annas a pound. The beef from Australia will be at least three times that price. That of course might not come to very much, but we are faced with greater difficulties. We should have to provide cold storage plants at all our ports, certainly in Bombay. We should have to provide for cold storage on all the trains running through India, and we should have to start cold storage in every cantonment where troops are located, irrespective of the freight from the port to the different cantonments. As I have however told my Honourable friend, this is a matter in which we do sympathise and if we could get the very much better Australian beef, I should be delighted to get it, but the economic factor, I am afraid, makes it out of the question.

To sum up, I should like to mention three points. Firstly, that we do not accept milch cows or suitable bullocks ; secondly, we have definitely come to the conclusion that beef is the most suitable food for the British troops and I may also add for a certain number of our Indian troops ; and thirdly, there is no other diet available. From what I have said I think the House will realise that the fact that the Army has to obtain a certain amount of beef per year does not in any way decrease either the quantity or the quality of the cattle in this country, and I emphatically deny that our providing a beef ration to our troops in any way decreases the milk supplied or creates any hardship on the people of this country. Having heard that, and having put himself in possession of facts which probably he could not have known, I trust that the Honourable Member will see his way to withdraw his Resolution.

THE HONOURABLE SETH GOVIND DAS : Sir, I am very sorry to have to say that I do not see my way to withdraw my Resolution. I have heard His Excellency the Commander-in-Chief with the utmost attention and I am sorry, Sir, that I am not convinced by His Excellency's arguments. His Excellency's first argument is that milch cows are not taken for purposes of slaughter. When I moved the Resolution I said that I could quote many

authorities which would prove to the hilt that there is no doubt of the fact that milch cows, as soon as they become dry, are taken to the slaughter houses and slaughtered. From a report of the Superintendent of the Markets and Slaughter House, Bombay, in 1920, it can be seen that—

" 32 per cent. of the animals slaughtered during the period of 15 days were from 3 to 8 years of age—the most useful age for milking animals."

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: May I ask the Honourable Member how many of them were taken by the military authorities ?

THE HONOURABLE SETH GOVIND DAS: I have not got those figures, but there is no doubt that when such animals are taken to the slaughter house, they are taken by the military also and the reply which His Excellency the Commander-in-Chief gave in this very House in answer to the late Honourable Lala Sukhbir Sinha's question shows that the cattle which are slaughtered in military butcheries are also of three to nine years of age. No cow can become dry at the age of three years, and that is a conclusive proof that they do slaughter cows which are fit for giving milk. I shall give further proofs of the fact that useful animals are slaughtered. Dr. Harold H. Mann, the Director of Agriculture, Bombay Presidency, said in this respect :

" I think very strongly that the slaughter of the milch animals in Bombay and other large cities is endangering the future supply of the best milking animals and tending to deplete the best milking strains in the country, and the matter demands early and vigorous action."

Mr. R. C. Wood, M.A., Director of Agriculture, Madras, says :

" Most of these cows (which come to supply the demands of the Madras milk trade) go to the slaughter house as soon as they run dry and their calves are allowed to die of neglect."

Mr. Smart, Deputy Director of Agriculture, Bombay, and Mr. Hamilton, Director of Agriculture, the Punjab, all confirm this opinion. I think it is now proved to the hilt that the cows which are slaughtered in military butcheries can also give milk. Of course they are slaughtered at the time when they are dry, but that does not mean that they are not going to give milk in the future. If they were not slaughtered, after eight or nine months they would again begin to give milk, and therefore, Sir, there is no doubt that the best of our animals are being slaughtered in British India.

The other point which His Excellency the Commander-in-Chief made was that he does not see his way to substitute mutton or imported beef from Australia in the place of the Indian beef owing to financial reasons. Well, Sir, this financial bogey is an old, old thing. He said that only 4½ lakhs of rupees will be required every year. . . . .

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: For every day.

THE HONOURABLE SETH GOVIND DAS: That does not matter (Laughter). It is an exaggeration. However, when they could get 1½ crores for the recommendations of the Lee Commission, when they can get money for other things, they can get money for this also. The military expenditure, we know, went up to the extent of 80 crores in certain years and Government could get money for that. His Excellency did not say how much more it would cost if beef is imported from Australia. Of course he said that Rs. 4½ lakhs will be required if mutton is substituted for beef, but I am sure, Sir, that if beef is imported from Australia, the expenditure will be much less.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: If I may say so, Sir, what I think I said or I meant to imply was that it is almost impossible to calculate what it would cost. Cold storage would have to be provided, as I said, at the port of embarkation, Bombay, in every military cantonment and on all the trains. To this cost would have to be added the extra cost of transport from Bombay to the different military cantonments. It is quite impossible to foresee what that cost would come to.

THE HONOURABLE SETH GOVIND DAS: His Excellency may say so, but I am still of opinion that, if they want to provide money, they can do so. Let them not raise the financial bogey whenever anything is suggested by us. Sir, I am not convinced by the arguments put forward by His Excellency.

Now, Sir, one word for my Honourable friend Sir Umar Hayat Khan. He is for creating public opinion for not selling the cows. We are doing that as far as it is possible for us to do so. But he knows that the people are very poor in this country. When they have no money to pay their revenues and taxes, when their houses are liable to be sold by auction for default, when their children cry for food, is it not natural for them to sell their cows? Of course their cattle are very dear to them, as we have seen in the recent Bardoli struggle. But when they are compelled by circumstances to sell their cattle, it is only natural that they would do so. If in such matters the Government are going to leave the poor people to do what they like, it is a shame for them to say that they are the trustees of the Indian people. When we want Swaraj, they say they are the trustees of the teeming millions of India, but when such questions come up, they say, "these things should be left to the people." Now, Sir, I would remind the Honourable Sir Umar Hayat Khan that he voted for a Resolution moved in this House in 1921 by the late Honourable Lala Sukhbir Sinha. That Resolution asked for the prohibition by legislation of the slaughter of cows in India for food, except for sacrifice at the *Bakr-Id*. Not only my Honourable friend, but Sir Zulfiqar Ali Khan and Sayid Raza Ali also voted for that Resolution. What my Resolution wants is merely that slaughter for supply of beef to the military should be stopped. It does not say a word about Muhammadans, and I appeal to my Muhammadan friends to vote with me for this innocent Resolution which I am sure is for their benefit also. Sir, I again say that I do not see my way to withdraw my Resolution and I commend it to the House for acceptance.

THE HONOURABLE THE PRESIDENT: The question is:

"That the following Resolution be adopted, namely:

'This Council recommends to the Governor General in Council that he should take early steps to stop the slaughter of milch cows in British India for the supply of beef to the Commissariat of the Indian Army'."

The Council divided:

AYES—9.

Govind Das, The Honourable Seth.
Khaparde, The Honourable Mr. G. S.
Mahendra Prasad, The Honourable Mr.
Moti Chand, The Honourable Raja.
Mukherjee, The Honourable Srijut Lokenath.
Natesan, The Honourable Mr. G. A.
Rama Rau, The Honourable Rao Sahib Dr. U.
Ray Chaudhury, The Honourable Mr. Kumar Sankar.
Zubair, The Honourable Shah Muhammad.

NOES—22.

Abdul Karim, The Honourable Khan Bahadur Maulvi.
Akram Husain Bahadur, The Honourable Prince A. M. M.
Basu, The Honourable Rai Bahadur Suresh Chandra.
Braidwood, The Honourable Mr. H. L.
Burdon, The Honourable Mr. E.
Clayton, The Honourable Mr. H. B.
Commander-in-Chief, His Excellency the.
Corbett, The Honourable Sir Geoffrey.
Habibullah, The Honourable Khan Bahadur Sir Muhammad.
Haig, The Honourable Mr. H. G.
Harnam Singh, The Honourable Raja Sir.
Irving, The Honourable Mr. M.
Maqbul Husain, The Honourable Khan Bahadur Sheikh.
McWatters, The Honourable Mr. A. C.
Mitter, The Honourable Sir Brojendra.
Muhammad Hussain, The Honourable Mian Ali Baksh.
Suhrawardy, The Honourable Mr. Mahmood.
Symons, The Honourable Major-General T. H.
Thompson, The Honourable Sir John.
Wacha, The Honourable Sir Dinshaw.
Watson, The Honourable Mr. C. C.
Weston The Honourable Mr. D.

The motion was negatived.

RESOLUTION *RE* EXTENSION OF BANKING FACILITIES.

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY (East Bengal: Non-Muhammadan): Sir, I beg to move the Resolution standing in my name which runs as follows:

"This Council recommends to the Governor General in Council that he should take steps to appoint a committee composed of Members of the Central Legislature and other experts to investigate and report upon the desirability of extending banking facilities in India."

There is not much use for me, Sir, now to dilate upon the need of any banking enquiry in the country. The Indian Industrial Commission reported about the necessity for extending banking facilities for purposes of developing the industries of India. The External Capital Committee urged the importance of a co-ordinated survey being undertaken of the whole field of banking in India. The Royal Commission on Indian Currency and Finance has emphasised the same necessity. The Royal Commission on Agriculture also urged the importance of agricultural finance. On the 10th September 1927 a Resolution was moved by Mr. S. N. Haji in the Assembly recommending the appointment of a Banking Committee, and the said Resolution in a slightly modified form was accepted by the Assembly without a division. The Government opposed the Resolution only on the ground that the time was not yet ripe for holding such an enquiry because the Agricultural Commission had not yet submitted their Report and the Reserve Bank Bill was then before the Legislature. The present Finance Member has, however, admitted the force of this demand and has announced the inauguration of an enquiry into the general banking organisation of the country. But he has not yet definitely laid down the scope and object of such enquiry nor the personnel of this Committee that will hold such investigations. We are told that it will be composed of experts in trade and commerce, but India, I venture to submit, being rich in material resources of all kinds does not only require her commercial activities to be looked after and fostered, but her claims for industrial and agricultural development are equally, if not more, urgent, and the Committee ought to have these interests and the interests of the general public at large well represented among its members. Linked with Great Britain with her industry and commerce well developed, backward India is being treated as a producer and supplier of raw materials only and the banking system that has been developed in this country consists chiefly of a few joint stock concerns run almost entirely by British capital and in British interest to assist the growth and development of Britain's commerce in this country. The only other direction in which some

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attempt at development has recently been made by Government is the provision of rural credit by the introduction of the co-operative credit system. Although Government have devoted a large amount of attention and care to this branch of the economic development of rural India, the results achieved up till now have not been very encouraging and are not likely to prove of great value, because the system is after all based upon a "feeling of altruism on the part of the well-to-do to back up the self-help of the poor", and neither of these tendencies is a common commodity in this world and specially in India on account of the illiteracy and indigence of the masses and the backwardness and aloofness of the classes from them due to the prevalence of the caste system. Owing to the existence of a large amount of vested alien interest in the country and the backwardness of her industrial and agricultural development as compared to commercial development, it is all the more necessary that the Committee should be composed more of persons representing truly the industrial and agricultural interests of the country in its truly national aspect than the commercial interest which is associated more or less with foreign exploitation.

Having done with the personnel of the Committee, I shall now briefly refer to the scope and object of the Committee. Before I do so, I must confess that I am not an expert in banking matters, and as such can only place before the House a layman's point of view on a question of such vital importance to the country, and I do so in the hope that my Resolution will afford a further opportunity to those who are experts to throw greater light upon the question. India, Sir, is not only a vast agricultural country producing articles of raw consumption, she raises various agricultural crops and is the producer of many mineral and forest resources which furnish raw materials for the production of many kinds of finished goods throughout the world. In fact, jute, mica, shellac are some of the monopolies of India, and India is a large producer of coal, iron, kerosene, wheat, rice, cotton, tea, oil-seeds, hides and many other articles. We therefore need banking institutions that can help us in developing all these sources of production not only in their raw stage, but their conversion into finished goods and the traffic in them both internal and external. We want agricultural and land mortgage banks that will help the agriculturist class by increasing and improving the power of land production. We want industrial banks to help us to start and foster industries in India, both domestic and capitalistic, on a national scale and in national interests. We want in the same interest the further development of commercial banks and exchange banks to finance the traffic of goods within and out of the country. This can only be done through State intervention specially when a country is beginning to grow economically and the productive forces have not been brought into existence or are sluggish. The rapidity with which Germany converted herself from an agricultural into a highly developed and prosperous industrial country was mainly due to State intervention and the creation by it of a sound system of all-round banking development; and all the principal countries of Europe have followed her example. What is therefore primarily needed is that the Government should realise and recognise the all-round banking development of the country as one of the first duties of the State and, if not disposed to supply the country with State Banks, should at least provide it with machinery for the proper control and guidance of such institutions upon safe and national lines, in the true interests of the nationals of the country. The Government should also help these institutions with the deposit of funds under its control and the credit it possesses among its subjects as also in foreign countries by providing them with guarantees and loans on easier terms to finance the agricultural and industrial and other economic development of the country, just as it helps the

commercial banks with the deposit of its funds, and the development of irrigation and railway projects by the raising of loans and guaranteeing of interest upon proper terms and safeguards. Another way that the Government should help them is by offering them the advice of their economic and industrial experts.

I may at this stage refer to an obvious difficulty that raises itself at the experimental stage in adopting private enterprise as the basis of such development instead of State enterprise, in that it creates a vested interest in the case of the former, which it is difficult to alter or modify according as need arises for it in future and such has been one of the obstacles in the way of the creation of the Reserve Bank independently of the Imperial Bank resulting in proposals to grant special concessions to that bank to the prejudice of other banks in the country and in the ultimate postponement of the whole scheme till the expiry of the agreement with the Imperial Bank.

Coming now to the development of agriculture, we find—and I have not been able to satisfy myself about the reason why—that, though dealing with cognate questions, neither the Taxation Enquiry Committee nor the Royal Commissions on Agriculture or Currency and Finance were entrusted with the power of going into the question of the systems of land tenures prevailing in different parts of the country. Although it is a provincial matter, it is intimately connected with the question of agricultural finance and no satisfactory solution of this problem can be arrived at without adopting any definite policy in regard to the transferability of agricultural holdings which in some provinces are transferable and in some are non-transferable without the consent of the landlords. Nor on account of its being a provincial subject, do we find any definite policy being followed to make the laws uniform in different provinces. Take, for instance, Bengal. There agricultural holdings were originally non-transferable. The recent Bengal Tenancy (Amendment) Act has made such holdings transferable, while in the Punjab and Sind and the Deccan we find restraints are being gradually placed upon the free alienation of agricultural lands at least in respect of certain classes of tenants.

One of the causes why loans are not available for agricultural purposes at favourable rates of interest is no doubt the non-transferability of agricultural holdings which consequently offer no security for the advancement of money upon them, and, unless and until they are made transferable, no such facilities can be expected to be rendered available to the agricultural classes. But care should at the same time be taken to find some means to prevent the agricultural holdings from passing easily into the hands of capitalists and still more into the hands of foreign capitalists for we often hear reports that owing to the alleged shyness and insufficiency of local capital some of the land that will be capable of cultivation, after the various irrigation projects have been completed, might be sold to non-Indians and to foreign syndicates for purposes of bringing them under cultivation.

I think I also ought to mention the Postal Savings Bank Department as one of the means adopted by the Government for affording to the poorer classes facilities for making some income out of their small savings, but the rate of interest the Government pay is very small compared with the rate of interest these people have to pay and it is occasionally even lower than the rate paid by Government upon other loans raised by them, so that even the Government may be accused of exploiting their poverty and helpless condition. Assistance on the part of the State in the matter of credit arrangements to its cultivators is more or less recognised to be one of the responsibilities of the modern Government and the Prussian Government endowed over £2½ millions of public money

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to the State Agricultural Bank. Similarly, in France, Credit Agricole receives special facilities. But the *takavi* loan policy of the Government here is confined to times of famine and distress only and in ordinary times the agriculturists are left to shift for themselves. Some portion, if not the whole, of the huge sum raised by Government through their Savings Bank Department ought therefore in my opinion to be used for affording relief to the poor people by creating facilities for banking development among them; and if instead of leaving the banking organisation of the country in the hands of private concerns, the Government adopt a policy of creating State Banks, this department of the Post Office can easily be converted into a bank for lending money as well as for agricultural and other purposes to the poorer classes.

Facilities ought also to be provided for the storage of goods in warehouses under the control of public bodies, such as the Union Boards, upon easy terms, so as to enable the cultivators to raise money on such documents in their times of need instead of forcing them to sell their goods at a disadvantage under such handicaps, just as in the case of common carriers the grant of a receipt by them for the carriage of goods has afforded a great facility for the raising of credit upon those receipts.

Instead of providing such facilities for the supply of quick credit in the country and making the laws of the land suitable for supplying safe security for investment, the Government have been trying to thwart the credit organisation of the country by enacting the Usurious Loans Act, but that Act was bound under the circumstances to prove a failure and that it has as a matter of fact proved so, is amply borne out by the Report of the Royal Commission on Agriculture.

Another factor of importance in favour of State banking lies in the fact that on account of dearth and shyness of capital in the country, it may be necessary to borrow foreign capital. To allow the import of foreign capital by foreigners for the purpose of starting industries with sole control in their hands is not at all in the national interests. Any advantage of a protective system which we may introduce should not therefore be made available to the highly organised and more powerful foreign capitalists. Return on foreign capital for its use should be limited to the lowest figure in the shape of interest merely and this is possible only if loans are raised by the State on its credit for purposes of affording banking facilities in the country.

I do not propose to deal at length with the controversy as to whether the State should take up the banking system in the country or whether it should be left to private enterprise as it has become almost academical in interest, for such a system of control has been adopted by the State throughout the civilised world as to leave very little to private enterprise except that the public in as large a measure as possible are made to contribute some portion of the capital and figure among the shareholders on receipt of a fixed amount of dividend and to help on the directorate by rendering advice without receipt of any remuneration by way of a fixed salary and without being able much to control the policy. For all these reasons, the Committee that is going to be appointed ought, I submit, to be vested with powers wide enough to deal with all these matters, and its personnel should include representatives of all interests in the country.

With these words, I submit my Resolution for the acceptance of the House.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN (Punjab: Nominated Non-Official): Sir, as long as I am here in this House it is obligatory on me as a zemindar to speak on such a subject. In the first place, Sir,

I offer my congratulations and thanks to the Mover for moving this Resolution. I do not think there can be any Indian who can oppose this Resolution unless he is tied to oppose it, and our truly representative Government, I do hope, will come to our assistance and accept this Resolution. They may say that they are doing a lot in that direction but I must respectfully say that that is wrong. I will appeal to the House, and especially to Indians who are true sons of India, to support this Resolution.

THE HONOURABLE MR. E. BURDON (Finance Secretary): Sir, I hardly expected this Resolution to be moved this morning in view of statements which have been recently made elsewhere and announcements which, as I learn from my Honourable friend's speech, he has himself seen in the public press. Briefly, Sir, the position, as far as Government is concerned, is as follows: The Government of India for a very considerable time have recognised that it is desirable, indeed that it is necessary, to hold a banking inquiry and they have merely been waiting in order to find a favourable opportunity for starting such an inquiry. I may inform the House that actually when the Reserve Bank Bill was in the later stages of consideration, at that time the Government of India in the Finance Department had worked out a cut and dried plan for an inquiry, to be set on foot as soon as the Reserve Bank Bill had been passed. But when the Reserve Bank Bill was wrecked, in circumstances which are known to Honourable Members of this House, it was decided to put the plan of a banking inquiry on one side for the time being and to wait until the public mind had returned from political matters to practical matters. In the conditions of the time this was a very suitable course to adopt as Sir Basil Blackett was surrendering office as Finance Member and there was to be an interregnum before the newly appointed permanent Finance Member, Sir George Schuster, took over charge: and I think the House will agree that it was a very reasonable course to wait till Sir George Schuster took over charge and till he himself, having had a view of the situation, decided what particular policy, on this subject, he was prepared to advocate to the Government of India. Well, Sir, events have turned out very much as was forecasted. The subject was revived at the annual meetings of the Federation of Indian Chambers of Commerce and of the Associated Chambers of Commerce held last December in Calcutta. The newly appointed Finance Member, Sir George Schuster, was present at these discussions and he arranged in the first instance to meet a deputation of representatives of these two main groups of Chambers of Commerce in this country. Only a few days ago the Honourable the Finance Member, speaking in another place, in reply to a question, made the following statement:

"I have already discussed the matter in a provisional way at the annual meetings of the Federation of Indian Chambers of Commerce and of the Associated Chambers of Commerce, and I have arranged with my Honourable friend Mr. Birla on behalf of the former and with Sir George Godfrey on behalf of the latter to hold a joint meeting of representatives of these two organisations at Delhi on February the 16th to discuss a plan for a commission for proceeding with the inquiry."

Sir George Schuster at the same time explained that he had taken steps to ascertain the views held on the subject by the leaders of the various political parties. Now, Sir, the discussion of the 16th of February has taken place and a brief account of what transpired, together with a list of the names of the gentlemen who attended that discussion, has already appeared in the press. The present position in detail is that we are now working out a detailed plan as the result of the consultation which has already taken place, and before long it is possible that an opportunity may be sought further to consult representatives of public opinion assembled here in Delhi at this time of the year.

[Mr. E. Burdon.]

There is one special point in my Honourable friend's speech on which I wish to touch and that is when he referred to the necessity of seeing that the interests of the agriculturists were properly safeguarded in regard to this matter. Actually a statement on this point also was recently made in another place and the Honourable the Finance Member gave a definite assurance that every care will be taken to associate with any inquiry that may take place representatives of agricultural interests, men who are acquainted with the particular problems of the agriculturist and who have already made a study of the means necessary to solve those problems. I am not able, Sir, to accept my Honourable friend's Resolution for one reason and one reason only, namely, that the terms in which it is set would bind us to take a particular procedure—the appointment of a Committee. As a result of the discussions which have already taken place, we are by no means sure that that would be the most convenient or the most effective means of conducting the inquiry, and on the matter of procedure we find it necessary that for the moment we should keep a free hand. Nevertheless, Sir, I think my Honourable friend—I hope he will do so—may safely withdraw his Resolution in the assurance not only that his main point has already been met, but also that the direction of the inquiry and the procedure to be followed are being worked out in direct consultation with leaders of business opinion, with representatives of other special interests and with public opinion in general. Finally, Sir, I shall make it my business to see that the interesting suggestions and observations contained in his speech of to-day are brought without delay to the notice of the Honourable the Finance Member and others who may be associated with the inquiry.

Sir, I oppose the Resolution.

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY: Sir, in view of the assurance given by my Honourable friend Mr. Burdon, I beg leave to withdraw my Resolution.

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

The Council then adjourned till Eleven of the Clock on Wednesday, the 27th February, 1929.

COUNCIL OF STATE.

Wednesday, 27th February 1929.

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* IMPORT OF VEGETABLE OIL, ETC.

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

"This Council recommends to the Governor General in Council that—

(*a*) the import into India of solidified vegetable oil, *vanaspati*, and other similar products, be entirely prohibited unless they are given such permanent harmless colouring as may readily distinguish them from and render them unfit for readily mixing without detection with natural pure ghee;

(*b*) a prohibitive excise duty be levied on solidified vegetable oil, *vanaspati* and other similar cheap products manufactured in India, unless they are also permanently coloured in the same way as is suggested in clause (*a*) for imported articles, in order to render them unfit for readily mixing without detection with natural pure ghee."

Sir, I have come again before this House to induce Government to take some effective steps to prohibit absolutely the import into this country of solidified oils, *vanaspati* and other similar cheap products. The producers of these commodities are forcing on the people of this land a food which is admitted by the medical authorities to be deficient in important vitamins. In support of this, Sir, His Excellency the Commander-in-Chief in answer to one of my questions on the subject asked some time ago in this Honourable House said:

"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."

That is the reason, Sir, why the Military Department does not buy adulterated ghee or any of these *vanaspatis*, because it affects the vitality of the Army in India. This question, Sir, was taken up seriously by the Punjab Council, and from a very few extracts which I will give to the House I will prove that in the Punjab, which is mainly a ghee consuming province, the representatives of the people in the Council have all expressed their wish to stop the adulteration of ghee and the import of this *vanaspati* into the province. The Honourable Malik Feroz Khan Noon, Minister for Local Self-Government in the Punjab, dealt with the subject very fully and I shall give only a very few extracts from his speech. He said:

"If you wish to find out as to what the Indian mind feels about the effect of *vanaspati* ghee you have got to go to the streets and see the labourers who eat simple *chappatis* and *dal* and have nothing more to eat. You will find there are many in that class in this country with whom natural ghee is the only stuff which gives them the necessary vitamins. If you cut ghee out of their *dal* or out of their *chappatis*, you will find that their food will not be as nourishing as it ought to be."

[Rai Bahadur Lala Ram Saran Das.]

Further on he says:

"It has been argued that *vanaspati* is not directly injurious. I certainly agree that it is not injurious, as arsenic, for instance, is injurious. On the other hand *vanaspati* has not got that effect. It has this effect, that it greatly reduces a man's vitality and the effect of that article of food in the long run is, I think, as injurious as that of any poison. I have been trying to study this question as minutely as possible. I have thought of the question of prohibiting the import of *vanaspati* into this province. I am sorry to say that to prohibit the import of this article into the province was not within my power and not within the power of this Government. Then, I further went into the question of requesting Municipal Committees to prohibit the sale of this article within their limits and of prohibiting its being disembarked at certain railway stations. This method again was found defective, because a man who wishes to cheat the public need not necessarily detrain his *vanaspati* consignment at a particular railway station where there is a Municipal Committee. For instance, in the case of Lahore, he can easily detrain at some 10 or 15 miles out and then bring it into Lahore by a motor lorry. So even that method could not be as effective as it was desired."

In another place he says:

"With the support of your speeches in this Council we will certainly at once proceed to address the Government of India on the subject and try to bring about some sort of legislation or executive order by which all *vanaspati* produced in India or imported is coloured in such a way that if it is mixed with real ghee it is spotted at once."

Then at the end he says:

"It is my intention as well to keep this danger away as far as possible."

In this connection, Sir, I might say that in my present Resolution I do not want that the sale of so-called *vanaspati* or solidified oil should be stopped. Let those people who cannot afford to pay a high price for ghee and who willingly want to buy *vanaspati*, buy it. There being no other suitable method of regulating the sale of this *vanaspati* and of easily detecting its being mixed with pure ghee, the only way which my friends and I and the Punjab Government as well think it could be done is to give it a permanent harmless colouring, a colouring which will easily distinguish it from pure ghee and which when mixed with pure ghee will give ghee a different colouring. Last time the Honourable the Commerce Secretary said that as *vanaspati* was a better substitute for being mixed with ghee, perhaps it was more harmless, I should say, than other things with which ghee was being at present mixed. In this connection, Sir, I should like to say that *vanaspati* is an odourless and tasteless product. When anything else but this is mixed with pure ghee, that can be distinguished by scent or by taste, while in case this *vanaspati* is mixed with pure ghee neither the tongue nor the nose can easily detect it. In the Punjab, as the House would have learnt from the speech of the Honourable the Minister for Local Self-Government, various Punjab Municipalities imposed on *vanaspati* an octroi duty or terminal tax varying from Rs. 30 to Rs. 50 a maund. That was done, as far as I can see, at the instance of the Punjab Government. But when these Municipalities in the interests of their own people levied that tax and approached the Punjab Government for approval, if I am not wrong, the Punjab Government approached the Central Government. I do not know the nature of the reply which the Government of India sent to the Punjab Government, but I know this much, that all the Municipalities which imposed these prohibitive duties on the import of *vanaspati* were refused their request. They were not allowed to impose what they wanted to do. This shows, Sir, how local self-government works in practice. Whenever anything is done which

does not suit the wishes of the Imperial Government or the Local Government, the Municipalities even in their legitimate work are virtually refused free scope. I hope, Sir, the Honourable the Commerce Secretary will throw some light in this House as to the nature of the reply that the Government of India sent to the Punjab Government. The result of this indifference on behalf of the Government of India on a question of vital importance to the Punjab which contributes to the manpower of the Army is now being differently interpreted in certain quarters. People say that it is the intention of the Government to kill the manhood of the Punjab by this indirect method. I do not agree with this myself, but I think those who think so have really some ground for suspicion, and I think the reply of the Honourable the Commerce Secretary will correct this mistake, if there is any.

The second part of my Resolution, Sir, deals with another aspect of the same subject. Some time back, Sir, a representative of a big *vanaspati* concern came to the Punjab with the idea of establishing a *vanaspati* factory there. He saw various people whom he thought were interested in his new venture and he approached the Punjab Government as well. I do not know what reply the Punjab Government gave him as regards certain patronage which he wanted. But all the same, Sir, I find that there is a movement in certain circles in foreign countries to come to India and to establish these factories to escape the legislation which they anticipated might perhaps ensue as a result of the strong agitation which is now being raised against this commodity by the public and the Press. My prayer simply is that *vanaspati* ghee ought not to be imported into India unless it has a harmless permanent colouring, and in case such article is produced in India, that also should be subject to the same prohibition unless and until that is also permanently coloured. Some people say, Sir, that if a permanent colouring is given to *vanaspati* it will not sell in the market. . . .

THE HONOURABLE MR. G. A. NATESAN: It could easily be removed by another chemical.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: In case it can be removed by another chemical, the import of that chemical or the use of that can be dealt with later on as circumstances require. In case we go on in the way suggested by the Honourable Mr. Natesan, then I do not think that we shall be able to move at all in this matter, because whatever we might do, there will be some sort of solution for it. But all the same, I see, Sir, that coloured aerated waters are now in great popular demand—green, pink, blue and all sorts of colours. In the beginning people were doubtful whether these coloured waters might or might not sell, but we now find coloured waters are in great demand. Some people say, Sir, that England passed through a similar difficulty some time ago and that was in connection with margarine. In that connection, Sir, I want to say only a few words, and that is, as far as the consumption of butter or margarine is concerned in England and in India by those who live in English style, butter is used with toast on a very small scale. There of course colour may be a question. I do not consider that it does matter at all, but perhaps some people may want the white coating for the bread. Dr. Maddison, who was the President of the Health Committee of the League of Nations, during the course of an interview with a Punjabi in Lahore, remarked that margarine was the cause of blindness in children which resulted in various sorts of legislation. I do not know, Sir, personally whether this effect of margarine has been perceived elsewhere, but coming from an authority like Dr. Maddison I think, Sir, that there is good reason to suspect that this *vanaspati* is likely to do us harm. Sore eyes are generally the trouble

[Rai Bahadur Lala Ram Saran Das.]

in the Punjab now. I need not dwell, Sir, on the good or bad qualities of *vanaspati* because in my present Resolution I do not want to say anything against it for those who want to use *vanaspati* knowing what it is. Let them use it, but I want the public to be saved from being cheated. Now in the Punjab cheating is going on to such an extent that it is very difficult to get pure ghee. Even for religious purposes it is very difficult for one to get pure ghee. Ghee is now being adulterated in every village. It is being mixed with milk and after that the milk is churned. So it is of very great interest to Punjabis at least, and to the people of the United Provinces and North-West Frontier Province who also largely use ghee, that some prompt and effective action in this direction should be taken. Unlike Bengal, Madras and other provinces, where oil is mostly used, in the Punjab, the United Provinces and the North-West Frontier Province ghee is the principal commodity which forms a principal part of our food. Therefore, Sir, to give to the provinces which consume pure ghee an equivalent in oil is, I think, not proper. It does not suit the constitution of the people because they have not been accustomed to it from ages past. I might here give, Sir, some idea of the quantity of this *vanaspati* which is being imported into India. I gave these figures last year and I give a few more figures to revive the memory of this House. From April to December 1927 the total imports of such vegetable products were valued at Rs. 1,40,04,839, while in the year 1928, from January to December the total import amounted in value to Rs. 1,92,10,355. This shows, Sir, how the demand for this ghee is rising and the extent to which the people in the Punjab, the United Provinces and the North-West Frontier Province in particular are being cheated by this *vanaspati* being adulterated very freely with the ordinary ghee. Realising, Sir, the danger to the manhood of their own people, the Governments of Jummu and Kashmir have totally prohibited the import of this *vanaspati* into their territory. The Kapurthala Durbar has done the same. Many other States, Sir, have already taken action in the matter in the Bombay Presidency as well. I will just mention a few States where its import has been prohibited—Porbundar, Navanagar, Junagadh, Wadhwan, Palitana, Rajkot, Edar, Dhrall, Soyia, and so on.

In Gwalior State, Sir, an import duty of Rs. 50 a maund has been imposed on this *vanaspati*, which means that the entry of this article into that State is absolutely stopped because the price of ghee there ranges from Rs. 42 to Rs. 48 a maund. There was a conference held at Poona in the Bombay Presidency at the instance of Government where it was resolved :

> " to entirely prohibit the import of these imitations of butter and ghee and thus save the butter and ghee business of this province from ruin. Also to put a complete stop to this adulteration of butter and ghee throughout the Bombay Presidency by more stringent and more effective measures."

I need not dilate on this point any further, but this much I want to say before I sit down, that every other effort to control the sale of this *vanaspati* in the Punjab has failed because the adulteration has begun at the manufacturing centres of butter. Villagers and farmers, dairymen and merchants, all buy this *vanaspati* and mix it with ghee, and the result is that ghee *vanaspati* is being sold as pure ghee and not as *vanaspati*. It may be said that legislation may be undertaken requiring that the sale of *vanaspati* be allowed only in such tins which indicate this fact, but it is of no use because the food value of vegetable ghee as such is practically nil. With these few words, Sir, I want the support of this House in this very important matter. I need not go into details again, Sir, and I simply want to remind this House of the statement

I made when I spoke on this subject on the last occasion, namely, that Captain Thomas, Chemical Examiner of the Punjab, reported adversely on this *vanaspati* when he said that of two kittens, one was fed on *vanaspati* and another on pure ghee, and the result was that after some time one lost weight heavily and health, and the other gained. So, Sir, it is not a question whether *vanaspati* is harmless. It may be harmless in the sense that it may produce no disease directly but, Sir, it has no food value for those who consume it. However, Sir, that question I now leave to the House and I think that my Resolution which concerns the health and the vitality of the people will be supported by this House.

THE HONOURABLE SIR GEOFFREY CORBETT (Commerce Secretary): With your permission, Sir, I rise at once to explain the attitude of the Government towards this Resolution. I think I ought to say in the first place that there is, of course, no sinister design to kill the manhood of the Punjab. In fact, I think that the robust presence of the Honourable the Mover here today and other Punjab Members suggests one of two things: either that they find it possible to get their ghee pure, or that *vanaspati* is not so deleterious to health as they would have us believe. (Laughter.) I am glad to find that the Honourable the Mover has indeed modified his attitude substantially on this point. He no longer claims that the use of solidified vegetable oil would be prohibited, but that it should be sold as such and not as ghee. When he gets as far as that, there is very little between us. I find, I believe I am correct in saying, that the manufacturers of solidified vegetable oil do not wish that it should be sold as an adulterant of ghee, but wish that it should find its own market on its own merits. Only this morning, Sir, I saw in the *Times of India* an advertisement published by a manufacturer of solidified oil, in which the housewife is urged to use solidified oil openly. This is a picture of the housewife, Sir, (showing a picture in the *Times of India*) and this is what the advertisement says:

"Please, Georgie, don't go to the nasty old club for dinner any more.—mother told me her secret, and I'm cooking in Cocogem too now."

(Laughter.) Sir, when we have got to that stage, that it is the point of view both of the Honourable the Mover and of the manufacturers, the matter really comes down to this, that it is merely a question of a correct trade description. We want to ensure that the public know what they are buying, and that the manufacturer sells his goods for what they are.

I was rather surprised that the Honourable the Mover did not refer to what the Agricultural Commission said on this subject, for they approached the question from a point of view which is, I believe, of interest to him, and certainly of interest to many Members of this House, and that is, the point of view of the agriculturist and the effect on the primary producer of ghee. They say:

"The purity of *ghi*, like that of milk, is a subject affecting the interests of the producer ....."

—it was from his point of view they were looking at it—

"..... *Ghi*-making is not only a widespread village industry, but an important aid to successful dairy farming on a large scale. Many complaints of the adulteration of *ghi* have been made to us, and our attention has also been directed to the increasing sale of substitutes known as "vegetable *ghi*". No exception can be taken to the sale of substitutes for *ghi* if these are properly described, and are sold under names which do not lead the public to suppose that they are *ghi*; for in all countries such substances are recognised as cheap and wholesome foods; but there are grave objections to mis-description. The position in India is now very similar to that which arose in the British butter market

[Sir Geoffrey Corbett.]

when margarine was first introduced. To protect the producer of butter from unfair competition, and the consumer from imposition, the sale, under the name of butter, of any article composed partly of fat from other sources than milk was prohibited ; and to prevent sellers of margarine from using names which might lead customers to think that they were being served with some kind of butter, the law required that names under which manufacturers proposed to sell their margarine must be approved by the Department of Agriculture.

We are of opinion that similar action is required to protect producers of *ghi*."

And also from the point of view of the Commerce Department, I would add, to protect the consumers of ghee and the manufacturers of solidified vegetable oil.

My Honourable friend's Resolution, as now worded this year, is substantially the same as the proposal made by the Punjab Government which I referred to in this Council last year. The Punjab Government wrote to us as follows :

" In these circumstances, it appears to the Punjab Government that the only effective method of dealing with this 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 *ghi* without immediate detection."

As I told the Council last year, we referred this proposal to the various Local Governments. We have only received the opinions of a few of the Local Governments so far, and the major Local Governments and commercial bodies have not yet replied. In these circumstances, I am sure the Honourable the Mover will understand that it would be improper for the Government of India to express an opinion, or indeed to hold an opinion, until they have received and considered what the Local Governments have to say. Thus the position of the Government towards this Resolution is this. We will take no further part in the debate and we will not vote, but we shall be very glad to hear what the views of Members of this House are, in order that, when we come to consider the opinions of the Local Governments, we may have the considered opinions of Members here too.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN (Punjab : Nominated Non-Official) : Sir, coming from the Punjab and also its martial classes, it is my concern to speak on this subject. I think my Honourable friend Rai Bahadur Lala Ram Saran Das has himself brought forward most of the arguments and I need not repeat them. But I must mention, Sir, my own experience. Some time ago, when the holdings were large, the people of the Punjab could keep cattle, and for their own consumption they always had the best ghee. But directly they had anything surplus to their own requirements for sale, sometimes they adulterated it. This *vanaspati* ghee has got so common now and is sold everywhere that, unfortunately, these zemindars buy it and mix it with other ghee for selling purposes and you cannot get pure ghee at all. I have had this experience myself here in Delhi when buying ghee for a very large household. They could not get any proper ghee and their health is suffering. When I was in Peshawar in the Army, I used to get my ration just as any other ordinary soldier gets, and I found that the ghee supplied was not pure at all. So, I bottled it and sealed it and sent it to Simla and from there the answer was that it was not pure ghee. The Army has taken the matter up since and they are doing their best to get as much good ghee as they can. But if adulterated ghee was allowed to be sold like that, I do not think it will be possible for anybody to get good ghee. We are concerned, Sir,

with the health of our soldiers. If they are looked after and the Army authorities try to secure good ghee for them, should not we go further and see to the material from which they are drawn ? If the people from whom our soldiers are drawn do not get good foodstuffs their health will naturally deteriorate and the soldiers drawn from that class will also deteriorate in consequence I would support this Resolution from another point of view as well. A large portion of India is vegetarian, and their only source of nourishment is derived from ghee. If this is cut out of their diet they will naturally not be so strong as they should be. Though we may not be concerned with them from the point of view of the Army, still they are the inhabitants of India and we should think about them also. So I think that for the sake of the health of the country we ought to take steps, as recommended here, and I am glad that the Government is to-day willing to hear us and will not oppose us. In these circumstances, we can easily carry this Resolution and when we have backed it and passed it, some action will be taken upon it. ....

THE HONOURABLE SIR MANECKJI DADABHOY: What about the poor people ?

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN: I think the poor people, Sir, want to live just as much as anybody else. To begin with they do not get sufficient food because they are poor, and if on top of that you go and give them this cheap stuff—I will not say that Government wants to kill them off, but nature will kill them, as others have pointed out before me.

THE HONOURABLE MR. V. RAMADAS PANTULU (Madras : Non-Muhammadan): Sir, I rise to support the Resolution which has been very ably moved by my Honourable friend Lala Ram Saran Das. Of course this old friend *vanaspati* is rather a hardy annual, and I have been really guilty in the past of not having given the Honourable the Mover my vocal support, though I would always have voted with him if there had been a division. He has given very good reasons for actually prohibiting the import of this stuff into India. I was wondering why he did not actually ask for the prohibition of its import into this country. The answer made by the Honourable Sir Geoffrey Corbett is apparently of a non-committal character. But when analysed it does not appear to be non-committal as all that. He has said enough to give us an indication of the view of Government, which is that if these solidified oils are sold as such and there is no deceit the Government will not be prepared to prohibit their importation. I think that is a wrong attitude to take. I have read the recommendation of the Royal Commission on Agriculture on this matter, and I regret to say that I cannot agree with that recommendation. My very simple reason is this. When once you introduce a foreign cheap substitute for any Indian article, the chances are that the indigenous article will be very soon driven out of the market. If there are two things in this country which ought to be supplied by indigenous enterprise, and the importation of foreign substitutes of which ought to be prohibited, they are foodstuffs and clothing. It is no secret and this House knows that I am one of those people who are very strongly in favour of boycotting every foreign article in this country, if possible. If I am not able to do it, it is only because of our inability to manufacture the articles concerned ; but the moment that India can manufacture any article herself, I shall certainly advocate the Government taking every possible step to prevent the importation of that article into this country from abroad. Therefore, my reasons for supporting this motion are broad-based on national interests, which ought to commend themselves to the Government,

[Mr. V. Ramadas Pantulu.]

if they only had the vision to pursue a right policy, namely, the prohibition of a foreign article of food which is a substitute for an indigenous article. Two years ago when the members of the Royal Commission on Agriculture were in Delhi, His Excellency the Viceroy, who is very deeply interested in the agricultural progress of this country, presided over a lecture at one of the cinemas in Delhi delivered by a Government expert. His Excellency showed how deeply interested he was in the promotion of cattle welfare and the promotion of dairy farming in India. But if tinned butter from Denmark and condensed milk from Switzerland and *vanaspati* from Holland and other things from all over Europe are to come into India, I can assure the Government of India that its good intentions will remain absolutely unfulfilled for generations to come. If two crores rupees worth of *vanaspati* is imported into this country every year it means so much competition with ghee and less consumption of the latter. If the Government of India had the proper vision they would improve agricultural conditions and the cattle wealth of this country to such an extent that India might be able to supply milk products not only to satisfy its own needs, but to export dairy produce to foreign countries. Therefore, I cannot congratulate the Government of India upon its agricultural policy or even upon the recommendations which the Royal Commission made with regard to the promotion of agricultural industries and cattle welfare in this country. Therefore, I very strongly feel that this *vanaspati* ought to be absolutely prohibited from being imported into India if cattle wealth is to improve and dairy farming is to be encouraged, and, generally, if the agriculturist is to be made prosperous. No agriculturist can thrive unless the cattle wealth is improved. That is one of the first requisites of agricultural prosperity. Therefore, I think the whole policy is a vicious one, and I support this Resolution on the ground that the importation of *vanaspati* is absolutely inimical to the agricultural prosperity of this country.

It is said that the article might be sold under its proper name without any prospect of deceit. But I wonder how that is going to be done. The laws against adulteration are very difficult to administer, even if the article which is used for adulteration can be readily detected. But if it is really odourless and tasteless, as has been said, its detection would be impossible. But even if it were possible to detect the adulteration, the local bodies and municipalities who administer the laws regarding adulteration are very slow to move in the matter. There are only two ways of preventing adulteration. One is the wholesale destruction of the adulterated article, and the other the imposition of fines or other punishment on the offenders. My experience as a member of a municipality long ago convinces me that very few Bench Magistrates would go to the length of destroying hundreds of thousands of tins of ghee if they found it was adulterated. They are very tender on that point. I knew one Magistrate who once ordered a hundred tins of ghee to be poured into the river and he was very much disliked by the people in consequence, because above all things Indians are very much against an article being destroyed, and that feeling gets the better of their ideas on sanitation and considerations of that sort. Therefore, destruction is more easily preached than performed, and the imposition of fines upon these adulterators hardly has the desired effect.

Therefore, it is very easy to say that the laws of adulteration may be brought into play in order to detect and punish the adulteration of ghee. As for medical opinion and as for advertisement in the *Times of India*, which the Honourable Sir Geoffrey Corbett has quoted, there is nothing very unusual. I read another advertisement recently of a coffee dealer in America and he quoted a great scientist, a great medical man, who said that, unless a man

drank 175 cups of coffee a day, it does not come anywhere near a poison and he adduced a lot of scientific opinion in his favour. These people who want to push their trade will certainly say such things, but we who are asked to consume the deleterious stuff are not quite easily prepared to accept advertisements in the papers. Now, production of these cheap and valueless articles from the food point of view ought in the long run to have the effect of destroying the real enterprise in producing dairy products. I think even my British friends ought to recognise how the cheap yarn and cheap cloth of Japan have harmed the textile industry of even England Once people get cheap food substitutes, poor people will go in for the cheapest stuff in the market, because their idea is not yet of strength and health, but to live somehow. Non-starvation itself is a problem with three-fourths of the population of India, let alone health, strength and luxuries. In a country like this, where millions are starving for food any cheap stuff will do. Therefore, the danger of this must be evident to those who care to realise it, and I hope the Government of India will not be over-tender to these foreign manufacturers and importers, but will have more concern for the agriculturists of India and their cattle wealth and the people who will suffer by the use of deleterious stuffs like *vanaspati*. I think the public of this country really owe a debt of gratitude to my friend the Honourable Rai Bahadur Lala Ram Saran Das for fighting out this question which concerns not only public health, but also agricultural prosperity. Year after year I hope he will continue to bring it up until Government take action.

With these words, I have very great pleasure in supporting the Resolution.

THE HONOURABLE SIR GEORGE GODFREY (Bengal Chamber of Commerce): Sir, I rise to oppose this Resolution. To start with, may I quite frankly say that there are many members of the constituency which I represent who are interested in the importation of this article which is under discussion. If I say that, I will perhaps remove all ideas of suspicion that I may be influenced in my opinion on that account. The fact that they do import this article means that they stepped in to supply what India urgently required. If local factories can be financed and built in India to turn out a similar article out of India's own nuts, ground-nuts and other seeds that produce valuable oil, let them be started by all means. There is no reason surely why some of our energetic commercial Members of this House, who are interested in the subject, should not start them themselves. But my objection is not based at all on the fact that many European firms are interested in the importation, but because I consider that the Honourable the Mover is endeavouring to bring about legislation which is going to favour the rich as against the poor. Pure ghee is insufficient in India. It has been proved so over and over again, and the price of pure ghee is hopelessly beyond the purse of the poor people. A bad monsoon in any particular area will reduce the amount of fodder available for cattle, and that reduction will re-act to diminish what there may be of pure ghee available in that area. This will only make it more expensive still. It is all very well for the rich people, they can afford to keep their own cattle or they can afford to pay their neighbours who keep cattle a high price for pure ghee, they can obtain supplies of pure ghee and probably can be sure of getting it. But my friend's proposal would make the ghee which is used by the poor more expensive, and it would induce the poorer classes to buy inferior ghee. I will explain it in this way. He wants to introduce a permanent harmless colour. Well, as regards the permanency of the colour, I think it is very doubtful as to whether that could be attained. If a colour can be inserted

[Sir George Godfrey.]

into vegetable oils so as to produce a very distinctive colour, that colour could also be removed by subsequent treatment. But even supposing a permanent harmless colour was attainable and that it was distinctive and that this artificial ghee was used for adulterating pure ghee, the poorer classes would be frightened when they see this nasty colour; they will say, "That is not the stuff we are accustomed to use," and they would not buy it and they would look about for some other ghee which is bound to be adulterated. They could not afford to pay for pure ghee; they would look about for some ghee which was not so coloured and yet would be undoubtedly adulterated with much more harmful material, more deleterious to health. The imported artificial ghee is a perfectly pure, harmless, pleasant article for cooking. We need not discuss it in detail now. It has been threshed out over and over again as to whether it is short of vitamins as compared with genuine pure ghee; but to hamper the import, as I said, would be a serious imposition on the poorer classes. As regards vitamins a reference was made just now to some experiments with animals. We all know it. We have read about it several times before. The ordinary person who is using ghee is not eating it as his sole food. He is merely using it as a cooking medium. He is not even spreading it on his breakfast toast to add to the substance of that article. He is merely using it for cooking, and in the process of cooking some of the vitamins of real ghee disappear, so that the result is that as a cooking medium as between real ghee and artificial ghee there is very little difference in regard to vitamins. Reference was made to the Army Department trying to buy or buying real, genuine ghee. If they can do so, so much the better; however, from the remarks subsequently made it seems rather doubtful whether they do get real ghee. If they do get it, then the fact that a very large quantity is bought for the Army must surely be a further argument towards the well known fact that real ghee is in defect all over India as a requirement of the poor people, and that it is a physical impossibility to obtain a sufficient quantity: therefore it is far better.....

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Can you quote figures?

THE HONOURABLE SIR GEORGE GODFREY: I cannot quote figures. I am only going by statements which have been repeated over and over again, that people are unable to obtain pure ghee in the market except at a prohibitive price. It is far better, therefore, I consider, that the lower classes in towns and cities should have available a perfectly pure harmless adulterant or substitute. The Mover admits he does not want importation stopped. Surely this is an admission of its necessity, and colouration will undoubtedly discourage its use and limit its importation which, as I have shown, will be harmful to, and will inflict hardship on, the poor inhabitants of the towns. I would ask what right has the Honourable the Mover or anyone else in this House to stand up and advocate measures which will penalise the poor, rob them of food, while the richer people are fattening and thriving on the pure ghee which they alone can afford to buy.

With these few words, I beg the House not to be influenced by the statements that have been put forward, but to look at the question from the point of view of the poor people who must be given something in the place of very expensive ghee.

12 Noon.

THE HONOURABLE RAJA MOTI CHAND (United Provinces Southern : Non-Muhammadan) : Our thanks are due to the Honourable the Mover of the Resolution which has my unqualified support. As far as my experience of my own Province goes, I consider the whole arrangement of the sale of vegetable ghee as a regular fraud upon the unsuspecting public which generally buys this article as genuine ghee. From the big city down to the poorest hamlet genuine ghee is steadily making room for this harmful commodity. Without being a doctor, I have no fear of contradiction when I say that the article is injurious to human health.

It may be urged that its import cannot be checked and also that medically it is not a *poison* but it is a *panacea*. Even then I say that this *panacea* or *poison* should be sold only as such and should not assume the garb of pure ghee, and be a distinct commodity and it should be made to have some distinctive colouring like the one suggested by the Honourable the Mover of the Resolution. I may inform the House that those that sell this product generally adulterate pure ghee with it, and those that are less scrupulous, try to pass it off as pure ghee and charge the same price as for genuine ghee.

If ghee, which is an essential article for the very life of a large section of Indians, is becoming scarce through causes so well known to Honourable Members here, I am sure the House will not countenance its replacement by any commodity which has only pretensions to ghee and which is not expected to afford the same religious or physical relief with which we have come to associate real ghee from time immemorial.

With these few words I strongly support the Resolution brought forward by the Honourble Lala Ram Saran Das.

THE HONOURABLE SRIJUT RAMA PRASAD MOOKERJEE (West Bengal : Non-Muhammadan) : Sir, I am thankful to the Honourable Sir George Godfrey for the words of solicitude and sympathy for the poor which he has repeated more than once during the five minutes that he spoke. The arguments that have been advanced by him would have been quite appropriate if the suggestion of the Honourable the Mover had been to stop all importation of *vanaspati* or vegetable products. The proposal which we are now to consider is, whether some steps ought not to be taken by which the adulteration of a vegetable product with ghee could be stopped. If we are to take the argument of Sir George Godfrey literally, then it comes to this that, because the poor people would be getting the adulterated ghee cheap, therefore let adulteration continue. But, Sir, are the poor people, or as a matter of fact any person, getting ghee cheap whether it is adulterated with a vegetable product or any other adulteration ? Let the article be sold as a vegetable product and not under the false colour of ghee. Some time ago a Ghee Act was passed in Bengal, but merely passing an Act without taking adequate steps to stop adulteration would not decrease the price of the commodity or stop adulteration, and the result in Bengal is that adulteration has been going on as before, but the price has increased by about 20 to 25 per cent. At the present moment in the midst of the bazars you will find that ghee is mixed with vegetable products and the price that is charged for this adulterated ghee is the same as you will be charged for pure ghee. It has been repeated more than once in this House that it is not possible easily to detect whether there has been adulteration with a vegetable product or not. The reason is that it is odourless, colourless and tasteless. An examination which was conducted in the laboratories of the Calcutta Corporation some time ago showed that it was not easy to find out whether or by what quantity ghee was adulterated with a vegetable product.

[Srijut Rama Prasad Mookerjee.]

An attempt was also made in the Calcutta Corporation to stop this adulteration; but the law is wholly inadequate to cope with the present menace, and unless some steps are taken by the Central Government—the suggestion as made by the Honourable the Mover is accepted or another suggestion which was made elsewhere that a vegetable product should be sold only in closed tins and not retail,—you cannot stop the adulteration of vegetable products with ghee. The Honourable Rai Bahadur Lala Ram Saran Das thought that we in Bengal were not so much affected by this adulteration, but I am afraid he is not posted with all the information in Bengal. Ghee is one of the principal commodities in Bengal, as much as it is in any other portion of northern India. When I speak of it as being one of the principal commodities I mean that it is one of those things which you will find to be a necessity and in use in every household. I cannot speak with authority of the Muhammadan household, but in every Hindu household it is one of the principal things in use. When we take into account the kind of food that is taken by the vegetarians generally or the Hindu widows specially throughout the country, it is clear that unless pure ghee is made available to that section of the public at least, the food that is taken by them will be wholly inadequate in vitamins. Whether the vegetable product is deleterious or not, whether it is harmful or not, I would not quarrel with at the present moment, but that it has not got the same quantity of vitamin and so is not as healthy as pure ghee, that would be accepted by every Member of this House; and once that proposition is accepted, I am sure the Government of India will take every step possible to see that a vegetable product is not allowed to be mixed with ghee. It has also been mentioned by one Honourable Member that by taking any such step as suggested by the Honourable the Mover we would be restricting the import, and touch the pocket of the European traders; but should that point of view trouble us in the least? On the other hand we are faced not only with the danger of the importation of this product but I have seen advertisements of at least one Company being floated for the production of this vegetable product in Bengal and other companies may be floated in other parts of India. The position then will be that between the imported article and the product which will be produced in India pure ghee would be absolutely unprocurable in India. We ought for these reasons to take immediate and deterrent steps to stop the present attempt of adulterating vegetable products with ghee.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Sir, I am rather surprised to hear from my Honourable friend the Commerce Secretary that, even within a period of one year, he has not been able to get replies from the various Local Governments whom the Government of India have addressed on the question of *vanaspati*. This, Sir, is an abnormally long period and does not reflect well on the red tapeism which exist in the Imperial Secretariat.

THE HONOURABLE SIR MANECKJI DADABHOY: It may be the fault of Local Governments.

THE HONOURABLE SIR GEOFFREY CORBETT: Why the Imperial Secretariat?

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: It is the fault of the Imperial Secretariat because they have moved in the matter after a very long period.

THE HONOURABLE SIR GEOFFREY CORBETT: You can take a horse to the water, but you cannot force him to drink.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: The Honourable Sir Geoffrey Corbett has referred to my well-built body as well as of my other Punjab friends. I might mention to him, Sir, that this is the result of the pure ghee on which we have been brought up, and not on the present ghee, and I think that if the Government of India patronise the import, directly or indirectly, of *vanaspati* as they are at present supposed to be doing, 30 years hence the Government of India will find the Punjabis lean and thin. My Honourable friend Sir George Godfrey has very rightly represented the case of *vanaspati* importers. He has been advocating the cause of the poor. By his trying to do this by getting more facilities for the import of this *vanaspati* I think he is really poisoning the poor. I use that word, Sir, because I know that it comes to that.

My Honourable friend Sir Maneckji Dadabhoy also threw out a remark, "What about the poor?" I must thank my friend the Honourable Srijut Rama Prasad Mookerjee for correcting me in my assumption that in Bengal people mostly use oil; I am glad that Bengal also is similarly placed to us as regards the consumption of ghee. In the Punjab, Sir, as in the North-West Frontier Province, the poor people live on ghee. In their daily meal, namely, *chappati*, they coat it with ghee, and I might inform my friend Sir George Godfrey that these poor people do not use ghee for cooking purposes. They coat their *chappati* with ghee as toast is coated with butter. So, Sir, the poor labouring classes of the Punjab must buy ghee for their own use. In case my friend goes to the Punjab I think his opinion will be radically changed. The poorest Punjabi will buy ghee for his own physique and for his own vitality. The poorest of the poor also will spend at least one anna on ghee, if not more. In the Punjab, Sir, at present the rate for the labouring classes varies from 12 annas to 14 annas a day. In the Punjab these high rates prevail because the people are strong and they can put in more work than people who are not so strong, and I think ghee is mainly responsible for it. In case the import of *vanaspati* is allowed as at present, these poor people, who cannot afford, as my Honourable friend Sir George Godfrey says, to buy the costly article, will be forced to buy the cheaper article in which there is absolutely no vitality. Although there is quantity in it there is no quality. A man can live on eating mud or grass, but that is no reason, Sir, for saying that this is being done in the interests of the poor. I am here, Sir, advocating mostly the cause of the poor. The rich people to whom he has been kind enough to refer can afford to keep a cow or buffalo of their own and make ghee for their own use. I am not advocating their cause. We people who are landowners in the Punjab can also do it. But I am here advocating the cause of the poor mostly. They are the people who suffer. If you go to the Punjab you will find in some quarters the poor people saying, "Sircar is *marrowing* (killing us) us. Even our ghee we cannot have pure". You know the poor people are the people who ought to be protected, and I can assure my Honourable friend that his assumption is absolutely wrong.

Then, Sir, my Honourable friend has said that the demand for ghee is more than the supply. I asked him, Sir, from what authority he quoted it, whether he quoted from any official agricultural statistics or any market reports. My friend says that this is his information, but he cannot give figures—not from any reliable source, I presume. Then he said that my agreeing to allowing the import into this country of coloured stuff even indirectly shows the

[Rai Bahadur Lala Ram Saran Das.]

necessity for it. I myself am absolutely against the import or sale of this product, but in the interests of those people who want to use this stuff, I would allow them to have it; and those people ought to know what it is worth. In case they want to use it, I do not want to stand in their way. But, at the same time, my main object in moving this Resolution is to stop absolutely the adulteration of this *vanaspati* with the pure ghee. I might, Sir, mention again that the production of ghee in India is perhaps, so far as my information goes, sufficient to meet the requirements of India. Why I say so is this. Before the War, Sir, the demand of the Army Department for ghee was 28,000 maunds a year. During the War it rose and in 1916 the total quantity consumed by the Army Department touched 9 lakhs of maunds per year. My information is that out of these 9 lakhs of maunds per year, 4 lakhs of maunds had to be imported and 5 lakhs of maunds were found in India. Now the demand of the Army Department is about 54,000 maunds a year, and so, Sir, from these figures, it is clear that 5 lakhs of maunds was found in India for the Army Department as a surplus over the requirements of the Indian people themselves.

Another point which was raised is that the price of ghee has been going up. In 1918 the price of pure ghee was Rs. 64 a Bengal maund. Now the price has gone down. But we find that this price is for the adulterated ghee. In case the increase is taken into account, it means that we are deliberately allowing the poor people to be cheated by having an article which is not ghee and for which I think the Government too is responsible.

My friend Sir Geoffrey Corbett referred to the recommendations of the Royal Commission on Agriculture. I went through those recommendations. I did not mention them myself because I thought the Honourable the Commerce Secretary would bring them forward. I am glad he has brought them forward and has thereby proved that even the Royal Commission was satisfied by the evidence before it that this adulteration of ghee was now a universal thing and that it needed some sort of drastic action. Then my friend Sir George Godfrey assumed that the Army Department was not buying pure ghee. I might for his information state that the Army Department sends all its ghee to Kasauli to be examined by a chemical expert before the ghee is actually purchased, and so I might inform Sir George that his assumption is also wrong. They are buying pure ghee.

THE HONOURABLE SIR GEORGE GODFREY: I never said so.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: You said that somebody said so and so, that is the reason I corrected it. Then he said we are penalising the poor.

THE HONOURABLE THE PRESIDENT: The Honourable Member has dealt with the penalising of the poor. He is speaking at great length and introducing new arguments in exercising his right of reply.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Well, Sir, I will not take the time of the Council any longer. I think, Sir, I have made out a very strong case in favour of the acceptance of my Resolution and I hope I will get the support I deserve.

THE HONOURABLE SIR GEOFFREY CORBETT: I must apologise to the Honourable the Mover for suggesting that he ever eats anything but pure

ghee, but the fault was not altogether mine. Last year, I remember, he was complaining of a nasty hacking cough and he told me it was entirely due to eating *vanaspati*. (Laughter).

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: That is the trial of the stuff we made on our own persons.

THE HONOURABLE SIR GEOFFREY CORBETT: I suggest that on investigation it may be found that the universal cough prevailing in the Punjab is due not to *vanaspati* but to Punjab dust. Well, Sir, the Honourable the Mover has complained of the delay of Local Governments in replying to this reference of ours. I think we really ought to be grateful to them for giving this important question due consideration. I know myself from my experience of western countries how very greatly the use of solidified vegetable products has added to the amenities of life amongst the poorer classes, and I do think that, whatever the final decision is, it would be very regrettable if the decision was influenced or affected in any way by haste or prejudice. The Honourable the Mover in his opening speech referred, perhaps in a chaffing way, to the suggestion in the Punjab that it was a plot to undermine the manhood of the Punjab. Well, it is dangerous to speak of these things even in jest. We all know in this country how far even the most absurd rumours can go. If that kind of propaganda is going to be used to influence the decision, it will make the position of all of us more difficult. In the same way my friend Mr. Ramadas Pantulu tried to stir up prejudice against this product on the ground that it is a cheap foreign foodstuff and ought not to be allowed to compete with Indian produce. I dare say he knows that the *vanaspati* coming to India now is almost entirely made in Holland. I believe I am correct in saying that the raw materials from which it is made come almost entirely from India, namely, linseed and rapeseed. The raw materials of this foodstuff are just as much the produce of Indian agriculture as ghee. The Honourable Mr. Rama Prasad Mookerjee has told us that there are proposals afoot in Bengal to start factories there to make this foodstuff from Indian produce. It is a very useful food and can be made cheaply and I hope that my Honourable friend Mr. Ramadas Pantulu will cordially support this valuable Swadeshi product. Well, Sir, I have listened with great interest to the views expressed here and they will all be taken into consideration when the views of Local Governments are received and we have to come to a decision on this very difficult and important question.

THE HONOURABLE THE PRESIDENT: The question is:

"That the following Resolution be adopted, namely:

'This Council recommends to the Governor General in Council that

(*a*) the import into India of solidified vegetable oil, *vanaspati*, and other similar products, be entirely prohibited unless they are given such permanent harmless colouring as may readily distinguish them from and render them unfit for readily mixing without detection with natural pure ghee;

(*b*) a prohibitive excise duty be levied on solidified vegetable oil, *vanaspati* and other similar cheap products manufactured in India, unless they are also permanently coloured in the same way as is suggested in clause (*a*) for imported articles, in order to render them unfit for readily mixing without detection with natural pure ghee'."

The motion was adopted.

RESOLUTION *RE* RECONSTITUTION OF THE CENTRAL ADVISORY COUNCIL FOR RAILWAYS.

THE HONOURABLE RAO SAHIB DR. U. RAMA RAU (Madras : 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 the Central Advisory Council for Railways be reconstituted so as to give complete effect to the recommendations made by the Acworth Committee in paragraph 141 of their Report and at the same time to enable the said Council to co-ordinate its activities with those of the various Local Advisory Committees for Railways and to guide their policy generally."

I think it will be a sheer waste of time, money and energy if the recommendations of Committees and Commissions appointed by the Government of India from time to time are not given effect to in their entirety. One such Committee, from whose recommendations there had been a substantial departure, was the Acworth Committee. The Acworth Committee, it will be remembered, was appointed some years ago to go into the question of the entire Railway Administration in India and to suggest necessary reforms. The Committee was surprised to find that the Railway Administrations here were all autocratic bodies concerned more with profits and dividends than with the comforts and conveniences of the travelling and trading public whom they were supposed to serve. The Committee justly remarked in paragraph 142 of their Report :

"The Indian public is deeply and justifiably incensed by the condition to which both passengers and traders have long been subjected and it is desirable that their representatives should at the earliest possible moment be acquainted with the steps that are being taken for the redress of their grievances."

The Committee proposed the establishment of a Central Advisory Council to advise the Government Member in charge of the Railway Administration in India and Local Advisory Committees, one for each railway system, to advise the local agents on all matters touching the changes and improvements in train service and alterations in rates for and classification of merchandise and other cognate subjects relative to the comforts and conveniences of passengers. Now, what do we find with regard to the Central Advisory Council ? Paragraph 141 of the Report, dealing with the constitution of the Central Advisory Council, reads as follows :

"The Council should include representatives of departments of commerce and industries, agriculture and possibly some others. One half of the non-official members should be nominated by the leading commercial and industrial associations both European and Indian. The other half should be representatives of rural interests and of the Indian travelling public in different parts of the country."

But the Central Council as actually constituted has been so far altered as to confine it exclusively to the Members of the Central Legislature. Sir Charles Innes, in addressing the Legislative Assembly on the 25th February, 1927, made the following observation with regard to the formation of the Central Advisory Council. He said :

"I am quite prepared to agree that in forming a Central Advisory Council, such as we have formed, we did depart from the recommendation of the Acworth Committee. The Acworth Committee had the idea in mind of a Central Advisory Council outside the Legislature, composed very largely of leading business men and representatives of other classes and bringing their influence to bear upon the railway policy of the country. Well, for reasons that may have been good or that may have been bad, we definitely thought that, in the first instance at any rate, we should begin with a Central Advisory Council drawn from the ranks of our own Legislature."

We know how this Central Advisory Council has been functioning all these years. It had seldom met, seldom took any initiative and its advice was seldom acted upon. Informal meetings during the legislative season, not more than two in a year, used to be held and only such subjects as were brought before the Council were discussed. So far as the constitution of this Council is concerned, I do not grudge the Members of the Central Legislature the privilege of sitting on that Council, but as a further step in advance I would suggest that three more members be added from outside, one representing the European commercial community, elected by the European Chambers of Commerce all over India, one representing the Indian mercantile community similarly elected by their organizations all over India, and one representing the Passengers' Associations all over India elected likewise. By these three additions, the Council will neither become unwieldy in size nor diminish in importance. The Council must have the power of initiation and some sort of control, and its decision must be binding on the Government. Even in Prussia, where the control of railways is said to be more autocratic than in any other part of the world, the Railway Administration very rarely acted except in accordance with the views expressed by the Councils in all matters within their competence. Finally, with regard to the relationship between the Central Council and the Local Advisory Committees, I think there ought to be some clear and definite understanding. These bodies are as far apart as the poles and there is no co-ordination of their interests or activities. Not a day passes when questions regarding administrative details do not crop up in the Central Legislature and every time we are told to go to the Local Advisory Committees. In other words, we are asked to delegate our functions to these bodies who owe their existence to the good graces of the Agents of the respective Railways. The Government may desire to grant independence to the Railway Agents, but the Central Legislature are jealous of their powers. They are not prepared to surrender their rights to some unknown bodies over whom they have no control whatever. It is therefore necessary that the proceedings of the various Local Advisory Committees be placed before the Central Council for approval, adoption or modification and any suggestions made in the Central Council be referred to respective Local Committees for consideration and report. There will then be a healthy kinship formed and so much time and energy will then be saved in the Central Legislature in regard to the discussion of minor railway matters. Another important suggestion I would like to make is that the Central Council should be vested with powers of conciliation in all cases of railway strikes. They may set up a permanent sub-committee of their own every year which may be called the Arbitration Board, to enquire into the causes of strikes and advise the Government as to the course to be adopted or action to be taken. This will remove all friction between the railway employers and employees, avert unnecessary losses of life and property and promote goodwill among them. These are the lines on which the Central Advisory Council for Railways should be formed, if it is to be an effective and efficient body, and I trust the Government will accept my Resolution, which is of an innocent kind, without demur.

THE HONOURABLE SIR GEOFFREY CORBETT (Commerce Secretary): Sir, I found some difficulty in understanding exactly what the Honourable Member was intending by his Resolution, and I listened very carefully to his speech to find out, if I could, what was in his mind. He has read out to us the constitution of the Central Advisory Council which was recommended by the Acworth Committee, and I understood from his Resolution that he desired this House to recommend that we should adopt it. He says it should be reconstituted so as to give complete effect to the recommendations made by the Acworth

[Sir Geoffrey Corbett.]

Committee in paragraph 141 of their Report. The Honourable Member has omitted to inform this House, though he must be well aware, that the present constitution of the Central Advisory Council is determined by the convention for the separation of Railway finance. Clause 6 of the Resolution on the separation of Railway from General finances, which was adopted by the Legislative Assembly on the 20th September, 1924, runs as follows :

"A Standing Finance Committee for Railways shall be constituted consisting of one nominated official member of the Legislative Assembly who should be Chairman and eleven members elected by the Legislative Assembly from their body. The members of the Standing Finance Committee for Railways shall be *ex-officio* members of the Central Advisory Council, which shall consist, in addition, of not more than one further nominated official member, six non-official members selected from a panel of eight elected by the Council of State from their body and six non-official members selected from a panel of eight elected by the Legislative Assembly from their body."

That is the constitution of the Central Advisory Council, and we are bound for the period of the Convention that it should continue to be so constituted. At the present moment, my Honourable friend is no doubt aware that the renewal of this convention is being considered by a Committee, and doubtless this Committee will also consider any modifications in the constitution of the Council that should be made. But meanwhile surely he will understand that it would be inappropriate for Government to express any definite views on the subject. I found it very difficult to believe that the Honourable the Mover should really desire that this House should recommend to the Governor General in Council that it should no longer be permitted to elect Members to the Central Advisory Council. I have understood that this is an opportunity that Honourable Members rather value, that this House should be represented on the Council : and I should like them clearly to understand that if they adopt this Resolution it will mean that they are of opinion that the Council of State should no longer have the privilege of electing Members to the Central Advisory Council.

THE HONOURABLE RAO SAHIB DR. U. RAMA RAU : I did not say that.

THE HONOURABLE SIR GEOFFREY CORBETT : The Honourable Member did not, but that is what the Resolution says. We have to vote on the Resolution, not on the speech of the Honourable Member. I was the more surprised that the Honourable the Mover should have put forward his proposal, because he was a member, like I was, of the Indian Road Development Committee, which had to discuss various proposals put before it for a body outside the Government and outside the Legislature to consider road development; and we were unanimous in our recommendation that there should be a Standing Advisory Committee of the Legislature for Roads. The Honourable Member having signed that report, I am surprised to find him now having a Resolution, that that procedure, which is now adopted for railways, should be discontinued. However, when he came to his speech, if I heard him correctly, I understood him to say that the present constitution of the Advisory Council should continue *plus* the addition of three members. Is that correct ? (*The Honourable Rao Sahib Dr. U. Rama Rau :* "Yes.") Well, that is a different thing. That is a practical suggestion which will receive the due consideration of the Government of India. But it is clearly entirely different, it has nothing whatever to do with the wording of this Resolution. For as he has already read out, the

constitution of the Council as proposed by the Acworth Committee makes no provision at all for the repesentation of the Central Legislature.

The other part of the Honourable the Mover's Resolution deals with the co-ordination which should exist between the Central Council and the Local Advisory Committees. Well, co-ordination is a word that is often in our mouths. On the Road Committee to which I have just referred, we gave a good deal of prominence to it. I am not certain that we all knew what we meant. I do not know exactly how the Council should guide the activities of the Local Committees. But it is a good word anyhow, though I do not quite know what it means. But the point I wish to make is that these two bodies deal definitely with different subjects. The Central Advisory Council exists to advise the Government of India on large questions of policy, and the Local Committees exist primarily to bring local opinion to bear on the Railway Agents in matters of local importance. It is for this reason, as the Honourable Member has observed, that when, as he frequently does, he brings before this House a Resolution dealing with a railway crossing in some obscure Madras village, I suggest that this is a matter which might appropriately be left to the local Advisory Committee. I think the Central Council will probably take the same line as I do. They would not wish to co-ordinate or to guide the policy of these Local Committees in these minor local matters on which no one outside the district or outside the province is really competent to express an opinion at all. At the same time, I quite agree that there is a considerable number of subjects in which there is a definite overlap, that there are many subjects of general importance that are also of great local importance ; and it is desirable that the members of the Central Council should be in touch and know the views of the Local Committees or local opinion, however it may be expressed. I should rather like to put it that way, not that the Central Council should control the policy of the Local Committees, but rather that the Central Council in making their recommendations to Government on large questions of policy should be aware of and take into consideration the local view. Just as I do not expect the Honourable the Mover to control or co-ordinate his own constituency, but rather to express in this Council the views which are locally held in that constituency, I think there is room for co-ordination here ; and there is nothing in the Resolution appointing this Council, as I dare say Honourable Members are aware, which prevents a member of the Central Council being also a member of a Local Committee. That makes for some liaison. And a proposal has recently been adopted, or rather the Central Council have recommended that it should be adopted, that when large questions of policy are being discussed at Local Committees the local members of the Central Council should be invited to be present if they are not already members of the Committee. I think there is a good deal to be said for that. It is being tried experimentally in several places, and these experiments are being watched with interest with a view to further developments. These Councils, as I said last year, are only growing, we have to feel our way a little to get the thing going on the right lines, and I think on the whole they are going fairly satisfactorily. The other recommendations for co-ordination that the Honourable the Mover made will be most carefully considered and we will adopt them if it is desirable, if they are found to be good ones ; or rather we can put them before the Central Council for their views and their adoption. I cannot say more than that. I am bound, if the Honourable the Mover presses his motion, to oppose it for the simple reason that the Resolution as it stands involves the elimination of this House from any voice in the election of the Central Advisory Council. I oppose the motion.

THE HONOURABLE RAO SAHIB DR. U. RAMA RAU : Sir, in view of the assurance given by the Honourable the Commerce Secretary that the Government intend to take this matter into their serious consideration, I withdraw my Resolution.

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

The Council then adjourned till Five of the Clock on Thursday, the 28th February, 1929.

COUNCIL OF STATE.

Thursday, 28th February, 1929.

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

THE GENERAL BUDGET FOR 1929-30.

THE HONOURABLE MR. E. BURDON (Finance Secretary): Sir, I rise to present the Budget Statement for the coming financial year. In a short time 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 Financial Secretary's Memorandum explanatory of the details of the Budget Statement, and a copy also of the inaugural Budget speech which the Honourable Sir George Schuster, the recently appointed Finance Member, is now making in another place. Honourable Members will find that the Finance Member's speech comprises this year an extensive review of the general position of the finances of the Central Government, but in my own presentation of the Budget Statement, I propose to confine myself in the main to the course of the revenue and expenditure of the current and ensuing years, and to a brief account of our principal Ways and Means operations. I do not think I should be doing the Council any real service—it would indeed be supererogation—if I were to repeat here the analysis which will be found in the Honourable the Finance Member's speech of other aspects of our financial administration which, while they are of great importance and of engrossing interest, are extraneous to the actual Budget of 1929-30. I am sure that Honourable Members of this Council will find it more convenient to study this at their leisure in print.

ACTUAL OUTTURN OF 1927-28.

To make my narrative clear from the commencement, I must first correct the starting point of the year which is now expiring, by translating the revised estimate of 1927-28 into the now ascertained figures of actual revenue and expenditure for that year.

The revised estimates for 1927-28 provided for a total revenue of 1,27·74 crores and a total expenditure of the same amount, the revenue estimate including an appropriation of 1,69 lakhs from the Revenue Reserve Fund, which stood at 2,96 lakhs at the beginning of the year. The final figures show a total expenditure of 1,27·26 crores, and, in order to balance the revenue account, it was necessary to increase the appropriation from the Revenue Reserve Fund from 1,69 lakhs, as originally estimated, to 2,22 lakhs. The deterioration in the revenue position as forecasted a year ago has thus amounted to 53 lakhs, which is mainly accounted for by a throw-forward of 40 lakhs representing Land Customs collections at Viramgam from 1927-28 to the current year.

This reduces the balance now at credit of the Revenue Reserve Fund to 74 lakhs.

[Mr. E. Burdon.]

This brings me at once to the review of the year 1928-29. As regards this, I think I can most fairly describe general conditions in the financial year which is now drawing to a close by saying that they have been chequered, but that it would be a mistake to assess the general position by looking only to the black squares on the chess board and to say that, viewed as a whole, it gives ground for serious dissatisfaction. During the months of June to September the monsoon was on the whole fairly active except in parts of Northern India where the rains failed, and in the same area the recent exceptional cold and frost have caused serious damage to crops in certain localities. It is difficult as yet to estimate how far these troubles will have any general effect on the balance of trade and the Ways and Means position. But the adverse factors certainly give ground for caution in making revenue forecasts. The year was also disturbed by prolonged strikes in various parts of the country, particularly in the cotton mill industry of Bombay.

In spite of all this, the trade statistics so far available are, on the whole, encouraging. The visible balance of trade, including private imports of treasure, for the nine months ended the 31st December 1928 was in favour of India by 39·77 crores against 33·07 crores in 1927 and 22·55 crores in 1926. Exports of Indian merchandise show an improvement of over 10 crores as compared with 1927.

The imports as a whole show a fall of about a crore—the result of a drop in cotton and cotton-yarn and manufactures counterbalanced to a large extent by a rise in the imports of grain, machinery and vehicles. The two items last mentioned are particularly interesting. Imports of machinery show a rise of about 16 per cent. for which the recent abolition of duty is, no doubt, largely responsible. The number of motor cars and commercial motor vehicles, which came into the country during the nine months, also shows an improvement of as much as 38 per cent. although the amount of duty collected is still slightly less than the figure for 1926. We may permit ourselves to hope that the leeway will be made up and that our Customs revenue will soon begin to benefit more largely from this source. Prices in general continued throughout the period to remain fairly stable.

Money conditions have at times been difficult and in the last few weeks have been affected by world conditions which themselves have been largely governed by the situation in the United States. The volume of speculation there has tended to force up rates for money in all countries which have an important share in international trade, and this is the root cause to which the recent rise in the bank rate of the Imperial Bank to 8 per cent. must be attributed. I do not propose to enter into any detailed examination of this subject now, but I would call attention to one point which seems to have escaped the attention of those who have criticised this action. As the Honourable the Finance Member observed the other day in answering a question in the Legislative Assembly, it has been said that it was normally understood that the rate would not rise to 8 per cent. until expansion of currency against commercial bills had reached its full limit of 12 crores, and that in the recent case the rate was raised after only 9 crores of expansion had taken place. It must, however, be borne in mind that this year Government had expanded currency to the extent of 1 crore against sterling and 1 crore against created securities, and that there had been a further expansion of 2·4 crores against imported gold, so that the total expansion had really been well over 13 crores.

REVENUE.

To turn to the revenue receipts of the year, the net Customs receipts were originally taken at 50·18 crores, and the revised estimate is now put at 20 lakhs less. Larger imports of sugar have increased the receipts by 70 lakhs, while the land customs collections show an improvement of 70 lakhs, including the 40 lakhs thrown forward from last year. These gains are more than counterbalanced by deficiencies under a number of other heads.

The revised estimate under Taxes on Income has been taken at 16½ crores against the Budget figure of 17 crores. The reduction is mainly accounted for by certain large refunds which have had to be made as a result of legal decisions.

Owing to unexpected and considerable speculation at Sambhar, the estimate of Salt revenue, which was originally taken at 7 crores, will probably be exceeded by about 65 lakhs in the current year. But as it does not seem safe to calculate on an average revenue of more than 7 crores, the extra 65 lakhs, which we expect to collect in the current year, must be treated as being gained at the expense of next year. This unexpected factor seriously disturbs the distribution of revenue as between the current year and next year, and I shall have to refer to this point again.

The only other item which needs comment is that of Interest receipts which shows an improvement of as much as 66 lakhs, but this should really be set against a more or less corresponding increase in Interest payments to which I shall presently refer.

EXPENDITURE.

I now turn to the Expenditure side of the account. The gross payments on account of Interest on Ordinary Debt have exceeded the Budget figure by 1,33 lakhs as a result mainly of larger borrowing operations and a small increase in our borrowing rate. But the net payments, after deducting recoveries from the Commercial Departments and the Provincial Loans Fund, show a deterioration of 65 lakhs only which, as I have already stated, is covered by the increase in Interest receipts. I must take this opportunity of explaining to the House that the net payments would have been considerably larger but for a change which has been introduced this year in the method of calculating the interest chargeable to Commercial Departments in respect of Capital outlay incurred after the 31st March, 1917, whereby these departments are required to share the loss which the general revenues suffer through the tax-free concession attached to certain portions of our rupee debt. This alteration has increased the recoveries from the Railways to the extent of 59 lakhs under this head, although it has had the simultaneous effect of reducing the Railway contribution otherwise receivable by about 20 lakhs. The former method of calculation was really erroneous as it meant that Government did not actually recover from the Commercial Departments the interest which they were in effect themselves paying.

Under other heads the only important variations from the original estimate are a saving of 22 lakhs in Opium expenditure, which has resulted from short deliveries and poorer outturn, and another of 21 lakhs under Civil Administration, which includes 7 lakhs on account of a carry-forward of the expenditure on the India House to next year.

[Mr. E. Burdon.]

Departmental transactions are the next item of importance. As the House is already aware, the Railway contribution is now estimated at 5·46 crores, which is only a little less than the Budget figure of 5·48 crores. The present estimate includes 23 lakhs, being one-third of the excess over 3 crores available for transfer to the Railway Reserve Fund.

The working of the Indian Posts and Telegraphs Department is now expected to show a loss of 29 lakhs, which is very disappointing considering that a year ago it was expected that a surplus of a few thousands would accrue. The deterioration is mainly accounted for by the facts that the reduction in the rate for foreign telegrams has not been counterbalanced by a corresponding growth in traffic, and that the effect of the numerous revisions of pay and other concessions granted to the staff in recent years has been rather more onerous than we expected. The working of the Indo-European Telegraph Department does not show any appreciable variation on the whole and will involve a loss of about 7½ lakhs.

The net Military expenditure has been taken at 55·10 crores as in the original Budget. The net result of the variations is a betterness of 25 lakhs. We thus expect to close the accounts for 1928-29 with a surplus of 30 lakhs, instead of 5 lakhs previously estimated, and it is proposed that this sum should be credited to the Revenue Reserve Fund, the balance to the credit of which will then stand at 1,04 lakhs.

BUDGET ESTIMATES FOR 1929-30.

I now take the Budget estimates for 1929-30. I must commence my detailed account of these with certain preliminary explanations. For a proper understanding of the present position one must go back to the remission of the provincial contributions which really became effective from the beginning of 1927-28, and one must consider the three years 1927-28, 1928-29 and 1929-30 together.

The picture may be put in this way. As Honourable Members will recollect, the actual result for the year 1926-27 showed a surplus amounting to 2,96 lakhs, and on the strength of this it was decided to remit (provisionally in the first place) the whole of the remaining provincial contributions, amounting to 2,58 lakhs per annum. It was recognised that, if Government gave up this permanent revenue, there might at the outset be a deficit. But the intention was that the surplus of 2,96 lakhs in 1926-27, which was transferred to a special Revenue Reserve Fund, would provide a sufficient sum to bridge the gap until the normal growth of revenue had built up receipts to the requisite level. It was thought that the gap would not continue for more than one year, and that by 1928-29 equilibrium would have been attained. On the actual results of 1928-29 it might be said that this expectation has been fulfilled ; but a close analysis of these figures will show that this is not really the case. In fact, the revenue for 1928-29 has been fortuitously increased at the expense both of 1927-28 and of 1929-30. As I have already explained, it so happened that 40 lakhs of Customs receipts which ought to have come in 1927-28 were actually only received after the close of that year and were thus credited to 1928-29. Further, as I have also already explained, owing to speculation in Salt the revenue from that source for 1928-29 is likely to receive 65 lakhs which properly belongs to the revenue for 1929-30. If therefore the true nature of the results for 1928-29 s revealed, it will be seen that, after eliminating these two exceptional

items totalling 1,05 lakhs, the year would have closed not with a surplus of 30 lakhs as our revised estimates show, but with a deficit of 75 lakhs. The gap left by the remission of the provincial contributions had not therefore really been filled in 1928-29, and the question which Government have had to ask themselves in settling policy for the forthcoming year is whether the time has now come to decide that it will not be filled and that it will be necessary to find some new source of revenue. To answer this question it is necessary to take account both of the revenue and expenditure sides, for it would be impossible to say that the gap had been satisfactorily filled if that could only be done at the cost of omitting all items of beneficial expenditure which are really essential if the needs of the country are to be met.

Sir, I do not propose to tantalise the Council but will give at once the answer to this all-important question, the answer upon which the Government of India have decided after very careful consideration. The sum and substance of the position as regards revenue and expenditure which I will soon describe to you in greater detail is that we can make both ends meet this year without recourse to increased taxation and without denying money to any urgent beneficial expenditure, provided that we use the Revenue Reserve Fund ; first to correct the artificial disturbance in the normal course of receipts from Salt revenue, and secondly, to meet certain special items of expenditure of a non-recurring nature.

There are several reasons which have weighed with Government in coming to this conclusion.

First, they do not think that it would be justifiable to impose new taxation until it is more clearly demonstrated that there is a permanent need for it. With reasonably favourable conditions some of our normal sources of revenue should be capable of considerable expansion, and it seems right to give the plan, on which the remission of provincial contributions was undertaken, the chance of another year in which to achieve its realisation.

Secondly, before imposing new taxation, the Honourable the Finance Member wishes to have a fuller opportunity of reviewing the expenditure side of the Budget than has been possible in the limited time since he took over office.

Thirdly, before imposing new taxation if that should prove necessary, the Finance Member wishes to have adequate opportunity for studying conditions throughout the country so that he may be able to formulate proposals in the light of full knowledge of facts and opinions in such a way as to ensure that whatever is done is done in a way most beneficial to this country's interests.

Having thus told you the general plan of the Budget, I must explain the details of its construction. But before doing this, I must make it clear —in order to avoid any apparent inconsistency—that there is one proposal for new taxation, namely, an increase in the import and excise duties on motor spirit, to give effect to the recommendations of the Indian Road Development Committee. That, however, is quite outside the general scope of the normal budgetary receipts and expenditure.

Revenue.

I will start with the main heads of revenue. Any comparisons which I make will be throughout with the revised estimates for 1928-29.

[Mr. E. Burdon.]

Customs.

Imports of sugar during this year have been abnormally large, and we do not think it safe to take for next year more than 7 crores which we regard as a reasonably normal figure. This means a deterioration of 80 lakhs under this head alone. Further, the land customs figure will also show a reduction of 36 lakhs owing to the disappearance of the special factor which has swollen the revised estimate this year. But we expect appreciable improvements elsewhere, and, on the whole, we have assumed a gain of 40 lakhs.

Taxes on Income.

We have taken the estimate for next year under Income-tax at 16·60 crores—an improvement of only 10 lakhs. Owing to the absence of the specially large refunds, which have mainly led to the deterioration in the current year, the figure might actually have been larger, but we have had to allow for the effect of the industrial strikes, particularly in Bombay and at Jamshedpur, which will make itself felt on the next year's collections.

Salt.

As I have already indicated, the element of speculation, which has brought in a windfall under Salt of 65 lakhs in the current year, will lead to a corresponding reduction in the next, and we have therefore assumed a receipt of 6·35 crores only as compared with 7·65 crores for the current year.

Opium.

As the Council is aware, the revenue from Opium is gradually diminishing as a result of the Government of India's self-denying policy whereby exports of provision opium are to be extinguished not later than 1935. We shall accordingly lose 42 lakhs next year under this head.

Other heads.

The only other item which shows an important variation is that relating to currency receipts, which are expected to go up by 36 lakhs. This, of course, merely means that we get back a portion of the rather high expenditure in the current year under Interest on Debt.

EXPENDITURE.

Debt Services.

I turn next to the expenditure side of the account. The net payments of Interest on Ordinary Debt show a reduction of 1,33 lakhs accounted for mainly by larger recoveries from Commercial Departments and the Provincial Loans Fund in respect of the capital charged or lent to them. On the other hand, there is an increase in the charges for Interest on Other Obligations of 95 lakhs and an increased provision of 34 lakhs under Reduction or Avoidance of Debt. As regards the heading, Interest on Other Obligations, 50 lakhs of the increase represents growth in the provision for bonus on cash certificates. The total provision to cover the bonuses on the discharge of certificates which we anticipate for next year is 1,10 lakhs against a revised estimate of 60 for the current year and an actual payment of 23 lakhs in 1927-28. As Government's liability in regard to these certificates attracted specially keen attention in last year's Budget debates, the position has been explained at some length in the detailed Budget papers in a passage which I feel sure the Honourable Members of Council will read with special interest. At the moment I need only indicate briefly the main features of the situation in regard to the liquidation of this special liability. In the first place, the

provision of 1,10 lakhs which I have mentioned, large though it is, still falls something short of meeting our full current liability. On the other hand, there are two mitigating factors in the situation. In the first place, on the basis of our present estimates, we shall have in the Revenue Reserve Fund at the end of next year a sum of 14 lakhs, and we have in mind the possibility that this sum or any other balance that may ultimately be available should be transferred to a Suspense Account against the liability on cash certificates. In addition to this, it must be remembered that the provision for Reduction or Avoidance of Debt includes a sum of 30 lakhs on account of Reparation payments. This in a sense is a later supplement to the original provision for Reduction or Avoidance of Debt which was settled on its own merits without taking into account the possibility of such a windfall. These two factors included, we feel satisfied that, if Government's position is viewed as a whole, fair provision is made for the accrued liability. We are left to consider the further obligation to make some provision to cover the accumulated arrears, and as regards this we think it sufficiently safe that this obligation should be considered together with the general obligation of Government to make provision for the amortisation of their total debt.

As Honourable Members are aware, the existing debt redemption scheme was described in the Finance Department's Resolution of the 9th of December, 1924 and in paragraph 33 of Sir Basil Blackett's Budget speech of the 28th of February, 1925. This scheme is to be in force to the end of the year 1929-30, and will accordingly have to be reviewed before the estimates for the following year are framed. It has, therefore, been thought justifiable and indeed fairer to the Legislature and to the country that the means to amortise the accrued obligation in respect of cash certificates should be considered together with the general debt redemption scheme and that we should not decide now upon earlier expedients.

Civil Administration.

To continue my analysis of expenditure, the group head Civil Administration shows a large increase of 1,18 lakhs and this is a feature of our estimates on the constituents of which I wish to lay some emphasis. The head includes a number of items of a non-recurring nature, and I have already explained that it is certain of these measures which can justifiably be met from a draft on the Revenue Reserve Fund.

First, we have to find 29 lakhs for India House in London which is expected to be completed next year so that this liability will not appear again.

Again, we are providing 16·4 lakhs for agricultural research, of which only 1·4 lakhs represent normal recurrent expenditure, and 15 lakhs represent the initial grant towards a total Endowment Fund of 25 lakhs. We hope to be able to provide the remaining 10 lakhs in 1930-31. But in the event of new financial difficulties it might be possible to postpone this payment, and, in any case, these are final disbursements which will not recur. As Honourable Members are aware, the Agricultural Commission recommended an initial Endowment Fund of 50 lakhs, but, instead, the Government of India propose to create an Endowment Fund of 25 lakhs and to supplement this with an additional voted grant of 5 lakhs each year. Normal recurrent charges on account of agricultural research staff are estimated to amount to 2·25 lakhs, so that when the full scheme is going, the normal recurring charge will be 7·25 lakhs as against the provision of 16·4 lakhs made in 1929-30.

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The next item for special consideration is 20 lakhs for new expenditure on Civil Aviation. This again represents very largely initial expenditure of a non-recurring nature on setting up essential ground organisation. But I must warn the Council that, if a policy of Government encouragement of civil aviation is to be actively carried out, there will be further recurring charges. The exact amount of these cannot be estimated until the amount of the subsidies required is known. The main point, however, which I wish to make at present is that the present programme includes nothing of this kind except the estimated subsidy for six months for an overland service from Karachi to Delhi, and Government retain complete liberty of decision as regards further extensions. Our financial commitments, therefore, at the moment are still under control, and a substantial part of the item of 20 lakhs now provided for need not necessarily be recurring.

The head with which I am now dealing also includes grants for general beneficial expenditure, such as, 5 lakhs for the additional grant to the Benares Hindu University; 2 lakhs for the Bose Research Institute; 4 lakhs for reclamation operations in the Andaman Islands, and $1\frac{3}{4}$ lakhs for special grants to the Pasteur Institute of India.

All these items to which I have referred are special items and they account for no less than 78 lakhs. It is relevant to mention that elsewhere in the estimates there are still other items of expenditure of a beneficial character, *e.g.*, 6 lakhs for general measures for the improvement of the conditions of life in Old Delhi and $8\frac{1}{2}$ lakhs for irrigation and other development projects in the North-West Frontier Province, Baluchistan and other Minor Administrations. The future efforts of Government in directions of this kind must, of course, depend on the financial position, but I think Honourable Members of this Council will agree that to provide for expenditure of this character is a very important duty devolving upon the Government and the Legislature, and that, if we fail to do so, the public administration could justly be characterised as negligent and sterile.

Departmental transactions require only a brief mention. The contribution payable by the Railways to general revenues will be 6·25 crores, inclusive of 13 lakhs on account of the one-third share of the excess over 3 crores of the amount available for transfer to the Railway Reserve Fund. The total contribution is 79 lakhs more than the revised estimate for the current year.

The prospects of the Indian Posts and Telegraphs Department for next year are more hopeful than is indicated by the revised estimates for 1928-29. Now that the outstanding necessities of the staff in the matter of pay and general conditions of service have been met, we are free from anxiety on one very important account. With a moderate improvement in the revenues of the Department, it is expected to work at a loss of not more than 8 lakhs, which is mainly attributable to certain unremunerative but inevitable activities of the Department consisting for the most part of wireless facilities provided primarily in the interests of the general administration of the country, and to meet India's international obligations in connection with shipping. So far as it has been possible to ascertain the cost of these services, I think it may be taken at about 10 lakhs. In the circumstances, it is clear that, if we are to make any serious attempt to maintain the principle that the Department should be self-supporting, a reduction in postal or telegraphic rates is at present out of the question. The Indo-European Telegraph Department is expected to show a loss of $5\frac{3}{4}$ lakhs against a loss of

about 7½ lakhs in the current year. The loss in working the two departments together will thus be about 22 lakhs less than in 1928-29.

Lastly, I have to inform this House of the position as regards Military expenditure. Apart from the grant of 10 lakhs to covert the Shea Committee measures in connection with the Territorial Force, the net demand is 55 crores. Honourable Members will not be surprised to see this figure, as it was indicated by Sir Basil Blackett in introducing the Budget last year that there was no prospect of reduction for some time to come. The general situation which Government had to face in connection with the Army was also explained at length in a statement and in a memorandum laid on the table of the Legislative Assembly by the Army Secretary on the 5th of September last. Accordingly, a further exhaustive examination of the details of this question is not necessary on the present occasion. Honourable Members will, however, be interested to see the full exposition of the general situation in regard to Army Finance, its present limitations and future prospects which will be found in the Budget papers. I will touch briefly on the points of main importance which are there brought out. The crux of the whole matter is to be found in the necessity for undertaking the programme for the modernisation of Army equipment described in the statement of the 5th September, to which I have already referred. This programme included the expansion of the Air Force by two squadrons and a provision for the modernisation of the equipment of that Force in India; also a provision for measures in connection with anti-aircraft and anti-gas regulations and for the mechanisation of transport and of fighting units together with the completion of reserves. The total cost of the full programme was estimated at 10 crores, made up of 8 crores for the specific measures defined above and 2 crores to cover subsidiary requirements not yet exactly defined.

The formulation of these needs created a difficult problem as to how financial provision could be made to meet them. The Government decided that the Military Budget could not in any case be allowed to exceed the figure of 55 crores and that the special expenditure required must be found within the limits of that sum. Certain automatic savings were in sight, principally those due to the reduction in the pay of British troops, amounting altogether to a saving of more than one crore; and over and above these savings, the Army authorities undertook to carry out a special economy campaign in order to secure the additional money that was required.

Accordingly, a plan was devised which provides that if the Army Budget is maintained at a figure of 55 crores for four years—starting with the year 1928-29—then, apart from any abnormal or unforeseen circumstances, the necessary special expenditure will be found within the limits of this sum. As it is impossible to forecast exactly the rate at which the new equipment will be provided, and as it is important to avoid fluctuations in the Military Budget from year to year, it is proposed to adopt the procedure of transferring to a Suspense Account any sum within the limit of 55 crores not spent in any particular year, on the understanding that this Suspense Account can be drawn upon in subsequent years.

Provided that a close check is kept throughout by the Finance Department on all expenditure, it may be claimed that there are considerable advantages in an arrangement on these lines, for it has the effect of removing all inducement to the Army authorities to incur hasty expenditure before the end of a financial year in order to avoid the lapse of grants. A further advantageous result which, according to my information, the experience of the working of the arrangement since last summer may be anticipated to

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produce is that we may count upon real co-operation between the Army authorities and the Finance Department in the search for all possible economies, for the Army authorities know that the completion of the programme of re-equipment is dependent on the discovery of such economies.

In order to show how the arrangement is materialising, I may state that for the current year, 1928-29, the expenditure on normal standing charges of the Army will be 53½ crores, which leaves approximately 1½ crores to be spent towards the carrying out of the special programme. It is further estimated for 1929-30 that the ordinary maintenance charges in the Army will amount to 52·94 crores, leaving a margin of 2·06 crores for expenditure on the special programme.

The normal cost of the standing military charges is thus being steadily cut down and carefully isolated in order that, when the four years' programme of re-equipment is completed, that is to say, after the year 1931-32, there may be some definite basis for dispositions to ensure that, in the absence of some unforeseen mischance, the total Military Budget may be substantially reduced.

No one can fail to regret that these ultimate savings cannot be appropriated earlier to other purposes. It will, however, at least be something of an achievement if an important programme for modernising the equipment of the Army costing about 10 crores can be carried through in 4 years without an increase in the previous standard of military expenditure. Moreover, it can be definitely stated that, when the programme is completed, the country will have a more efficient force at a smaller cost. I need only add that, while the special programme is in course of execution, there will be no change in the existing system of financial control. Actually during the current cold weather an Additional Financial Adviser, a civilian officer trained in the Finance Department, was appointed to assist in the economy campaign. He has made extensive tours of inspection and the knowledge thus acquired should be of great value in the future in strengthening, in a practical manner, the means of financial control.

SUMMARY.

The more important variations from the revised estimates may now be summarised as follows :

The improvements as compared with the revised estimate for 1928-29 total 177 lakhs and the deficiencies total 297 lakhs—a net deficiency of 120 lakhs. In other words, instead of the surplus of 30 lakhs, which the revised estimates show for the current year, we shall have to make up a balance of 90 lakhs in 1929-30 from other sources : and, as I have already indicated, Government have thought it justifiable to provide the necessary balance from the Revenue Reserve Fund, and to defer any question of imposing new taxation. The Revenue Reserve Fund, as already explained, is expected to stand at 1,04 lakhs on the 31st March, 1929, so that, by providing from this source the sum of 90 lakhs which is required to balance the Budget for 1929-30, there will still remain a balance of 14 lakhs left in the Fund at the close of that year.

NEW TAXATION.

I have so far dealt with the normal content of the Budget and have left one particular proposal till the end. The Finance Bill, it will be seen,

contains a provision, necessitated by the recommendations of the Indian Road Development Committee, for the increase, from 4 to 6 annas per gallon, of the import and excise duties on motor spirit. The additional revenue expected to be realised on this account is 6 lakhs in the current year and 83 lakhs in the next. These amounts have accordingly to be added to the estimates of Customs revenue which I have already mentioned to the House. But there will also be a corresponding addition to the charges under the Civil Works head, representing block grants of the same amounts, which will be credited to a Road Development Fund from which disbursements will be made from time to time to Provincial Governments and others on the general lines recommended by the Committee. This of course is a measure of taxation which is designed not for the advantage of the general revenues of the Central Government but for a specific purpose which has been unanimously recommended by the Committee, and which I have no doubt will be welcomed by this House. The Committee, as I might remind Honourable Members, was appointed in consequence of a Resolution moved in this Council. It consisted of 14 Members of the two Chambers including representatives of all parties and of the Government. The Committee submitted unanimous recommendations which appear to be generally acceptable, and which are charged with far-reaching possibilities of future development.

Final Result.

The main figures of the Budget, after allowing for the transfers to and from the Revenue Reserve Fund and for the additional taxation and its disposal just referred to, stand as follows :—

(*In crores of rupees.*)

	Revised.	*Budget.*
Revenue	1,31·20	1,34·06
Expenditure	1,31·20	1,34·06

Ways and Means.

I will now give the House a brief account of the leading features of the Ways and Means operations of the current and ensuing years. The revised estimate for the current year is as follows :

Liabilities.	(*In crores of rupees.*) *Revised, 1928-29.*
Railway capital outlay (construction)	26·0
Purchase of Railways	4·0
Other capital outlay	1·7
Provincial Governments' transactions	12·1
Discharge of public debt (net)	19·9
Other transactions (net)	·4
Total .	64·1

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Resources. (*In crores of rupees.*)

	Revised, 1928-29.
Rupee Loan (net)	33·8
Sterling Loan (net)	12·1
Postal cash certificates and savings bank	3·7
Other unfunded debt	4·9
Debt redemption	5·6
Depreciation and Reserve funds	6·3
Reduction of cash balances	−2·3
Total	64·1

In this revised estimate the following are the main items of interest. The opening balance, taking India and England together, turned out to be 4 crores less than estimated a year ago. This was because actual issues of Treasury Bills in March last were 1½ crores less and Railway capital expenditure was 2½ crores more than contemplated. The position during the year has also worked out worse than was anticipated. First, Railway capital expenditure again threatened substantially to exceed the original estimate, and, in spite of restraints applied in August last, is likely to amount to 26 crores instead of 24 crores as estimated ; secondly, the net receipts from cash certificates have latterly shown signs of falling off ; lastly, the climatic conditions referred to at the outset of my speech have resulted in considerably larger drawings by certain Provinces. All these factors combined made it necessary to strengthen the position temporarily by the issue of sterling bills in August for £6 millions and eventually, for reasons which are fully analysed in the detailed Budget papers, to provide for a more permanent reinforcement by the issue of a 4½ per cent. loan in January last in London for £10 millions at 91. The proceeds of this loan will be directly used to pay off the £ 6 million sterling bills and to meet the purchase price for the Burma Railways.

In other respects events have followed the course anticipated. The Rupee loan issue in July was successfully launched in the form of a 4½ per cent. 1955-60 loan and 4½ per cent. 1934 Bonds, which brought in 9·06 crores (nominal) and 25·98 crores (nominal), respectively, or a net total of 33·8 crores.

The current year has thus provided an illustration of the need for increased borrowing, if a heavy programme of capital expenditure is to be continued. There are, however, certain special points to which attention should be called.

First, the capital expenditure included 4 crores for the purchase of the Burma Railways which may be regarded in a sense as an artificial addition to normal needs ; *secondly*, even for this year with its larger sterling and rupee loans, the net amount borrowed from the public in India and England together in the form of loans and Treasury Bills, after allowing for discharges and conversions, has only been 26 crores as against an aggregate capital outlay of just under 44 crores for the Central Government's capital expenditure and drawings by provinces. The Treasury Bills outstanding with the public which, according to the Budget estimates of the current year, should

have stood at 9 crores, are now expected to be reduced to 6·95 crores at the close of the current year, and the Honourable the Finance Member has it in contemplation further to reduce the outstandings of Treasury Bills so that these do not remain a permanent feature in the local money market conditions. On the whole, it may, I think, fairly be claimed that Government, in spite of difficulties, find themselves at the close of the current year in a stronger position than they held at the beginning.

For 1929-30 the Ways and Means estimates are as follow :

(In crores of rupees.)

Liabilities.	*Budget, 1929-30.*
Railway capital outlay (construction)	26·5
Purchase of Railways	7·0
Other capital outlay	2·1
Provincial Governments' transactions	7·2
Discharge of Public debt (net)	3·9
Other transactions (net)	1·4
Total	48·1

(In crores of rupees.)

Resources.	*Budget, 1929-30.*
Rupee Loan (net)	18·0
Sterling Loan (net)	7·0
Postal cash certificates and savings bank	5·3
Other unfunded debt	4·9
Debt redemption	6·0
Depreciation and Reserve funds	5·8
Reduction of cash balances	1·1
Total	48·1

As the Council will realise from factors which have already been indicated, the adoption of this programme means that we take upon ourselves no light task : and we have had to consider very seriously whether it is practicable in present conditions to continue capital outlay on the scale to which we have become accustomed in the recent past : Railway expenditure has been outrunning the provision made for it. On the other hand, the capital resources by which we supplement the proceeds of our public loans have shown signs of diminishing. As a result of a very thorough examination of the position, however, it was found that any immediate and drastic reduction of the capital programme of the Railways would be very undesirable. A programme of railway development, once it has got under way, cannot suddenly be interrupted without great waste ; one commitment leads to another. New branch lines bring more traffic, and this means that trunk

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lines have to be strengthened. Heavier trains must be drawn, which means relaying with heavier rails, rebuilding or strengthening bridges, purchasing heavier locomotives. The heavier locomotives bring the need for remodelling or rebuilding repair shops. And so it goes on. If the programme is not carried to completion, the economic value of much of the work in the first stages is lost.

Apart from this, I am sure this Council will agree that at a time when the general state of industry and trade in the country is at least somewhat below par, public expenditure on work which gives a great deal of local employment should not be suddenly and drastically cut down.

In the end we have provided, as has been indicated in the figures which I have already given, for a capital expenditure of 26½ crores on the Railways—a substantial sum—but the real feature in the programme is this: that the bulk of the money is to finance the execution of current work and that new commitments have been reduced to a minimum. There could thus, if necessary, be a substantial curtailment in 1930-31 and measures have been adopted to ensure that the allotment for 1929-30 will not be overspent. It is essential that the actual progress of expenditure should be under firm and certain control. The result as far as concerns the Ways and Means position is that, allowing for a reduction in Public Debt of just under 4 crores—in Treasury Bills and sterling obligations—we shall require to raise a total new loan of 18 crores.

The £5¼ million sterling to be found for the purchase of the Southern Punjab Railway is an additional liability, and as this represents merely the conversion of a sterling obligation which is already in existence, it is proposed that this should be met by a sterling loan.

I need say no more at the moment as regards Ways and Means. I wish, however, to invite the special attention of Honourable Members to the fuller statement on our borrowing policy which will be found in the printed papers.

As regards remittances to the Home Treasury, a few observations will suffice. A year ago it was estimated that we should require to remit £36 million to London in 1928-29. Imports of sovereigns from South Africa, which were presented at our Currency Offices between the 15th November, 1928, and the 15th January, 1929, amounted to about £1·8 million, and, apart from this, imports of treasure have, on the whole, been on a somewhat larger scale than during last year. This has affected our power to remit the full amount by means of sterling purchases in the open market. The raising of a sterling loan in January, which I have already referred to, has reduced the amount which must be remitted in the current year to £29¼ million, of which up to date we have succeeded in remitting nearly £27 million. On the assumption that the sterling payment for the Southern Punjab Railway will be made by means of a sterling loan next year, the amount required to be remitted to London in order to enable the Secretary of State to close with a normal working balance is now estimated at £35¼ million.

Sir, this concludes the information which it is my privilege to communicate to the Council regarding our current budgetary dispositions. But, perhaps, before I sit down, I may be permitted to add a few general reflections of my own. Last year, on the corresponding occasion, I described the Budget of 1928-29 as a commonplace Budget, of which the most reassuring feature was that it represented stability in, at any rate, the financial sphere.

To-day, I again present a Budget with no sensational ingredients ; we are in a sense still marking time. To this I make one reservation which, to my mind, is of very great importance. We are not in every respect marking time—we are actually advancing in the sense that the Budget for 1929-30, if it is accepted, will, without increasing taxation, enable us to devote considerable sums of money to expenditure on measures relating to a fairly wide range of vital departments of the national life of the country. Some of these measures promote beneficent activities for the prosecution of which Government with the support of public opinion are themselves responsible. Others provide for the encouragement of enlightened private enterprise, working also for the good of the general community.

Again, I emphasised last year that the result is almost certain to be misleading if we concentrate our gaze upon the Budget of a single year. On this occasion also, I would ask the Honourable Members of this Council to take a more extensive view. If one looks back over the past six years, one cannot fail to be struck by the great inherent strength exhibited in India's financial history for that period. On the side of Capital expenditure, the productive assets of the country have been very largely increased in proportion to the loan liabilities involved. A broad survey of the revenue position is also encouraging. When we think of the revenue which has been sacrified by the Central Government in the past six years in order to give greater latitude to the Provinces, to secure some economic advantage for India, or to co-operate in high international policy—nearly 10 crores of provincial contributions given up, and in taxation 1¼ crores on Cotton Excise, 85 lakhs on machinery duties, 1½ crores on Opium, to mention only the more important cases—and when we see how other sources of revenue have moved towards filling the gap, I think we may be justified in feeling some confidence as to the future. I, for one, cannot believe that even the resources on which we at present depend—apart altogether from other resources which might be called into play—have reached their limit of productivity. If, for the moment, we appear to stand still, it is in the main because we feel reasonably confident and because we wish to lay sound plans and await the favourable moment for a judicious and certain advance.

Finally, I think the Honourable Members of this Council will be very ready to recognise the evident care and solicitude for Indian interests which the Honourable Sir George Schuster has brought to bear upon the preparation of his first Indian Budget, and I am sure that he may count upon their whole-hearted assistance in pursuing the aims which he has set before him.

STATEMENT OF BUSINESS.

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH (Leader of the House) : Sir, as Honourable Members are aware, on Monday, the 4th March, the Council will meet to transact non-official business. As there is no official business on Tuesday, the 5th, and Thursday, the 7th, there will be no meetings on those days. On Wednesday, the 6th, there will be the general discussion of the Budget.

The Council then adjourned till Eleven of the Clock on Monday, the 4th March, 1929.

COUNCIL OF STATE.

Monday, 4th March, 1929.

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. LANCELOT GRAHAM, C.I.E. (Legislative Secretary).

MESSAGE FROM HER MAJESTY THE QUEEN-EMPRESS.

THE HONOURABLE THE PRESIDENT : I have a Message for the Council from Her Majesty the Queen-Empress. The Message which I have received through His Excellency the Viceroy is as follows :

" I desire to express on behalf of the King-Emperor sincere thanks for the loyal message received from the Council of State whose sympathetic assurance of its great anxiety during His Majesty's protracted illness is keenly appreciated. I wish also to express my profound gratitude to the Council for its moving reference to the progress which the King has happily made towards convalescence and for its prayers for His Majesty's early and complete recovery.

(Sd.) MARY, Regina et Imperatrix."

I am sure the Council is deeply grateful for Her Majesty's gracious Message.

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

QUESTIONS AND ANSWERS.

INDIAN DELEGATES TO THE INTERNATIONAL CIVIL AERONAUTICS CONFERENCE IN WASHINGTON.

30. THE HONOURABLE MR. G. A. NATESAN (on behalf of the Honourable Sir Phiroze Sethna) : Will Government please state :

(*a*) if their attention has been drawn to an International Civil Aeronautics Conference recently held in Washington ?

(*b*) if they received an invitation to send delegates to that Conference, and the names of such delegates, if any, as were sent ?

(*c*) if no delegates were sent, the reasons for the same ?

(*d*) if there is any definite policy in the matter of sending delegates to International Conferences, or is every case judged on its own merits ?

(*e*) if there is any policy, what is that policy ?

(*f*) if it is a fact that Great Britain and the principal Colonies of the British Empire were represented both by official and non-official delegates at the Conference ?

THE HONOURABLE MR. A. C. McWATTERS: (*a*) The reply is in the affirmative.

(*b*) and (*c*). An invitation was received but no delegates were sent from India. The only suitable Officer who could have been deputed was the Director of Civil Aviation in India, whose services could not be spared during the period in which the Conference was held.

(*d*) and (*e*). No general policy has been laid down, but each case is judged on its own merits. The Honourable Member's attention is invited to the Honourable Mr. H. G. Haig's remarks on the Resolution regarding Indian representation on the League of Nations and other International or Imperial Conferences moved by the Honourable Member himself in the Council of State on the 13th March 1928.

(*f*) The Government of India have no information on this point.

DESIGNATION OF THE REPRESENTATIVE OF THE GOVERNMENT OF INDIA IN THE UNION OF SOUTH AFRICA.

31. THE HONOURABLE MR. G. A. NATESAN (on behalf of the Honourable Sir Phiroze Sethna): (*a*) Will Government please state what exactly is the designation of their representative to the Government of the Union of South Africa ? Is it Agent or Agent-General or anything else ?

(*b*) Will they state if such a representative also looks after the interests of Indians in Rhodesia ? If not, will Government consider the advisability of instructing him to do so ?

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH: (*a*) The designation is "The Agent of the Government of India in South Africa".

(*b*) No: the Indian community in Rhodesia have not approached the Government of India direct so far. If they do, the suggestion will be considered.

ISSUE OF FREE RAILWAY PASSES BY SOME OF THE GOVERNMENT-MANAGED RAILWAYS TO MISS KATHERINE MAYO.

32. THE HONOURABLE MR. G. A. NATESAN (on behalf of the Honourable Sir Phiroze Sethna): Will Government please state:

(*a*) if it is a fact that free railway passes were issued by some of the Government-managed Railways to Miss Katherine Mayo when she visited India ?

(*b*) if the reply be in the affirmative, the names of the Railways that issued such free passes, and whether such free passes were given with the knowledge and permission of the Railway Board ?

(*c*) if other than Government-managed Railways also issued such free passes, and, if so, which ?

THE HONOURABLE SIR GEOFFREY CORBETT: No passes were issued by any of the State or Company-managed Railways.

USE OF VEGETABLE GHEE IN HOSPITALS.

33. THE HONOURABLE MR. G. A. NATESAN (on behalf of the Honourable Sir Phiroze Sethna): Will Government please state if they are in communication with Provincial Governments regarding the use of vegetable ghee in hospitals, and what replies, if any, have been received from the different provinces ?

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH: The reply is in the negative.

APPOINTMENT OF PLEADERS AS CHIEF JUSTICES OF HIGH COURTS.

34. THE HONOURABLE MR. G. A. NATESAN (on behalf of the Honourable Sir Phiroze Sethna): Will Government state if any fresh action had been taken in the matter of enabling High Court Pleaders to be appointed Chief Justices of High Courts ? If not, why not ?

THE HONOURABLE MR. H. G. HAIG: A Bill to amend section 101 of the Government of India Act, which has as one of its objects that which the Honourable Member has in view, was introduced in the House of Lords on the 21st May, 1928 and passed by that House on the 27th June, 1928. It would not, however, be proceeded with in the House of Commons during that Session as time could not be found.

The Bill has been re-introduced in that House.

THE HONOURABLE MR. V. RAMADAS PANTULU: May I know if the Government of India have taken any action upon the protests launched against the Bill from Lahore and other places ?

THE HONOURABLE MR. H. G. HAIG: I thought the Honourable Member was in favour of the provisions which are referred to in this question.

THE HONOURABLE MR. V. RAMADAS PANTULU: Yes: I meant of course action to counteract the protests made in Lahore and other places against the Bill.

THE HONOURABLE MR. H. G. HAIG: I am not sure, Sir, whether any special representations have been made to the Home Government, but the Bill is being pursued.

AMOUNT OF INDIA'S CONTRIBUTION TO THE EXPENSES OF THE LEAGUE OF NATIONS DURING THE LAST THREE YEARS.

35. THE HONOURABLE MR. G. A. NATESAN (on behalf of the Honourable Sir Phiroze Sethna): (*a*) Will Government state what is the amount of India's financial contribution to the expenses of the League of Nations during the last three years ?

(*b*) Is it a fact that it is higher than that of any other State not having a permanent seat on the Council of the League ?

THE HONOURABLE MR. L. GRAHAM: (*a*) The net contribution of India for the last three years is as follows:

1926—1,370,454 gold francs.

1927—1,260,713 gold francs.

1928—1,297,730 gold francs.

(*b*) The answer is in the affirmative.

SPEECH OF LORD LYTTON AT THE LAST SESSION OF THE LEAGUE OF NATIONS.

36. THE HONOURABLE MR. G. A. NATESAN (on behalf of the Honourable Sir Phiroze Sethna): (*a*) Have Government read the speech made by Lord Lytton on behalf of the Indian Delegation to the League of Nations at Geneva at the last session of the League ?

(*b*) Is it a fact that he expressed the grave anxiety of the Indian Delegation at the increasing budget of the League ?

(*c*) Did he further express the view that the Indian Government might feel obliged to consider whether membership of the League was worth the price India had to pay for it ?

(*d*) Do the views expressed by Lord Lytton represent the views of the Government of India, and, if so, will they be pleased to state what policy they intend to adopt in future with regard to the League ?

THE HONOURABLE MR. L. GRAHAM: (*a*) Government are not in possession of the text of the speech, but a full summary thereof is contained in paragraphs 95 to 100 of the Interim Report of the Indian Delegation.

(*b*) Yes.

(*c*) The summary represents him as having said that every increase of the financial burden without a corresponding extension of the sphere of the work increased the difficulty of maintaining that membership of the League was worth the price. The Government of India have no reason to believe that he expressed the view attributed to him by the Honourable Member.

(*d*) The answer to the first part is in the affirmative. If by the second part the Honourable Member intends to inquire whether Government have any intention of terminating India's membership of the League, the answer is in the negative.

NUMBER OF INDIANS EMPLOYED IN THE SECRETARIAT OF THE LEAGUE OF NATIONS.

37. THE HONOURABLE MR. G. A. NATESAN (on behalf of the Honourable Sir Phiroze Sethna): (*a*) Will Government be pleased to state how many Indians are employed in the various departments or services of the League of Nations, their names, their designations, their duties, and the salary paid to each ?

(*b*) What steps have Government taken in order that the number of Indians employed in such departments or services may be increased ?

THE HONOURABLE MR. L. GRAHAM: (*a*) Two in the League Secretariat and three under the International Labour Office. A statement containing information regarding names, designations, duties and salaries is laid on the table. In addition, I may refer the Honourable Member to paragraph 4 of the Interim Report of the 1928 Delegation from which it appears that a new post is being created for an Indian in the Information Section of the League Secretariat.

(*b*) Appointments in the League Secretariat being normally for terms of seven, 21 or 28 years and appointments under the International Labour Office being normally for terms of 21 or 28 years, the Honourable Member will understand that the possibility for effective action in this matter is extremely limited. Government are at pains to take such action as is possible by causing India's delegates to the Assembly to ventilate the matter as often and as strenuously as is consistent with technical considerations.

Statement showing the number of Indians employed in the League of Nations, their names, their designations, their duties, and the salary paid to each.

Name.	Designation.	Duties.	Salary.
	LEAGUE SECRETARIAT.		
Mr. J. Dalal	Member of Section .	Legal Section.	Pay of post 13,700—800—19,000 Swiss francs. Present pay understood to be 13,700 Swiss francs.
Mr. S. M. Dhume .	Member of Section	Economic and Financial Section.	Pay of post 13,700—800—19,000 Swiss francs. Present pay unknown.
	INTERNATIONAL LABOUR OFFICE.		
Mr. K. Kuriyan .	Member of Section	Section A of the Diplomatic Division dealing with Ratifications and Application, etc., of Conventions.	Pay of post 13,700—800—19,000 Swiss francs. Present pay unknown.
Mr. R. K. Das .	Member of Section	Section C of the Diplomatic Division dealing with Labour in Colonies, Protectorates, etc.	Pay of post 19,000—800—28,000 Swiss francs. Present pay understood to be 20,600 Swiss francs.
Dr. P. Pillai . .	Is at present the representative of the International Labour Office and Director of its Indian Branch with rank superior to that of Chief of Section at Geneva. Understood to hold lien on post of Member of Section.		Pay of post temporarily fixed at 24,000 Swiss francs.

Note.—In addition Dr. Pillai is authorised to engage four office Assistants in India for the purpose of his work.

RECOMMENDATIONS OF THE ROYAL COMMISSION ON AGRICULTURE.

38. THE HONOURABLE MR. G. A. NATESAN (on behalf of the Honourable Sir Phiroze Sethna): Will Government be pleased to state what action they have so far taken on the recommendations of the Agricultural Commission (*a*) by themselves, and (*b*) by the various Provincial Governments ?

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH: Of the recommendations made by the Agricultural Commission which affect

the Government of India, the most important relates to the establishment of a Council of Agricultural Research. The conclusions which the Government of India have reached as regards these were announced by His Excellency the Viceroy in his address to the Assembly on the 28th January. The other recommendations which concern the Government of India exclusively, or jointly with one or more Local Governments, are still under consideration.

The Government of India have no information apart from what has appeared in newspapers as to the action so far taken by the Local Governments on the recommendations which concern them.

PRINCIPLES OF LAND REVENUE ASSESSMENT.

39. THE HONOURABLE MR. G. A. NATESAN (on behalf of the Honourable Sir Phiroze Sethna): Will Government be pleased to lay on the table a statement showing the progress made up to date by each Provincial Government in the matter of giving effect to the recommendation of the Joint Parliamentary Committee that the principles of land revenue assessment should be embodied in a Statute?

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH: A statement giving the information asked for is laid on the table.

Statement showing the progress made by Provincial Governments in the matter of embodying the principles of land revenue assessment in a Statute.

Bills have been passed by the Legislative Councils of the Punjab, the United Provinces and the Central Provinces. Legislation has not been considered necessary in Bengal and Bihar and Orissa, as large territories in these provinces are under permanent settlement. In Madras and Assam attempts to secure legislation regarding assessment of land revenue have not proved successful. In Bombay a Bill has been prepared and is expected to be introduced in the local Legislative Council. As regards Burma, the Local Government were awaiting the report of the Taxation Enquiry Committee before taking any action in the matter. Their attention to the question of legislation has again been drawn.

RULES REGULATING THE FORMATION OF NEW PROVINCIAL SERVICES.

40. THE HONOURABLE MR. G. A. NATESAN (on behalf of the Honourable Sir Phiroze Sethna): Will Government be pleased to lay on the table the new rules framed for the purpose of enabling Provincial Governments to form new provincial services without frequent references to the Secretary of State?

THE HONOURABLE MR. H. G. HAIG: The rules in question, known as the All-India Services (Transferred Departments) Replacement Rules, were published in the Gazette of the 2nd February, which the Honourable Member will find in the Library of the House.

BRANCH RAILWAY FROM MANMAD TO DHULIA *viâ* MALEGAON.

41. THE HONOURABLE MR. G. A. NATESAN (on behalf of the Honourable Sir Phiroze Sethna): Will Government be pleased to state what progress has been made in giving effect to the scheme of a branch Railway from Manmad to Dhulia *viâ* Malegaon, District Nasik?

THE HONOURABLE SIR GEOFFREY CORBETT: On investigation the project was found to be unremunerative, but the Bombay Government have been asked whether they wish to guarantee the line.

NUMBER OF EUROPEANS, ETC., EMPLOYED IN THE CLERICAL AND HIGHER ESTABLISHMENT OF THE GOVERNMENT SECURITY PRINTING PRESS, NASIK.

42. THE HONOURABLE MR. G. A. NATESAN (on behalf of the Honourable Sir Phiroze Sethna): Will Government be pleased to give a tabular statement showing how many Europeans, Anglo-Indians, Indian Christians, Parsis, Hindus, Muhammadans and Indians of other communities are, employed in the clerical and higher establishment of the Government Security Printing, Nasik Road, receiving salaries (1) of Rs. 100 to Rs. 250; (2) of Rs. 251 to Rs. 500 and (3) of Rs. 500 and over?

THE HONOURABLE MR. E. BURDON: I lay on the table a tabular statement giving the information for which the Honourable Member has asked.

Statement showing the number of persons of various communities employed in Security Printing, India, Nasik Road (including Central Stamp Store and Currency Note Press) as on 1st February 1929.

—	Europeans.	Anglo-Indians.	Indian Christians.	Parsis.	Hindus.	Muhammadans.	Indians of other communities.	Total.
(1) Rs. 100 to 250.	1	4	6	3	35	1	..	50
(2) Rs. 251 to 500.	7	3	..	..	1	.	..	11
(3) Rs. 500 and over.	11	2	..	..	1	..	..	14

APPOINTMENT OF A ROYAL COMMISSION ON EDUCATION.

43. THE HONOURABLE MR. G. A. NATESAN (on behalf of the Honourable Sir Phiroze Sethna): Have Government considered the advisability of urging on His Majesty's Government the necessity of appointing a Royal Commission on Education with a view, in particular, to investigating what measures, financial and other, should be adopted in each province to introduce compulsory mass education within a specified period?

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH: No.

THE HONOURABLE MR. G. A. NATESAN: In view of the great importance which the public attach to the question of compulsory mass education, will the Government of India think of taking steps in this matter?

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH: The whole question regarding education is being investigated by the Statutory Commission. Until their recommendations are known, it will not be possible for the Government of India to take any definite action.

DEDUCTIONS FROM THE WAGES OF LABOURERS EMPLOYED ON TEA ESTATES IN ASSAM.

44. THE HONOURABLE MR. G. A. NATESAN (on behalf of the Honourable Sir Phiroze Sethna) : Will Government be pleased to state :

(*a*) the date from which estates in Ceylon began paying minimum rates of wages as laid down in the Minimum Wage Ordinance ?

(*b*) whether this Ordinance makes any provision to ensure that the actual amount of wages over and above the minimum rates, if earned, is paid to the labourer ?

(*c*) whether it is a fact that on tea estates, certain deductions are made by the Estate authorities from the amount of tea leaf plucked by a labourer working at piece rates and that he or she is only paid for the balance ?

(*d*) if the reply to (*c*) is in the affirmative, what these deductions are for, and whether they are fixed or variable at the pleasure of the employer ?

(*e*) whether all such deductions are always made with the knowledge and consent of the labourer ?

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH : (*a*) 1st January 1929.

(*b*) and (*c*). Yes.

(*d*) As far as the Government of India are aware, the deductions referred to are made on account of the weight of the basket in which tea leaves are weighed and other considerations of a technical nature. These deductions as a rule follow custom and not the will of the employer.

(*e*) The Government of India understand that generally speaking the position is as stated by the Honourable Member.

EFFICIENCY BARS IN THE TIME-SCALE OF PAY FOR FIRST AND SECOND DIVISION CLERKS IN THE OFFICE OF THE DIRECTOR GENERAL OF POSTS AND TELEGRAPHS.

45. THE HONOURABLE MR. G. S. KHAPARDE : (*a*) Will the Government be pleased to state the efficiency bar stages in the time-scale of pay for the first division and second division clerks in the office of the Director-General of Posts and Telegraphs ?

(*b*) What are the efficiency bar stages in the other attached offices of the Government of India ?

THE HONOURABLE MR. A. C. McWATTERS : (*a*) In the office of the Director General of Posts and Telegraphs, for the first division clerks the efficiency bars are at the Rs. 130 and Rs. 180 stages, respectively, and for the second division clerks at the Rs. 80 and Rs. 115 stages, respectively.

(*b*) In certain other offices under the Government of India, for Assistants the efficiency bars are at the Rs. 200 and Rs. 300 stages, and for clerks at the Rs. 115 and Rs. 155 stages, respectively.

ANNUAL INCREMENTS OF FIRST DIVISION CLERKS IN THE OFFICE OF THE DIRECTOR-GENERAL OF POSTS AND TELEGRAPHS.

46. THE HONOURABLE MR. G. S. KHAPARDE: (*a*) Is it a fact that in the time-scale of pay sanctioned for the first division clerks in the office of the Director-General of Posts and Telegraphs the initial rate of increment is Rs. 6 only per annum as against Rs. 8 in the case of other attached offices of the Government of India?

(*b*) Is it a fact that the first division clerks of the Director-General's Office have to draw this lower rate of annual increment for ten years, whereas a clerk in the attached office begins to draw an increased rate of increment at Rs. 10 per annum after only five years' service?

(*c*) If so, do the Government propose to remove this anomaly by suitably amending the existing time-scale of pay for first division clerks of the Director-General's Office?

THE HONOURABLE MR. A. C. McWATTERS: (*a*) and (*b*). The facts stated by the Honourable Member are substantially correct.

(*c*) No, Sir; I refer the Honourable Member to the explanation given to the Standing Finance Committee, recorded in paragraph 13, and in Appendix I, section E, of the Committee's proceedings of the 28th January 1927.

ENQUIRY INTO THE TIME-TEST IN THE POST OFFICE.

47. THE HONOURABLE MR. G. S. KHAPARDE: (*i*) Will the Government be pleased to state if the enquiry into the Time-Test in the Post Office has been finished and a report submitted?

(*ii*) Will the Government please lay on the table a copy of the report?

(*iii*) Will the Government please state if the report of the Special Officer was agreed to by the representative of the All-India (including Burma) Postal and R. M. S. Union who was associated with him in the enquiry?

(*iv*) When will Government give effect to the recommendations of the Time-Test Committee?

THE HONOURABLE MR. A. C. McWATTERS: (*i*) Yes.

(*ii*) Government cannot say whether they will lay a copy of the report on the table till they have seen and considered it.

(*iii*) Yes.

(*iv*) No Time-Test Committee was appointed. Government are unable to state precisely when effect will be given to such recommendations of the Special Officer as may be accepted by Government. At present the report, which was received on the 31st of January last, is being considered by the Director-General.

PROVIDENT FUND FOR CIVIL ENGINEERS EMPLOYED ON STATE RAILWAYS.

48. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will Government kindly state whether, unlike the other superior establishments on State Railways, Civil Engineers have up till recently not been given the option of a Provident Fund? If this is the case, do Government contemplate giving the option of a Provident Fund to those engineers who do not at present possess it? If not, will the Government explain why this privilege is denied to them?

THE HONOURABLE SIR GEOFFREY CORBETT: The answer to the first part of the question is—yes: to the remaining parts—that there is no question of denying a privilege to members of the Indian Railway Service of Engineers. The position is simply that until recently officers of that service have been on pensionable and not on provident fund terms. All entrants to the service after the 1st of January 1926 have, however, been recruited on a non-pensionable basis.

STOPPAGE OF THE RECRUITMENT OF HINDUS TO THE OFFICES UNDER THE CHIEF AUDITOR, NORTH-WESTERN RAILWAY.

49. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: (*a*) Has the attention of Government been drawn to the notice which appeared in the papers a few months back similar to that now appearing in the papers on behalf of the Chief Auditor, North-Western Railway, to the effect that "An examination for the recruitment of clerks to the offices under the Chief Auditor, North-Western Railway, will be held on the 11th and 12th March, 1929. It will be open only to members of the following communities, namely, Muhammadans, Sikhs, Anglo-Indians, Indian Christians and Parsis"?

(*b*) Has this policy of excluding Hindus from recruitment to the offices under the Chief Auditor, North-Western Railway, been adopted by this Railway Administration with the approval of Government? If not, what action do Government intend taking in this connection?

(*c*) Is it the policy of Government entirely to stop only the recruitment of Hindus to the State Railways services till such time as their proportion in the services falls to the proportion this community forms of the general population?

(*d*) Is this policy of total stoppage of recruitment of a particular community or communities followed only on the North-Western Railway or on any other State Railways as well?

(*e*) Have Government stopped the recruitment of non-Hindus in all departments of those Railway Administrations where they are in excess of the proportion of non-Hindus in the general population of the areas served by such Railways?

(*f*) If the answer to (*e*) be in the negative, will Government kindly state why they follow different policies in different parts of the country?

THE HONOURABLE MR. E. BURDON: The Government are making certain enquiries to enable them to reply fully to the Honourable Member's question. A further answer will be sent to him as soon as possible.

INABILITY OF THE SUFFERERS IN THE KOHAT RIOT TO PAY THE INSTALMENT OF THE LOAN ADVANCED TO THEM BY GOVERNMENT.

50. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Have the authorities in the North-West Frontier Province or the Government of India received a representation from the sufferers in the Kohat riot to the effect that they are at the present moment unable to pay the instalment shortly falling due on account of the loan advanced by Government to them? If the answer be in the affirmative, have Government considered the advisability of putting off for the present the demand for payment of the instalment?

THE HONOURABLE MR. H. G. HAIG : The Honourable Mr. Watson being absent from Delhi, I would ask your permission, Sir, to answer questions on his behalf.

I understand that a representation has been addressed to the Local Administration and that the matter is under their consideration.

INSTALLATION OF A TELEPHONE SYSTEM AND A TRUNK CONNECTION AT DALHOUSIE.

51. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Will Government kindly state whether they contemplate installing a telephone system and a trunk connection at Dalhousie? If so, when is it likely to be installed ?

THE HONOURABLE MR. A. C. McWATTERS : Yes. During 1929-30.

TOTAL AMOUNT OF FOREIGN COAL ORDERED FOR STATE RAILWAYS DURING 1927-28 AND 1928-29.

52. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Will Government kindly state what has been the total quantity of foreign coal ordered for Indian State Railways during the years 1927-28 and 1928-29 ? What is the average contract price ?

THE HONOURABLE SIR GEOFFREY CORBETT : No foreign coal was ordered for State-owned Railways during the period in question.

AMOUNT OF GOLD IN THE PAPER CURRENCY RESERVE.

53. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Will Government kindly state what is the existing amount of gold in the Paper Currency Reserve ? What was it before the Great War ?

THE HONOURABLE MR. E. BURDON : The amount of gold in the Paper Currency Reserve at present is £24,161,000. It was £18,340,000 on the 31st July 1914.

AVERAGE LIFE OF DIFFERENT KINDS OF SLEEPERS ON CERTAIN SPECIFIED RAILWAYS, ETC.

54. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : (*a*) Will Government kindly state what is the average life of each of the following kinds of sleepers on the North-Western, East Indian, Great Indian Peninsula and metre-gauge section and Nagda-Muthra section of the Bombay, Baroda and Central India Railway, and the Eastern Bengal Railway :

(*i*) Deodar,
(*ii*) Treated Chir and Fir,
(*iii*) Sal,
(*iv*) Teak,
(*v*) Jharrawood,
(*vi*) Reinforced Concrete,
(*vii*) Pot Cast Iron,
(*viii*) Plates C. I., and
(*ix*) Steel ?

(*b*) What was the average price of each of the above classes of sleepers in 1914 and 1926, and what is it now ?

(c) How many sleepers of each of the above classes have been purchased for delivery during 1927-28 and 1928-29, and at what average price for each kind ?

THE HONOURABLE SIR GEOFFREY CORBETT: I am laying on the table statements giving the information required.

Statement showing the average life of sleepers.

Kind of sleeper.	Average life (in years).					Remarks.
	N. W. R.	E. I. R.	G. I. P.	E. B. R.	*B., B. & C. I.	
Deodar . . .	12 to 15	14	12	..	12	*Information regarding the average life on particular sections of this Railway is not available.
Treated Chir and Fir and Reinforced concrete.	There has not yet been sufficient experience with these sleepers to allow of a fair estimate of their average life being given.					
Sal	12	14	12	12 to 15	15	
Teak	18	..	12	..	15	
Jarrah . . .	7	..	12	9	10	
Cast Iron pots and Cast Iron Plates.	Different types have been used on different Railways. It is anticipated that the average life will be about 50 years.					
Steel	The average life is about 35 years.					
Reinforced concrete .	We have not had sufficient experience of these sleepers to forecast their average life.					

Statement showing the average price of B. G. sleepers in 1914, 1926 and at present.

Kind of sleeper.	Average price.			Remarks.
	1914.	1926.	At present.	
Deodar . . .	Rs. 4-4-0 to Rs. 4-6-9.	Rs. 6-15-0 to Rs. 7-15-0	Rs. 6-2-0 to Rs. 6-8-0.	
Sal . . .	Rs. 4-8-0 to Rs. 5-0-0.	Rs. 8-0-0 to Rs. 8-12-0.	Rs. 8-0-0 to Rs. 8-12-0.	
Teak . . .	Not known .	Rs. 11-8-0 C. I. F. Calcutta.	Rs. 8-6-0 to Rs. 10-0-0.	Very few teak sleepers are obtainable.
Jarrah . . .	Rs. 6-4-6 .	Rs. 8-0-0 C. I. F.	..	No contracts for Jarrah sleepers have been placed recently.
Chir . . .	..	Rs. 5-12-0 to Rs. 6-4-0(*treated).	Rs. 4-15-6 to Rs. 5 5-0(*treated)	*Cost of treating a sleeper in 1926 was Rs. 2 and at present it is Rs. 1-12-0.
Fir . . .			Rs. 4-11-0 to Rs. 5-1-0 (*treated).	
Cast Iron . .	About Rs. 11 .	Rs. 11-12-0 per complete sleeper.	Rs. 8-8-0 to Rs. 9-6-0 per complete sleeper.	
Steel . . .	Rs. 8 to Rs. 9 .	Rs. 10 per complete sleeper.	Rs. 7-14-3 to Rs. 9 per complete sleeper.	
Reinforced concrete .	Information is being obtained and will be supplied to the Hon'ble Member.			

Statement showing the number of deodar, chir, fir, teak, jarrah, cast iron and steel sleepers purchased and prices paid for the same in the years 1927-28 and 1928-29.

Kind of Sleepers.	Number of Sleepers purchased and the average price.						Remarks.
	Broad Gauge.		Metre Gauge.		Narrow Gauge.		
	No.	Average price per sleeper.	No.	Average price per sleeper.	No.	Average price per sleeper.	
			1927-28.				
Deodar . .	7,50,594	Rs. 7 to 7-6-5.	1,71,738	Rs. 3-4 to 3-7-3.	..	..	
Chir . .	3,17,272	Rs. 3-15-3 untrented.	..	..	..	..	
Fir . . .	3,82,360	Rs. 3-14-1 untreated.	..	..	..	..	
Sal (C. P., Assam, Nepal, U. P., B. & O.)	11,14,161 1st class.	Rs. 8 to 8-12.	9,69,595 1st class.	Rs. 3 to 3-4	1,76,105	Rs. 2	
	39,735 2nd class.	Rs. 5 to 6	1,07,693 2nd class.	Rs. 2-1	..	..	
Teak . .	40,064	Rs. 8-8 to 10-8.	1,85,994	Rs. 3 to 4-4	5,000	Rs. 2-4	
	2,500 (halfround).	Rs. 8	..	..	..	..	
Jarrah . .	51,223	Rs. 7-5-11 C. I. F.	20,000	Rs. 3-4 C. I. F.	..	..	
Cast Iron .	5,31,284	Rs. 11 to 11-12.	..	..	..	..	
Steel . .	15,76,231	Rs. 8 to 10-4 (with keys).	4,79,979	Rs. 5-1 (inclusive of keys).	..	..	
Reinforced concrete.	Information is being obtained and will be supplied to the Honourable Member.						
Cast Iron . .	4,44,979	Rs. 8 to 9-8	..	..	..	..	Information regarding the purchases of metal sleepers given in this statement is as far as available from the records in the Railway Board's office.
Steel . .	4,92,566	Rs. 8 (with keys).	1,93,209	Rs. 4-11 to Rs. 5-1 (inclusive of keys).	..	..	
Reinforced concrete.	No information.						

Wooden—For 1928-29 information is not complete; following statement shows the number of timber sleepers allotted by the Central Sleeper Pool for purchase during 1928-29:—

Northern Group	12,50,000	deodar, chir, fir, etc.
Central ,, ...	1,60,000	sal.
Terai ,, ...	6,000	,,
Eastern ,, ...	5,35,000	,,
Southern ,, ...	1,50,000	teak and mixed.

Raising of the maximum Pay of the literate Staff in the Traffic Department of the North-Western Railway.

55. **The Honourable Rai Bahadur Lala Ram Saran Das:** Are Government aware that the initial pay of the literate staff in the Traffic Department of the North-Western Railway has recently been raised from Rs. 15 to about Rs. 38 per month on account of the rise in the cost of living?

Do Government contemplate raising the maximum also in the lower grades for this class of State employees ? If so, what action do they intend taking in this direction ?

THE HONOURABLE SIR GEOFFREY CORBETT : Government are unable to connect the Honourable Member's enquiry with any proposals for increase of pay of which they are cognisant.

EXTENSION OF THE PERIOD FOR THE SUBMISSION OF CLAIMS BY INDIAN SEAMEN WHO SUFFERED BY ENEMY ACTION DURING THE EUROPEAN WAR.

56. THE HONOURABLE SRIJUT RAMA PRASAD MOOKERJEE : (*a*) Has the attention of Government been drawn to the Resolutions passed at the last general meeting of the Indian Seamen's Union at Calcutta in connection with the payments to Indian seamen under the German Reparation Award of 1st September, 1922 ?

(*b*) Is it a fact that the Indian Seamen's Union, which represented the claims of Indian seamen, was not informed of the last date (31st March, 1928) fixed by Government for submission of claims under the award ?

(*c*) Is it a fact that most of the Indian seamen likely to derive any benefit under the award were absent on the high seas for long periods ?

(*d*) Have Government extended the period within which the claims have to be put in ?

(*e*) If the answer to (*d*) be in the negative, is it the intention of Government to issue instructions for the acceptance by the officers concerned of the claims of Indian seamen, who suffered by enemy action during the last European War though they are received after the 31st March, 1928 ?

THE HONOURABLE MR. L. GRAHAM : (*a*) The reply is in the affirmative.

(*b*) The Honourable Member is referred to the reply given to question No. 25 of the Honourable Mr. Khaparde on the 25th February, 1929.

(*c*) It is probable that many seamen eligible to receive compensation have been absent at sea for long periods during the time in which claims could have been submitted, but it is improbable that any of them have been absent all the time.

(*d*) The time limit for submission of claims was first fixed at the 30th June, 1920. It was then extended to the 15th December, 1920, and it was further extended to the 31st March, 1928.

(*e*) As already stated in reply to the Honourable Mr. Khaparde, the question of extending still further the period within which claims can be received is at present under the consideration of the Government of India.

REPARATION AWARDS TO INDIAN AND OTHER SEAMEN WHO SUFFERED BY ENEMY ACTION DURING THE EUROPEAN WAR.

57. THE HONOURABLE SRIJUT RAMA PRASAD MOOKERJEE : Will Government be pleased to state the total number of claimants, with the amounts claimed, obtained and distributed from the Enemy Powers (under the Reparation Award Scheme) in the following categories :

(*a*) Seamen within the Empire, irrespective of race or colour ; and

(*b*) Indian seamen ?

THE HONOURABLE MR. L. GRAHAM : (*a*) The figures are not available.

(*b*) The number of claims on behalf of Indian seamen received by the Government of India was 766 and their value was Rs. 5,23,942. The amount awarded on these claims was Rs. 2,15,161.

REVISION OF RULES 1 (*a*) AND 20 OF THE GOVERNMENT SERVANTS' CONDUCT RULES.

58. THE HONOURABLE SRIJUT RAMA PRASAD MOOKERJEE : (*a*) Will Government be pleased to state whether the modification of Rules 1 (*a*) and 20 of the Government Servants' Conduct Rules (published in the *Gazette of India* on the 26th January, 1928) is necessitated by any particular case or cases ? If the answer be in the affirmative, when and where did such cases (if any) occur during the last twelve months ?

(*b*) Are Government aware that there are many Government servants on the governing bodies of educational and civic institutions— such as universities, municipalities and other local bodies ?

(*c*) Are Government aware that Government servants who are appointed to such bodies (not *ex-officio*), or elected, in some cases do not represent Government as such, but are in those bodies in their individual capacity ?

(*d*) Are Government aware that actions of Government as a whole, or Government proposals come up for discussion and opinion before such educational and civic bodies ?

(*e*) Have Government considered the effect of Rule 20 in the Government Servants' Conduct Rules on the freedom of action of Government servants in such educational or civic bodies ?

(*f*) Will Government take steps to have the comprehensive general provisions of Rule 20 further amended so as to exclude the action of Government servants in educational or civic bodies ?

THE HONOURABLE MR. H. G. HAIG : (*a*) to (*f*). The revision of Rules 1 (*a*) and 20 of the Government Servants' Conduct Rules was undertaken in consequence of a representation from a Local Government. It was recognised at the time that Government servants who are members of bodies such as those referred to by the Honourable Member have an obligation to protect the interests of those bodies, and in consequence should have reasonable latitude in expressing their views with this object. Instructions to this effect have been issued to the Local Governments for the guidance of officers serving under them.

COMMITTEE APPOINTED TO ENQUIRE INTO THE AFFAIRS OF THE IMPERIAL LIBRARY, CALCUTTA.

59. THE HONOURABLE SRIJUT RAMA PRASAD MOOKERJEE : (*a*) Did Government appoint in 1926 a Committee to enquire into the affairs of the Imperial Library with Mr. J. Richey, C.I.E., as the Chairman ? If so, who were the other members of the Committee ?

(*b*) Was the Committee appointed to go only into the question of the location of the Library ? If not, what were the terms of reference ?

(*c*) Was the Council of the Imperial Library consulted by the Committee of Enquiry while the enquiry was going on ?

(*d*) Who were the members of the Library Council at the time when the enquiry was being made ?

(*e*) Did the Committee of Enquiry examine the Librarian, any member of the Library Council or any other person on the questions at issue ? If so, who were the persons examined ?

(*f*) Will Government place a copy of the report of the Enquiry Committee on the table ?

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH : (*a*), (*b*) and (*d*). A statement giving the information desired by the Honourable Member is placed on the table.

(*c*) Government have no information on the point, but the Library Council was represented on the Committee.

(*e*) The Committee of Enquiry examined Mr. Chapman, the Librarian, and his staff. The names of the latter are not known.

(*f*) Government are not prepared to place the report on the table.

Statement showing the personnel of the Committee appointed in 1926 to enquire into the affairs of the Imperial Library, Calcutta, the terms of reference to the Committee and the names of members of the Library Council at the time.

Personnel of the Committee.	Terms of reference.	Names of Members of the Library Council at the time of enquiry.
A Committee was appointed consisting of the following :	(1) To report on the condition of the Imperial Library, Calcutta, more specially of the staff and finance, and to make recommendations, and	*President.*
Chairman.		The Honourable Sir Philip Buckland, Kt., Puisne, Judge, High Court, Calcutta.
The Honourable Mr. J. A. Richey, C.I.E., Educational Commissioner with the Government of India.	(2) to consider and make recommendations as to the future of the Imperial Library.	*Members.*
Members.		1. Mr. Salahuddin Khuda Baksh, Bar.-at-Law, Calcutta.
1. Mr. J. H. Lindsay, I.C.S., Secretary to the Government of Bengal, Department of Education (Representative of the local Government).		2. Mr. R. B. Ramsbotham, M.B.E., Principal, Hooghly College, Chinsurah.
2. R. B. Ramsbotham, M.B.E., Principal, Hooghly College. Chinsurah (Representative of the Imperial Library Council).		3. Mr. H. C. Edmondson, of Messrs. Turner Morrison and Co. Ltd. (Bengal Chamber of Commerce).
3. Mr. J. Bhandari, Deputy Auditor General (Inspection) (A financial officer).		4. Mr. H. C. Maitra, Principal, City College, Calcutta.
Mr. Bhandari also acted as Secretary of the Committee.		

THE HONOURABLE SRIJUT RAMA PRASAD MOOKERJEE : With regard to 59 (*e*), is it mentioned in the report that the Librarian or any other person was examined by the Committee when the Committee were conducting their inquiry at Calcutta ?

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH : My answer is based on the information contained in the Committee's Report.

LIBRARIAN, IMPERIAL LIBRARY, CALCUTTA.

60. THE HONOURABLE SRIJUT RAMA PRASAD MOOKERJEE: (*a*) Has Mr. Chapman, the Librarian of the Imperial Library, taken leave preparatory to retirement ?

(*b*) If the answer be in the affirmative, what steps have been taken to fill the permanent vacancy ? Has the matter been placed before the Public Service Commission or has any public advertisement been issued inviting applications for the post ?

(*c*) Was any recommendation made by the Richey Committee with regard to the type of person fitted to hold the post ? If so, will Government place the relevant passage from the report on the table ?

(*d*) Is there any proposal to send a competent scholar to Europe for being given a training in the big libraries of the West and then to appoint him as Librarian of the Imperial Library ?

(*e*) If the answer be in the affirmative, has such a proposal been considered by the Standing Advisory Committee either of Finance or of Education ?

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH: (*a*) Yes.

(*b*) The Librarian of the Imperial Secretariat Library of the Government of India, who is a qualified and experienced officer, has been appointed to act for Mr. Chapman. The reply to the latter part of the question is in the negative. The question of filling the post permanently will be considered on Mr. Chapman's retirement at the end of 1930.

(*c*) Yes. The Committee's report is confidential, and Government do not propose to lay extracts on the table.

(*d*) No.

(*e*) Does not arise.

FUTURE MANAGEMENT OF THE IMPERIAL LIBRARY, CALCUTTA.

61. THE HONOURABLE SRIJUT RAMA PRASAD MOOKERJEE: (*a*) Has Government decided anything about the future management of the Imperial Library ? If so, on which date was the final order passed by Government ?

(*b*) Will Government be pleased to state whether the Bengal Government or the Library Council were consulted on the question at any stage ? If so, will the opinions received be placed on the table ?

(*c*) Is it a fact that a larger Council of Management has been proposed and that different bodies have been invited to send their representatives ?

(*d*) If the answer to (*c*) be in the affirmative, will Government be pleased to state whether the financial aspect of the scheme has been considered, and, in particular, what amount do Government expect the travelling allowances of the members will amount to every year if the enlarged Council is to meet once every three months ?

(*e*) What amount was spent during the last three years on the travelling allowances of the members of the Council of the Library ?

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH: (*a*) and (*b*). The matter is being considered by Government in consultation with the Government of Bengal and the Library Council.

(*c*) Yes.

(*d*) The financial aspect of the scheme has not yet been considered.

(*e*) No expenditure has been incurred during the last three years on this account.

THE HONOURABLE SRIJUT RAMA PRASAD MOOKERJEE: A supplementary question, Sir. It now appears that nothing has yet been decided about the new Council of Management. Will Government please mention why the different bodies have already been invited to send their representatives to the proposed new Council, as the University of Calcutta was invited to elect representatives last August ?

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH: I would ask the Honourable Member to put that question down.

GOVERNMENT GRANT TO THE IMPERIAL LIBRARY IN 1928-29.

62. THE HONOURABLE SRIJUT RAMA PRASAD MOOKERJEE: (*a*) What was the total amount of the Government grant to the Imperial Library in 1928-29, and how much was budgeted for the purchase of books and periodicals ?

(*b*) Is it a fact that the Government of India and the Provincial Governments now charge for all the Government publications, reports, memoirs, journals, gazettes, etc., which used to be supplied free to the Library ?

(*c*) If the answer to part (*b*) be in the affirmative, will Government be pleased to state from when has this new system been introduced and what is the additional amount that the Library has to spend on Government publications per year. (The figures for the last three years may be given) ?

(*d*) Have Government increased the grant by the additional amount mentioned in part (*c*) ? If not, will Government consider the desirability and necessity thereof ?

(*e*) Have the Government of Bengal agreed to contribute anything towards the maintenance of the Imperial Library ? If so, what is the amount ?

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH: (*a*) The total amount budgeted for the Imperial Library was Rs. 78,400, of which Rs. 15,000 were for the purchase of books and publications.

(*b*) Only the Provincial Governments now charge for all their publications.

(*c*) The new system was introduced from 1st April, 1925. The approximate amounts spent on Provincial Governments' publications during the last three years were as follows :—

	Rs.
1925-26	270
1926-27	800
1927-28	920

(*d*) The grant was increased by Rs. 3,000 during 1925-26 to meet the additional expenditure on Provincial Governments' publications but was again reduced to the original figure of Rs. 15,000 in 1926-27 on the basis of past actuals. An increased grant of Rs. 16,000 has been provided in the Budget for 1929-30 as presented to the Legislative Assembly. The latter part of the question does not arise.

(*e*) Yes, the Bengal Government have agreed, subject to the approval of the provincial Legislature, to contribute a sum of Rs. 20,000 per annum towards the maintenance of the Library.

RESOLUTIONS OF THE ALL-INDIA POSTAL AND RAILWAY MAIL SERVICE UNION RELATING TO THE POSTS OF TOWN INSPECTORS OF POST OFFICES.

63. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Will Government please state:

(*a*) whether it is a fact that there are several Postal Service Associations in India recognised by Government?

(*b*) whether it is a fact that copies of resolutions passed at the meetings held by the members of these Associations are sent to Government for taking necessary action?

(*c*) whether they received copies of a series of resolutions passed by the Members of the All-India (including Burma) Postal and Railway Mail Service Union in their meetings recently held at Calcutta, Rangoon, Allahabad, and Lahore, relating to the Postal Town Inspectors?

(*d*) whether they noticed any inconsistencies in the resolutions when read together relating to Postal Town Inspectors?

(*e*) whether they are aware that any such resolutions have been passed by the All-India Union relating to any other classes of postal employees, whose pay has been revised in the Government Order of 5th August, 1927?

THE HONOURABLE MR. A. C. McWATTERS: (*a*) Yes.

(*b*) This is usually done, either through the Director General, Posts and Telegraphs, or direct.

(*c*) Government understand that the Director General has received copies of some resolutions but not all of those mentioned by the Honourable Member, relating to appointments to the posts of Town Inspectors.

(*d*) Government understand that different views are expressed in some of the resolutions.

(*e*) Government have no information.

DATE OF THE LOWEST SELECTION GRADE EXAMINATION IN THE POST OFFICE.

64. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: (*a*) Is it a fact that Government decided that the date of the lowest Selection Grade examination in the Post Office would be June, 1928?

(*b*) Is it a fact that the date for the same examination was subsequently changed to December, 1928, and then again changed to 17th and 18th March, 1929?

(*c*) Is it a fact that the date for the same examination has again been postponed *sine die*?

(*d*) Will Government be pleased to refer to the reply to question No. 781 (*c*) put by Mr. Siddheswar Prasad Sinha in the last Simla Session of the Assembly and state whether there will, in future, be no test of efficiency by examination for promotion to the lowest Selection Grade appointments in the Post Office and Railway Mail Service, *i.e.*, in the scale of pay Rs. 160—10—250?

THE HONOURABLE MR. A. C. McWATTERS : (*a*), (*b*) and (*c*). The reply to all three parts of the Honourable Member's question is in the affirmative, except that the decision referred to in part (*a*) was that of the Director General, not of the Government of India, and the dates mentioned in part (*b*) were the 18th and the 19th and not the 17th and 18th of March, as stated by the Honourable Member.

(*d*) The test by examination will be held on a date which is being fixed by the Director General.

EXPENDITURE ON THE EDUCATION OF THE CHILDREN OF THE ANGLO-INDIAN AND INDIAN STAFF OF THE BENGAL AND NORTH-WESTERN RAILWAY.

65. THE HONOURABLE MR. MAHENDRA PRASAD : (*i*) What was the total sum spent during each of the three years ending March, 1926, 1927 and 1928, on the education of the children of the (*a*) Anglo-Indian and (*b*) Indian staff of the Bengal and North-Western Railway ?

(*ii*) Is it a fact that the Bengal and North-Western Railway subsidises the Anglo-Indian staff for the education of their children ? (*iii*) If so, on what grounds is it sanctioned by the Railway Board ?

(*iv*) Are any schools run by the Bengal and North-Western Railway for their Indian staff ?

THE HONOURABLE SIR GEOFFREY CORBETT : The information available is contained in the report on the expenditure of the Railways on the education of the children of employees, in 1925-26, copies of which are in the Library. I would refer the Honourable Member specifically to pages 61 and 79 of that report. The information required in part (*i*) with regard to later years is being obtained and will be communicated to the Honourable Member.

REGISTERED LABOUR UNION OF THE WORKMEN OF THE BENGAL AND NORTH-WESTERN RAILWAY.

66. THE HONOURABLE MR. MAHENDRA PRASAD : (*a*) Is it a fact that practically all the State Railways have recognised their trade and labour unions ?

(*b*) Is there any registered labour union of the Bengal and North-Western Railway workmen ? (*c*) If so, has it been recognised ? If not, why not ?

THE HONOURABLE SIR GEOFFREY CORBETT : (*a*), (*b*) and (*c*). There are Trade Unions on the Eastern Bengal Railway, the North Western Railway and the Great Indian Peninsula Railway with which those Administrations have dealings. But there are other Unions on those Railways with which the Agent does not have dealings, presumably because he is not satisfied that they are in a position to represent an appreciable proportion of the staff. As regards the Union of the Bengal and North-Western Railway Workmen, it is understood that the Railway Administration is making enquiries regarding the registration of this association and its claims to represent the railway workmen, and if it is satisfied on these points it will probably be prepared to deal with it regarding such matters as concern the welfare of the railway workmen.

ENQUIRY BY THE LATE MR. KAUL OF THE RAILWAY BOARD INTO LABOUR QUESTIONS ON THE BENGAL AND NORTH-WESTERN RAILWAY.

67. THE HONOURABLE MR. MAHENDRA PRASAD: (*a*) Is it a fact that Mr. Kaul of the Railway Board has been put on special duty to investigate labour questions on Indian Railways? (*b*) Did he make any such enquiries on the Bengal and North-Western Railway? (*c*) If not, why not?

THE HONOURABLE SIR GEOFFREY CORBETT: (*a*), (*b*) and (*c*). The answer is in the negative. The late Mr. Kaul's special duty was concerned with the administrative procedure to be adopted in giving effect to the Washington Hours Convention and the Geneva Weekly Rest Day Convention to staff on Railways. He did not visit the Bengal and North-Western Railway.

PAY OF CERTAIN CLASSES OF EMPLOYEES ON THE BENGAL AND NORTH-WESTERN RAILWAY.

68. THE HONOURABLE MR. MAHENDRA PRASAD: What is the starting pay of the following staff of the Bengal and North-Western Railway:

Indian.

(1) Signallers on probation, (2) signallers on confirmation, (3) station masters, (4) assistant guards, (5) pointsmen, (6) guards, (7) drivers, (8) shunters, (9) *khalasis*, (10) clerk, T. M. Office, (11) clerk, Loco. Office, (12) clerk, Agent's Office, (13) clerk, Chief Auditor's Office, (14) clerk, Chief Engineer's Office;

European.

(1) Station masters, (2) drivers, (3) guards, (4) shunters?

THE HONOURABLE SIR GEOFFREY CORBETT: The Honourable Member will find such information as to the pay of these classes of servants of the Railway Company as is in the possession of Government in the Establishment Rolls of the Bengal and North-Western Railway, a copy of which is in the Library.

APPOINTMENT OF MR. HUDSON AS A TRAFFIC INSPECTOR ON THE BENGAL AND NORTH-WESTERN RAILWAY.

69. THE HONOURABLE MR. MAHENDRA PRASAD: (*a*) Do the Bengal and North-Western Railway adhere to the policy laid down by the Railway Board in regard to Traffic Inspectors? (*b*) If the reply to (*a*) is in the affirmative, will the Government be pleased to state whether it is a fact that recently the Traffic Manager, Bengal and North-Western Railway, has appointed Mr. Hudson as a Traffic Inspector on Rs. 250 a month?

(*c*) What are Mr. Hudson's qualifications as a railway man? (*d*) What was he doing before he joined the Railway?

SUPERSESSION BY MR. HUDSON OF MR. HANAFI, A TRAFFIC INSPECTOR ON THE BENGAL AND NORTH-WESTERN RAILWAY.

70. THE HONOURABLE MR. MAHENDRA PRASAD: Is it a fact that Mr. Hanafi, Traffic Inspector, who was superseded by Mr. Hudson, has been trained in England?

THE HONOURABLE SIR GEOFFREY CORBETT: With your permission, Sir, I propose to answer questions Nos. 69 and 70 together.

Government have already brought to the notice of all Railway Administrations the Resolution regarding the appointment of Indians to the Traffic Inspector grade moved by the Honourable Rai Bahadur Lala Ram Saran Das and adopted in the Council of State on the 28th of February, 1923. They have no reason to believe that the Bengal and North-Western Railway Administration do not fully consider the claims of qualified Indians for promotion to the grade of Traffic Inspector whenever vacancies occur, or that in selecting Mr. Hudson they have not selected the most suitable man for the post taking all the circumstances into consideration.

QUARTERS FOR STATION MASTERS ON THE BENGAL AND NORTH-WESTERN RAILWAY.

71. THE HONOURABLE MR. MAHENDRA PRASAD: Is it a fact that station masters of the Bengal and North-Western Railway are allowed two small rooms to live in?

THE HONOURABLE SIR GEOFFREY CORBETT: Government understand that the quarters provided for the station masters on the Bengal and North-Western Railway consist of two main and two subsidiary rooms. The accommodation provided appears to correspond very closely to that provided on other Railways, such as the Great Indian Peninsula and the North-Western Railways.

INDIAN AND EUROPEAN RUNNING ROOMS AT CERTAIN STATIONS ON THE BENGAL AND NORTH-WESTERN RAILWAY.

72. THE HONOURABLE MR. MAHENDRA PRASAD: (*a*) Will Government be pleased to lay on the table plans of the Indian and European running rooms at Gonda, Gorakhpore, Bhatni, Sonepore, Chupra and Muzaffarpore? (*b*) What is the annual amount spent on the equipment of the European and Indian running rooms respectively?

THE HONOURABLE SIR GEOFFREY CORBETT: Government regret that they do not consider the plans of these running rooms of sufficient importance to lay on the table of the House. They are asking the Railway Administration whether they have separate details of the annual cost of equipping European and Indian running rooms already compiled; and, if so, will furnish the information to the Honourable Member; but they think it very unlikely that it will be available.

TOTAL STRENGTH OF INDIAN AND EUROPEAN OFFICERS ON ALL COMPANY-MANAGED RAILWAYS ON THE 1ST APRIL, 1924, AND THE 1ST APRIL, 1928.

73. THE HONOURABLE MR. MAHENDRA PRASAD: Will Government be pleased to state:

(*a*) The total strength of Indian and European officers on all Company-managed Railways separately on the 1st April, 1924, and the 1st April, 1928.

(*b*) The total number of vacancies likely to occur in the officers' grade on all the Company-managed Railways up to the period when their contracts will expire?

THE HONOURABLE SIR GEOFFREY CORBETT: (*a*) The information is contained in the annual reports by the Railway Board on Indian Railways, copies of which are in the Library.

(*b*) Government regret they are unable to make a forecast.

REVISION OF THE PAY OF INDIAN AND EUROPEAN OFFICERS OF THE STATE AND COMPANY-MANAGED RAILWAYS.

74. THE HONOURABLE MR. MAHENDRA PRASAD: (*a*) Is it a fact that in 1921 the Railway Board enquired into the prospects of Indian and European officers of the State Railways and a revised scale of pay was then sanctioned for such officers? (*b*) If so, what increase in pay was allowed as a result thereof?

(*c*) Did the Railway Board also approach the Company-managed Railways in 1921 for a similar increase in the salary of their officers? (*d*) If so, what was the result?

THE HONOURABLE SIR GEOFFREY CORBETT: (*a*) A revised scale of pay for officers of State Railways was sanctioned in 1921.

(*b*) A statement comparing the scales then sanctioned with previous scales has been placed in the Library.

(*c*) The usual practice in such cases is to send copies of the orders revising scales of pay on State-managed Railways to Company-managed Railways for information, and this course was followed on this occasion.

The scales of salaries on Company-managed Railways were also revised at about the same time.

RECOMMENDATIONS OF THE LEE COMMISSION WITH REGARD TO SERVICE CONDITIONS OF THE STATE RAILWAYS.

75. THE HONOURABLE MR. MAHENDRA PRASAD: (*a*) Will Government be pleased to state whether any enquiry was made by the Lee Commission with regard to service conditions of the State Railways? (*b*) If so, what recommendations were made and given effect to by Government? (*c*) Was there any distinction made in the scale of pay for Indian and European officers?

THE HONOURABLE SIR GEOFFREY CORBETT: As regards the recommendations of the Lee Commission, I would refer the Honourable Member to the Report of the Commission itself. The action taken by Government on these recommendations is contained in a statement which was placed on the table of the Legislative Assembly on the 27th August, 1925, and will be found on pages 317-318 of Legislative Assembly Debates, Vol. VI, No. 6.

NON-ADMISSION OF INDIAN APPRENTICES INTO THE LOCO. DEPARTMENT OF THE BENGAL AND NORTH-WESTERN RAILWAY.

76. THE HONOURABLE MR. MAHENDRA PRASAD: Are Government aware that the Bengal and North-Western Railway has a standing rule that it will not admit Indian apprentices into its Loco. Department?

THE HONOURABLE SIR GEOFFREY CORBETT: No. Enquiry is, however, being made from the Agent, Bengal and North-Western Railway.

APPOINTMENT OF MR. CARLE AS AN ASSISTANT LOCO. SUPERINTENDENT ON THE BENGAL AND NORTH-WESTERN RAILWAY.

77. THE HONOURABLE MR. MAHENDRA PRASAD: (*a*) Has the Railway Board sanctioned the appointment of Mr. Carle as an Assistant Loco. Superintendent on the Bengal and North-Western Railway? (*b*) Were suitable Indians or Anglo-Indians available to fill this vacancy?

(*c*) How many Anglo-Indians are at present employed as foremen in the Bengal and North-Western Railway workshops? (*d*) What is the length of their service and what pay are they drawing?

(*e*) What are the qualifications of Mr. Carle? What was he doing in England before he joined this Railway?

THE HONOURABLE SIR GEOFFREY CORBETT: (*a*), (*b*) and (*c*). The Railway Administration have full powers to make appointments of this nature, and Government are not aware whether suitable Indians or Anglo-Indians were available. Nor have they any information regarding the qualifications of Mr. Carle. They have no doubt that the Railway Administration selected the officer whom they considered most suitable for the post.

(*c*) and (*d*). Government have no information and they do not think that any useful purpose will be served by calling for this information.

GRANT OF OVERSEAS PAY TO INDIAN OFFICERS OF THE BENGAL AND NORTH-WESTERN RAILWAY.

78. THE HONOURABLE MR. MAHENDRA PRASAD: (*a*) With reference to Mr. Parsons' statement in the Assembly about the grant of overseas allowance to the Indian officers of the Bombay, Baroda and Central India Railway, will Government be pleased to state whether any overseas allowance is being given to Indian officers on the Bengal and North-Western Railway? (*b*) If the reply is in the negative, will Government be pleased to state what action is proposed to be taken in the matter?

THE HONOURABLE SIR GEOFFREY CORBETT: Indian Officers who were in the service of the Bengal and North-Western Railway when the pays were split into basic pay and overseas pay continue to draw the equivalent of the overseas pay.

APPOINTMENT OF MR. JACKSON AS AN ASSISTANT STOREKEEPER ON THE BENGAL AND NORTH-WESTERN RAILWAY.

79. THE HONOURABLE MR. MAHENDRA PRASAD: (*a*) Are Government aware that one Mr. Jackson has been appointed as an Assistant Storekeeper on the Bengal and North-Western Railway? (*b*) Is this post reserved for Indians? (*c*) If so, why has Mr. Jackson been appointed?

(*d*) Will Government be pleased to state the conditions under which Mr. Jackson was appointed as an audit officer on the Bengal and North-Western Railway after retirement from the Oudh and Rohilkhand Railway? (*e*) Are there any reasons for his services being retained up to the age of 64 years? (*f*) Will Government be pleased to state when Mr. Jackson is likely to retire?

THE HONOURABLE SIR GEOFFREY CORBETT: (*a*) to (*f*). Government have no information about the matters referred to by the Honourable

Member, as they relate to a Railway Administration which has full powers to deal with them. It would be unsuitable for Government to make enquiries as they could not take any further steps, but a copy of the Honourable Member's questions will be sent to the Agent for his information.

ADMINISTRATION OF THE DARGAH SHARIF KHWAJA SAHIB AT AJMER.

80. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Will Government be pleased to state:

(*a*) whether they know that the Dargah Sharif Khwaja Sahib at Ajmer is looked upon with awe and reverence by the Muslim community all over India;

(*b*) what is the approximate number of devotees that visit the shrine during the annual fair in the month of Rajab;

(*c*) whether the Dargah Sharif and its property is a public or a private *wakf*;

(*d*) how this trust is managed at present and what is the number of the detailed properties under its administration;

(*e*) whether there is a Managing Committee formed under a Notification of 1867;

(*f*) the classes of persons who form the personnel of the Committee since its inception till now?

PRESENT CONSTITUTION OF THE COMMITTEE OF MANAGEMENT OF THE DARGAH SHARIF KHWAJA SAHIB OF AJMER.

81. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Will Government be pleased to state:

(*a*) whether legal proceedings were taken in the Court of the District Judge, Ajmer (the Honourable Mr. C. C. Watson), at the time of filling a vacancy in the Dargah Committee, Ajmer, caused by the death of one Syed Zahurul Hussain, in October, 1922? If so, will they quote the remarks of the presiding officer in his judgment with regard to the present constitution of the Dargah Committee and the amendment of the Notification of 1867 and Act XX of 1863?

(*b*) whether it is a fact that a deputation of the Muslims of Ajmer waited on the Commissioner, Ajmer-Merwara, in 1925 in order to request the Government to give effect to the remarks made in the above-mentioned proceedings;

(*c*) whether any steps were taken by Government in pursuance of the request of the deputation?

ANNUAL REPORT AND ACCOUNT OF THE INCOME AND EXPENDITURE OF THE COMMITTEE OF MANAGEMENT OF THE DARGAH SHARIF KHAWAJA SAHIB OF AJMER.

82. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Will Government be pleased to state:

(*a*) what steps are being taken by the Dargah Committee to keep the public informed of the yearly accounts of income and expenditure and to submit an annual report for the information of the public;

(*b*) whether they will kindly place on the table of this Council a copy of the last annual report and the account of income and expenditure of the last three years with the remarks of the auditors ?

PRESENT CONSTITUTION OF THE COMMITTEE OF MANAGEMENT OF THE DARGAH SHARIF KHAWAJA SAHIB OF AJMER.

83. THE HONOURABLE MR. MAHMOOD SUHRAWARDY : Will Government be pleased to state whether the present Committee of the Dargah Khwaja Sahib has on it four members of the beneficiary class and one independent member ? If so, will they state why the majority of members are taken from the beneficiary class ?

MANAGEMENT OF THE DARGAH SHARIF KHWAJA SAHIB OF AJMER.

84. THE HONOURABLE MR. MAHMOOD SUHRAWARDY : Will Government be pleased to state

(*a*) whether with a view to the improved working of *wakf* property the Charitable and Religious Trust Act of 1920 and Act XLII of 1923 were passed on the ground that Act XX of 1863 was found ill-suited to the preservation and management of *wakf* property ;

(*b*) whether the above-mentioned Acts apply to the Dargah Committee of the Khwaja Sahib, Ajmer, constituted under Act XX of 1863 ?

(*c*) if not, whether they intend or propose to enact a new local Act for the better management of the Dargah Khwaja Sahib, Ajmer ?

THE HONOURABLE MR. H. G. HAIG : With your permission, Sir, I will answer questions Nos. 80, 81, 82, 83 and 84 together. The information is being collected and will be communicated to the Honourable Member in due course.

CONGRATULATIONS TO THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN AND THE HONOURABLE SIR ANNAMALAI CHETTY ON THE HONOURS CONFERRED ON THEM.

THE HONOURABLE THE PRESIDENT : Before we proceed to the further business of the day I have a pleasing duty to perform on behalf of the Council, and I am sure the Council is unanimously with me in the matter. I have to tender the congratulations of the Council to two of our colleagues who have been honoured by the Government in the last few days. The Honourable Colonel Nawab Sir Umar Hayat Khan has been a Member of the Council since the first day of its inception. His connection with the Central Legislature, however, as we are all aware, goes far beyond that. He reckons himself, I believe with some justification, one of the oldest Members here of the Central Legislature. It will be a matter of great satisfaction to his friends, among whom I count myself by no means the newest, that Government has conferred upon him the title of Nawab as a hereditary distinction. (Applause.)

The Honourable Sir Annamalai Chetty, who unfortunately is not with us to-day, has been given the title of Raja as a hereditary distinction. His well-known philanthropies in Madras have thoroughly earned for him this great distinction, and I shall send to him on behalf of the Council our warmest congratulations.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN: Sir, I stand to thank you, Sir, for the kind and glowing terms in which you have spoken of me and the House which has taken all that with applause. I am glad that I was able to do some humble service to the Crown as well as to the country, and I am always ever ready again to lay down my life for the Crown whenever needed. (Hear, hear.) As Raja Sir Annamalai Chetty and I are in the same boat, on his behalf too I tender thanks to the Council for their kindness.

RESOLUTION *RE* REDUCTION OF THE PRICE OF POSTCARDS.

THE HONOURABLE SRIJUT RAMA PRASAD MOOKERJEE (West Bengal: Non-Muhammadan): Sir, I beg to move the Resolution which stands in my name. The Resolution runs as follows:

"This Council recommends to the Governor General in Council that he should take steps at an early date to have the price of postcards reduced from half an anna to a quarter anna each."

This proposal is not new to this Council and this has been characterised as a hardy annual during the debates on the Finance Bill in each successive year for the last five years.

The reasons which prompted me to bring this proposal before the House independently of the Finance Bill ought to be mentioned at the very outset. When a question of this character is discussed in connection with the Finance Bill, Government finds itself in a difficult position sometimes because it is not possible at that stage to forego the large income which accrues from this source. In bringing it separately I want to give an opportunity to Government to consider it independently of the Finance Bill, and I for one would be satisfied if Government would agree, after hearing me and other Members of this Council, to consider our points of view in the course of the next few months and make some reduction on this account either in the near future or even at the time the next Finance Bill is presented. With these words, Sir, I shall go into the merits of the question.

When the post offices were started in India they were started, not as a business proposition, not as a commercial concern as they at present appear to be under the Government of India, but I maintain that it was, and should still continue to be, a public utility concern. The post offices have an educative value and it is through them that modern civilisation is carried into the villages. For these and other reasons the post office should be looked upon not as a business concern but as a public utility concern—a concern which should not always be expected to pay its own way — and for the maintenance of which the general revenues should be ready to contribute, if necessary, a portion of the charges of this Department. In this view I am fortified by the opinions which have been expressed by Government Members since the early sixties, by Governors General in the Imperial Legislature during the last 25 or 30 years and by Finance Members in this

[Srijut Rama Prasad Mookerjee.]

House and in the other place. For example, Lord Curzon characterised the Postal Department as being in existence for the benefit of the public and not for the pecuniary gain of Government. The Committee appointed some time ago and known as the Ryan Committee also gave its opinion that the commercial character of the Department must be subordinated to considerations of public advantage. I will not trouble the House with the opinions which have been given by other responsible Members, but would only remind the House that the present Member in charge of this Department on previous occasions expressed the view, in spite of the fact that he was supporting an increased rate for postcards and for letters, that he accepted the position that the post office could not be regarded as purely a commercial concern, and the other side of the question has always to be kept in view. It will be in the recollection of the House that the rates were increased in 1922. If we analyse the number of postcards that had been in use before and after that year it would be a telling example of the effect which has been produced by the increase in postal rates. In 1921-22, the number of postcards sold was 648½ millions. The next year the number came down to 523½ millions. If we take the total number of articles which passed through the post office in those two years we find a still larger difference, and that again is mainly due to the increase in the postal rates. In 1921-22, the total number of letters, postcards and other articles which passed through the post office was 1,421½ millions, roughly; against this we find in the next year 1,186½ millions. The normal increase which we find previous to 1922 was between 30 and 40 millions in postcards alone in every year except in one, when it was about 18 millions. But immediately after the increase in the rates the normal increase has been reduced to 8 to 9 millions per year, and in 1926-27 there was an increase of only 2 millions over the figures of the previous year. So that not only the normal increase which we had been getting before the introduction of the increased rates has been checked but, over and above, there was the large drop between the year previous to the increase and the year immediately following the increase. It is no doubt true that some Honourable Members have mentioned that the drop was not only due to the increase in the postal rates but also to the slump in trade; but I would ask those Honourable Members whether there is now that slump in trade which existed seven years ago? There is one important criterion by which that may be tested. The number of value payble articles and letters which pass through the post office would be a good index of the volume of trade for which the post office is responsible. You will find, Sir, that in 1921-22 it was a little over 5 millions, but in the next year it was a little less than 5 millions. After that it has gone on increasing until in 1926-27 it is near about 6 millions. So the statement that the drop is due not so much to the increase in the postal rates as to the slump in trade, I submit, is not supported by the figures that we have in the Government statistics.

The next question that arises is that when this increase was supported in the other place as also here seven years ago, one of the principal grounds that was assigned by the then Member in charge was that he wanted to serve the rural areas, and he wanted to increase the emoluments of the staff in the Department. No doubt during the last few years there has been an increase in the number of post offices, but is that commensurate with the increase that has been effected in the postal rates? As was stated by the Honourable Sir B. N. Sarma at that time, the additional revenue which would be available to the Government of India by the increase would be about Rs. 70 lakhs from postcards and about Rs. 80 to 90 lakhs from

letters. So the increased income was taken to be about Rs. 1½ crores. But what is the amount that has been actually spent on post offices in rural areas ? I would take the figures of the last two years. During the year 1925-26, no doubt, as it is mentioned in "India in 1927-28", 707 new post offices were opened ; but Mr. Coatman is discreetly silent about the number of post offices that have been abolished during that year. By comparison of the figures I find that as many as 251 post offices were closed during this year. During the next year, 1926-27, 991 post offices were opened, but as against that 262 post offices were closed. It was pointed out about 4 or 5 years ago that by starting village post offices even when they are unremunerative Government incurs a loss of about Rs. 100 per year per post office. Even taking it for granted, though that is not an actual fact, that all the post offices here mentioned were in rural areas and in each of these cases Government was incurring a loss, what is the total amount that is being lost by Government by starting these rural post offices ? So it appears that the principal reason by assigning which this increase was got by Government has not been supported by the subsequent programme and policy of Government. The increase in the pay is responsible also for an increase in the expenditure as a whole. That increase is covered by the increased income which the post office has got in the course of the last five years. Each year the income is increasing by a certain figure. I shall not trouble this House with detailed figures. But if it is controverted by any Honourable Member I shall place the figures before the House later on. The increased expenditure on account of the new scale of pay sanctioned is covered or almost covered by the increased income in this Department during the last five years.

Sir, I have already mentioned that commercialisation of the Postal Department has been accepted by this House or by the Legislature as a whole, but does that mean that the Central Legislature has accepted commercialisation of the policy of the Department ? It is only a question of keeping accounts which had been decided by the Legislature. The Legislature did not certainly approve of commercialisation of the policy by which the Postal Department is run. I would give you, Sir, two or three instances which will show the way in which Government has attempted to take away from the Postal Department lakhs and lakhs to the general revenues of the country, which should in the ordinary circumstances have been left to the Postal Department. The most important head would be the interest that is being charged on the capital that has been used in building up the Postal and the Telegraph Department. Up to 1923 or 1924 nothing was being charged. But when commercialisation was in the air, the help of Chartered Accountants was taken, and the system by which the interest was to be charged was arrived at. We find that as much as 50 to 60 lakhs is being charged on this head alone. The principle on which the figure is arrived at is certainly a novel one. During the last 50 or 60 years the Postal Department has not been run always at a loss, but there have been years when there had been lakhs of profit which had been taken into the general revenues of the country, but Government would now value the total property which is under the Postal and Telegraph Department although.....

THE HONOURABLE THE PRESIDENT : Order, order. I must ask the Honourable Member not to anticipate his Budget speech for Wednesday, but to try and come back to postcards.

THE HONOURABLE SRIJUT RAMA PRASAD MOOKERJEE: I am going to show that by curtailing expenditure under certain heads it is possible for Government to reduce the price of postcards: the loss which would be incurred by such reduction will be met or more than met by omission or curtailment of expenditure under the heads I am mentioning.

THE HONOURABLE THE PRESIDENT: The Honourable Member will have an opportunity of saying all that on Wednesday. He will have further opportunities of saying it when the Finance Bill comes before this Council for consideration. I am not suggesting that the Honourable Member is out of order in the remarks he is making. I am merely suggesting it to him that he is not well advised in speaking of the Postal and Telegraph Department budget as a whole on the discussion which he raises in regard to postcards.

THE HONOURABLE SRIJUT RAMA PRASAD MOOKERJEE: I shall try to be brief on this point as much as possible, but I cannot develop the argument without mentioning at least some of the points and at least this important head—the interest that is charged on the capital. Although the whole of the capital had been advanced from the revenue and not from loans the very fact that those large amounts had been advanced from revenue without any stipulation of payment of any interest shows the principle under which the previous Governments had been acting, in spite of those facts interest is being charged from 1925 and the Postal and Telegraph Department is made to pay Rs. 50 to 60 lakhs per year on that head alone. Sir, the next point that I shall mention is that quite a large number of telegraph offices are situated at such points in the country where they do not benefit the locality by itself, but those are stationed from political points of view. Just as we have strategic lines, so we have strategic telegraph offices also. What is the amount that the ordinary revenue of the country would contribute to the Post and Telegraph Department for the services rendered by this Department to Government as a whole? Either you have commercialised the Post and Telegraph Department or, Sir, it has not been so done. If it has been commercialised, as it is maintained by Government, then all the services that are being rendered by these Departments to the country at large or to the other Departments of Government should be properly valued and the money value thereof should be credited to the account of the Post and Telegraph Department.

There is one other head of expenditure, Sir, which was introduced some time ago. Previously, all the pension charges were being made not out of the Post and Telegraph revenue, but out of the general revenues of the country. That certainly was wrong in principle. Government, since the principle of commercialisation was accepted, put down a figure which was not the actual amount which was being paid out of the general revenue for the pension charges of this Department but it was 100 per cent. more. I find that 50 lakhs were put down three years ago as the amount which would be payable by the Department as a whole to the general revenues, although as a matter of fact it was acknowledged by the Honourable Member in charge that only 23 to 25 lakhs was being paid out of the general revenues. I would have understood the position if a separate pension fund was being created with a view to safeguarding the ultimate liability of the Post and Telegraph Department, but that is not what is being done. The whole of this additional amount is being transferred to the general revenues of the country, although the general revenues are not paying the whole of the

amount at the present moment,—and there is no knowing whether the general revenues would or would not in the future be paying the pension charges of this department. Sir, if the postal rates are lowered, the loss would be more than compensated if some of these items are properly credited to the Post and Telegraph Department and are utilised for the purposes for which these sums are being realised. By one hand you realise 150 lakhs of rupees from the Postal Department by increasing the rates, but by another hand you take out of the same Department 50 lakhs at one place, 25 lakhs at another place—there are other heads also, but by these two heads alone you take away 75 lakhs of rupees from the Post and Telegraph Department. As I told you, Sir, before, it was computed at the time when these rates were increased that an additional income of 70 lakhs would be available by increasing the price of postcards. I would point to these two items—not to speak of many other items which I know of and which I might have brought to the notice of the Council—from which alone we get an amount compensating the loss to be incurred by reducing the price of postcards.

One other point, Sir. It has been mentioned more than once in this Council and in the other place that it is a commercial concern that you are to deal with. But is it really a concern run on commercial lines ? When you reduce the rates of foreign telegrams—as a matter of fact Government lost 15 lakhs of rupees during the last year—that was not to the interest of the larger section of the public of India but only of a limited number of influential people in this country and was not a commercial proposition. When Government carries the newspapers on payment of one pice from one corner of the country to another, the question of commercialisation is not raised because there also you have got powerful interests to cope with. When press telegrams are sent at lower rates no question will arise about commercialisation because there again it is a powerful interest which has to be coped with. When the rates are increased to one anna for letters, the minimum is made 2½ tolas. That again is not to the interest of the ordinary public but of the commercial community in India. These and many other anomalies are in existence in the Post and Telegraph Department, which go to show that the Department is not being run on real commercial lines or in the interest of the general public of the country as a whole, but mainly with an eye to the interest of particular communities or of certain powerful interests in this part or that part of the country.

The time has come, Sir, when we should do something real to please the people. The ordinary man does not understand most of the large political issues that may be fought out in this House or elsewhere but that which appeals to the ordinary lay public in India would be the reduction of postal rates or the reduction of the salt duty or some such other thing. In no country is the administration so costly as in India, and in no country has civil and military expenditure risen to such a high figure as to necessitate the imposition of new taxes in the way in which it has been done in India. By raising the postal rates there has been caused in India discontent and unpopularity which I am sure is not appreciated by Government as it ought to be. Every time a man sits down to write a letter he is reminded of this fact that, although he had the right to send a postcard from one part of the country to another for 30 or 35 years on payment of one pice, he is now compelled to pay two pice for it. Increased taxation, like the raising of postal rates, creates such deep-rooted discontent that it undermines the very foundation of every established Government. You may increase the military budget, modernise military equipments, but Government can never afford

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to forget that the Government of a vast continent like India cannot continue for an indefinite period on military preparation alone ignoring the goodwill of the governed. Once the sleeping Sampson is awakened, the whole edifice of the present Government will collapse like a pack of cards.

There is one other point of view no doubt from which the action of Government in increasing postal rates or imposing a salt tax or such other taxes may be looked upon as being helpful in the propagation of discontent throughout the country. It is from that point of view that a Lord Curzon or a General Dyer is looked upon as being helpful to awaken a spirit of nationalism throughout the length and breadth of India much more than even a Montagu might have been considered to be. ....

THE HONOURABLE THE PRESIDENT : The Honourable Member has exhausted his time.

12 NOON.

THE HONOURABLE SRIJUT RAMA PRASAD MOOKERJEE : I have almost finished and will not take more than two minutes.

THE HONOURABLE THE PRESIDENT : The Honourable Member would have found his time ample if he had taken my advice.

Resolution moved :

"This Council recommends to the Governor General in Council that he should take steps at an early date to have the price of postcards reduced from half an anna to a quarter anna each."

THE HONOURABLE MR. A. C. McWATTERS (Industries and Labour Secretary) : Sir, I should much have preferred if the Honourable the Mover of this Resolution had waited for a few weeks when we shall probably have a discussion on much the same subject in connection with the Finance Bill. I am glad, however, that the Budget papers have been in the hands of Honourable Members now for a few days, and therefore we can approach this subject as a practical problem, because I cannot think there is very much use in debating pious hopes. We want not to debate this subject as a theoretical proposition or as an academic proposition, but in relation to the near future as we can see it in connection with the financial position of the country, and therefore, Sir, I would first call attention in very few words to the general financial position which has been disclosed to the House in the Budget papers.

Very briefly, the position is that the hopes which we entertained two years ago when the provincial contributions were remitted that the gap would shortly be closed have not yet been realised. The Honourable the Finance Member has been able to balance his Budget but only by recourse to the Revenue Reserve Fund. The Honourable Sir George Schuster, coming to this country with an unprejudiced eye and with a fresh outlook, has, if I may say so, faced the position and explained it not only clearly but courageously. I think it is clear to every one who has studied those papers that this gap has not been filled up and that this is not the time to contemplate giving away large amounts of Government revenue, for the proposition which the Honourable the Mover has put forward does involve a very substantial loss of revenue. He himself did not mention definite figures, but I may tell the House that the loss involved will certainly exceed a crore of rupees. If we

take the actual number of postcards in circulation, we can, by a purely mathematical calculation, see that a reduction from half an anna to a quarter of an anna will mean something like Rs. 90 lakhs. But that is by no means the end of the story. As has been explained in this House time and again, a reduction of the postcard to a quarter of an anna, while leaving the letter rate at one anna, is not an economical proposition. There will be a diversion from the more expensive letter rates to the cheaper postcard rates, and this is all the more true because, as has also been explained again and again, the postcard is very largely used--not entirely of course, but very largely used—by business men, middle class men, and commercial men in the big industrial centres. Speaking on this subject only last year, I gave the House some figures for typical parts of the country. I took Bihar and Orissa, which is a typical rural province, and I showed that the population there was 38 million and the number of postcards used was 33 million, whereas in Bombay the population is 27 million and the number of postcards used was 101 million. It is therefore clear that a reduction such as is contemplated without a general revision of our postal rates, as a whole, will certainly increase this loss beyond the 90 lakhs which I mentioned. There is a further point. At a quarter of an anna we should be carrying every postcard at a loss. Every postcard requires to be handled, sorted and delivered, and the cost of the staff in dealing with it is very large indeed. It is only in the smaller post offices—the one-man post offices—where we can deal with an increase of traffic such as would undoubtedly arise from this proposal without increasing our staff. Therefore, the increase that would result, so far from reducing the deficit, would add to it, and therefore, I am mentioning a very modest figure indeed if I say that the loss on this proposal would considerably exceed a crore of rupees. I ask the House whether, considering the general financial position, this is the time to contemplate in the near future a reduction of revenue of that amount.

But I also wish to look at it more particularly from the point of view of the Budget of the Post and Telegraph Department. The Honourable the Mover of this Resolution devoted a great deal of his speech to a very able analysis, from his point of view, of our commercialised accounts, and I am with him in a great deal of what he says. He quoted Lord Curzon and I accept absolutely what Lord Curzon has said. He said that the Department should be for the benefit of the public and not for pecuniary gain. I am entirely with him in that. We do not propose to make use of the Department for pecuniary gain ; but we also do not propose that the Dapartment should be a burden on the general taxpayer. We certainly contend—and I hope rightly—that we have in view always primarily the interest of the public. At the same time, we do not propose that the Department should impose on general revenues a serious tax. Now, Sir, taking the Budget of the Department, I will call the attention of the House to pages 3 and 4 of the special detailed statements regarding the Post and Telegraph Department. Taking the current year, it is anticipated that the Department, as a whole, would work at a loss of Rs. 28½ lakhs. Taking the next year, we hope that the loss will be reduced to Rs. 7,83,000, and if we exclude the loss on the working of Radios, which has now been separately distinguished in the accounts and which we expect to be Rs. 10 lakhs, the Department should be just able to cover its expenses. That is the Department as a whole. But what we have to consider to-day is the postal side of the Department. If you take the postal side of the

[Mr. A. C. McWatters.]

Department, you will find that in the current year there is a loss of Rs. 5,42,000, whereas next year we hope for a small gain of Rs. 3,91,000. Now, Sir, one of the objects of this system of commercialised accounts is to have a *pro forma* account of the three sides of the Department so as to see whether each side of the Department is paying its way or not, so that you may judge whether rates should be reduced or increased. With a possible surplus of about Rs. 4 lakhs there is obviously no margin on the postal side for making a big reduction of something like a crore or more than a crore of rupees. Now, Sir, these commercialised accounts were placed before the Public Accounts Committee and they were in general accepted by them without comment, and I contend that they do show, Sir, very clearly whether each side of the Department is or is not paying its way. The Honourable Member mentioned interest charges, and he hoped that by excluding interest charges he would find a large proportion of this crore of rupees which he wishes to obtain. I would point out to him that the interest charges fall almost entirely on the account of the Telegraph side of the Department If he will study these figures, he will see that the total interest charge debited to the Post Office side is Rs. 6 lakhs. He will only get a very small sum from these interest charges to meet his crore of rupees. He dealt with one or two other points in connection with commercialised accounts, for example, the rates at which we debit pensionary charges. These figures represent the actuarial liability and not the exact charges payable at the moment, and I contend that this is the right method.

Well, Sir, that is broadly the position. The general revenues as a whole cannot afford at the moment anything like a reduction of a crore of rupees, when the Budget has been balanced only by recourse to the Revenue Reserve Fund, and the postal Budget cannot afford it either. I cannot do better than quote from the Honourable the Finance Member who dealt quite clearly with this matter in paragraph 39 of his Budget speech. Dealing with next year's Budget position, he said :

> " The position is thus more satisfactory, but I regret that it still falls far short of anything which would make a reduction in postal or telegraphic rates justifiable. "

Therefore, Sir, when that is the position, and when we cannot see in front of us at the moment in the near future any possibility of making this reduction, I think it is really useless for the House to debate a Resolution of this character which could not be anything more than what I have called at the beginning a pious hope.

I should like, Sir, to develop the subject at much greater length, but I feel that I shall almost certainly be speaking on the subject again in the course of the next few weeks when the Finance Bill comes before this House. I should have liked to take the point very strongly that any premature reduction will not be in the interests of the Department itself. I should like to have dealt at some length with our development of postal facilities to which the Honourable the Mover did refer. Now two years ago the Honourable Sir Bhupendra Nath Mitra gave some figures to this House. He showed that in the years 1925-26 and 1926-27, 1,400 new post offices had been opened in rural areas as compared with 786 in the preceding nine years. The Honourable the Mover asked how many have been closed. He rather challenged these figures. Well, Sir, I can give him later figures. I will give him the total net increase in the number of post offices between the 31st March 1925 and the end of December

last year, and that net increase is 3,332. That, I think, Sir, is a sufficient answer to the Honourable Member and shows that we have kept constantly in view the development of rural facilities. Our ideal is to bring postal facilities so far as we can within the reach of everybody. It is a big programme and it will take years to carry out. But I contend that the mere reduction of the rate will do really less good to the persons whom he desires to benefit than the bringing within their reach of postal facilities. Then again the Honourable Member dealt with the figures of the circulation of the postcard and he rather challenged our view that the big drop after 1922 was not solely due to the reduction in the rate but was due largely also to the slump in trade. It was of course due to both. He then went on to quote figures for the succeeding years. He showed that the drop was only being very slowly made up. He was very careful not to take his figures up to the year 1927-28. Perhaps they were not available to him. In 1927-28, I may inform the House that the increase in postcards was 24 millions, as compared with an average annual increase up to 1919 of 14 millions. So I think that we have turned the corner and that we are now steadily, and I hope rapidly, increasing the circulation of the postcard even at its present rate. That, Sir, is all I have to say on the present occasion. From the point of view of general finances, from the point of view of the budgetary position of the Department and from the point of view of the interests, not only of the Department itself but of the persons whom this Resolution is ostensibly intended to serve, I think this House would be doing no good by accepting a Resolution which is in merely general terms and which Government do not at present see their way to carry out in the near future. Therefore, Sir, I should be glad if this discussion could be dropped at this stage, and those, if there are any, who differ from me as regards the present budgetary position might take up the challenge when the Finance Bill comes before the House. I am afraid I am unable to accept the Resolution.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN (Punjab : Nominated Non-Official) : Sir, I had no mind to speak but when I heard one or two remarks which have fallen from the Mover I thought I should say a word. As to the Resolution itself, of course it is put very ably, but when one is speaking and one gets warmed up sometimes one forgets what one is saying. A remark has been made about the uselessness of the Army and the crumbling of the Government like a pack of cards. I would remind my Honourable friend that if we had no Army he would have no Reforms, and he would not be making such speeches here in the Council. See what has happened in Afghanistan, where the Army was not properly trained and organised. He perhaps thinks that Government's house is built of a pack of cards and is going to fall. I would remind him that their house is charged with electricity ; it is dangerous to touch electricity and one is sometimes electrocuted. The martial classes are always going to stick to the Government and if any one thinks of stretching out his hand to knock down what he thinks is a house of cards he will find his hand cut off before he can reach the pack of cards. These speeches are circulated in the Press and the public read them, and they might think that statements like these are true if they are not contradicted by somebody else. For that reason I thought I would just say a few words.

THE HONOURABLE MR. MAHMOOD SUHRAWARDY (West Bengal : Muhammadan) : Sir, I shall be failing in my duty to my constituency if I

[Mr. Mahmood Suhrawardy.]

do not rise to speak a few words on the matter of the reduction of the price of the postcard. The question has been discussed in this House and elsewhere so threadbare from all points of view that there seems to be no new arguments to carry conviction to the Government. The reduction of the price of postcards has become an annual question and the Government also give the same stereotyped reply. Beyond this, Sir, they do not move an inch from their position. Well, Sir, time after time, year after year, repeated arguments have been urged on the floor of this House for the reduction of the price of postcards whenever there is a surplus. But I find that the net profit is either swallowed up by the Telegraph and Wireless Departments or credited to the general revenues. This year, as I notice, there is a little deficit and the Government have come out with their fifth-rate excuses of the limited resources at their command. But, Sir, I wish to impress upon the Government as sincerely as I can that their numerous beneficent activities will be better appreciated by a reduction of the price of the postcard. Sir, the excuse for the continuance of the present rate for postcards, however reasonable and cogent it may appear to us, is too technical for the comprehension of the simple villagers and of the masses when they are denied their much-needed relief for ever. Sir, I think the price of postcards and letters was increased in 1922 as one of the measures sought to cope with the exigencies of the war, and the then Government were justified in doing so. But ever since, down to the decade after the peace, frequent attempts have been made to persuade the Government to reduce the postal rates but with no tangible results. Sir, what does it matter to the people of the remote villages whether you spend lakhs for keeping abreast of the latest developments in wireless and aviation ? What does it matter to them whether you can talk on the telephone from one hilltop to another hilltop, from Delhi to Simla, or from Bombay to Calcutta or from Poona to Madras ? It is all the same to them so long as greater facilities for their comfort in the matter of postal communications are not within their easy reach. Sir, if you want to catch the imagination of the people, from the prince to the peasant—if you really want to lay claim to be a better Swarajist than the Swarajists themselves—if you want to relieve the rich and the poor alike—if you want to please the master down to the servant—the bearer who brushes your shoes—then do that act of service and devise some means by which you can reduce the price of the postcard. I dare say, Sir, that the Government Members cannot fail to appreciate our relation to the poor men and the villagers, whose comfort and convenience we, as their accredited representatives, are bound to further. Sir, I come from a constituency which consists perhaps of the poorest Mussulmans of the country and I speak from my personal experience as to how difficult it is for them to afford to pay half an anna for a postcard that would fetch them anxious news from their distant relatives. Sir, I have seen how the people of my country take a morsel of food with a pinch of salt with suppressed tears. I have seen all this. Sir, I stood here on the floor of this House, even as I do now, and knocked at the door of Government in vain. But, Sir, we shall continue the same process of knocking again and again until it finally opens. Lastly, in all earnestness and sincerity I appeal to Government, resourceful as it always is, to devise some means by which it can reduce the price of the postcard. With these words, Sir, I accord my full support to the Resolution of my Honourable friend Babu Rama Prasad Mookerjee.

THE HONOURABLE SRIJUT RAMA PRASAD MOOKERJEE: Sir, I have not got very many words to say in reply to what two of the Honourable Members have stated. It has been mentioned by the Honourable Mr. McWatters that the general financial condition of the country does not warrant a reduction in the postal rates at the present moment. As I made it clear in the beginning, I do not expect the Government to revert to the old rates immediately in the present Finance Bill. That is exactly the reason why I have tabled this Resolution independently of the Finance Bill. I want Government to go into the question minutely during the next year, so that steps may be taken in the near future to lower the rates. But I find the Honourable Member harping on the same note that with the present financial condition as laid bare by the Budget estimates which are to be considered by the Legislative Assembly it is not possible to introduce the change at once. I did not overlook that. That was exactly the reason why I wanted Government to go into the matter more fully at a later stage. He has also stated that the loss would be one crore or more than a crore. But, Sir, as I mentioned in the beginning, on the facts stated or on the figures supplied by the Honourable Member in charge in 1922 the total additional income which Government expected was Rs. 70 lakhs from postcards. The Honourable Member in charge at that stage left out of consideration 20 per cent. of the total number of postcards that was being used at that time as there was bound to be a fall in the number as soon as the rate was increased. So, instead of there being a loss of a crore, on the figures as given by the Honourable Member six years ago, the diminution would be about Rs. 40 to 50 lakhs at the utmost and not a crore. There is bound to be a large increase as soon as the rates are reduced.

The next question with which he has agreed with me is about the fact that Government should not get any pecuniary gain from the Post and Telegraph Department But he has not touched on the points that I raised, the indirect way in which Government is making a gain from the Post and Telegraph Department. Government does not openly say that so much is being taken out of the Postal Department as profits of that Department, but charges which are being levied from the Department as being due to the general revenues, charges which in my opinion, and of many other Honourable Members, are not justified ; those are the indirect methods by which Government is making a very large pecuniary gain from out of the Post and Telegraph Department.

With regard to the next point mentioned by the Honourable Mr. McWatters about pension contribution, he says that that has been approved of by the Public Accounts Committee. But probably he forgets that the pension contribution was first incorporated in the revised estimates of the year 1924-25 although no amount had been included in the budget estimates when they were passed by the Legislative Assembly, and this was a point pressed by various Members of the Assembly the next year. The opinion of the Assembly was not taken on the question as to whether the additional Rs. 25 lakhs should be taken from out of the Postal Department in the way in which it is being done now. The Honourable Member has also mentioned that it was simply an actuarial calculation by which the figure has been arrived at. But he has not answered the point that has been raised by me, namely, what is the objection to taking the amount which is being actually paid from the general revenues to meet the charges of the pension contribution. We are not thinking of the later commitments of the general revenues for meeting pension charges. But if the contribution which is equal to the amount which is being actually paid

[Srijut Rama Prasad Mookerjee.]

out of the general revenues to meet the pension charges is taken from the Post and Telegraph Department, I would have no objection thereto ; but that is not being done.

There is one other point, Sir which has been mentioned by my Honourable friend the Honourable Nawab Sir Umar Hayat Khan. I never suggested that the military ought to be abolished from this country ; but when we are spending crores on the military budget—and I am glad to find His Excellency the Commander-in-Chief in his seat now ; he has been able to cut down the expenditure by Rs. 1½ crores and which is expected to increase to Rs. 2½ crores in the course of the next year or two from the figure which we had last year or the year before last—is it too much to expect that a certain portion which is now being utilised for the modernisation of the military units in India would be devoted to the purpose of lowering the postal rate ? If in place of taking four years to modernise the military equipments in India, it is made five years, I do not think that there will be any serious difficulty in the way ; by this method also we can reduce the postal rate, because that would be an additional amount available in the general revenue Budget of the country, and the difficulty of balancing the Budget will be obviated. There would be no difficulty if we take this step. I never suggested that the whole military is to be abolished or that all the soldiers should be disbanded in India. I know my Honourable friend is a member of the martial races ; I may not belong in his estimation to a martial race ; but the necessity for the military is patent to every Member of the House from whichever part of the country he may come. He need not have, moreover, mentioned Afghanistan in this connection. That is exactly the place where, in spite of the whole race being a martial race, the country is now engulfed in a suicidal fight among the different sections.

Sir, I would only make one last appeal to the Honourable Members of this House ; the reduction of the postal rates would not affect any Member of this House as very few Honourable Members of this House would write any postcards, but that it would be a measure which would appeal to every member of the lay public in this country and specially the poorer section in this very poor country of ours ; it would further be a step in the right direction if the goodwill of the people is to be recognised by Government as an asset. The Honourable the Finance Member in introducing the Budget in the other place has referred to goodwill and I do not know of any other potent factor by which the goodwill of the country may be got by Government than by lowering the postal rate which would affect the poorest of the poor in the country and which ought to be resorted to by Government even if it be at the risk of lowering the income. Government did not feel nervous when the rate for foreign telegrams was reduced. This is just another thing of the same nature but one that would affect a much larger section of the public than the telegraph rates have affected.

I commend my Resolution to the House.

THE HONOURABLE MR. A. C. McWATTERS : Sir, I do not propose to say more than two words in reply because I feel that it is the general sense of the House that a general discussion of this subject is probably less fruitful than a more concentrated discussion which we shall have no doubt in a few days' time. But I must say that I cannot at all accept the Honourable Member's figure of 50 lakhs. I think if he would look at the

estimate given by the Honourable Member in charge himself in any one of the last two or three years, he will find it is nearer my figure than his. I am tempted to argue with him at length about the form of our commercial accounts, but I do not feel the House wishes me to do so. I think these accounts are close enough to give us a general idea whether the rates in each section of these accounts can or cannot be reduced and Government's declared policy has been, their main object in forming these accounts has been to see whether each section is so working that modification in rates would or would not be justified. I think therefore the House would be well advised not to accept this general Resolution but to concentrate on a more practical issue.

THE HONOURABLE THE PRESIDENT : The question is :

"That the following Resolution be adopted, namely :

'This Council recommends to the Governor General in Council that he should take steps at an early date to have the price of postcards reduced from half an anna to a quarter anna each '."

The motion was negatived.

RESOLUTION *RE* ASSESSMENT OF INCOME-TAX ON THE ANNUAL VALUE OF RESIDENTIAL PROPERTY.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : Sir, I rise to move the Resolution which stands in my name and which reads as follows :

"This Council recommends to the Governor General in Council that assessment of income-tax as regards income from leased property be made on the actual income received and not on the supposed annual letting value ; and that, in case such income is realised by recourse to law, the actual legal expenses incurred be allowed as an extra deduction when assessing the tax."

Sir, my Resolution of to-day is a modest attempt to point out a few of the many illegalities and irregularities committed and arbitrary powers exercised by the Income-tax assessing authorities while making assessments. An Income-tax Officer is given arbitrary powers under the Act ; he is authorized to make assessments under section 23(4) of the Act according to his sweet will and pleasure. He should proceed according to law on the evidence before him of members of the public or his own officers, as is clear from the wording of section 37 ; but this is all ignored ; even though his order be set aside or modified, no costs are allowed to an assessee who undergoes the expense of preferring appeals. Had there been this provision of law, there would have been some check on his arbitrary power and he would have been more considerate in the matter of assessment.

One of the most important of the arbitrary powers of which I conspicuously make mention is that the present Act makes no provision for any reference under section 66 (2) to the High Court of any order that a Commissioner may pass under the proviso to section 33, however arbitrary that order might be. In this connection I would also point out that under section 66(2) an assessee is required to deposit a fee of Rs. 100 ; whether the Commissioner makes or does not make a reference, that fee is forfeited. There seems no justification for forfeiting the reference fee if no reference is made. There are many more such arbitrary powers and anomalies which require the special attention of Government and which require amendment.

[Rai Bahadur Lala Ram Saran Das.]

Income-tax, as its name implies, is a tax on income alone. No definition of the word "Income" is attempted under the Act. But its dictionary meaning is obviously clear. It is that which comes in; its legal concept is that which comes in minus the expenses, *i.e.* the excess of income over expenditure; the annual receipts of a private person or a corporation from rents, business profits, etc. This definition, in its simplest form, has, it seems, been adopted in the Indian Income-tax Act, as is clear from the wording of section 3 which is a charging section.

"Where any Act of the Indian Legislature enacts that income-tax shall be charged for any year at any rate or rates applicable to the total income of the assessee, tax at the rate or those rates shall be charged for that year in accordance with, and subject to the provisions of, this Act in respect of all income, profits and gains of the previous year of every individual, Hindu undivided family, company, firm and other association of individuals."

But I will presently show that landlords and owners of house property are treated differently from those who derive income from business, professional earnings or salaries. Income under these heads, that is, business and professional earnings which are dealt with under this Act under sections 10 and 11, respectively, is assessed on actual receipts or constructive receipts in conformity with the definition of the word "Income", whereas income from property, the method of computation of which is laid down in section 9, is made on the "*bona fide* annual value". This unfortunate expression is defined by sub-clause (2) of section 9 of the Act and has been explained in paragraph 28 of the Income-tax Manual and will be the main point of my discussion to-day.

"Annual value shall be deemed to mean the sum for which the property might reasonably be expected to let from year to year."

Under the Act as it stands at present, the assessment of income from property is made not on the rent that can be received, but on the rent that can be supposed to be received. For this calculation, the assessing authority is vested with arbitrary powers. He is the sole judge to hold that a particular bungalow on an important road or a house in the congested parts of a city is capable of fetching more rent than it actually does, whereas under section 10, which deals with business, he cannot say that an article has been sold by a trader for Rs. 10 whereas it could be sold for Rs. 15, and that the latter price would only be considered for the purposes of assessment. I know of a case in Lahore where Hajee Peer Baksh, an owner of landed property, was assessed on the rental income of a shop in excess of that which he had shown and possessed. The assessing officer rejected the documentary proof, namely, the letter of tenancy and accounts showing the rent receipts, by contending that the rent charged was less as compared with the rents prevailing in the locality. This decision was upheld on appeal. No assessee can choose to be a loser by renting out property in this manner except in very rare circumstances when it otherwise pays him to do so, and even in such circumstances it is not desirable to assess him on the amount which he does not receive or for which there is no such stipulation. In a business, say of a book-seller, the traders' sale prices of books are fixed, but from a particular charitable institution he charges 5 per cent. less, which rate is less than the rates prevailing in the market. Section 10 read with section 13 of the Income-tax Act gives no arbitrary powers to an Income-tax Officer to include in the sale proceeds returned by that bookseller the amount to the extent of which concession in shown by the trader to that institution. He must accept the profit and

loss account of the trader, in which the sales in favour of that particular institution are shown to have been made at concessional rates. It is not within his jurisdiction nor within his competence to do that in the case of the assessment of a business man which he can do in the case of an owner of property. If an owner of landed property can afford to let his property to a tenant at a lower rent simply because the tenant happens to be a friend or a privileged person, an Income-tax Officer has no reason to add the rational value according to his sweet will and pleasure because the tax is to be charged on what comes in and not on what is supposed to come in. This differential treatment of two classes of assessees, namely, a trader and an owner of house property, should be abolished.

Side by side with this proposition, I would ask the Finance Secretary to consider another hardship of a greater magnitude which the present Act inflicts upon an assessee owning house property. The assessment in case of income from house property under section 9, as I have explained in the beginning, is made on the rent receivable during the year regardless of what has actually been received by an assessee. In this respect also an assessee owning house property is harshly treated. How anomalous, unreasonable, unjust and illogical it is to assess a man on an income which he does not receive! To illustrate my meaning I would take a particular example, a widow whose only source of income is house property. She has let it at a monthly rent of Rs. 250 per month. The annual letting value is Rs. 3,000. As ill luck would have it, her tenants are stubborn; they do not pay her for a full year and then abscond. The income-tax authorities, after making the fixed statutory allowance for repairs, charge tax on the supposed income regardless of the fact that she has not received a pie. How very hard it is! Why talk of a hypothetical case? I will give you a concrete example. Mrs. Buckley had taken certain premises on a long lease from Khan Sahib Sheikh Mohammad Naqi on the Mall, Lahore. She did not pay the rent of the premises for some time; but in spite of this the taxing authorities continued to charge on the rent due from the tenant. The arrears went up as high as Rs. 75,000; the landlord had to give up the arrears, and in the year of writing off such a large amount, he claimed this amount as a bad debt in the assessment for 1927-28. No such allowance was made, the appeal was dismissed and the decision was upheld by the Commissioner of Income-tax for the sole reason that tax on property is charged on the annual letting value, and that no allowance for short recoveries or non-recoveries is provided for by the Act. I would appeal to Honourable Members of this House to consider if there could be a harder case of an entirely illegal taxation. Rupees 75,000 are charged to tax even though not a pie has been received, and the pith of the whole affair is that no allowance is made when this is finally written off and the claimant to it foregoes all his right to receive it. This hardship can be avoided and the assessment of income from property can be brought into harmony with the assessment from business, professional earnings and salaries only if actual realizations of rent are charged to tax, that is, in taxing it against the annual value allowance is made for short recoveries or for non-recoveries.

Sir, It is well known that under the head business the Government of India have issued instructions for the allowance of bad debts or irrecoverable loans. I will invite your attention to paragraph 37 of the Income-tax Manual. I fail to understand why a similar instruction should not issue in order to bring the assessment of income from property on the same just and equitable grounds as the assessment of income from

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business. Why should an owner of property be differently and differentially treated ? The only possible objection that I apprehend will confront me is that the assessment of property income will be made very difficult if actual income alone were to be declared chargeable or if allowances were to be made for short or non-recoveries, when an assessee fails to submit a return and to submit proof of income from property. I will venture to submit that this difficulty is only speculative. The present Act enables an Income-tax Officer to make an estimated income against a defaulter under section 23(4) of the Act. No one can question his authority even if an assessee were to be an owner of house property. The only legal defect existing at the present time may be that section 13, which entitles an assessing authority to determine as assessable income from business, professional earnings or other sources, does not make mention of section 9 which deals with property. To safeguard against assessees owning property who do not fulfil their statutory obligation under the Act, section 13 should be so amended as to include section 9 also in order to vest power in an Income-tax Officer to make estimates of income from property also.

I now take up the concluding portion of my Resolution which claims allowance on account of litigation expenses incurred for realizing arrears of rent. The scheme of the Act is to charge all income profits and gains of a person and to make allowances for such expenditure as is necessary for earning profits. The intention is that the expenses so borne should not be of a capital nature nor those of a personal nature—*vide* section 10 (*ix*) of the Act. It is under this sub-clause that a business man is entitled to claim against income from business such litigation expenses as he has incurred for recovering his outstandings. Surely this is a third hardship for an assessee owning house property not to be allowed such expenses when he has actually to meet them for realization. These expenses are not of a capital nature, nor of a personal nature. There seems evidently no earthly reason for not making an allowance for this, when all that I have said is accepted.

I assure the Honourable House that there is a genuine feeling amongst the tax-payers that the present method of taxing income from house property is very defective and it works great hardship on them. The hardship is real and great. I therefore commend my Resolution to the acceptance of this Honourable House.

THE HONOURABLE MR. V. RAMADAS PANTULU (MADRAS : NON-MUHAMMADAN) : Sir, in view of the intimation you were kind enough to give me that, as my amendment does not fall within the scope of the Resolution, it would not be in order, I do not wish to move it. I hope a better fate will overtake my endeavour when I want to bring my proposition before the House on another occasion.

THE HONOURABLE MR. E. BURDON (Finance Secretary) : Sir, I had myself desired to ask whether the Honourable Mr. Ramadas Pantulu's amendment was in order with reference to condition (*a*) to the proviso to paragraph 119 of the Manual of Business and Procedure.

THE HONOURABLE THE PRESIDENT : The Honourable Mr. Ramadas Pantulu said he is not moving his amendment. It is therefore unnecessary for me to give any ruling from the Chair.

THE HONOURABLE MR. E. BURDON : I did not hear that, Sir. Then, Sir, dealing with the Resolution moved by my Honourable friend Mr. Ram Saran Das, I gather that the Honourable the Mover only wishes to attack our existing system in its application to certain particular classes of cases. Nevertheless I think it will probably simplify our discussion if, in the first instance, I state what the general position is in regard to the assessment of income-tax on the annual value of residential property and explain why that general position has come to be established. The general problem of income-tax law and administration out of which my Honourable friend's grievance arises is, by what means are the authorities concerned to determine the amount of annual income which the possession of residential property represents ? A means must be chosen which gives an equitable result, not only to the individual tax-payers, but also the general body of tax-payers, for obviously if one tax-payer pays less than his fair share of the burden of taxation, this must necessarily increase the burden upon others. Now, Sir, in the general case under discussion there are obviously two possible methods of calculation open to Government. One method is to take the rent actually received, and the other is to take an assumed annual value reckoned in accordance with scientific principles and with reference to ascertained data of a relevant character. Closely connected with this question of ascertaining the annual value of property, we have the question of the proper and equitable means of determining the expenses relating to upkeep and the administration of the property which should be allowed as a deduction before tax is calculated upon the residuary figure. Now, Sir, on the most superficial view, one might be apt to decide summarily in regard to these two methods that the rent actually received and the expenses actually incurred would bring one nearer the truth and that this method of calculation should be adopted in preference to a calculation based upon anything which involves assumption. Indeed it seems surprising that any other criterion should have been adopted. But the superficial and simple view will not stand the test of practice in a very large number of cases which have to be dealt with. In any event, in the nature of things the choice cannot be made on the assumption that the two systems are or can be mutually exclusive. You cannot take one and reject the other for application to the whole field. The assumed annual value has to be adopted in cases where a proprietor occupies his own house or allows it to be occupied by a relative or a friend rent free, for in such cases no rent passes and there is no figure of actual receipt to look to. Similarly, the test of actual rent cannot be adopted in another very large category of cases,—my Honourable friend knows how large that is—the cases of individuals who keep no accounts. Now, Sir, I think this very brief explanation of our system will show that it has some justification behind it, and also that it is absolutely necessary. It is of course a matter of common knowledge that local self-Government bodies have to adopt a similar system where they levy a house tax. It may be mentioned also that the general basis of taxation in the United Kingdom of house property is more or less the same as in India, and that the assessment in that country is made upon the annual letting value minus certain flat percentage allowances for repairs, etc., and not on the basis of actual net income. The alternative proposal made by the Honourable the Mover, if viewed as one of general application, has been considered in the United Kingdom more than once. As early as 1907 the matter came up for discussion, and the then Chancellor of the Exchequer refused to accept the proposal on the ground that it was impracticable. The point was again raised by the Royal Commission on

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Income-tax in 1920, and they too ruled out the proposal on the ground that it would involve a heavy increase in the cost of administration because of the extra labour of examining detailed accounts in support of deductions. I think too that it will be clear to the Council that, if proper methods of assessment are adopted, there is no insuperable difficulty in arriving at a fair and accurate determination of annual value by the "assumed" method. The building of a house is generally undertaken as a business proposition. The man who invests his money in house property expects to derive therefrom a commercial return in some shape or another, and in the great majority of cases he succeeds in doing so. Before he starts building, in making his preliminary calculations, he has to decide not only how much he can afford by way of capital cost, but also what the annual outgoing will be in the matter of repairs and for maintenance expenses. He must get back at the least interest on his capital, and it is fair to assume that in general he does so. The matter is regulated by standards which are more or less stable and ascertainable. Accordingly, both the income-tax authorities and the authorities assessing a house-tax in a municipality are able to arrive at results which are fairly accurate and on the whole equitable. As, however, as I said at the beginning, I gather that the Honourable the Mover does not intend to attack the system in general, I understand that what he has in mind is a particular class of case, namely, when "A" has let a house to "B" for a certain annual rent and "B" defaults in the payment of that rent. That, I think, is the class of case which he has in mind, and in such a case the Honourable Member asks for two things, namely, (*a*) that the rent which has not been received should not be chargeable to income-tax, and (*b*) that if "A" in order to recover the rent has to sue "B" his legal expenses in so doing may be allowed as a deduction before the amount actually chargeable to income-tax is determined. In other words, the Honourable Member wants two new categories of deductions to be recognized for the purpose of ascertaining in the cases mentioned the income actually chargeable to income-tax. Neither deduction is permitted under the law as it stands at present, and if it were to be decided that the concessions demanded should be granted, it would at the end be desirable to have recourse to legislation, though, as an interim arrangement, something could probably be done by way of notification under the executive authority of Government. The only deductions that may be permitted at present from the gross annual value of house property are those specified in section 9 of the Income-tax Act, namely, one-sixth of the gross annual value on account of repairs, insurance premia, interest on mortgages or charges or ground rent, land revenue, collection charges, and, at the discretion of the Income-tax Officer, allowance for vacancies. The first question, however, that we have to consider is whether my Honourable friend has made out a sufficient case for the grant of the concession, and I will admit at once that if one considers the most simple type of case that, for example, of a poor widow whose sole wealth consists in the rents she derives from house property and whose tenants refuse to pay her rent, even a Financial Secretary's bowels are stirred with compassion at the thought that she might be charged income-tax on an income which she does not receive. But it is misleading to concentrate one's view on this simple type of case; one has to consider also the risk of the concession being abused not merely by fradulent but also by merely negligent people. Our existing system is based upon the not unreasonable assumption that

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man is guided by economic instincts and is more or less efficient, that when he owns house property he expects to derive an economic rent from it, and that he will be honest and punctual in collecting it. Where these conditions are fulfilled, it is obvious that our existing system inflicts no hardship. Sooner or later the rent comes in. On the other hand, if we have a system which exempts from income-tax or postpones its levy in cases where rent is not received at all or not received punctually, then I think it will be clear that we put a premium upon unpunctuality, a premium upon evasion, a premium upon collusion. There is one other point, Sir, which I think should weigh with the House. In every case in which such exemption is claimed, it will be necessary for the income-tax authority to make careful enquiries; he will have to make enquiries not merely from the assessee, but also from the assessee's defaulting tenant. If he does not make these enquiries, he will very rightly expose himself to the charge of not doing his duty to the public; if he does make these enquiries, he will once more call down upon himself complaints of vexatiousness and harassment which are constantly being levelled at the Income-tax Department. It is probable also that, if such enquiries have to be made, we may have to increase our establishment and strengthen our machinery, thus leading to additional expenditure. Honourable Members will remember that a few minutes ago I pointed out this as one of the reasons why the British Government declined to adopt in the United Kingdom the system for which my Honourable friend pressess to-day. Finally, I must point out that in no Municipal Act that I have been able to study since I took up my Honourable friend's Resolution have I been able to find a provision exempting from the payment of house tax landlords who are unable to recover the rent from their tenants. I feel, therefore, Sir, very grave doubts myself as to the wisdom of adopting the first part of my Honourable friend's Resolution. As regards the latter, I can see that there is considerable justification for his proposal, and I am prepared now to say that, subject to the results of a detailed examination which I feel it necessary to have carried out by my Department, the legal expenses incurred in the recovery of rent might well be placed on the same footing as collection charges. That is to say, I think we might agree to allow the deduction of the net legal expenses incurred in the recovery of rent subject to their not swelling the total deduction above the maximum of 6 per cent. prescribed in the rules under the Act. As regards the first of the suggestions of my Honourable friend, I am prepared to go so far: I will undertake to have the proposal circulated to the Commissioners of Income-tax for their opinion, and I will inform the Honourable Member in due course of the result. If the Commissioners of Income-tax are able to satisfy themselves and to satisfy Government that clear cases of genuine hardship can be provided for without opening the door to serious difficulties elsewhere, without increasing materially the burden of work laid upon the Income-tax Department, and without giving the public further occasion for complaint of inquisitorial methods, then Government will be prepared to consider the possibility of giving effect to my Honourable friend's wish in the specific class of cases to which my present observations are confined. I hope that this will suffice for my Honourable friend at the present moment.

To sum up then, Sir, it will be clear that Government cannot accept the Resolution, because in the terms in which it is cast it seeks to abolish altogether a system which in a large measure at any rate is absolutely necessary to retain and which as a whole even the Honourable the Mover does not intend to destroy. I must, therefore, Sir, oppose

[Mr. E. Burdon.]

the Resolution, but, at the same time, I re-affirm the undertakings which I have already outlined, namely, (1) that the Finance Department will immediately go into the question of issuing instructions which will ensure that the net legal expenses incurred in the recovery of rent may be placed on the same footing as collection charges, and (2) that Commissioners of Income-tax will be consulted as to the practicability of providing that income-tax shall not be charged in genuine cases in which, owing to the default of a tenant, the rent payable by him is not received by the landlord.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Sir, the reply given by the Honourable the Finance Secretary, I am sorry to say, is not at all convincing. The Honourable Mr. Burdon says that as far as the second part of my Resolution is concerned Government will try to meet the legitimate grievances of the people, which I have represented. Perhaps my Honourable friend does not know, when he says that he will consider favourably the second part of my Resolution in case collection charges do not exceed the present limit of 6 per cent., what the court fees, and lawyer's and process charges amount to in the Punjab at any rate. I might inform my Honourable friend that of late the Punjab Council has raised the court fees for such recoveries by 50 per cent., and I might inform him that at present it does no cost less than 15 to 20 per cent. to recover the rent; and to say that the Government will see its way to allow that charge in case it does not exceed 6 per cent. is, I think, equivalent to a refusal.

THE HONOURABLE MR. E. BURDON: Are not, Sir, costs of the suit recoverable?

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Sometimes the costs are allowed and sometimes they are not allowed by courts. In case costs are allowed, then the Income-tax Officer can so assess or make the deduction accordingly. But in case they are not allowed, they ought to be allowed in full. My Honourable friend, Sir, has very often referred to the English law of income-tax. But he has been quite silent on the question of how the income is assessed in England. There three years' previous average income is taken into consideration and not that of a single year. In that average a lot of the grievances of the public are met. I have given here a specific case of Khan Sahib Shaikh Mohammad Naqi who could not realise Rs. 75,000 from the tenant and, failing to realise that sum by all means, he had to write it off. My friend does not say how he will cover a case like that. Rupees 75,000 have been totally lost. The amount has been written off and the Commissioner of Income-tax says, because the houses are let on an annual value, no remission can be given. Does my Honourable friend consider that that is just, that that is equitable? Certainly not. It is not equitable, it is not just that, when a person entirely fails, notwithstanding his efforts, to realise the arrears of his rent, the non-recovery of the rent should be fully allowed. He says that it will encourage carelessness, one thing and another. That is not practicable, Sir. Take the case of a man, Sir, who lives on an income from house property or whose principal income is derived from house property. He will not be a fool to try to let his income from rental not be realised.

THE HONOURABLE MR. G. A. NATESAN: Why not eject the tenant who will not pay for more than one or two months?

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : I might inform the Honourable Mr. Natesan that unfortunately in the present state of the law unlike Australia generally it takes years and years before courts come to any conclusion. In the Lahore High Court, in case we put in an appeal, it does not come up for first hearing for five years or more. Justice delayed is justice lost, and I must say that in these days no speedy justice is given. It is easy to talk of ejection, but I know of a case where it took three years to eject a person, and even then there was a lot of trouble. Of course, I am not a lawyer but, as I have to deal with such questions in my own business, I find that a good many things look very well superficially but when we go deep into them we find that they are of no value. My friend the Honourable the Finance Secretary says, how then are they to determine the letting value ? I have already explained to him, Sir, that only by amending a sub-clause of the present section 13 of the Act can that difficulty be overcome. My friend has not refuted the remedy which I suggested to him, and in reply to which I expected to be told how my suggestion was impracticable. I simply say, Sir, that the Income-tax Officers, where no returns are put in or where no satisfactory proof is given, even now are authorised to assess arbitrarily. In section 13 the income from house property (section 9) is not included. I simply say that in case section 13 is made to include house property as well, there will be no difficulty in the assessment. I know there are many people who either do not put in returns or do not keep accounts. I say, assess them arbitrarily. The present law, if it is amended as I suggest, will be fully able to cope with the difficulty which my Honourable friend anticipates.

It is very unjust, Sir, to compare India with England in matters like this. England is a very advanced and a developed country. The annual letting value is fixed by technical experts there. The rents there have come to a certain level beyond which fluctuations take place, I understand, seldom. In India things are different and the mode of assessment and the way of appeals are quite different. Justice is delayed and lost. To compare England with India in this respect is not, I think, justifiable.

My friend says that in cases where the annual letting value is not enforced, in cases where returns are filed and where returns are not found satisfactory to the income-tax authorities, it will lead to a heavy increase in the cost of administration. That sentence, Sir, I cannot very well understand. In my own opinion, the extra expenditure in this direction will not at all be large. I do not think there will be any material increase because even now the return is carefully gone into by the assessing authority, and when it is found that the return is correct, is duly audited and satisfactory, why should there be more cost in examining such returns ? These returns are already examined. Every point is thoroughly gone into, and I do not think it will add to the administrative machinery or expense in the least. Even if it does, I think justice ought to be done. To grudge a small expenditure to evade justice is, I think, wrong.

Then, Sir, as far as the argument of the Honourable the Finance Secretary is concerned, that we take one and we reject the other, even now each case is decided on its merits. Those people who do not file returns or who file incorrect statements are not equally treated as they do not deserve equal treatment. A person or a firm who files a statement which is found correct and satisfactory by the Income-tax Officer ought to receive different treatment from one who does not keep any accounts or who does not put in a return which does prove correct and satisfactory to the Income-tax

[Rai Bahadur Lala Ram Saran Das.]

Officer. So, Sir, I think that equity and justice demand that those people who put in true and right accounts ought to be differentially treated from those who do not do so.

I think, Sir, that our economic instinct, on which the Honourable Mr. Burdon laid stress, is already being pursued by those who sink their capital in buildings and in house property. Everybody tries to get as good a return from his investment as he possibly can, and in regard to cases where the houses are let to relations or to friends on a nominal rent, I have dealt with such cases in my opening speech. There too, Sir, I say, even my Resolution, Sir, says, that it only refers to leased property. Whenever any property is given to a relation or is used by the owner himself, of course he does put in his return the proper value on which that property is let and can be let.

Thus there is no trouble when all such points are explained satisfactorily to the Income-tax Officer. What will be the fate of the assessee in cases where all the possible proofs as regards the correctness of the return are given to the Income-tax Officer and accepted by him ? In such cases, Sir, I do think that equity and justice demand that assessment should be made on the actual income received at least in the case of those persons who put in proper returns and whose returns are accepted as correct by the income-tax authorities.

With these words, Sir, I commend my Resolution to the favourable consideration of the House.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN (Punjab : Nominated Non-Official) : Can we speak, Sir, after the Mover has replied ?

THE HONOURABLE THE PRESIDENT : The Honourable Member cannot speak after the Mover.

THE HONOURABLE MR. E. BURDON : Sir, my Honourable friend has characterised my reply as unsatisfactory and almost immediately after that, he quoted a case, which I might refer to as the Mohammad Naqi case, implying that such a case would not be covered by the relief which I suggested might be given subject to further enquiries being made. Well, Sir, I am afraid my Honourable friend must have misunderstood me, because, from the description which he has given me of the case, I would say that, provided the Commissioners of Income-tax, whom it would be most imprudent not to consult before introducing a change of this kind, are satisfied that it would be practicable, without great addition of work and without leading to new difficulties elsewhere, to distinguish the good cases from the bad, to distinguish the cases in which real hardship is involved from those in which there may be some evasion or collusion, then such cases as my Honourable friend has mentioned would undoubtedly be covered. But I say again that it would really be most imprudent for me to give a final undertaking on the floor of the House now without consulting Commissioners of Income-tax, and the House will realise that in the short interval which has elapsed since notice of my Honourable friend's Resolution was given, it has not been possible to consult the Commissioners.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : What about the percentage ?

THE HONOURABLE MR. E. BURDON: I will come to that. My Honourable friend then suggested that we can get over the whole difficulty by amending the proviso to section 13 (*I*) of the Income-tax Act. Perhaps he will correct me if I am wrong.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Yes. By amending section 13 and including section 9 in its scope as well.

THE HONOURABLE MR. E. BURDON: I am afraid the solution is probably not quite so simple as that, for the reason that if we merely made an amendment of the kind which the Honourable Member has indicated, that would rule out assessment to income-tax of the annual value of houses in which from motives of family affection or perhaps less worthy motives the house was leased on a peppercorn rent, and I do not think it desirable that such cases should be allowed to escape the net of the tax gatherer.

As regards the other point which my Honourable friend mentioned, namely, the question of legal expenses being allowed even if the total deduction exceeds the maximum of 6 per cent., I was very interested to hear the point which he has taken in regard to the recent enhancement of court fees in the Punjab. That is precisely the sort of point which it will be necessary for me to have further examined in my Department under the examination which I said must be made. As I said in interjection, I take it that costs are allowable and frequently are allowed, and in my own preliminary observations I was careful to use the words "net legal expenses" because I had in mind that costs might be recovered. And I presume that costs are recovered at different scales in different provinces in India. Obviously the matter is one of somewhat intricate detail, and my friend's point really justifies the reservation which I made when I said that I would require the matter to be further examined in my Department. These, Sir, I think are all the observations that I need make in reply to my Honourable friend's rejoinder, and in view of the promise which I had already given and of the further explanation of that promise which I have now given, I hope my Honourable friend will feel satisfied.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Sir, in view of the promise which the Honourable the Finance Secretary has given, I should like my Resolution to remain pending for the time being.

THE HONOURABLE THE PRESIDENT: I am afraid, as the debate is closed, there are only two courses open. One is for the Council to give its decision in the matter by casting votes, and the other is for the Council to give the Honourable Member leave to withdraw his Resolution.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: I will then ask for leave to withdraw the Resolution in view of the assurance given.

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

The Council then adjourned till Eleven of the Clock on Wednesday, the 6th March, 1929.

COUNCIL OF STATE.

Wednesday, 6th March, 1929.

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.

PROMOTION OF INDIAN OFFICERS OF THE REGULAR INDIAN ARMY WITH VICEROY'S COMMISSIONS.

85. THE HONOURABLE SIR EBRAHIM JAFFER: Will Government please state:

(*a*) Whether Indian officers of the regular Indian Army with Viceroy's Commissions, who are nominated to the Royal Military College, Sandhurst, will be eligible for promotion beyond the rank of 2nd-Lieutenant after passing out of Sandhurst?

(*b*) If so, whether they will be eligible for promotion to the command of an unit?

(*c*) If not, why not?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: (*a*) and (*b*). The answer is in the affirmative.

(*c*) Does not therefore arise.

IMPROVEMENT OF THE CONDITIONS OF SERVICE OF THE STAFF OF THE BOMBAY, BARODA AND CENTRAL INDIA RAILWAY.

86. THE HONOURABLE SIR EBRAHIM JAFFER: Will Government please state:

(*a*) Whether there has been in recent years a great increase in traffic on the Bombay, Baroda and Central India Railway and a corresponding increase in the volume of work?

(*b*) If so, whether the emoluments and the prospects of the staff have been correspondingly improved?

(*c*) If the answer to (*b*) is in the negative, whether it is the intention of Government to improve the present alleged hard conditions of the staff?

(*d*) Whether any acute discontent has been evinced by employees of the above Railway in respect of pay, leave, quarters and other facilities?

(*e*) If so, whether Government have taken any measures to improve the conditions?

THE HONOURABLE SIR GEOFFREY CORBETT: (*a*) Between 1923-24 and 1927-28 there was a drop of over four million in the number of passengers carried on the Bombay, Baroda and Central India Railway. The tonnage of goods carried was much the same in the two years.

(*b*) This question does not therefore actually arise. But I would point out to the Honourable Member that increase in traffic is a reason for increasing the number of staff employed rather than for raising the emoluments of the existing staff.

(*c*), (*d*) and (*e*). Government are not aware of any acute discontent on the part of employees of the Bombay, Baroda and Central India Railway, but, as is explained in paragraphs 21 and 23 of the Memorandum on the Railway Budget for 1929-30, it is the intention to investigate the conditions of service of the lower paid employees on Indian Railways.

NEW ISSUE OF THE STERLING LOAN OF £10,000,000.

87. THE HONOURABLE SIR EBRAHIM JAFFER: Will Government please state:

(*a*) Whether it is a fact that the Committee of the Indian Chamber of Commerce, Calcutta, have protested against the new issue of the sterling loan of £10,000,000 by Government and the way it has been placed upon the market?

(*b*) Whether Government intend considering some of the suggestions made by the Committee in their letter of protest?

(*c*) Whether the present ratio has resulted in contractions in the currency of the country?

(*d*) If so, what steps are being taken to remedy the evil?

THE HONOURABLE MR. E. BURDON: (*a*) Yes.

(*b*), (*c*) and (*d*). I have nothing to add to what the Honourable the Finance Member has said in his Budget speech regarding the ratio and the borrowing policy of the Government of India.

POLICY ADOPTED IN FIXING RATES FOR STATE RAILWAYS.

88. THE HONOURABLE SIR EBRAHIM JAFFER: Will Government please state what policy is generally adopted in fixing State Railway rates?

THE HONOURABLE SIR GEOFFREY CORBETT: For the purpose of freight rates commodities are placed in ten different classes, and separate maximum and minimum freight rates for each class are fixed by the Railway Board. Within the limits thus fixed Railway Administrations are at liberty to quote such rates as in their opinion will attract traffic, and it is with this object in view that the actual rates are fixed.

PROMOTION OF CLERKS IN THE SUBORDINATE ESTABLISHMENT OF RAILWAY ACCOUNTS OFFICES.

89. THE HONOURABLE SIR EBRAHIM JAFFER: Will Government please state:

(*a*) Whether a successful candidate in the examination for the appointment of clerks to the subordinate establishment of Accounts Offices under the administrative control of the Financial Committee of Railways to be held in April 1929 will be eligible for further promotion later?

(*b*) If so, what the extent of that promotion will be and what will be their maximum salary?

THE HONOURABLE SIR GEOFFREY CORBETT: (*a*) Yes.

(*b*) Subject to good work, good conduct and the passing of the prescribed departmental examinations, such clerks will be eligible for promotion to posts in the subordinate establishments, the maximum pay of which is Rs. 450 per mensem. They will also be eligible for promotion to the rank of Assistant Accounts Officer the maximum pay of which is Rs. 800 per mensem. Further a proportion of the vacancies in the superior establishment will be filled by promotion from the subordinate grades.

(1) SUGAR INDUSTRY. (2) ACREAGE UNDER SUGARCANE IN INDIA.

90. THE HONOURABLE SIR EBRAHIM JAFFER: Will Government please state:

(*a*) Whether they are aware of the inability of the Indian sugar industry to keep pace with the increased internal demand ?

(*b*) If so, what steps have been taken to remedy the evil ?

(*c*) Whether they have given any effect to the recommendation of the Royal Agricultural Commission on the matter with respect to scientific research by the Government of India in connection with the industry ?

(*d*) What the acreage under cane was last year and the previous year and how much of it provides cane for the manufacture of sugar in modern factories ?

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH: (*a*) Yes.

(*b*) and (*c*). The Government of India propose to commend the problems of the sugar industry in India to the earnest consideration of the Council of Agricultural Research which it is hoped shortly to establish, and trust that that body will take early steps to constitute a strong sub-committee to deal with them.

(*d*) The area under sugarcane in India was 3,103,000 acres in 1927-28 and 2,727,000 acres in 1928-29 and 2½ to 3% of the output was crushed in modern factories.

OVERBRIDGE OVER THE LEVEL CROSSING AT KOREGAON ROAD AT POONA.

91. THE HONOURABLE SIR EBRAHIM JAFFER: Will Government be pleased to state:

(*a*) The average number of trains and engines passing each day through the level crossing on Koregaon Road at Poona ?

(*b*) Is there a Goods Transfer Station of metre gauge of the Madras and Southern Mahratta Railway and of broad gauge of the Great Indian Peninsula Railway and a workshop of the Madras and Southern Mahratta Railway, on one side of the level crossing ?

(*c*) Since the development of the new Koregaon Park what increase has there been in the number of persons using this level crossing ?

(*d*) Did the Poona Suburban Municipality approach Government for an overbridge ?

(*e*) Is the proposal still under consideration ? If not, why not ?

THE HONOURABLE SIR GEOFFREY CORBETT: (*a*) About 50.

(*b*) The Ghorpuri Transhipment Shed and the Madras and Southern Mahratta Railway metre-gauge running shed are on the south of the level crossing.

(*c*) I am afraid no information on this point is available.

(*d*) and (*e*). The necessity for a road overbridge over the level crossing has been established and the question of the alignment is under correspondence between the Agent of the Great Indian Peninsula Railway and the Public Works Department of the Bombay Government.

PRIVATE BUNGALOWS FOR THE USE OF MILITARY OFFICERS IN WELLINGTON CANTONMENT.

92. THE HONOURABLE SIR EBRAHIM JAFFER: Will Government be pleased to state:

(*a*) How many private bungalows there are in Wellington Cantonment for the use of military officers stationed therein and how many are occupied by civilians?

(*b*) Out of the above how many bungalows have been taken under the new Cantonment House Accommodation Act?

(*c*) Whether it is a fact that owners are compelled to rent their bungalows otherwise than by procedure under the said Act?

(*d*) Whether they are asked to supply furniture with the bungalow without getting any extra rent?

(*e*) What steps Government intend taking in the matter?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: The information is being collected and will be supplied to the Honourable Member in due course.

THEFTS OF BICYCLES FROM THE COMPOUND OF THE GENERAL POST OFFICE, POONA.

93. THE HONOURABLE SIR EBRAHIM JAFFER: Will Government be pleased to state:

(*a*) How many bicycles belonging to the public were stolen from the compound of the General Post Office, Poona, during last year?

(*b*) What arrangement there is to protect the public from such thefts?

(*c*) Do Government intend to make better arrangements in order to save the public from such loss?

THE HONOURABLE MR. A. C. McWATTERS: Government have no information. The matter is of purely local concern and any parties who have suffered loss should refer to the Poona police.

I might add with reference to (*c*) that in many places where a demand for this facility arises, bicycle stands are provided by the postal authorities into which the public are recommended to lock their bicycles.

REVISION OF THE LISTS OF VOTERS FOR THE COUNCIL OF STATE IN THE BOMBAY PRESIDENCY.

94. THE HONOURABLE SIR EBRAHIM JAFFER: Will Government be pleased to state whether the lists of voters for the Council of State constituencies in the Bombay Presidency have been revised during the last three years? If not, when do they intend revising them?

THE HONOURABLE MR. L. GRAHAM : It has been ascertained from the Bombay Government that although the existing electoral rolls for the constituencies of the Council of State in the Bombay Presidency have been in force for a period exceeding three years, no steps have yet been taken to prepare fresh rolls. In view, therefore, of the provisions of sub-rule (4) of rule 9 of the Council of State Electoral Rules the Local Government have been informed that the preparation of fresh rolls should be initiated forthwith.

RECOGNITION OF CERTAIN POSTAL SERVICE ASSOCIATIONS.

95. THE HONOURABLE MR. KUMAR SANKAR RAY CHOUDHURY : Will Government be pleased to state (*a*) whether they accorded separate official recognition to the following Postal Service Associations :

(*i*) The Officers' (Superintendents') Association,

(*ii*) The Gazetted Postmasters' Association,

(*iii*) The Union of All-India Postmen and Lower Grade Staff (Menials),

(*iv*) The Association of All-India Postal Town Inspectors, India and Burma, and

(*v*) The All-India (including Burma) Postal and Railway Mail Service Union ?

(*b*) whether it is a fact that the postal officials who passed the accounts examination have ceased to be members of the All-India Postal and Railway Mail Service Union and have applied to the Director-General, Posts and Telegraphs, for according official recognition to their own Union quite distinct from the All-India Postal and Railway Mail Service Union ?

(*c*) whether Government are aware that the graduate employees and the signallers of the Post Office have also ceased to be members of the All-India Postal and Railway Mail Service Union and have formed their own Unions to safeguard their interests ?

(*d*) whether it is a fact that the All-India (including Burma) Postal and Railway Mail Service Union does not actually represent all classes of postal employees in India, as the name of the Union represents ?

(*e*) if so, whether Government will take steps to have the name of the Union properly designated in accordance with the limited classes of officials it represents ?

(*f*) whether the attention of Government has been drawn to the four resolutions recently passed by the members of the All-India Postal and Railway Mail Service Union in their meetings held at Calcutta, Rangoon, Allahabad and Lahore relating to the postal Town Inspectors attached to the first class Head Post Offices ?

(*g*) whether any such resolutions have been passed by the aforesaid Union relating to any other classes of postal employees whose pay has been revised in the Government Order of 5th August, 1927 ?

THE HONOURABLE MR. A. C. MCWATTERS : (*a*) The Associations named have been accorded recognition by the Director-General, Posts and Telegraphs, but the correct designations of the first three Associations are (*i*) The Postal Officers' Association, (*ii*) The All-India and Burma Postmasters' Association, and (*iii*) The All-India Union of Postmen and Lower Grade Staff.

(*b*) It is a fact that an Association called " The All-India (including Burma) Postal Accountants' Association " has applied to the Director-General for official recognition, as distinct from the All-India Postal and Railway Mail Service Union, but Government are not aware whether the members of this Association have ceased to be members of the All-India Postal and Railway Mail Service Union

(*c*) Government have no information.

(*d*) and (*e*). Government understand that the Union is a widely representative one, concerned with many if not all classes of non-gazetted postal and Railway Mail Service officials. They do not propose to suggest any change in the name which it has borne for seven years.

(*f*) Government understand that the Director-General, Posts and Telegraphs, has received copies of three of the four resolutions referred to.

(*g*) Government have no information.

GENERAL DISCUSSION OF THE GENERAL BUDGET.

THE HONOURABLE THE PRESIDENT: The Council will now proceed to the general discussion of the Budget. Part II.

THE HONOURABLE SIR MANECKJI DADABHOY (Central Provinces: Nominated Non-Official): Sir, I will begin by welcoming Sir George Schuster who is visiting this Council for the first time to-day. (Applause.) Sir George Schuster comes to India with a reputation not only made in Egypt but in England, and to my mind it is a happy augury of the times that India should have at this present critical juncture a Finance Minister with his wide capacity, his unrivalled experience and his knowledge of international finance. This Budget we have all read with considerable interest, and I may at once say that during 20 years of my public life I have never read before a more interesting and descriptive Budget or a Budget containing facts and figures set out with such simplicity and yet in such a convincing manner. This Budget certainly has no striking or amazing features. It is a matter-of-fact Budget. It conceals nothing and yet in a most illuminating and communicative manner it describes the policy which the Finance Member is about to follow in the future. On the whole, it may be regarded as the Budget of a cautious and sagacious financier. It is a sound and satisfactory presentation of a true state of affairs and of facts and figures. Sir, it is very unfortunate that this year's Budget is what may be regarded as a tight-fit Budget. The expenditure and the income are adjusted. In a technical sense it may be regarded as a deficit Budget, but happily on account of the funds available in the Revenue Reserve Fund, an overdraft of the sum of Rs. 90 lakhs has been made and the two ends of the Budget made to meet. This of course depletes the Revenue Reserve Fund and we shall have in future years only a small margin of Rs. 14 lakhs to fall back upon in case of any eventuality. Sir, this Budget discloses nothing very serious except certain outstanding features of the proposed policy of the Finance Minister, and I do not think it necessary to trouble the Council with the details of the receipts and expenditure and to discuss the same, and therefore in the limited time that is at my disposal I propose to confine myself to two or three broad features of this Budget.

Sir, the Finance Member has discussed the future policy of taxation with great ability and he seems in a short time to have acquired a full command over

the varied details of the most complicated financial problems. But there is a passage in the speech about new taxation which I feel I cannot allow to remain unnoticed, because it is the key-note to my mind of the policy which is in future to be observed by the Finance Department under the régime of Sir George Schuster. Sir George Schuster after discussing certain matters says :

" But I wish to leave Honourable Members in no misapprehension on this matter. If additional taxation proves to be necessary in the following year the need will have to be boldly faced. My present action is governed not by fear of doing this, but by the desire to defer taking any step until I am quite certain first that it is necessary, and, secondly, what is the best direction in which to take it."

Now, Sir, my submission is that this declaration is an extremely significant one, and I see in it a premonitory warning or rather a foretaste of what is coming next year ; and I feel as a Member of this Council, as one who has been a party to the approval of the taxation which was imposed in the past by Sir Basil Blackett to the extent of 50 crores, as one who has acquiesced in that policy, I feel to-day that I cannot easily endorse what he has stated in this paragraph. Sir, the years 1918-19 to 1922-23 were lean years, years of revenue deficits. From 1923 to 1927 heavy taxation was imposed in this country to the tune of about Rs. 55 crores. When these taxations were made, Government pledged themselves—and I shall presently point out the pledges of Government—the Government definitely pledged themselves, immediately they could effect remission of provincial contributions, to take an early opportunity to make a generous reduction of the existing taxation. This year with a small deficit of Rs. 90 lakhs only, which had to be made good by withdrawal of a sum from the Revenue Reserve Fund, the Honourable the Finance Minister has become somewhat nervous over the matter and has given us a warning that he may have to resort to additional taxation in the following year. Sir, I will draw the Honourable the Finance Minister's attention—and I have no doubt he is perfectly aware of it—to the statement made by Sir Basil Blackett in 1927-28. The then Finance Member said :

" When our finances permit, we would aim at a gradual reduction of taxation to a level which will give some relief to the tax-payer and leave a larger margin available for Provincial Governments' needs."

This was not enough, Sir, but in his farewell speech Sir Basil Blackett made a most significant statement on the subject and I feel the temptation of quoting a passage from that speech, as I consider it of special value on this occasion. The Honourable Sir Basil Blackett in closing his remarks on the Budget of 1928-29 said :

" Intrinsically the financial position of the Government of India seems to me to be sound and prosperous. From 1929-30 onwards it will be the privilege of this House and of my friend and successor, Sir George Schuster, whose acceptance of the post is a matter of great personal satisfaction to me, to find no outside claimant to the recurring surpluses which I hope it will be his 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 readjustment 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. I cannot more fittingly close my statement than with the prayer that no storm from without or from within may descend upon India to disturb the bright prospects of financial well-being to which she seems to-day to be justified in looking forward."

May I ask, in all humility, the Honourable the Finance Minister what storm has appeared on the horizon during the last twelve months for him to have indicated his apprehensions about the imposition of fresh taxation next year in this country ? There are three or four most important points to be gathered from the passage which I have quoted. Sir Basil Blackett made it perfectly

[Sir Maneckji Dadabhoy.]

clear that the finances of the country were very sound and prosperous. He also made it perfectly clear that in new directions, if these prospects continued, his successor would be able to turn his mind and be able to adopt a policy of general reduction of taxation. Sir, I cannot see in my mind or at least the Honourable the Finance Minister has not indicated in his Budget speech any special reasons that may necessitate such a course. His contention is that the gap has not been closed by the remission of provincial contributions as expected, and therefore, if the present state of things continues, additional taxation may be necessary. On the other hand, the ground on which Sir Basil Blackett took his standpoint was that if provincial contributions were once out of our way we should be able to go in for a readjustment of the burden of taxation and to those reductions of taxation so welcome to all of us. My submission, therefore, is and I trust that the Government will carefully and seriously consider the situation before they should embark upon such a policy. I have shown that the Government has been pledged already to a general reduction of taxation. I will now only say that the Government should also keep a margin of reserves to meet emergencies. It is not in consonance with economic principles to tax the people up to the hilt. For the safety of finances, Government should reserve a margin of taxable capacity to meet emergencies and extreme financial crises. If money was required for some war or for some trouble in Afghanistan or Central Asia, I should not hesitate to vote for it, but if money is required, if additional taxation is required, for working the ordinary machinery of Government, I shall certainly protest and I shall certainly not lend my support to such a policy, after the assurances of Government, the pledges of Government and after the additional taxation of 55 crores which has been imposed upon the country during the last few years. Sir, if Government require additional money, they can obtain it by the readjustment of the present taxation. It is the duty of the Finance Member to find out whether adjustment of existing taxation may not be undertaken at an early date which will give the Government of India greater revenue than at present in a very economical way without resorting to additional taxation. Already there is a complaint that the import duty of 15 per cent. for general revenues is very heavy. Commercial communities in India are also groaning and complaining of the super-tax or what is known as the corporation tax placed on companies which was considered to be a war measure but is still retained despite the many protests in this Council. People are all round dissatisfied with the burdensome and the present heavy pressure of taxation. Some measure of relief to the public is necessary and I shall request the Finance Minister to give his most serious consideration to this matter. The country is eagerly looking forward to a general reduction of taxation.

Sir, I should like to say a few words on the question of the bank rate, and I want the Council and Government distinctly to understand that when I make these observations I am not speaking in my capacity as a Governor of the Imperial Bank, but I am expressing my personal views as an industrialist and as a large employer of labour. I do not commit my colleagues in any way and these are my own personal opinions. Sir, I base my arguments only on the statement made by the Honourable the Finance Minister in the other House on the 13th of February last when he defended his policy of raising interest on the emergency loan from 7 to 8 per cent. Sir, I propose to speak with great moderation and with precision on this subject. I consider it a disastrous policy to raise the bank rate from 7 to 8 per cent. which was dictated by Government who advised the Bank that all existing and future loans from currency until further notice would bear interest at 8 per cent. per annum.

As the Bank had at that stage borrowed 9 crores from currency, this was tantamount to an order to the Bank to raise their rate to 8 per cent., for obviously the Bank could not afford to borrow at 8 and lend money at 7 per cent. From this it is reasonable to surmise that the bank rate is a misnomer. If the Government can dictate and use pressure, then it is the Government's rate and not the Bank rate. And what is after all a bank rate ? A bank rate is an indication or rather a barometer of the trade conditions for the time being. It is an indicator of the fluctuations in the trade market for the time being. And who would appear to be in greater touch with such market conditions ? Not the Government of India which is isolated from big commercial centres like Bombay and Calcutta. It is the managing Governors of the Imperial Bank who are in daily touch with the local monetary markets and also with the international money markets and who are in the best position to judge of the position. But there is another aspect, and that is that in such a condition the bank rate to my mind is not a reflex of the financial position and trade conditions of the country. The grave danger presents itself of the interests of the whole country being subordinated to the Secretary of State's balances in London, and it would appear that this has happened in the instance under review. The public has been led to expect that before the country is afflicted with the trade-crippling rate of 8 per cent. the Imperial Bank should be allowed to borrow from currency 4 crores at 6 per cent. and a further 8 crores at 7 per cent. The public, in the busy season at least, watches the Imperial Bank borrowings from currency with close interest and were not apprehensive of a rise in the rate until the bombshell had exploded, seeing as I have said that only 9 crores had been borrowed. The Honourable the Finance Member takes his stand on four important grounds. He says that the cash position of the Imperial Bank is not a material factor. I am prepared to concede that. But even the speculation to which he refers and the increase in the bank rate which had taken place in England, due to the outflow of gold from England to America—those factors had not caused their influence or operation on the Indian money market when the bank rate was raised. Secondly, the Honourable Member says that he had to take into account that nearly 4½ crores of currency in addition to 9 crores had been also expanded, one crore against sterling, one crore against created securities and 2·4 crores against the import of gold into this country. And he says that the actual expansion which had taken place was 13½ crores and not 9 crores as was alleged. With all respect and deference to the Honourable the Finance Member, I say that when he brings into his argument the expansion of the currency against these *ad hoc* securities as well as against the import of gold he is straining the language of section 20 of the Indian Paper Currency Act, the sole object of which was to apply this fiduciary expansion of currency against trade bills and commercial bills only. It was not intended that it should cover expansion of currency made by Government as against their personal requirements or convenience or against any methods which may seem expedient to adopt for the purpose of maintaining the exchange or for the purpose of supporting the balances of the Secretary of State for India. I do not think, Sir, that was the intention and, even assuming that the language of the section justified such an interpretation, I submit that the original purpose and intention of Government when the Indian Paper Currency Act was amended—the clear intention of Government was to expand Currency and give facilities to the commercial communities of Calcutta and Bombay against trade bills only. I am also aware of his other contention that in order to maintain the equilibrium of exchange and to ensure that Indian prices moved *pari passu* with gold prices it was necessary to raise the level of money rates in India. I do not for a moment dispute his right to manipulate exchange. Every country has had

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to do it at times. Even when we, the members of the Currency Commission, recommended the establishment of a fixed rate of 1*s.* 6*d.* we did not for a moment imply that that rate was not liable to some extraordinary fluctuations. We contemplated beyond the fluctuations between the upper and lower gold points also other fluctuations in the market. That has been done by every civilised and big financial country in the world and I certainly do not blame the Honourable the Finance Member if he had to do it for a serious emergency. But what I feel is that an emergency on the present occasion had not arisen and we could have tided over our difficulties with the 7 per cent. bank rate. You can see its effect even in the course of a short time. From a statement published by the Imperial Bank only yesterday of their finances it appears that this policy has caused a decrease in trade demand to the extent of Rs. 2,20 lakhs. This is the inevitable result of this untimely inflation of the rate. The demand for money continues at this time of the year till the end of May practically, and this is not the time for a reduction in trade demand. This high rate of interest is killing all business and has caused a reduction to the extent of Rs. 2,20 lakhs in the business demand. The whole business is now practically at a standstill. I have taken pains to labour this point, Sir, because it is an important problem. It gives rise to a number of momentous financial and industrial considerations. It not only affects us to-day but will affect us in the future, and I would therefore, in all submission, request the Honourable the Finance Member to give his careful consideration to this matter. This is not our only problem. The Finance Member has said that in the next few months he proposes to float a loan of 18 crores. That loan is to be raised partly in India and partly in sterling. He also proposes to raise $5\frac{1}{4}$ crores sterling for the purchase of the Southern Punjab Railway. If this programme is to be provided for, it is not this policy which will enable my Honourable friend, the Finance Member, to get the money. My friend seems to be too optimistic of securing this Rs. 18 crores in India. I take a different view. Unless the bank rate is immediately reduced and a good long interval of low monetary market and rate of interest prevails, it will be difficult to obtain this high loan, and it can only be done by payment of a higher rate of interest. What will be the effect of payment of a higher rate of interest ? It will cause a slump in the existing securities, securities which are already mistrusted by the general public and which are not in favour with the financial institutions in the country. With their policy mistrusted by the investing public, with their last sterling loans at a discount of $2\frac{1}{2}$ per cent., I personally can see little prospect ahead for a successful loan issue, either here or in London. The result will be rather a set-back to the financial go-ahead policy of the Government of India unless matters are very carefully looked into and thoroughly threshed out. I would therefore implore the Finance Member to get away from this artificial condition and revert to a rate that an untramelled bank fixes and which would be dictated solely by the financial and trade conditions of the country.

Sir, I shall only refer in a few words to the military expenditure and I will then bring my remarks to a close. There are other important points and particularly regarding the borrowing policy of the Government of India which the Honourable the Finance Member has raised, in such a clear and masterly manner, but I regret that for want of time I am not in a position to discuss those questions here just at present. As regards the military expenditure, I am very pleased that His Excellency the Commander-in-Chief and the Finance Department have come to a satisfactory settlement, and I congratulate His

Excellency the Commander-in-Chief, who is an earnest friend of India, on the step which he has taken. He has agreed to provide from the 55 crores Rs. 10 crores over a period of four years for the modernisation of the equipment of the Army, Rs. 8 crores on the actual modernisation and Rs. 2 crores as subsidiary expenditure which is still undefined. He has agreed to do this from the standardised allotment. In the result, it works out to this, that the Government of India have deliberately limited the total military expenditure to Rs. 55 crores. Out of this, His Excellency the Commander-in-Chief has agreed now to spend Rs. 2½ crores annually in connection with this new expenditure. The meaning of this is this, that His Excellency the Commander-in-Chief has made a saving of Rs. 2½ crores in the Military Budget, and further, after the four years have run out, the result will be an automatic reduction of Rs. 2½ crores which will perhaps bring us as near as possible to the final figure of the Inchcape Committee who suggested that Rs. 50 crores should be our maximum military expenditure.

Sir, I shall now close my remarks. I will only allude to one thing. The Honourable the Finance Member has asked for the co-operation of the Indian Legislature in his policy and the steps he proposes to take in pursuance of that policy. I assure him that this House—and I know I am expressing the sentiments of the majority of my colleagues here when I say that this Council will give him, Sir, its full measure of co-operation. We shall do everything in our power to assist him and to help him in moulding the financial policy of this country which may not only bring prosperity to India but may also bring glory to himself. Sir, we shall do everything in our power to advise him. He made a statement yesterday in the other House that he would perhaps occasionally consult the Leaders of the House. I hope he will extend that courtesy to this House also. He will find in this House people with a larger stake and larger interests of the country at their heart, and the advice and assistance which he will receive from my colleagues will be of immeasurable benefit to the Government of India. (Applause.)

THE HONOURABLE MR. V. RAMADAS PANTULU (Madras: Non-Muhammadan): Sir, I may without any breach of propriety as a Congressman join my friend Sir Maneckji Dadabhoy in congratulating the Finance Member upon the refreshing candour and the lucidity with which he presented his Budget. As a layman I found it much more easy to study his Budget than his predecessor's. That was to me a test of his clarity. I do not propose to go into questions of high politics or intricate finance because all that has been done in the other House. I think I shall be putting the case of the popular side, to which no portion of this House will object, if I say that the general request to the Finance Department of the Government of India is *not to do two things but to do three other things.* The two things we do not want them to do are not to revive the provincial contributions and not to impose fresh taxation. I have been reading, Sir, some account, however brief it may be, of the memoranda of the various Provincial Governments to the Simon Commission—I have not boycotted reading; I only boycotted the Commission—and in every one of them the Provincial Governments have complained that they have not enough money to expand the development programmes in the provinces. In my own province, it has been pointed out that Rs. 7 crores will be necessary if an adequate policy of expanding education is pursued, whereas only Rs. 180 lakhs could be found for it in the next year's Budget. Therefore, I think the Government of India must finally and once for all make up its mind to wipe out these provincial contributions. Last year's budget speech promised to

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do it. I understand this year's speech also to adhere to it, and I hope nothing will induce Government to revise its promise in this behalf.

The next thing is not to impose additional taxation. My friend Sir Maneckji Dadabhoy said that on occasions of extraordinary emergency he was prepared to vote for additional taxation. That is a different matter altogether. We speak of normal conditions when we speak on the Budget. He said he would vote supplies for a war. There are other people in this country who will vote for peace and not for war. For instance, if the Government of India becomes national and nationalises the finances and taxes the rich people in order to relieve the poor, I shall vote for that. If the Finance Member taxes my friend Sir Maneckji three times as high as he is now doing and uses that money for relieving the people of the Central Provinces, I shall certainly vote for it. I say that, Sir, because the problem of poverty in this country is a serious menace. I tell you that it is not Public Safety Bills which will stop Communism but the nationalising of our resources and the using of them to relieve the miserable condition of the poor people, if necessary, by taxing the rich. There is a large body of opinion which will advocate that policy if and when the Government of India ever gets nationalised.

The three things which I want Government to achieve are, firstly, to see whether it cannot expand its resources before it asks the tax-payer to bear any additional burden. I think the tax-payer has a right to ask the Government of India to examine more closely its policy of expanding its resources. Ways of doing so have been suggested in the other House, and I do not wish to repeat anything which has been said in the other House. Review your railway conventions, revise your extravagant debt redemption scheme, re-adjust your exchange and currency policy and scrutinise your ways and means programme. By doing these things you will satisfy the general demand of the country that you should husband your resources to a larger extent than you had hitherto done. The second thing the country expects you to do is to subject your expenditure to a very close examination. There is a large volume of public opinion in this country that by a very much closer scrutiny and a genuine attempt at retrenchment you can curtail some extravagance of expenditure in the Army and in the Railways and Civil Services. I am glad once more to acknowledge that in both these matters there is a promise held out that the Finance Member will look into these matters and do what he can in the coming years. The third thing that I want you to do is to observe some continuity in the budget policy you pursue. My friend Sir Maneckji has referred to one deviation of policy in the announcement regarding future taxation. There, there is certainly a deviation from the policy announced last year by the predecessor of the present Finance Member. That was very clearly put by Sir Maneckji and I do not wish to repeat it. I can give one other example of a deviation by the present Finance Minister from the policy of his predecessor. In regard to the Revenue Reserve Fund which Sir Basil Blackett built up, he distinctly told us that it consisted of two parts, one of 101 lakhs which was I think left unallocated out of the realised surplus of 1926-27 and another item of 172 lakhs which was the expected revenue surplus of 1927-28. He said he would be putting them to two distinct uses, and said that the first item of 101 lakhs would be used to strengthen the new gold bullion standard and the Reserve Bank Scheme, and the other item to wipe out the provincial contributions. He has used the bulk of the second item for the purpose mentioned and altogether left over 104 lakhs as there was no occasion to use the first item.

The present Finance Minister in his turn says he proposes to use this balance of the fund :

"first, to correct the artificial disturbance in the normal course of receipts from the salt revenue and, secondly, to meet special claims of expenditure of a non-recurring nature."

That is certainly a deviation from his predecessor's policy. If I remember aright, this Revenue Reserve Fund which Sir Basil called a "nest egg", was created by means of a special supplementary grant in 1927. I do not quite know what the procedure will be, but if the utilization of 90 lakhs out of this will also be effected by means of a special grant in the Assembly, I hope the question of policy involved in the change will be raised in that House. It is on account of such deviations that I plead for a continuity of policy in other directions also.

Sir, with regard to the high financial policies of the Government of India I will say nothing more. I shall confine myself to a few matters connected with agricultural finance in which I am very deeply interested. I have listened to the general debate on the Budget in the other House for some time on both days, and it appeared to me that politics and finance and economics were indissolubly wedded to industrial concerns in that House. Everybody spoke, rightly of course, of trade in Bombay, the mills in Ahmedabad, commerce in Calcutta, and things of that kind. If reference was now and then made to agriculture by Members, it was by way of additional arguments to support their own respective theories in regard to the bearings of Government's currency and exchange policies. The question of financing agriculture itself was not *directly* attacked or pressed upon the Government. Therefore, I beg leave to take up a few minutes of this House to press the claims of agriculture to be financed on the Honourable the Finance Member. I have not had the pleasure and privilege of knowing him, but from reports I have heard, not only his mind is said to be responsive in this direction, he also seems to have a warm corner in his heart for the agriculturists of this country. If so, I hope what I say will commend itself to him at least in some degree. Hitherto our Budgets have been Budgets for politicians and industrialists and they have rarely interested the agriculturist, except very indirectly. He knew of course that the world money market conditions had some vague effect upon the price levels of the produce raised by him in his fields. Unlike the claims to capital and credit for urban industries, the question of financing agriculture as an industry had rarely arisen on the Government Budgets, and even now it does not arise to any extent. The reason is that finance for agriculture, for seasonal operations as well as for movement and marketing of crops by the small farmer, is obtained through the help of usurious moneylenders. They lend the necessary money at anything between 12 and 30 per cent. Therefore, it does not matter at all whether the bank rate is 4 or 8 per cent. All the money the agriculturist requires is obtained from a source which is quite unaffected by a rise of one or two per cent. in the bank rate. Therefore, the conditions of the American money market or the discount rate or the bullion reserve in the Bank of England or the borrowings of our Finance Member and the like, hardly ever affect the credit sources of the agriculturist, because the usurious rate of interest on his loans cannot be improved upon. But now things are changing a bit. Most of you are aware that through the medium of more regular financial agencies like the co-operative societies and peoples banks, a number of agriculturists are being financed, and any one who is familiar with the working of these societies will find that the financial policy of the Government of India directly reacts upon agricultural finance so far as credit through these societies is concerned. Perhaps I can give you a concrete example so that it may carry conviction to

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you, instead of theorising. In the last month, Co-operative Central Banks in the Presidency of Madras applied to me as President of the Provincial Bank for loans to the extent of 14 lakhs. We had only two resources at our command—either to overdraw from the Imperial Bank at 8 per cent., the current bank rate, or sell some of our Government securities, which could not be sold except at considerable capital loss. Therefore, I had to hold up temporarily for a short while the loan applications and immediately there were telegraphic enquiries asking "Why was not money disbursed from Provincial Bank as readily as it used to be?" We had then to tell Central banks who used to get money at 6 per cent. that money was very dear because the Imperial Bank charged 8 per cent., and that if we lent money at the usual rate it would involve the bank in heavy loss. I only give it as an illustration to show how, when once you finance the agriculturist on a sound and reasonable basis, charge them moderate rates of interest, the Government policy with regard to its bank rate, with regard to its borrowings in the open market and similar operations have very great reaction, which is immediately felt and instantly communicated to the poorest villager who applies for a loan to any rural credit society. We have got 88,000 societies in British India and the States with a working capital of Rs. 67 crores. Members of these societies now understand the reactions of financial policy of the Government of India and how it sometimes is responsible for their either not promptly getting the loans or if they get them for their getting them at a higher rate. Farmers also understand now better how their prices and profits are hit by your operations. Therefore, Sir, I beg to point out that your monetary policies and your Budgets are more and more scrutinised from the agriculturist point of view in this country, and it is for the Government to see that it so shapes its financial policy as to make sufficient money available to agriculturists at reasonable rates of interest and to strengthen the markets. There are very important recommendations of the Royal Commission on Agriculture which, if they are to be useful, ought to be carried out by the agriculturist himself. I quite agree that no Government in any country can largely finance agriculturists by directly borrowing from the public and lending to agriculturists. Facilities ought, however, to be created for the agriculturist to get his capital and credit increased if he is to carry out those programmes. It is very good to have a research branch; it is very good to attempt to bring the latest improvements in agriculture to the knowledge of the agriculturist, provided they permeate so far. But how is he to carry out the programme and how is he to utilise the knowledge imparted to him unless he is provided with capital? That should be the foremost consideration, and on that matter the Government of India, I think, cannot shirk their responsibility any more. These are not high politics and many people may think these are very small things which this Council is not intended to deal with. But I do not feel so. I feel that agriculture, as a national industry, has not received that attention from Government hitherto that it should have, and I hope at least hereafter it will receive proper attention. In this connection I may refer to the provision in the Budget of the lump grant of Rs. 25 lakhs and 7½ lakhs of annual recurring grant for working the Agricultural Research Institute. I think our thanks are due to Sir Muhammad Habibullah, whose department it is for having brought about a welcome change in the Commission's recommendation. A Rs. 50 lakhs endowment grant is not of much use; I think the change made by the Government of India is really welcome and an endowment of Rs. 25 lakhs and the Rs. 7½ lakhs of annual grant ought to go a great way to bring about the beneficent results which the Royal Commission intended and which the Government of India want. I know it will hardly be enough. But

Provincial Governments who are greatly concerned ought to supplement the grant. I therefore heartily welcome that portion of the Budget which allocates Rs. 25 lakhs as a lump grant and Rs. 7½ lakhs as an annual grant. The provision with regard to the development of roads is also one which will affect the agriculturist beneficially. There is, for instance, this additional taxation of Rs. 90 lakhs on motor spirit which has been cheerfully agreed to and there has not been one word of comment, because this is going to develop communications which is a very important factor in agricultural prosperity, because no ryot can realise his profits unless he has got good communications. On these two points, therefore, I congratulate Government on having done something for the agriculturist.

There are other important reasons for emphasising this matter of agricultural finance at such length. The Finance Member's speech itself shows that even in the hereditary occupation of husbandry the poor ryot of this country is called upon to face foreign competition. Speaking only of one article like rice, what I find in the speech of the Honourable the Finance Member is this :

" Exports of rice, however, have gone down by as much as 7 crores as a result mainly of Japan's temporary prohibition of imports of the commodity into that country and of the increasing competition of the rice-producing countries on the Mediterranean sea-board ".

It is the same thing about wheat, sugar and various other agricultural products in this country. The ryot being poor, he is not able to raise the proper kind of article ; not being educated, he is not able to grade and market them properly, and the result is that he either gets unremunerative prices or in some cases his articles are driven out of the world's markets. Indeed rice and other foodstuffs are now imported into India from abroad. These are very serious forebodings which the Government of India ought to take very careful note of in shaping their financial policies. I am glad that the Economic Conference which meets under the auspices of the League of Nations has shown what an indissoluble connection there is between industry and agriculture and that no industrialist can successfully carry on his industry unless agriculture is prosperous, specially in a country like India. In a country like this, where the bulk of the revenue is derived from land, and where the people live on the produce raised on their own land, it is the duty of the Government to see that the soil is not impoverished, that the ryot is not economically crippled and ultimately made to succumb to competition in the field of agriculture as he did in the field of industries. Therefore, Sir, I make no apology for so insistently pressing this point.

Then, you may ask me : " It is all right. You say we have failed to do some things. Have you any remedies to propose by way of any concrete suggestions ?" Yes ; I shall make two or three suggestions by way of concrete proposals. The first thing that I will suggest is, to consider, when you next take up this question of banking, whether you cannot co-ordinate agricultural finance with the existing system of banking in the country. I speak with practical experience for years of a man running co-operative banks. I find that credit facilities are wanting to ryots in many directions. Even if we have the good intention of financing agriculturists, banking facilities are woefully wanting. Naturally no commercial bank will ever agree to dissipate its resources by way of small loans to hundreds and thousands of agriculturists. That is not possible. Therefore, there must be other organisations which will be financed by these commercial banks on commercial terms. Co-operative banks can ordinarily borrow on occasions to supplement their own money from commercial banks and return it in nine months or one year and then cut

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it up into small loans to agriculturists. But what facilities have these co-operative and agricultural banks to offer that kind of accommodation ? Hardly any. Of course I am thankful to the Imperial Bank for the overdraft they allow to our banks. In Madras we enjoy Rs. 60 lakhs of overdraft ; but it is hardly enough and the terms are hardly suitable for the increasing demands of agricultural finance by the ryots. Therefore, I want the Finance Member to examine the system which prevails in New Zealand, Australia and South Africa especially, how they have co-ordinated agricultural banking with the ordinary commercial banking, and how the State banks themselves have rural credit departments and how in other ways agricultural finance has been supplemented very largely by the State and commercial banking concerns. We want short term credit for financing agriculturists for seasonal operations and marketing and movement of crops ; we want intermediate credit for four or five years for ordinary works of improvement, for buying cattle, sinking wells, etc., and long term credit for redemption of old debts, for making permanent improvements and the like. In all these matters there is a great deal that the Government of India can do even without direct lending to co-operative banks. I will press one recommendation of the Royal Commission on Agriculture on the Finance Member in this connection. The Royal Commission has realised the necessity for providing to agriculturists long term credit on a sound basis, and for that they consider that land mortgage banks are the only suitable agencies. Each province should have a provincial land mortgage bank and Government ought to guarantee interest on the debentures floated by these land mortgage banks and they should be added to the list of trustee securities. These are matters which the Finance Member should consider and carefully examine, and if he does that and helps the formation of land mortgage banks to dispense long term credit, I assure him that with 80,000 or 90,000 societies working in India to dispense short and intermediate credit, agricultural finance can be made really an effective factor in our nation building. Government cannot be expected to borrow large sums and lend them to the ryots. The two Acts, the Agriculturist Loans Act and the Land Improvement Loans Act, have not done much by way of financial relief to agriculturists. Any Member of this House who has revenue administrative experience will know that these two Acts, though beneficial in intent, have not touched the fringe of the problem of agricultural finance. Therefore, it is only in this way that you can really finance agriculture, that is, by organising and popularising special types of rural credit institutions and linking them up with the State and commercial banks. Therefore, I ask the Government to consider in what way the agricultural banks can be effectively financed by the commercial banks and by the State so as not only to finance agricultural production but also to help in the marketing and movement of crops. All this is being attempted now by co-operators but on a very small scale for want of resources. There is another direction in which you can do something. With regard to these co-operative banks we are now suffering under some disabilities. You treat us just as you treat moneylenders. I should like to bring to the notice of the Finance Member that on the interest on Government securities we hold we are taxed although we are making no profits. Everybody knows the word " profits " is a heresy to a co-operative concern. We do not make any profits because our members distribute the surpluses among themselves, and the surpluses really represent the extra charges levied for services rendered to them by way of caution. It is true that on what are inappropriately termed " profits of business " no income-tax is charged. Interest on Government securities should then be placed under the

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some category of "profits of business". I hope something will be done to see that the co-operative banks are not charged income-tax on any account. There is one other help which I would ask. It was suggested by the Government of Madras in the Agricultural Department and was pressed upon this House on other occasions; it is with regard to some of the manurial articles; the Government of India ought to do something to prohibit their export. Oil-seeds are a great factor in the production of oil-cake manure and there are other things like bones and fish manure that are largely exported to other countries to the detriment of Indian agriculturists. The Madras Government lodged a very strong protest against these things of great value to cultivators being exported and asked the Government of India to discourage their export. But the Government of India took shelter under the plea that the Fiscal Commission did not recommend this. I am sorry that the Royal Agricultural Commission has also taken a very, very narrow view of this matter and stated that it did not see its way to accept the very reasonable request of preserving the benefits of these articles to the Indian ryot. I hope something will be done to reconsider this question in its fresh aspects.

I have just one more suggestion to make. It is about subsidiary occupations to peasants. The agriculturist does not spend all his time on agriculture, and the Royal Commission on Agriculture very carefully went into the question of how to supplement his slender income from the land and they have stated that he had sufficient time if only means were found to engage him in some forms of productive subsidiary occupations. The Agricultural Commission has referred to the fact that there are various occupations which could engage him, such as hand-spinning, hand-weaving and a few other cottage industries; but they all require finance, either on a co-operative basis or some other basis, and also they require expert advice. There is no technical advice available to them as to how to find a market. Many co-operative weavers whom I consulted said that there were excellent facilities for turning out hand-woven cloth but nobody would tell the producers where it could be sold readily. Therefore, the Industrial Departments of Governments have got to give technical advice to them and also provide finances for these subsidiary occupations on some systematised method. There are ways in which the agriculturist can be practically helped by means of a regulated system of finance and expert advice to earn additional income. I hope the Finance Member will do something to give a lead to the agriculturist. Lest my points about rural credit and agricultural reform be lost in other things, I purposely refrain from referring to more matters arising out of the Budget. I only want to say that if the agriculturist is organised and financed, India will have a different story to tell. But if you continue to neglect agriculture, it will continue to be a land of waste and want. I therefore press on the Finance Member very strongly that he should see his way to do something during his term of office, to do something really tangible, to prop agriculture up in this country and to help the establishment of land mortgage and other types of agricultural banks through which we can dispense capital and credit to the cultivator. I have kept you long over this matter, but I thought it was my duty to press as fully as I can this aspect of finance upon the Honourable the Finance Member.

There is a passage in his speech which I welcome for its reality. He says with regard to improving the economic condition of the people:

"I would say that the only way in which that can be done is by the constant and combined effort of Government and all those who can influence public opinion, directed to the extension of education and credit facilities, to the encouragement of hard work and thrift, and to an increase in real wealth by the introduction of improved methods of cultivation and communications. Anything else is no more than a quack remedy."

[Mr. V. Ramadas Pantulu.]

I entirely endorse and heartily support every word of that sentence and I have as much grievance against my own countrymen, for having hitherto neglected these rural problems and activities, as I have against the Government, perhaps more. But I hope that this exhortation of the Finance Member to the Government and the people that improved production and agricultural prosperity can be brought about by the combined efforts of the Government and the public will be taken to heart and that something will be done by the people and the State to reconstruct our fast decaying rural economy.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab: Non-Muhammadan): Sir, I beg to congratulate the Honourable the Finance Member on his presenting us with a plain and unvarnished statement of fact, disguising none of the difficulties and exaggerating none of the favourable features. This, Sir, is a very happy sign, and I welcome the sincerity which has prompted him to say so. I might mention, Sir, that in the last Budget adequate provision was made for the various Railways and other works; but a couple of months back a number of works in progress on the North-Western Railway were stopped. It cannot be understood, when the expenditure was duly provided for in the Budget, what was the reason which led to the sudden stoppage. If I mistake not, the amount thus saved was over 5 crores of rupees, and I think, in case those works were allowed to be completed, that the Budget would have shown a further deficit. From the figures before us, Sir, I find that the Military Budget is put down at just over 55 crores. In this, Sir, I find that the loss on strategic railways, which amount to one crore and 78 and a half lakhs, has not been included and also 2·75 crores on Frontier Watch and Ward have also not been included. The Police and other civil establishments in the Frontier Province have been provided for separately, and, Sir, if I mistake not, this Frontier Watch and Ward ought to be part and parcel of the military expenditure. In this way, Sir, the total bill of the defence of our country in the Military Budget comes to 62·12½ crores of rupees and not 55 crores as shown. This amount, as I have already said, is a very big charge on a poor country like India.....

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN: Why don't you bring in the police of the other provinces also?

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: I cannot understand why my friend wants it. The Police in other provinces is a provincial matter, and I do not think it will be within the cognizance of this House to consider it. However, I find, Sir, that our share of Indians in the Indian Army has not yet been brought to a decent figure. If we look to the personnel of the Indian officers in the Army, if we take the figures before us, we find that in 1928 we had 3,498 officers, 1,33,886 soldiers, 35,715 reservists and 21,335 followers. In the year 1929 we find, Sir, that there are 3,417 officers, 1,30,948 soldiers, 35,119 reservists and 20,498 followers, which shows, Sir, that under each head there has been a fall. What do we find, Sir, in the case of the British personnel? In 1928, there were 4,133 officers and 56,074 soldiers. In 1929 there are 4,145 officers and 46,134 soldiers. There too, we find that the personnel is on the increase. If we take the Staff Officers, in 1928, there were 557 officers and 503 soldiers, while in 1929, there were 572 officers and 511 soldiers, as far as the British personnel is concerned. As far as the Indian personnel under Staff Officers is concerned, in 1928 we had 11 officers and 131 soldiers, while in 1929 we had 7 officers and 113 soldiers. This shows, Sir, that

the Indian element is being progressively decreased, and this is an example of the reverse of Indianisation. We pay to the British War Office 1·87 crores for raising and training in England British troops. In this connection, Sir, I want to say that the British troops in India are an Imperial asset and so their training ought not to be debited to India, particularly when the British units which are posted to India are liable to transfer to other Dominions and to other countries.

In the Military Budget, Sir, no figures are given of the Indians employed in the various workshops and factories. This ought to be clearly shown. Another point, Sir, which I want to bring to the notice of His Excellency the Commander-in-Chief is about the recruitment of Indians to the Army. At present the recruitment is confined to the so-called martial classes. My own opinion in the matter is that any class, in case it is properly trained, can be a martial class. There have been many instances in which people of other than the present so-called martial classes have proved a great success in leading armies in India and abroad, and I would solicit His Excellency to give consideration to this vital matter. As far as the British officers in the Indian Army are concerned, they do not come from the martial classes. Most of them, I believe, come from the trading classes, and when they are doing well, there is no reason why other classes in India should not do equally well. Now-a-days, Sir, most of the military arms are mechanical. Mechanical art and intellect are now needed more than physique. Therefore, Sir, I think that this is the right time to throw the Army open to all fit classes. As far as the compulsory training or ordinary training of students is concerned, I find that in India the total number of students who are being given military training in the University Training Corps is 4,314. In this connection, Sir, I might also say that the total number of Indian territorials is only 11 in one lakh in India as compared with 12,000 in one lakh in Australia, and 811 in one lakh in England. The Indian Auxiliary Force of Anglo-Indians and Europeans, however, is 12,000 in one lakh. I beg His Excellency the Commander-in-Chief to be kind enough to take more students for military training. Our population in India is 32 crores, and 11 in one lakh is quite a negligible number. I would welcome the time when compulsory military training is enforced in India whereby all boys of ripe age will have to undergo military training as is being done in other civilised countries. That will be a great asset to the British Empire, and India will be able to render greater service to the Crown than she has hitherto done in time of need.

As regards the Post Office, Sir, I find that there is a deficit of Rs. 29 lakhs in the present year. This is mostly due to the reduction in the rate for foreign telegrams. The Post Office is a Department which is being run purely on commercial lines. There are a number of post offices which are closed every year owing to their not being a paying proposition. But, Sir, notwithstanding the loss in the foreign telegraphic traffic, I think the reduction in rates ought to be done away with and the former rates restored. In India some time back we had a four-anna telegram. Because it was not a paying proposition the rate was raised to eight annas and then to 12 annas. This is a similar case, and the reduction should be done away with now.

I am glad, Sir, that the Honourable the Finance Member has promised an inquiry into banking facilities. At present the country is passing through great financial difficulty owing to deflation of Currency and the exchange policy of Government. Most of the trading class and merchants are tied up for want of money, and the increase in the bank rate, as Sir Maneckji has said, will have a very disastrous effect on trade. I need not dwell at length on the bank rate question as Sir Maneckji has fully dealt with it. I might explain to the Finance Member that in the Punjab, and particularly in the trade centres,

[Lala Ram Saran Das.]

the traders find it very difficult to raise money even against three times the value in security given in house property. This high bank rate has always stood in the way of development of trade and commerce, and in the present time of economic trouble the bank rate ought to be kept as low as possible. In my own experience I have never known the bank rate to stand at 8 per cent. at this season at any time. The present conditions are compelling Indian banks to pay smaller dividends, and the reason is that Government is coming into the market for short term loans on high rates. Sir, I do not know how far these short term loans will benefit India as a whole. I must say that they have given a great set-back to indigenous banking. I find from the report of the Finance Member that he has had recourse to the liquid resources of Government and has included them in the current Budget. In this connection I want to say that the 37 crores from Post Office cash certificates and Post Office savings bank deposits and 19¾ crores from other savings deposits and 5 crores from the provident funds of Railways, will be a heavy liability for us to meet in the near future. In the present economic condition of the people I think that the Finance Member will not be able to raise all the future loans in India to the extent which he may desire. The fall of about 50 lakhs in the income-tax receipts shows that Indians in the last year have become poorer, and the present trade and agricultural conditions are such that there is no hope of a large revival in the coming year. Therefore, Sir, I beg the Finance Member to note that a point has been reached when India will not be able to bear any further taxation, of which the Finance Member has thrown out a hint in his present Budget. The economic condition of this country is such that any more taxation will break them. Therefore, some other means ought to be considered by which the future deficit should be avoided. We see that from 1930 onwards for five or six years heavy liabilities with regard to the payment of loans will fall upon us. The picture of the next year is rather a gloomy one, and so I request that some other suitable method be considered to get out of the coming difficulties. One more point, Sir, I want to lay before the House, and that is that our resources ought to be kept in India to enable us to get a better return on them. That will help us a great deal and compensate for the deficits which are anticipated to a certain extent. Tenders for all stores ought to be called for on a rupee basis, and that will also bring in some eventual savings to Government. I do not want, Sir, to dilate on the Budget at any length, and I wish the points that I have raised before the House to be fully considered by the Finance Member.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: I should like to express my grateful thanks to my Honourable friend Sir Maneckji Dadabhoy for what I consider to be the really encouraging way in which he spoke about the Military Budget. But he concluded his remarks with a statement about which I should like to say a few words, because it is one which has so often been misunderstood and wrongly quoted. He finished up by saying that he trusted that in time to come the Military Budget might be reduced to 50 crores as recommended by the Inchcape Committee. It is a matter which I have thought over very carefully for it has been brought to my notice conspicuously during the last two or three years, and therefore I remember the figures well. The fact is this. When the Inchcape Committee came out here in 1922-23 they found the Military Budget standing at 65¼ crores. They went in detail into all parts of the Budget; they went into every part carefully; they examined every object in it and having done that, they came to a definite conclusion, worked out scientifically that the Military Budget for the following

year should stand at 57¾ crores. They recommended that in future years after that that it should stand at 57 crores. Those, I say, were the definite, reasoned, recommendations of that Committee, worked out scientifically upon the actual detailed accounts of the Army. The Committee went later on to suggest, what I might almost call, a pious hope that in future years in time to come the Military Budget might be reduced to 50 crores. But they made a proviso, which was, provided that there was a considerable drop in prices. Now, as a matter of fact, Sir, no substantial or general fall in prices such as the Committee had in mind has taken place since those years ; and furthermore, as my Honourable friend Sir George Schuster pointed out a day or two ago, the Army Budget has been saddled with expenditure which was then not foreseen. Among other things, there were the passage concessions granted by the Lee Commission ; and improvement of services in the Army, which has been due for many years, had to be added to our normal expenditure. In addition to that, as Sir George Schuster also mentioned, a sum of about 1 crore was transferred to the Military Budget which in previous years had been borne by other Departments of Government, such as, import duty upon all military articles of equipment imported into this country. Sir Basil Blackett started a scheme by which he proposed to commercialise all Government Departments ; and as part of that scheme, so that the public might realise what was the total expenditure on the Army, he decided that import duty on articles imported for the Army should in future be borne by the Army, and that those articles should not be exempt from import duties, as was formerly the case. The total as mentioned by the Finance Member amounting to about one crore. I might add also that in addition to what I mentioned as expenditure over the Lee Commission's Report and over the improvement in service, we have during this last year been able to add two squadrons to the Royal Air Force, and yet in spite of that, in spite of unforeseen expenditure, in spite of the Army being saddled to the extent to which they were not saddled in previous years, our Budget stands at 55 crores, that is to say, 2 crores less than the definite, reasoned recommendation of the Inchcape Committee. I trust that, having said that, Honourable Members will believe that that really is the case. I have stated this before and I have been faced with this question : "Why does not your Military Budget stand at 50 crores, because that is the recommendation of the Inchcape Committee ?" That was, as I say, not a reasoned recommendation, it was a pious hope expressed that, if prices fell, our Budget should not exceed 50 crores.

I should like to thank Honourable Members who have already spoken on the way in which they have mentioned the Army generally. There has been no question raised, no innuendo made upon the military authorities, I would rather say the Defence Force authorities, because it is very often not remembered that your Military Budget includes not only the Army but the Royal Air Force and the Royal Indian Marine. They all take their share in the Army Budget. Very often I hear remarks made as if we, responsible authorities for the Defence Force, were spend-thrifts, as if we had no real interest in the welfare of the country as regards looking after its expenditure. I should like to assure you that everyone of us in all branches of our Defence Forces, regard ourselves first and foremost as citizens of the Empire. We, like all of you here, like all the civilian population of India, are first and foremost citizens of the Empire, and as such it is our earnest wish, and our whole minds are occupied in doing what we can for the benefit of the Empire. We are all tax-payers. None of us have any ambition to pay higher taxes than are necessary, and we realise that the Military Budget must not be inflated, because such must entail unnecessary expenditure. But in addition to being members of this Empire, we have also the burden placed upon us of the responsibility for its safety and

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well-being. It is up to us to see that every citizen of the Empire—merchants, zemindars and others—is able to go about on his lawful occasions without let or hindrance to anyone ; and if the military forces or air forces were reduced it would not be the case that citizens of the Empire would be able to go about their avocations in peace and comfort. It would be very easy for me, as responsible military adviser to the Government, to court cheap popularity by recommending a large reduction in our forces and consequently in expenditure. I personally regard that responsibility laid upon me as the chief military adviser of Government very heavily indeed. I regard my duty with the utmost seriousness and I realise that I should be absolutely wanting, I should be *nimak haram,* if I were to recommend to Government a reduction in military forces which would entail expenditure lower than what I feel to be essential for the safety of the country, both externally and internally. I should like especially to thank Sir Maneckji Dadabhoy again for the reference he made to the arrangement under which the Military Budget would be carried out in the future. It practically amounts to stabilisation of the Budget at 55 crores for the next three years. Sir Maneckji so distinctly informed the House of what he considered to be the advantages of this that it is hardly necessary for me to refer to it. As I think the House probably knows, every Member realises in former years under previous arrangement any sums not spent by the Defence Forces before the end of the financial year lapsed to Government ; that often resulted in some waste. You might have big works, big contracts going on—contractors would be rushed to carry through their work with undue haste ; work would be scamped possibly owing to the necessity of completing it before the 31st March, knowing that anything not spent before that date would lapse. On the other hand, works which were urgently required to be carried out, would probably have to be deferred owing to one realising that they could not be completed by the end of the financial year. The present arrangement, by which these sums do not lapse, but can be carried to a suspense account, will undoubtedly result in economy. I should like the House to know how very whole-heartedly the whole Army is joining in a campaign of trying to save waste and reduce expenditure. I was very grateful to my Honourable friend Sir George Schuster for his remarks on the subject the other day when he stated how whole-heartedly the Army were co-operating. Honourable Members cannot realise the fact that in my inspections I go round and have meetings with all officers in all cantonments that I inspect, and I explain the situation as it presents itself. The House will know that for some years after the war we had in hand considerable surplus stores, rifles, ammunition, etc. It was not possible to anticipate exact requirements. They had to be ordered in advance. We have those to go on with. Those supplies have naturally gradually been eaten up, leaving no surplus now. We naturally have to take stock of how we stand from time to time, and we naturally inform the Home Government as to how we stand in that respect ; and it was after going thoroughly into these that we came to the conclusion that it would be necessary to spend a sum, as my friend Sir George Schuster mentioned, something like 10 crores to put ourselves in a real state of efficiency. I realised, both in my capacity as military adviser to Government and as a Member of the Government, that it must at present be hopeless to ask for an increase in the existing Military Budget. The Finance Department thoroughly realised the situation and the Government of India were prepared to agree that if we could make actual savings ourselves by our internal economy, we should be permitted, as my friend Sir George Schuster stated, to spend that sum up to 55 crores. In going round, as I said, and seeing officers and explaining the situation, I do wish Honourable

Members to realise the keenness of officers to help us whole-heartedly. One officer will come and ask, "Can't you do something to quicken up the issue of remounts? We are getting in undue proportion of old horses; can't we cast them quicker?" Another officer will say, "Can't you expedite the issue of more machine-guns?" All sorts of details they bring up and on every occasion I have been able to say: "Do you realise the situation in regard to the Military Budget? It is up to everyone of us to save Government money when we possibly can." It is quite possible Honourable Members will say to me that it should not be necessary to appeal to officers to save Government money. Does not every one know that it is his duty to save Government money? He of course does, but I think we all of us here who know the words, will realise that the main thing in the world is the human factor. We are none of us machines. Machines are not going to win the Empire for us or keep the Empire for us. It is the human factor that will do that. Here by appealing to the human factor in the Army one has been able to say to them: if you one and all will do your best to help we shall be able to go forward with your machine-guns or whatever it may be. Sir, every Member of this House will realise another fact, that, with the present modernisation of armies all over the world, it is quite impossible to say, with any definite degree of accuracy, what the state of the Army will be in a few years' time, or to say with accuracy that the money we are now spending will provide us with everything essential. Therefore, it is never possible for me, as Commander-in-Chief, to give a definite promise that when the three years are over, the Army will not want another penny. But I can say this that I feel confident that, when this money has been spent, the Army will be in a greater state of efficiency than it has ever been before, and also, as Sir George Schuster has told you, it is possible to foresee that there will then be a considerable reduction in the Army figure. I assure the House that it is our intention that the Military Budget shall not be one penny more than it should.

Before I sit down, I would like to say some words about a matter which I believe has appealed to the imagination and absorbed the interest of, I think, the whole people of India during the last few months, and that is, the evacuation that has been carried out lately from Afghanistan.

The situation which arose in Afghanistan on the 17th December, when the British Legation was definitely cut off from communication with the outside world—a situation fraught with deep anxiety for the safety of our countrymen, British and Indian, and of other foreign residents in Kabul—has happily been relieved by the successful evacuations from Kabul, which were completed on the 25th February by the Royal Air Force. I wish particularly to refer to this unique achievement, because, in my view, it is one of historical importance.

This new arm of our Service has already proved its value in all forms of operations of war, but hitherto it has never been afforded an opportunity in peace such as arose during the recent events in Afghanistan. From the first day up to the conclusion of the evacuations, the Royal Air Force has, in a most efficient manner, competed with the various stages of the situation. I would draw attention to the fact that this operation of the Royal Air Force was, from every point of view, a task of peace, involving risks willingly undertaken for purely humanitarian purposes, and carried out with the consent and co-operation of the Afghan authorities at a time when they were involved in a difficult and dangerous situation. From the very first day to the last our pilots went up to Kabul without a single weapon of any sort. The machines employed were Service machines, but everything in the nature of offensive

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weapons was stripped off; and the same applied to the pilots themselves, who carried no arms whatever—not even pistols.

I am glad of this opportunity to be able to convey to the Air Ministry and to the Air authorities in Iraq our grateful thanks for the promptitude with which they at once and unhesitatingly sent their heavy transport machines—Victorias such as Honourable Members saw at the Air Force display in Delhi the year before last—to our assistance: indeed, the speed and punctuality with which these were despatched and arrived at Karachi is an outstanding feature of these evacuations. Later on, one of these machines was forced to land in very hilly country in Afghanistan during the process of evacuation. Fortunately, it was on its outward journey to Kabul and carried only its crew, Flight Lieutenant Chapman and Flying Officer Davis. They landed under most difficult conditions in a very mountainous area, and although the machine became unserviceable, these two officers were subsequently rescued by the Royal Air Force.

During the period from the 18th to the 23rd December, our machines were constantly fired on by the tribesmen and struck by bullets; in fact, the first machine that arrived was shot down, but fortunately made a successful landing on Sherpur aerodrome. The pilot, Flying Officer Trusk, who later rendered valuable assistance in the evacuations and remained throughout with the British Legation at Kabul, was assisted on landing in these difficult circumstances by the Afghan and Russian pilots located at Kabul, whose friendly co-operation I am glad to take this opportunity of acknowledging.

I would draw attention to the three chief aspects of these remarkable events.

The first phase, which lasted from the 18th to the 22nd December, was the period of the opening up of communications by the lighter type of machines with which the Royal Air Force is equipped. I have already stated that these operations were carried out under tribal fire; and during this period a total of 11 machines was used. They flew 3,630 miles.

The second phase consisted of the evacuation period, which started on the 23rd December and continued until the 25th February. During this period, both light and heavy transport machines were used. In all they made 86 journeys from Peshawar to Kabul and back, and flew a distance of 28,000 miles. These evacuations were carried out at a height of 10,000 feet under every conceivable climatic difficulty in one of the severest winters on record. When the final evacuation took place on the Sherpur aerodrome, there was a depth of 17 inches of snow on the ground.

The third aspect of these events was that connected with the rescue of Flight Lieutenant Chapman and Flying Officer Davis, whose Victoria machine, as I have already mentioned, was unfortunately compelled to make a forced landing. These officers were throughout treated well, not only by the villagers in whose area they landed, but also by Ali Ahmed Jan, who did everything possible to facilitate their onward progress to Jalalabad. They were received by the Naqib of Charbagh, who gave them every facility and hospitality. Due to his good offices and the active assistance of the British Consul at Jalalabad, and also to the fact that these two young officers once they landed used their brains and discovered an area of ground on which our machines could land, messages were sent to Air Group Headquarters, Peshawar, stating that, provided machines were sent on a certain day to a certain place at a certain time, these officers would be permitted to return to India by air. Flying

Officer Hancock, of No. 20 Squadron, was the officer selected to carry out this evacuation. At the first attempt, his machine, in landing, hit a boulder and wrecked the undercarriage, rendering the machine unserviceable. This did not in any way deter the three young and keen officers—Chapman, Davis, and Hancock. They set at once to repair the damage, and in about three days' time, Flying Officer Hancock arrived at Peshawar with Flying Officer Davis. There still remained Flight Lieutenant Chapman, and Flying Officer Hancock returned on a certain date and brought him away by air.

Thus the Royal Air Force not only completed the evacuation of men, women, and children from Kabul, to a total of 586 souls, but also evacuated their own pilots who had been unfortunately compelled to land. The House will realize in what an entirely impartial spirit the evacuation was carried out when I mention that the British, French, and Italian Legations were safely brought away ; and the numbers included 343 Indians, 57 Germans, 49 Turks, 25 Persians, 23 French, 23 British, and 19 Italians. The nations concerned have tendered their grateful thanks for the care and help given to their Legations. The story of these evacuations is indeed unique. Except for the one machine that was forced to land, the Royal Air Force have carried out these evacuations without any loss of material. In referring to the successful completion of the evacuations, I must say how deeply grateful we all are to Sir Francis Humphrys for the part he took during those troubled and anxious days at Kabul. (Applause). Had it not been for his personality, insight, tact, and diplomacy, which made it possible for the machines of the Royal Air Force to land at Sherpur, these evacuations could hardly have taken place.

It is, perhaps, invidious to mention names when all who took part did so well. I often wonder if, when one hears of successful operations carried out like this, one realizes the extent of the efficiency which must necessarily be involved—in this case from the Air Officer Commanding down to the latest joined mechanic. A single weak link in the chain—a single error or neglect on the part of an officer or workman—might well have resulted in disaster and heavy casualties. And though, as I say, it may seem invidious to mention names, yet I feel I must take this opportunity of conveying to Air-Vice-Marshal Sir Geoffrey Salmond the grateful thanks of the Government of India for all that the Air Force has accomplished. (Applause). Also, I cannot refrain from paying tribute to Group Captain Mills ; to Squadron Leader Maxwell, who commanded the Victorias from No. 70 Squadron ; to Flight Lieutenant Anderson, who was in charge of the great Hinaidi transport machine ; to Flight Lieutenants Prendergast and Smetham, who took a notable part in the opening up of communications ; to Flying Officer Trusk, who, with Leading Air Craftsman Donaldson, was shot down and did such good work in Kabul ; and to Flight Lieutenant Chapman and Flying Officers Hancock and Davis, to whom I have already referred.

As a matter of interest, I might mention that a Pathan accompanied each machine as interpreter, one of these being a Barrister who gave up his practice temporarily for this work. (Applause).

The grand total of journeys carried out by the Royal Air Force on this great errand of mercy is 107, and they flew in all 33,930 miles, making a grand total of 57,430 miles including the mileage flown by the Victorias on their journey from Iraq to Risalpur. I think I may say without fear of contradiction that the Royal Air Force undertook a great task on the 18th December, and that they have done it well.

I feel confident that I shall have the whole House with me when I emphasise that the by no means least important aspect of this achievement,

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culminating as it did in the withdrawal of the British Legation, was the practical demonstration to the world of the policy of scrupulous non-intervention in Afghanistan which Government have set steadfastly before them from the outset, and have consistently maintained. (Applause.)

THE HONOURABLE MR. G. A. NATESAN (Madras: Nominated Non-Official): Sir, I think it is a matter for satisfaction that though threatened with a deficit Budget, the new Finance Member has been able to find some money for some of the nation-building departments. I may particularly refer to the grant of Rs. 15 lakhs for agricultural research, and I trust ere long he will be able to find the full amount recommended by the Agricultural Commission. Being interested in university education, I am happy to note that a grant of Rs. 5 lakhs has been given to the Benares University, and I was glad particularly to hear of the assurance that if the Aligarh University authorities will soon have a smooth working of their institution, the case for a grant to them will also be very favourably considered. I am equally very happy to find the grant of Rs. 2 lakhs to the Bose Research Institute. I had the privilege of visiting this institution in Calcutta last December, and I really felt proud of the great achievements of this distinguished Indian who has won a reputation all the world over; and when I find that a grant of Rs. 2 lakhs has been given to it, I feel it is a grant very well made, and I trust that, in future, this institution and similar institutions which might grow up hereafter will receive help from the Central Government. I lay stress upon this point because there is a general inclination at least in some Departments to say "No" to requests of this kind on the plea that it is a provincial subject. In this connection I must note with satisfaction, that the Department presided over by my Honourable friend, Sir Muhammad Habibullah, the Leader of this House, has had a good share of the grants. I trust that in normal times he will be able to persuade the new Finance Minister to give more and more for nation-building departments. I must express my regret, however, to find no mention of the Technological Institute about which I myself and my colleagues here and elsewhere have for years been agitating. I think it is a great want in this country. Students of Indian Universities have to go to other countries to equip themselves for their technological training at a heavy cost, and I hope it will not be long before some steps are taken for starting a really well-equipped Technological Institute.

In answer to an interpellation of my Honourable friend Sir Phiroze Sethna, the Honourable Sir Muhammad Habibullah, the Leader of the House, said that he would not undertake to say anything about the question of mass education till the Report of the Simon Commission was out. If one could understand from the nature of the answer given by Lord Burnham, one of the Members of the Commission, it may be some years before their Report is published. But whether it is published early or late, I do think that a solemn responsibility rests on the Government of India to see that a proper and well-organised system of mass education is organised in this country, and among other things, the Honourable Member who is in charge of Education will certainly have a claim to boast that during his tenure of office he has done something at least to carry through a scheme for mass education on a solid and substantial basis. For, nowhere else in any part of the world are only 8 per cent. of the people literate, and this glaring defect in our present system is noticed, not only by ourselves but is also flung at us when we put forward our case for our political future.

Having been connected with a municipality for over 20 years, I welcome with pleasure the grant of Rs. 6 lakhs for Delhi. The Finance Minister has said

that this is intended for general measures for the improvement of the conditions of the poorer population of Delhi. Nowhere is the condition of the city so bad as in old Delhi, and I am glad that 6 lakhs have been promised for it, and I venture to suggest that the Government of India should not rest content merely with the grant of this amount. I speak in no disparagement of the Delhi Municipality or of any other municipality or local self-governing body in this country, but I trust that a small select body, something like a small Improvement Trust, is appointed to see that these 6 lakhs are devoted to the purpose for which they are intended.

I wish also to say in connection with the Fund to be created for the development of roads that the Government should take good care to see that the Provincial Governments, who are given a grant from time to time from that Fund, use it only for that purpose and for no other, because, when funds are collected for one beneficent object, it sometimes happens, either through lack of care or supervision, that they are diverted to objects for which they were not intended.

I am glad that the debate to-day began with a protest from my Honourable friend Sir Maneckji Dadabhoy against any proposal for fresh taxation. There is already discontent in many ways. The burden of taxation is already complained of very seriously, and I think the Honourable the Finance Member will be making one of the serious mistakes of his life if he were in the near future, or even before the end of his term of office, to contemplate any fresh taxation.

1 P.M.

On the other hand I trust he will be in the fortunate position of bringing out a surplus Budget next year. If there is a surplus—and here I join issue with Sir Maneckji Dadabhoy—it should be devoted to the relief of taxation which touches the poor people—the salt tax and the tax on kerosene oil, and other taxes of that kind which are felt greatly by the poor. I trust that that will be the first consideration of the Government: they are hampered to-day by a good deal of public discontent, and I trust they will bear this in mind. I was very glad to note, not only in the speech of the Honourable the Finance Minister, but also from the proceedings in another place, that he welcomed the idea thrown out that every effort should be made to retrench expenditure. If there is any field in which the Finance Minister can usefully occupy himself it is in this field of retrenchment. It was one of the great financiers of England, Gladstone, who remarked, "Economy is itself a great source of revenue". I will not dilate upon that but will only point out that in the "Life of Lord Rawlinson", our late Commander-in-Chief, whose premature death we all deplore, there is a very significant passage which I might bring to the notice of the Council. It says:

"After two years' experience of Indian Government, I have come to the conclusion that it is one of the most uneconomical in the world to-day. In general method and in detail, it is out of date. The state and display which the Moguls introduced into India on a lavish scale two hundred and odd years ago, still surrounds the Viceroy, the Governors of Provinces, and the Indian States."

In 1921 a proposal was made in the Central Legislature that it was high time that the Government of India looked to the finances and appointed a retrenchment committee. In a short time the Inchcape Committee was organised and with great thoroughness they went into the whole thing and brought about a considerable reduction in expenditure. I venture to think that though similar criticisms of extravagance may not apply now, the Finance Minister should not be deterred from the path which he should pursue in the direction of economy. I think a committee of officials and non-officials would certainly be able to give him that help which he is entitled to. More than anything else, the association of non-officials in a committee with the Finance Minister sitting together,

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would be a valuable help. They would be able to show on which side expenditure could be cut down, and on which side not. In other ways it would be valuable, for many non-officials who criticise policies might be shown that their criticisms are unfounded. In short, it would be found that the time of the committee would not be spent in vain. I think that is a step which Government ought to welcome. It will be very useful. As this question of the separation of railways from general finance is to be considered, I should like to ask what is the reason for the accumulation of this large sum of nearly 25 crores as a reserve fund. Is there to be any limit to it? And, if so, what amount? It is all very well to have a reserve fund for a prudent man as for a prudent Government. You will find amongst your friends some who say they are hard up immediately after they have received their pay. They say, I have invested so much in this and given so much to that fund and done this or that, or purchased property and am in consequence hard up! But I think so far as the finances of the State are concerned, it is high time that a limit should be put on the incentive to accumulate these reserves. Because, what is intended as a prudential measure may in the end operate as an obstacle to the promotion by the executive of schemes and plans which are absolutely necessary for the well-being of the State. . . . .

THE HONOURABLE SIR MANECKJI DADABHOY: It is an accumulation on paper. It is all spent.

THE HONOURABLE MR. G. A. NATESAN: I think the testimony of Sir Maneckji in this matter should be welcomed. I am sure that having regard to the source from which it comes the authorities will give it that consideration which it so rightly deserves.

Then I come to the question of military expenditure. I was very interested to hear the speech of His Excellency the Commander-in-Chief. It is not my intention nor the intention of friends here and elsewhere when they say anything against military expenditure to make any suggestion that there is any waste or extravagance in the management of that Department. Our contention has been for years that it is the system which is radically wrong. It is a system which unfortunately we have inherited. It has been the protest of politicians for years, and notably of my friend present here to-day who has for half a century protested against a system the net effect of which is to throw the burden on India. There is no use disguising that fact. If I say here what I have said on a previous occasion it is in the hope that the new Finance Minister will take it in the spirit in which it is offered. Our case is that the Army is in excess of the requirements: that really you are maintaining a large army for the purposes of the Empire, and the observations with which His Excellency the Commander-in-Chief closed his speech just now give support to the view we have been urging for years, namely, that you are making India pay for the maintenance of an Army the cost of a considerable portion of which ought to be borne by the British exchequer. That is a very old grievance, but you must remember that having regard to the past administration and having regard to the relations in which India stands to Great Britain, we really have a grievance. The interests of India are being subordinated to the interests of Great Britain. It was years ago that the Simla Army Commission sat and they stated very vehemently that the Army in India 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.

That policy has not been given effect to, and I regret to say that I find in 1922, when the Government of India suggested to the War Office considerable reductions in the British Army in India, the War Office turned down the proposal and the reply given in the House of Commons by Colonel Guinness was :

"If the War Office agreed to the Government of India's making excessive decreases, it would eventually mean further cost being thrown on the British budget."

After that I do not think any one would suggest we are stating the case unfairly to the authorities when we say that Indian interests are being subordinated to British interests in the matter of Army expenditure. We also remember that the Indian Legislative Assembly which met after the Montagu-Chelmsford Reforms protested against the remark made by the Esher Committee that the Indian Army should be considered as part of the army forces of the British Empire. There is no use forgetting the fact that the proportion of British soldiers is greater than is absolutely necessary. There is no use forgetting the fact that every British soldier costs five times more than an Indian soldier. I think we also pay dearly in the shape of capitation charges and also for the introduction of the short service system. I have spoken somewhat strongly in this House in regard to this matter in the past and also now, because I feel that I am in the presence of one of the most expert financiers, who for over 40 years has drawn attention to these things and nothing has happened in all these years to enable us to say that the unfair policy has been deviated from to any satisfactory extent. It would certainly be some consolation and some compensation if a portion of this heavy military expenditure was devoted to the real purposes of national defence. I have been connected with the Madras University for 21 years and I have been on the Syndicate of the University for the last 10 years, and the question of the University Training Corps comes up constantly before us. Allow me to state as a matter of humiliation that we have been obliged to refuse admission to many boys for joining the University Training Corps because we have no funds. I am very glad that my Honourable friend Lala Ram Saran Das drew attention to the fact that for the whole of British India with so many colleges, with so many young men studying in our universities, there are only about 4,000 students in the University Training Corps. The smallness of number is solely due to the fact that you do not provide funds. It will be some consolation if out of this heavy military expenditure you spend a crore or two every year in this direction of promoting the University Training Corps. I would like to point out what has been said by others more competent and by those who have taken a larger interest in the public life of the country, that when we talk of all this, when we complain that there are only 88 Indians in a whole Army service of nearly 6,808 officers, we are not doing it simply for the love of it or from a selfish view of power in order to get offices for the unemployed. It is galling to one's self-respect, and believe me when I say that the present military policy pursued by the Government of India in not giving us facilities for a large number of our people to be really trained for the defence of our country, is one which is not consistent with the declaration made in the House of Commons that responsible government is to be our goal. I think no serious step has been taken in this connection. The whole question of military organisation, if I may say so, should be looked at only from one point of view, and that is the standpoint of India, the standpoint of Indian nationalism and the standpoint of Great Britain's pledge to India of responsible government being the goal.

And this brings me to the last word, and that is with regard to the present political situation. Taking advantage of the indulgence which you, Sir, have been pleased to give us, to say a word or two about the subject, I should like to point out that there has been unfortunately a feeling of suspicion that Great

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Britain does not intend seriously to stand by its pledge and plighted word of "responsible government". I am not stating this from my own imagination. You will perhaps be surprised if I say that I found in the very excellent life of Lord Rawlinson written by Major-General Sir Frederick Maurice, which I had the privilege of reading the other day for purposes of writing a review of it, a very significant sentence. It is from his own recorded statements, from his own diary. It is this :

"The fact is that the Home Government, having introduced the Reform schemes, are now afraid they are going too fast. They are trying to put on the brake, and the machine is inclined to run away from them. But we must either trust the Indian or not trust him. The schemes have got to be carried out honestly in their entirety, with a view to eventual Dominion self-government, or else we must return to the old method of ruling India with the sword. There is no half-way house."

It was therefore with very great pleasure that not only myself but the member[8] of the Party to which I belong read the other day a passage from the very interesting speech which His Excellency the Viceroy delivered in opening the Legislative Assembly ; and that passage is worth quoting, for it will enable a few who have not heard it to satisfy themselves that the highest authority in this country is alive to its grievances and he at least is no party to go back upon the pledge. The passage is as follows :

"I tell this Assembly, and through them India, that the Declaration of 1917 stands and will stand for all time, as the solemn pledge of the British people to do all that can be done by one people to assist another to attain full national political stature, and that the pledge so given will never be dishonoured, and as actions are commonly held more powerful than words, I will add that I should not be standing before you to-day here as the Governor General, if I believed that the British people had withdrawn their hand from that strong covenant."

Noble words, these, and I am sure that the message of hope which it has inspired in many of us will, if I may say so, diffuse further and that ere long his mission to England will bear fruit and will make all of us feel that in the British Commonwealth we shall get a status which is equal, which is honourable, and which, we could say as self-respecting Indians, is one of which we are really proud.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN (Punjab : Nominated Non-Official) : Sir, when I came here I had no mind to speak ; but I all along had in mind that if any one attacked the Army I would say a word or two. Sir, in the last war, supposing India had not sent troops to help the Empire and anything had happened, say, if the Germans had won, would not India have suffered ? Or, if there was an attack on the coasts of India and we wanted a Navy, would we not be asking for the Navy from England ? If the Empire is helping us in that way and if we help the Empire with our resources and our Army, would there be anything wrong ?

Reference, Sir, has been made to the Territorial Forces. I happen to be the President of the Advisory Committee. The men in most of the Territorial units do not readily come forward and the battalions are under strength. I happened to inspect the University Training Corps. A good many of the boys there were wearing eye-glasses and when they began to shoot, those who were wearing glasses were worse off and they missed. The Punjab, I think, is the province from where most of the Army is drawn and the health of the people there is strong. I found many men in the University Training Corps who should not have been there. If they were asked to carry their full kit in the route march, they would be unable to do so, and I think they were the pick of the University.

THE HONOURABLE SIR MANECKJI DADABHOY : Is this our Budget ?

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN : I am speaking on what my friend the Honourable Rai Bahadur Lala Ram Saran Das has said and it is on the Budget also, because money is spent.....

THE HONOURABLE THE PRESIDENT : Will the Honourable Member address the Chair ?

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN : I beg your pardon, Sir. It is in order for the reason that in such matters money is spent in one way or another. Then, Sir, about the suggestion that other classes should be taken into the Army instead of the martial classes, I would say that during the Great War we tried our very best to get any one that we could into the Army and it was only the martial classes that came forward ; the others did not, though they were given every opportunity. Then, how, Sir, are we going to ask the non-martial classes to enlist any further ? Perhaps they may come forward when there is no danger, but when there is danger they would not. As to the money which is spent on the Frontier Police being debited to the Army, as pointed out by my Honourable friend Lala Ram Saran Das, if that police did not exist in the Frontier Province, the chances are that there would be war : and when a war is declared imagine how much money would be spent, and, as my friend Sir Maneckji said, then we would have to vote for that money. Now, we are only voting for a small number of police which is keeping the Frontier intact. . . .

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : I said nothing about the police, Sir.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN : My friend wanted to add that money also to the Military Budget. If we see, many of our countrymen who go into the Army are absolutely illiterate and are all taught to read and write in the Army and when they come out almost all of them are more or less educated. The money spent in this way ought really to be debited to the civil estimates for Education. This money ought to have come from the civil side, as the civil ought to have helped the Army for the education of the soldiers. But the Army is doing the work of education for the civil, and I think some of that money which is now included in the Army Budget ought to be debited to the civil.

It has been said, Sir, that the officers in the Army have increased. The method of fighting in these days is so different from what it used to be that one does require brains and for that the educated officers from England have to be increased in number because it has been seen in the last war that, whenever the officers in a unit were killed, that unit ceased to function. It did not know what to do further or how to go forward in a particular attack. So it is a necessity to have the requisite number of officers. Then the Honourable Lala Ram Saran Das wants to have officers of any class. How this is impracticable I will give you an illustration. There has been an abduction case in a part of the country where the men of a non-martial class ran away with someone's relation. I think there were 55 of them, and there were three men of the other party not really belonging to a martial class but they came from that part. These three men had sticks as well as the 55 men of the aggressive party. And these three men beat the 55 and took away their relation. And then another man of the real military class ran after these three men and

[Colonel Nawab Sir Umar Hayat Khan.]

caught all three of them, *i.e.*, one man of the martial class caught those three men who had beaten 55 men of the non-martial class out of whom one is still an officer in the army. So these are the differences, both in breeds of animals and of men. So I think, Sir, when the Army has to spend money, well, why not spend it on the proved material, because if they want to use this money on material which is not fit it will happen that one day when the fighting is at its height they will give way and the whole line will be broken and spell disaster for the very country for which the Army is kept.

I will now join Sir Maneckji in welcoming the Finance Member to our House and also offer thanks to my friend Mr. Ramadas for helping the agriculturists. I think he was quite right in asking that there should be banking facilities for the agriculturists. When I was on the Reserve Bank Bill Committee, we, the agriculturists, did our very best to try and ask the Government that there should be some agriculturists on the Board, and it was not conceded. Of course afterwards the Bill was thrown out, but if ever there is a chance of the Bill coming up again for reconsideration. I hope the agriculturists will be given a chance. I personally know that there are hundreds of acres of land of very great value which are now with the moneylenders for small amounts of money and if there were mortgage banks for giving money to the agriculturists to get their mortgaged lands back it would be a great boon to them. If all these lands went away from the hands of the agriculturists they would have no other occupation, and they may in warlike provinces turn to mischief and trouble.

These, Sir, are the remarks I would like to offer.

THE HONOURABLE RAJA SIR RAMPAL SINGH (United Provinces Central: Non-Muhammadan): Sir, let me at the outset confess that I am not in a position nor have I got sufficient capacity to deal with the technical points with which the Budget deals. I leave that matter for the experts. I want only to speak on the general features of the Budget. There is no doubt that this document has been prepared with lucidity, and the frankness and sincerity with which the details have been worked out really deserve our appreciation. From it even a layman can find out what is the financial position of the country, and our Honourable Finance Member is certainly entitled to our grateful thanks for the manner in which he has prepared it. Sir, it is a matter of gratification that he has provided for a grant of five lakhs of rupees to the Hindu University which is badly in need of such help. Of course, that will not suffice to meet all the wants of the University, but something is better than nothing. I wish that my *alma mater*, the Aligarh University, may also have been treated in a similar manner. The Finance Member has only imposed a duty on petrol which is in the right direction because it is going to be applied to an object which is quite commendable. This is the credit side of the Budget. But there is also a debit side. In my opinion the Budget is a depressing document. The Finance Member has not only to touch the Revenue Reserve Fund, but also to deplete it in order to make both ends meet. It is a matter of grave concern that our finances are not in a position in which they ought to be. And the warning that has been sounded by the Finance Member is the cause of great uneasiness to us as well as to the country. I may point out that the country is already seething with discontent on account of political and economic reasons, and if the Government of India will launch upon new and fresh taxation I am sure that will further stimulate the discontent that at present exists. I would therefore most humbly beseech the Finance Member that at least for some years to come he should not have recourse to any fresh taxation.

Sir, there are two great redeeming features in the speech of the Honourable the Finance Member. The first is the observation which he has made in the very beginning of his speech that he will try to do his best in the best interests of the country. I am sure if he will carry out this intention of his and he will not succumb to the mandates of Whitehall, the country will surely appreciate his labours and will thank him whole-heartedly for all that he will do during the term in which he may serve. There is another feature, namely, that he has promised that he will first scrutinise the expenditure. That is a hope-inspiring promise. I am sure he will cut down the expenditure that may properly be cut down in order that no fresh taxation may be launched upon.

With these words, Sir, I again thank the Finance Member and hope that his aspirations and ambitions will be fulfilled.

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

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

THE HONOURABLE SRIJUT LOKENATH MUKHERJEE (West Bengal: Non-Muhammadan): Sir, if I rise to intervene at this annual ritual, it is to express my dissent from the principle and policy of the Budget which has been presented to us a few days before. This is Sir George Schuster's first Budget and even a hurried glance at the mass of figures would show that the new Finance Member is not as fortunate as his predecessor. The income and expenditure estimated for the next official year have produced what is called a deficit Budget. Sir, the next year's Budget is devoid of any striking feature. But there are of course certain features which every patriotic Indian will regret. Now, Sir, coming to the speech itself of the Finance Member, I should say that those who had the privilege of listening to him were sure to be favourably impressed with the modest sincerity and the high tone with which Sir George approached and handled his difficult task and I congratulate him on the excellenct maiden Budget speech he delivered in introducing the Budget. Sir, the Finance Member has not committed himself to any definite financial policy for the future. He has thought fit to wait and see. No doubt he has acted like a wise man in this respect. At the beginning of his speech he depends for his success entirely upon the favour of Providence, but in the end he allows political stability to take the place of the Almighty Providence, probably because he judged his second thoughts to be far better. Sir, we are really glad to hear from him that it is his firm conviction that the financial position of this country is fundamentally sound and that there can be no country in the world which has better security to offer for its loans. No doubt it is highly gratifying to have this opinion of a financial expert like our present Finance Member. But, Sir, I submit that the angles of vision of the Government and the governed are not always the same. They do sometimes differ. High taxation and manipulation of the currency and exchange may strengthen the financial position of the Government for a time. But if it is not based on the increasing prosperity of the people and is dependent on a policy of exploitation, then the crash is bound to come, be it sooner or later.

Now, Sir, coming to the details, one does not find any change in the traditional financial policy of the Government of India. The revised figures of revenue and expenditure for 1928-29 and the budget estimates for 1929-30 do not warrant a spirit of optimism. They are in fact rather depressing. The net result for 1929-30 is expected to be Rs. 120 lakhs worse than for 1928-29 It is really a mercy that at least for the present the Finance Member does not

[Srijut Lokenath Mukherjee.]

propose any additional taxation for revenue purposes, but has attempted to meet the deficit by drawing on the Revenue Reserve Fund. The danger is not however all past. Not only has the Finance Member held out no hope of reduction of taxation next year, but he has on the other hand said something which indicates that, if the necessity arose, he would not hesitate to propose additional taxation. Sir, I need not quote his remarks in this connection as they have already been quoted by my Honourable friend Sir Maneckji Dadabhoy. Sir, that statement of the Finance Member is a highly significant one and it should prepare the country for additional burdens of taxation. The necessity for it can be obviated only if substantial reduction is made in the bloated military expenditure. The Finance Member has made it clear that until 1931-32 at least there is no hope of relief from this direction. Sir, as we all know, the Military Department has as usual swallowed the bulk of the revenue, leaving little for measures really beneficial to the country. The Finance Member has assured us that the Government are trying to effect as much economy as possible in the standing military charges, but as the savings are to be utilised in modernising the army equipments there cannot be any reduction under this head for the present. Sir, this will be a very poor consolation for the Indian people, on whose breast the Army has been sitting like an excessively heavy burden and which they ought not to be compelled to bear and which does much to increase their poverty. Sir, I am not complaining of the maintenance of such an army as may be really necessary for the defence of the country. But the Indian Army, I submit, is kept at a strength much beyond what any possible defence of the country requires. Year after year India is made to spend about 40 per cent. of her central revenues, if not for any other reason, at least for having the doubtful honour of maintaining this vast army for Imperial needs. India has to pay for the training of British troops who come here for a certain number of years and after they have finished their training they are sent back home to be replaced by fresh batches. Sir, India is thus made a sort of general rendezvous and training camp for the Empire, from which soldiers may at any time be drawn for service in distant lands. Sir, the net military expenditure for the next year has been estimated at 55 crores. We expected some sort of sympathetic gesture from the Finance Member, but we have got instead his defence of the wasteful methods of the Army Department.

Sir George has quoted the recommendations of the Inchcape Committee in this connection simply to give them the usual and convenient go-by on the excuse that the conditions that the Committee envisaged have not materialised. The recommendation of this Committee was only conditional upon a fall in prices and the Committee we all know reported in 1922-23. May I now ask the Honourable the Finance Member " Has not the general level of prices fallen since ?" Sir, His Excellency the Army Member has told us that prices have not gone down at all. Sir George, on the other hand, has said that there has not been a substantial fall. Sir, the term substantial is highly misleading, and in order to fully justify his contention the Finance Member should have given us figures. Sir, our contention is that prices have indeed come down and accordingly the Army estimates should have been brought down to 50 crores as suggested by the Inchcape Committee. Sir, we do not agree with His Excellency the Commander-in-Chief when he says that reduction of military expenditure to 50 crores was merely a pious hope of the Committee. There is nothing in the Report to justify his contention. Sir, if we turn to Britain, the mother country of the Honourable the Finance Member, we find the military estimates there have been progressively reduced and presumably without sacrifice of efficiency.

Sir, we fail to understand why similar reductions cannot be effected in the Army estimates here in India. We have protested and once more strongly protest against the militarist policy of the Government with the full knowledge though that our cry will be in the wilderness. The whole military policy of the Government is based on that of domination and distrust of Indians. The only and the easiest way to reduce the military expenditure is the Indianisation of the Army. Sir, it has been urged that the British element is necessary if for no other reason at least for maintaining the efficiency of Army in high order. Sir, this talk of British efficiency is a very old one and is to be found everywhere under the Government of India. But in spite of saying that the less said of British efficiency the better, I should say that there are abundant proofs of the efficiency of Indian soldiers. No Englishman of the last generation knew India better than did Lord Curzon, and he characterised the Indian Army as " one of the finest fighting forces in the world ". Then again, speaking of Indian soldiers and British soldiers in the same campaigns, General Hamilton declares that " in nearly every kind of fighting and service the Indian troops are actually superior to the British "; and he confesses that the British officers among themselves recognise this, but they try to keep it secret only whispering it with bated breath. Sir Valentine Chirol in his book " India " writes to say that " The Indian Army has a fine record for gallantry, and is a great fighting engine." Sir, he also tells us of a remark once made by the German Kaiser, that the Sikhs of India were the only foreign troops against whom he feared to pit his own German infantry. Sir, in the face of these testimonies why our demand in this behalf is being treated with contempt we cannot understand. There must be some deeper reason underneath this. It is not for maintaining the high order of efficiency that the British element is there, the real object is to keep the increased strength of the British Army under the name of India and at the expense of India. Similar was the object behind the creation of the Royal Indian Navy. Sir, before I leave this part of the Budget, I would only say that the maintenance of British troops and British officers of the Army causes a heavy drain of the public revenue, and a bold and comprehensive scheme of Indianisation would be a definite step towards economies ; and so long as the Government do not go in for it they will be accused of robbing the Indian Peter to pay the British Paul.

Sir, I shall now come to consider the other aspects of the Budget, and in doing so I shall take up the question of the Indianisation of the higher services. Sir, our demand in this respect is a long-standing one. But what do we find ? We find that no substantial progress has been made in this direction. During the pre-reform days the Indian Civil Service was not only an administration but it was also a Government. The present reforms, which were forced upon India without her consent, did nothing more than expose this Government of alien bureaucrats to the criticism and censure of the elected representatives of the people of India without power of appointment, dismissal or even reduction of their salaries. Three out of six ordinary Members of the Governor General's Executive Council represent the Civil Service, the permanent Secretaries of all Departments are members of the Civil Service, and the Civil Service commands a majority of posts in the judiciary. Again, even among the members of the Civil Service, Government make racial discrimination. Sir, this is the reason why we do not find more than half a dozen Indians in the higher posts under the Government of India. What is the excuse of the bureaucracy against this gross inequality of treatment and grave injustice? The bureaucracy trumps up their old excuse of " efficiency " saying that Englishmen are more efficient than Indians. Sir, I shall in reply quote a small passage from a carefully written, self-respecting and manful reply of an important Association of Indian

[Srijut Lokenath Mukherjee.]

officials to the following insulting question addressed to them by the Royal Commission on Public Services :

"To what extent do you consider that the European personnel in the Indian Civil Service must be retained in order to insure the efficiency of the Service and the safety of India ? "

Sir, the following was the reply of the Association :

"No self-respecting Indian ", they declared, " can agree to these humiliating suggestions. We deny that, from the standpoint of efficiency, a European element is necessary in any part of the service. Knowing as we do the work of the European officials at close quarters, and possessing exceptional opportunities for comparing their work with our own, it has been a matter of painful surprise to us that it should be taken for granted by Englishmen that we lack certain qualities, administrative and other, which Europeans are supposed to possess. We do not want to sing our own praises ; we only desire to call attention to the fact that the people who assert this inferiority on our part are those and only those who, setting themselves up as a superior race, are unwilling to admit us to any position of equality whatever with themselves. While we welcome Europeans as our colleagues in the various departments of the service, we most emphatically repudiate any claim that the European as such is superior to the Indian either in efficiency or character."

Sir, this is the view of the Indian officials under the Government of India and truly represents the new spirit which is beginning to appear everywhere in India. If we now reject the excuse of " British efficiency ", the next question that naturally arises is—why are not Indians recruited to higher posts ? Sir, my reply is, firstly, it is the deep distrust of the Government of India of those officers, and secondly, it is the sense of hatred and jealousy among Englishmen of their educated Indian subordinates that are among others the main reasons for ousting Indians from the higher posts. Sir, I may be challenged in putting forward my second reason, but, Sir, I have the authority of no less a derson than Sir Henry Cotton to corroborate my view when he says :

" The very thought of equality rankles in the Englishmen's minds ; the more intelligent, cultured or intellectual the Indians are the more they are disliked. The sense of jealousy becomes greater. Englishmen are actually ready to encourage the natives who speak broken English more than those who speak good English. They are more pleased with the backward Hindu than with his advanced compatriot, because the former has made no attempt to attain equality with themselves."

Sir, before I leave this subject I should only say that it is this treatment as inferiors and slaves that is gall and wormwood to Indians, treatment which is all the more disgraceful and discreditable after British protestations of " equality " and " partnership." Sir, if this proposition is put to any Englishman that Indians or Germans can govern and administer Great Britain better than them, how will he treat the suggestion ? Certainly he will, and he ought to treat it with the derision it deserves. I suppose he will go a step further and declare that even if they could that is no reason why they should. Now is the time for a change in the attitude of the Government. If such a change is not soon forthcoming the consequences are sure to be terrible.

Sir, before I finish, I shall very briefly discuss the educational policy of the Government and say at once that the present educational policy of the Government in India trains men into docile tools of an external authority, it does not help them to become self-respecting citizens of a free nation. Indian history is taught to impress on us the one lesson that " India has failed." The aim of true education should be to keep alive the spark of national pride and self-respect. But, Sir, in our unfortunate country, it is the other way. Dr. Besant thus describes the weakening, denationalizing and degrading influence of this

kind of education as she has observed it in India for more than thirty years.

"The stunting of the Indian race under British rule begins with the education of the children. The schools (which are under British control) differentiate between British and Indian teachers; the colleges do the same. The students see first-class Indian teachers superseded by young and third-rate foreigners; the principals or presidents of colleges must be foreigners; foreign history is more important than Indian; to have written on English villages is a qualification for teaching economics in India...The whole education of the country is planned on foreign models, and its object is to serve foreign rather than native ends, to make docile Government servants, rather than patriotic citizens...Pride in country, patriotism, ambition, are looked upon as dangerous. English instead of Indian ideals are exalted; the blessings of a foreign rule and the incapacity of Indians are constantly inculcated."

The truth in the above statement becomes all the more manifest when we find that after almost a century and a half of British rule, India is still without a national system of education, is still without a national system of training colleges for teachers, is still without a national system of schools for children, and, lastly, is still without free and compulsory education. Sir, in 1870, England by Act of Parliament recognised that education formed the foundation stone of national life and national greatness, that education was the birthright of every child, poor or rich, and that the first duty of the State was to provide a school place for every child, male or female. Scotland had a national system of education long before England, and yet England and Scotland in their governance of India have failed all these precious years to provide the facilities for the most elementary knowledge, for lack of which the silent masses of India perish.

Sir, it has been more than once said that the British Government of India could not give universal education to the Indian people because the population of India is so great and the country is so poor. To this our reply is that the true fact is that the Government of India has never lacked money for education; it has only lacked will. It always has plenty of money for its own militaristic and imperialistic ends, for maintaining a great army to hold the country in subjection; to maintain a State Christian church in India, for the support of which Hindus and Muhammadans are taxed, to pay high salaries and pensions of Englishmen, to give the Government of India the luxury of spending seven months every summer in the mountains; to hold from time to time great and gorgeous "durbars". And, Sir, if even a quarter part of the vast sums of money spent upon these and similar other things were devoted to schools, India could not only equal but surpass any other country in education. And who can doubt that it would have done so, if India had been a free nation like other free nations of the world. But now there is none left in her national exchequer to educate her poor children.

Sir, before I conclude I would only say that truly the moral burden of the white man in India is heavy, and his sense of trusteeship past finding out. Truly is financial justice impossible in India under British rule. I leave to my English friends here the disagreeable task of assessing the moral damage done to Christianity and British justice by this.

THE HONOURABLE RAO SAHIB DR. U. RAMA RAU (Madras: Non-Muhammadan): Sir, this Budget has a peculiar significance in that it is the first Budget that has been presented by a new Member. The Honourable Sir George Schuster is welcome in our midst, and I hope during his régime he will so shape his financial policy as to bring prosperity and contentment to the people of India. He is fresh from England and free from bias and a bureaucratic temperament.

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Sir, I must take this opportunity of congratulating Sir George Schuster on his sincere endeavours to make the best of a very bad situation. His frank and bold analysis of the whole financial situation and his clear statement of the true state of affairs has enhanced to a great degree his reputation for integrity and sincerity of purpose. But the Budget on the whole belies all the optimistic forecasts of his predecessor, Sir Basil Blackett, and betrays a gloomy prospect for the future. But the new Finance Member cannot be held responsible for this state of affairs. Sir, though the Finance Member has been able to balance his Budget, it is clear from the figures that he has quoted that the country is heading towards ruin and bankruptcy. The purchasing power of the people has diminished, trade and commerce are virtually at a standstill, the revenue from customs shows a deficit of 20 lakhs, the returns from income-tax show a fall of 50 lakhs, the revenue from salt shows no increase, and the sale of postal securities has gone down. These figures indicate nothing but the increasing poverty of the people.

Sir, Sir Basil Blackett has no doubt fortified the finances of the Government of India. He has established India's credit in the world market. He has reared up a contented service by his exchange policy. He has tried to reduce the dead-weight debt of India. He has helped the aristocrats of the land by reducing taxation on motor cars, motor oil, tea, precious stones, saccharine and the like. But the poor Indian agriculturist alone has been left by him in the lurch. But, Sir, the new Finance Member could not look forward to the prospect of relief to the tax-payer. On the contrary, his speech indicated that, if things do not improve, we ought to be prepared for further taxation. This is rather a gloomy prospect for the new Finance Member.

Sir, the first and foremost task of the Honourable the Finance Member is to undo some things which Sir Basil Blackett had done. The first and foremost is the abolition of the 1*s.* 6*d.* ratio and the restoration of the old 1*s.* 4*d.* However much the stabilisation of exchange may have helped to stabilise the financial position of the Government of India to-day, however much it may have contributed to the strengthening of the resources of its employees, the undeniable fact remains that it has made the poor agriculturist poorer still. I have read in a paper some time ago, of a civilian employee of the Government gloating over a gain of Rs. 2,000 or so in exchange alone last year. That shows the actual drain of the wealth of India. Secondly, Sir, the new Finance Member must look to the reduction of taxation which is indeed a hard nut to crack. It is estimated that nearly 50 crores a year represents the source of income derived from additional taxation after the war and this amount is still maintained in spite of annual surpluses. I submit, Sir, that the maintaining of such a high level of taxation, especially after the purpose for which it has been raised has ceased to exist, is nothing short of criminal.

Sir, I note from the speech of the Finance Member that the exports of rice have gone down by as much as 7 crores, as a result mainly of Japan's temporary prohibition of imports of the commodity into that country and of increasing competition of the rice-growing countries on the Mediterranean sea-board. Though I am sorry from the financial point of view, yet I am glad that so much rice is left in the country for consumption of the poor. Sir, rice is one of the prime necessaries of life to the teeming millions of India. The export of rice to foreign countries is becoming more on the increase now than it was two or three decades ago. Time was when rice was sold in Southern India at 6 measures per rupee, and boiled rice, which the poor people largely

consume, at 8 measures. But now, Sir, it has come to 3 and 4 measures respectively, and this has almost become stationary. Of course, during famine times and bad monsoons, it goes still lower down. All that is due, Sir, to the indiscriminate export of rice to foreign countries for purposes of manufacturing wine and beer. The poor people are thus robbed of their bread for the benefit of the rich, who revel in such luxuries as wine and beer. A prohibitive export duty is therefore necessary in order that the poor people of India may be sure of at least their one meal a day. The Taxation Enquiry Committee had not recommended any change, but they desired a close scrutiny by the Tariff Board. An investigation with regard to this ought to be instituted forthwith by the Tariff Board or by a Special Committee, and I trust the Honourable the Finance Member will look into this matter with an open mind and do the needful at an early date.

Salt is another necessary of life which has been taxed to the utmost limit. This is really a tax on the poor man's breakfast, and no enlightened Government will stoop to levy this tax. India is able to produce not only for her consumption but also for export purposes salt at a small nominal cost of 2 to 3 annas per maund. But with the duty of Rs. 1-4 it is ultimately available to the consumer in the rural parts at a cost of Rs. 3 to Rs. 3-8 a maund. It will surely redound to the credit of the Honourable the Finance Member if he would try to reduce this duty to the lowest possible limit, if not altogether abolish it, so that its burden may not be felt heavily by the poor.

3 P.M.

Then again, there is another topic more intimately connected with the agricultural population, *i.e.*, the drink evil. Sir, there is a cry for prohibition raised in all the provincial Legislative Councils and the day of a dry India is eagerly looked for. But the Central Government stands as a barrier in the way of the Provincial Governments attaining their object. The complaint has been that if the Provincial Governments controlled the consumption of country liquor by giving out less or making it more costly, they found that the imported wines and liquor were increasing in consumption. This is a direction, Sir, in which the Central Government owed duty to the Provinces and they should help them.

Allied to this is the drug evil in India, which the Government of India tries to perpetuate in some form or other. Opium may make an exit in a few years but morphia has stepped into its shoes. I have completely gone through the able indictment of the Government of India's policy with regard to morphine manufacture by Mr. C. F. Andrews and the recent press communiqué by the Government in defence of their policy. The only conclusion I have formed is that the Government's plea is unconvincing and they are merely trying to replace one set of evil by another, so that they may gain on morphia what they are losing on opium. The figures given by Mr. Andrews are startling, and though the Government of India assert that their sole intention is to monopolize the London market for morphia, solely for medicinal purposes, it cannot be doubted or denied that the Government are running a race for world competition in this drug trade, in view of the rapid increase in production from 15 kilos in 1922 to nearly 2,000 kilos in 1926. While the Government of India are so free and unconcerned with regard to the propagation of this drug evil, they are awfully harsh in the restrictions they impose on medical men in India in regard to the possession and sale of opium or opium preparations. I have already brought this to the notice of the Government through a Resolution moved in the Council in 1927, but to no purpose. I should very much like to hear that the Government of India will take some definite action in the matter early and persuade the Provincial Governments to relax the rules which vary

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in various provinces and which are unduly severe in innocent and harmless Madras.

I now pass on to postal rates, especially the 6 pies card which affects the poor. Sir Basil Blackett was persistent, nay, even obstinate, to a degree, in refusing to reduce the rate for postcards from 6 pies to 3 pies. The Government used to characterize this demand as a hardy annual, but, Sir, it is a hard and indisputable fact that the poor people have been deprived of their chief means of communication and they are left helpless to correspond frequently with their near and dear ones. Recently an agitation has been set on foot in England to restore the penny postage. In a letter to the Premier, the signatories, who belong to the Chambers of Commerce, Federation of British Industries and other representative organisations, have pointed out that the Government's plea for the postponement of this reform on the ground that Post Office surpluses were required to meet the Exchequer needs was unjustifiable and submitted that the first call on Post Office revenue should be for the provision of a cheap and efficient service. Canada has also recently decided to restore the penny postage. It is not too much, therefore, if India should claim the restoration of the three-pie card. This is one of the tasks which the Honourable the Finance Member should set his heart upon.

There is lastly the land revenue policy of the Government of India. This is a question of very great importance that vitally affects the lives of the agriculturists. The economic condition of the agriculturist is already beyond reparation. It is said, and rightly said, that he lives because he cannot die. The vision of the British revenue officials is often blurred, because they have been charged with the duty of looking more to the Government treasury than the pockets of the ryot. No doubt at the instance of a sympathetic Viceroy, a Royal Commission on Agriculture has been appointed, which has recently ended its labours. What is the sum and substance of its Report ? Instead of helping them to solve their problems, the Commission asks the illiterate agriculturists to make use of recent scientific researches of the knowledge of which they are innocent, to use new agricultural implements to buy which they have not the wherewithal, and lastly, to raise their economic standard which is like asking them to fill a pitcher with its bottom entirely knocked out. One instance of their want of understanding of the pitiable position of the agriculturists can be cited here with advantage. We all know what a prominent part oil-cakes, bones, fish and other forms of manure play in connection with agricultural operations in India. But still oil-seeds, bones and other forms of manure are largely exported to foreign countries to the detriment of the interests of the poor Indian agriculturist. The majority of the Taxation Enquiry Committee have recommended the imposition of an export duty on oil-seeds, bones and other forms of manure. They further recommended that a part of the proceeds of this export duty should be applied towards educating the cultivators to make an increased use of these artificial manures and thus increase the productivity of the soil. I myself moved a Resolution in the Council on this subject on the 12th September, 1927, but time was against me then and the Agricultural Commission stood in the way of a definite pronouncement being made by the Government spokesmen in regard to that. And the Agricultural Commission have had their say and they are distinctly against the levy of an export duty. In other words, the Indian agriculturist must look to more costly scientific fertilizers than to fertilizers ready at hand but which he cannot avail himself of, for they are intended for export elsewhere.

To revert again to the land revenue policy, the Joint Parliamentary Committee have said in clear and unambiguous language that :

"the impositions of new burdens should be gradually brought more within the purview of the Legislature. And in particular, without expressing any judgment on the question, whether the land revenue is a rent or tax, they advise that the process of revising the land revenue assessment ought to be brought under closer regulation by Statute as soon as possible."

It is this recommendation of the Joint Parliamentary Committee that has been set at defiance by the Government of India, and though land revenue is a provincial subject, the sanction of the Government of India is required before any legislation is introduced in the provincial Legislatures. It is here, Sir, the sympathetic heart of Sir George Schuster is requisitioned so that he may help in the moulding of the destinies of the poverty-stricken people of India for the better. From a prohibitive duty on rice to the permanent settlement of land revenue, I have covered a range of subjects which must be tackled soon and sincerely with a view to promote the interests of the agricultural population in India, and I hope the Honourable the Finance Member will rise equal to the occasion and solve them ably and in a fitting manner.

I now come to the expenditure side. The military expenditure stands first in the list of India's burden. When India's revenue is 133 crores, her military expenditure is 55 crores, which is too high. The last word, I am afraid, has been said about it last year by Sir Basil Blackett and His Excellency the Commander-in-Chief to-day. Evidently the expenditure cannot be made to go below 55 and odd crores. But by economy and curtailment of expenditure, some savings could be effected. I pointed out in my Budget speech in 1927 items of leakage and wastage in the Military Stores Department, and if a small committee could go into the question of military stores expenditure, I am sure this leakage and wastage could be stopped, especially in supplies, transport and medicine, and some substantial reduction in the expenditure made. I also stressed on that occasion the point about the speedy recovery of certain War claims still pending with the War Office in England, and I was informed that negotiations still continue. Though we are in the year of grace 1929, no settlement has yet been arrived at. I hope the Honourable the Finance Member will not lose sight of this but will expedite it and make an early announcement to the House.

I am glad, Sir, the recommendations of the Indian Road Development Committee have been approved by the Government and the provision for the increase of the import and excise duty on motor spirit from 4 to 6 annas per gallon has been included in the Budget. The Indian Road Development Committee in its Report had recommended that an effort be made to induce the oil companies to co-operate with the Railway Administration in reducing the price of petrol in inland towns. I wish to draw the attention of the Government to this. Otherwise it will be a great hardship to motor owners in inland towns.

I wish the Government also to make necessary arrangements to constitute a Standing Committee of the Indian Legislature for Roads to advise the Governor General in Council on all matters relating to roads, before the termination of the present Session.

The recommendation of the Indian Road Development Committee that the Railway Administration should contribute towards the construction and maintenance of feeder roads and also that the military authorities should contribute from the Army Budget towards the cost of repairing damages done to

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roads by military transport must be given effect to by the Government at an early date.

Lastly, Sir, when the Government of India makes contributions to the Provincial Governments out of this Fund, they should communicate with the Local Governments to utilize the provincial revenues, which are till now being spent on main roads, to meet the requirements of motor transport more and more for the purpose of developing the much neglected village roads and also that the Local Government should not utilize the amount for any other purpose but improving the roads.

Sir, let me conclude with the remark that the Government of India are slow in their action with regard to medical relief and sanitation. In the provinces, though the Lee Commission recommended the constitution of a Civil Medical cadre, it has not been given effect to. A General Medical Council for India is a dire necessity, and I hope the Government will not unnecessarily postpone its inauguration. More grants should be doled out for sanitary purposes, so that the health of the people which is the greatest asset of every civilized Government might be secured. I trust during Sir George Schuster's time the beneficial services will recieve greater attention, and conduce to the welfare of the dumb millions of India.

THE HONOURABLE SIR GEORGE GODFREY (Bengal Chamber of Commerce): Sir, I do not propose to keep the House long. I shall not attempt to vie with the eloquence of some of the Members who have spoken on the Budget to-day who have traversed all sorts of subjects connected with India and the policy of the British in India. I would rather confine myself to two or three points in the Budget which I think are of particular current interest. The truth of the matter is that the Budget presented by the Honourable the Finance Member shows such careful thought for India and such a degree of frankness to disarm possible critics that I have little but good to say about it. There are three points only to which I would briefly refer. I hope that in future the policy of the Government of India in regard to buying up the big guaranteed railway companies will be regulated in accordance with the financial expediency of the time. The rupee loan of nine or ten months ago can scarcely be described as having been a complete success, and yet in spite of that and in spite of the somewhat uncertain conditions which prevailed a few months ago in connection with the ways and means position, a decision was made to buy up the Burma Railways and the Southern Punjab Railway. I am confident that it would have been quite possible to have arranged to defer the purchase for a period of perhaps three or five years. The fact that the purchase of these two lines will give a very sound financial return to the Government of India is to my mind rather beside the point at a time when the financial resources of the country showed evidence of being strained for ready money. It has been suggested, at least I have heard it suggested, that a very considerable part of the money which may be paid in buying up the shares of these two companies will be reinvested in Government of India paper. But it seems to me that there is very little certainty about that; in fact, as by far the greater part will I believe be paid to shareholders in England, it is very unlikely that more than a small portion can return to India. I am quite aware that the decision on this matter was made at a time before Sir George Schuster arrived in India and took over charge of the finances of the country, but I have mentioned it in the hope that future policy in India in regard to these matters may be influenced by the

financial conditions prevailing at the time. As regards the increase in the bank rate, I associate myself with the remarks made by Sir Maneckji Dadabhoy, who dealt with the matter so fully and so clearly that I will not attempt to repeat his arguments. Government credit stands above and behind its cash resources and I cannot but feel that India's credit stands very high at the present time, and that perhaps the Honourable the Finance Member was somewhat unnecessarily cautious in forcing the rise upon the Imperial Bank. Perhaps he regarded the necessary further expansions of the currency as that deadly drug for sworn of Hippocrates and by himself, whereas to most of us it would seem merely to have been the stimulant or tonic that would have brought the sufferers round from convalescence to full health. The financial agreement regarding the Army Budget will commend itself to all who wish to live in peace and security in India. The smaller the army the more perfect it ought to be, and the best way to obtain possible reductions of expenditure in future years surely is to modernise equipment in the present. I congratulate His Excellency the Commander-in-Chief and the Honourable the Finance Member on the working convention which has been agreed upon in the matter of earmarking a sum of money in the Army Budget, in particular that of 10 crores spread over four years which is to be devoted to improving and bringing up-to-date the equipment of the Army. This system will avoid that very wasteful practice of forfeiting balances unspent at the end of the year. The tribute to the Royal Air Force paid by His Excellency the Commander-in-Chief must fill us all with pride. Most people when they think about the expenditure on the Army are too inclined to think that it is being to purposes suggestive of war and bloodshed. But here we have a case, a remarkable case, of a branch of the Army being used on a mission of mercy and rescue. Fifteen years ago, such an expedition, such an act of rescue, would have meant repeating history by means of an armed military force despatched into the country to effect the rescue, and would have been accompanied by a vast expenditure of life and money. But so changed are conditions that the valiant officers who have carried out this wonderful evacuation actually went unarmed and did not lose one life. Surely this wonderful service of the Royal Air Force is a strong argument in favour of the perfect mechanisation of our Army without unnecessary delay so that it may be small and yet bring with it peace and security to India. (Applause).

THE HONOURABLE SIR MANMOHANDAS RAMJI (Bombay : Non-Muhammadan) : Sir, I join with all my Honourable colleagues in congratulating the Finance Member, who has in the short time at his disposal grasped the real financial situation of this country in a most excellent manner. Sir, he has pointed out in his speech that the system of paying interests on cash certificates and treasury bills requires to be changed, so as to bring equilibrium in the annual Budget. Although there may be some defect on this account in the framing of the Budget, yet he has foreseen the difficulty and has tried to meet the situation. He deserves great credit for that one particular point. Another point which he has touched upon, and it is really important, is in regard to the items of non-recurring expenditure which is every year put into the Budget. Sometimes the amount may be small and sometimes it may be large, but it always goes to upset the Budget, as these sums are provided for from the ordinary revenues. Therefore, I would suggest that a proper inquiry should be made and a sum ascertained which should represent the average which should be spent for this purpose annually and earmarked for this purpose. We all know that whatever is provided for in the Budget is all necessary expenditure. But a commercial concern or even any private person can easily

[Sir Manmohandas Ramji.]

manage with the sum at their or his disposal from time to time ; the private person may not consider an ambitious return or an ambitious benefit that is going to be derived by spending large sums which would tell upon the balance of his budget.

Coming to paragraph 57 of his speech, he mentions about the capital development of this country. I think in this direction the Government have been acting during the last few years after the war at a very high pace. They are going on spending crores of rupees annually. Although the major portion of the amount that is spent on this particular object from year to year may unable to give a return sufficient to justify the expenditure, as everybody knows. Our ambition may be as wide as anything, but there must be a limit to everything. Of course the resources at the disposal of the Government may be very great. The very good credit that we have, which enabled us to raise large sums of money does not necessarily mean that we can go on spending any amount that we think proper. I think we must try to cut our coat according to the cloth we have at our disposal. During the last six years, after the war, we have spent 120 crores in rupees and 49½ crores in sterling on this purpose. That is about 30 crores of rupees annually and we had to borrow this 30 crores from the public annually. Now, may I, Sir, point out that before the war, when money had to be borrowed, the Finance Department used to be very cautious to raise a loan of 1 or 2 crores ; they used to be very cautious and they were thinking of so many things before they thought of launching a loan of 1, 2 or even 3 crores. I think the Department thinks that it is easy, on account of the high credit, to raise 30 crores annually or even 50 crores annually and thus try to do good to the country. Of course I do not mean that spending these large sums is not beneficial. What I say is that the sums that we have spent during the last 6 or 7 years have deprived somebody of getting cheap monetary facilities, because Government were able to float their loans at a lower rate than any commercial body can, and therefore it comes in the way of borrowing of commercial concerns when Government come forward and borrow large amounts of money ; looking at the object for which these large sums are raised, I find that railways are responsible for a large amount. Sir, in the year 1913 the sums spent on productive assets railways amounted to 282 crores ; it was 295 crores and 98 lakhs in 1914. What do we find now ? A very large sum, about 698 crores, double the amount that was spent from the beginning till the year 1914, has been spent during the last six years. If this sum of 300 crores had not been spent, what would have been the effect on the money market and on the development of the industries of the country and also on the development of the agriculture of the country ? Railways alone cannot develop the country. They have to work side by side with the development of industries and agriculture and we should not try to develop railways alone at the speed that we have been doing now. Sir, the total debt in the year 1913 was 507 crores and it has gone up to nearly double that amount, 1,074 in six years . If there is anything against the management it is that large sums are spent faster than the requirements of the country ; I know, Sir, and I appreciate the foresight that the Finance Member has shown on the subject and he has promised to be very cautious and he has promised also to have a vigilant eye on this source of expenditure and therefore he deserves the greatest amount of congratulations from us. (Applause). I hope he will realise the situation and pause before he sanctions purchases or enters into any such ambitious schemes of railways in future.

Sir, he has also touched upon another important feature in his Budget speech and he has pointed out that, instead of raising loans to finance these public utility works, Government utilised the funds at their disposal which may be returning smaller returns. It is a very judicious policy and I think that they have done right in doing this sort of work. I may point out to him that if this system is continued and the public works are developed or undertaken from such reserves, there would be no complaint. But when they go into the market and raise a large amount of loans, then alone I think we will be giving ground to the commercial community to grumble, because it retards the progress of industries, it retards even agriculture. I think the development of industries, of agriculture, of railways and road communications ought to proceed side by side and simultaneously. Only there should not be one direction in which the Government should try to spend and increase the earning capacity of the country by developing railways only.

Sir, I am glad to hear that Government propose to launch on a banking inquiry. Of course, ordinarily it may be understood that a banking inquiry relates to joint stock banks and the expansion of the Imperial Bank, but when this inquiry is undertaken, an important branch of banking that exists to-day in this country, namely, the banking in small places, small towns and small villages by sowcars—and this system has been carried out successfully since a long time by them—should not be put to any inconvenience or embarrassment at the expense of trying to develop the banking system. I think due care should be taken to keep these institutions in existence and due facilities should also be provided to carry out their business unhampered. Now I do not want to detain the Council on several other topics, like the military expenditure and so many other things. I am glad to hear from the Finance Member that the question of exchange which is a settled question should not be brought before the eyes of the public so generally as some people do think every now and then about it. I think if people understood rightly the gravity of their suggestion of getting the ratio altered within a period of two years, they would hesitate to insist on the change. They forget the inherent loss or inherent mischief that it would mean by dislocating trade and commerce. Therefore, Sir, I would ask my friends who make this complaint about the exchange ratio, to pause and watch the progress for a certain time, and then if they are satisfied that it has done harm to the country, which I do not believe it has—it is all exaggeration—I think they will be well advised to bring this question of the ratio again before Government then.

THE HONOURABLE SIR JOHN THOMPSON (Delhi: Nominated Official): On behalf of the province I represent, Sir, I should like to express satisfaction at certain of the grants which have been made to Delhi. It is satisfaction which is shared, I feel sure, not only by the inhabitants of the Delhi Province but also by a large number of periodical visitors among whom I hope I may reckon Members of this House. It is not so much the amount of the grants as the implication of a new policy towards the old City which seems to me to be a cause for congratulation. During the 16 years that have elapsed since the transfer of the capital, the energies of the Government of India so far as Delhi is concerned have naturally been concentrated on the construction of New Delhi, and so the new City has grown up. But there has always been, as those of us who have known Delhi have felt, a Lazarus lying at Dives' gate, a Lazarus long crying for the healing of his sores. And we feel now with this Budget before us that the era of doles to remedy Delhi's ills is over, and that we have now entered on the execution of a big scheme for rendering Delhi, the old City, a place more worthy of the position it occupies in this country.

[Sir John Thompson.]

It is true that the whole of the scheme which has been submitted cannot be initiated under the sanctions of the present Budget, but we shall, I hope, be able to start work on the construction of a new Joint Hospital, on the improvement of the Delhi water mains, and on the clearance of the Delhi slums. Some of these schemes, it is true, are not at first sight schemes for the sole benefit of old Delhi. For instance, the hospital which it is proposed to construct at a cost of 60 lakhs will be a Joint Hospital for the new City and for the old. But I claim, Sir, that anything which diminishes the perils to life and health in the old City is *pro tanto* strengthening the sanitary defences of the new City. And, Sir, all who are concerned with the administration of Delhi feel that the vision of a model city is now taking shape. We shall in future years, when prosperity enables the Finance Member to gild his Budgets a little more, we shall, I hope, be able to take up further schemes for additional dispensaries, for the extension of the conveniences of light, water and drainage to the new suburbs, for the improvement of the Delhi drainage system and other works including rural sanitation. But for the present I feel that we, all of us who live in Delhi, all of us who have occasion to visit Delhi, ought to feel a debt of gratitude to the Government of India for having brought within reasonable distance the attainment of the goal which we have set before us of making Delhi a model city in India and of making old Delhi a mother worthy of its daughter. (Applause).

THE HONOURABLE SIR DINSHAW WACHA: (Bombay: Nominated Non-Official): Sir, at this late hour I do not wish to detain the Council for more than ten minutes. Even if I want to detain you long, under the injunction of my physician I cannot do that. Therefore, Sir, I will only confine myself to a few general observations. In the first place, I consider it the good fortune of India, and also of the Government of India, that we have in succession two very talented and able Finance Ministers. Sir George Schuster succeeds the talented Sir Basil Blackett. Sir Basil Blackett did wonderfully well. As I have said before in this Chamber—and I repeat it without fear of challenge—that his financial administration was really an epoch-making one for the reason that he laid radically new foundations of Indian finances. Other people may contradict me and take a different view. But I, Sir, am personally firmly convinced that when impartial history comes to record 50 years hence what Sir Basil Blackett did, its verdicts will be what I myself have said here before and what I say now. In the same way, I can say of Sir George Schuster, who has come here for the first time only four months ago. He has learned from the different speakers who have spoken before me from different points of view what are the requirements and needs and wishes of the people at large. Of course, some sentiments are extravagant, some, perhaps, come from ignorance. But all the same, he will be correctly instructed by the several speeches which have been made in this House to-day. My own belief is, knowing Sir George Schuster's talents and abilities and his experience and knowledge of finance, that his five years of financial administration will prove as brilliant and as substantial as that of his predecessor. (Hear, hear).

I think, Sir, I have said enough on Indian finance in the past, but let me say this to-day that I am very pleased that in this House we have heard very many sensible speeches, very reasonable speeches, from different points of view. My friend Sir Maneckji took the lead, and other friends have also given a good lead—my friend Sir George Godfrey and last of all, my friend, Sir Manmohandas Ramji. He has, I think, put very lucidly the whole crux of the financial statement in a nutshell, and I am quite sure that Sir George Schuster will be very much benefited by his sound financial criticism. I have known Sir

Manmohandas Ramji for a number of years, and I can confidently say that in the whole of Bombay there are not half a dozen Indians who are so very sound in financial matters and who can conscientiously point out the merits and demerits of the financial position. And when I speak so I am using, I believe, not a word of flattery or exaggeration. I am speaking the truth. He has really expressed what I myself would have expressed if I had risen earlier to speak. I agree with each and every word that has fallen from my Honourable friend. My other good friends who have spoken have given their own views, from their own point of view, on the subject. I dare say Sir George Schuster will be benefited by them. For the present I consider myself, when so many gentlemen have spoken on the subject already, that I am really a bankrupt as to what I should say now. I rather prefer to remain poor now, but perhaps next year, if I survive till that time, I may speak on our finances with greater amplitude. One word more I will say. I entirely agree with what my friend the Honourable Mr. Pantulu has said to-day in more reasonable, moderate and deliberate terms than he has ever done before, specially in reference to the agricultural condition of the country. For the last 40 years I have been writing and speaking from various platforms about the financial help which ought to be given to our poor agriculturists. It was Lord Cromer who established an Agricultural Bank in Egypt as far back as 1894. I was now and again in correspondence with him and his colleague Sir Elwin Palmer who were the founders of the Agricultural Bank in Egypt. Of course I know that the Agricultural Bank of Egypt is working under conditions somewhat different from Indian. But I do believe that were India to have in every province an Agricultural Bank with a private capital of 8 or 10 crores, assisted by Government by way of guarantee of interest, our agriculturists would greatly prosper in the future. Agriculturists are no doubt indebted. It is not their fault, it is not the fault of the Government. Government, I believe, have done for the Indian agriculturist any amount of good in the last 50 years. Look at the Tenancy Act of Bengal, of Bombay, of the Central Provinces, of the Punjab and others, and you will find in them ample evidence of the good intentions of Government, namely, to see that the agriculturists prosper and are relieved from the indebtedness and poverty which is staring them in the face so long. Circumstances are now entirely different from what they were before. The Government of India itself has changed its constitution. We are now a deliberative assembly, a "democratic" assembly, if you like. But, as Lord Bryce said so often, a democratic assembly, looking from the popular point of view, may say that for this, that and the other purposes funds are wanted. But where are the funds? After all, the resources of India are limited. They are not elastic. Therefore, it is not possible to satisfy every popular demand. But whenever there is a good democracy, it must, of course, be necessarily very expensive. Therefore, to say in one breath that this expenditure or that expenditure is extravagant and at the same time to say that there should be no taxation is illogical. I do not believe in that sort of logic. You cannot say in one breath "do not have taxation" and in the same breath shout that you should have this, that and the other thing done! How is it possible? I appeal to you all, gentlemen, to say whether logically that is possible. After all, the Government of India uses the money not for its own benefit, it is not putting anything in its own pocket, not a pie. Taxes are collected for the country and for its welfare. It may be that sometimes they commit mistakes, aye, "colossal" mistakes. But we must all admit the surpassing merits of the administration of British rule in India. At the same time, I must ask you to put yourself in their position. Supposing you had responsible self-government here, and one of us was Finance Minister: for instance, say, our friend Mr. Jamnadas Mehta or Sir Purshotamdas. What would they do?

[Sir Dinshaw Wacha.]

They would be subject to the very same heckling stringent criticism, the same sort of criticism that they are making to-day against the Finance Department. The fact is this. We are a responsible body and we must remember that when we criticise others, we are liable to meet with similar criticism when we happen to be in their position. All these points have to be considered. I am speaking as an old man and from my long experience. I have been studying the financial statements for the last 70 years, from 1860, when I was a student in college. And, speaking from my experience of all the distinguished experts, from the distinguished James Wilson down to Sir George Schuster, I can say that we are progressing from every point of view, economic, financial and every other. There have been mistakes, but all the same we have to thank British rule in India for all the incalculable benefits conferred on us. Those people are short-sighted who say that the British should be turned out bag and baggage and the whole system abolished! After hearing all that has been said to-day, I congratulate Sir George Schuster on his first balanced Budget and hope that his next year's Budget will be even better so as to meet with universal praise. (Applause.)

THE HONOURABLE SIR GEORGE SCHUSTER (Finance Member): Sir, I can hardly resist the opportunity which my Honourable friend Sir Dinshaw Wacha has given me for rising to close this debate; for, if I may say so, he has provided me with what the dramatist would call a most excellent curtain for its last scene. He has in fact made almost the whole of my speech for me much better than I could have made it myself. Sir, I have to thank all Honourable Members who have spoken to-day for the great courtesy which they have shown to me, even though they may have had criticisms to offer. At times when I have heard the criticisms I may perhaps have thought to myself how enviable is the position of each Honourable Member compared to that which I myself occupy. For I at times have felt that I sit here combining the role of a criminal in the dock and of a pilot who has to navigate a very important and valuable ship through most difficult waters. There is at sea a salutary rule that you may not speak to the man at the wheel, but I, Sir, have to come down into the arena and be spoken to for three days in succession. I, do not object, Sir, to criticism, and I must say after the three days that I have sat and listened to remarks both in this House and in another place, I have felt that helpful suggestion predominated over destructive criticism, and again I thank Honourable Members here to-day for the amount of helpful suggestions that they have given me. But there is always this, that Honourable Members, who, as they criticise, can deal with particular points, have an advantage over me, because I have to face realities and make both ends meet, whereas they can select for their criticism one end or the other and not consider how the things which they propose will affect the final balance which has to be arrived at. My Honourable friend Sir Dinshaw Wacha has expressed the sentiment in much more vigorous terms than I, that you cannot have helpful expenditure without some kind of revenue. Nor can you have economies and retrenchment without dismissing Government officials or without cutting down what may be very beneficial expenditure. Sir, among the critics who have spoken to-day I have listened with very great attention to the words which fell from my Honourable friend Sir Maneckji Dadabhoy. His speech was a powerful plea, if I may say so, for the avoidance of taxation in the abstract. But I am sure he will also permit me to say that it did not offer me very much assistance in the concrete. I valued it rather as a convincing picture of the difficulties which I have to face. My Honourable friend suggested that I was departing from the

policy of my predecessor and quoted expressions of hope from his past speeches. But, Sir, whoever holds the position of Finance Member in this country has to face realities and whether the hopes expressed in the past are my own or those of my predecessor, whichever of us was here, we should have to face those realities ; and I am quite certain that if my distinguished predecessor, to whom I have already paid sincere tribute which I would like to repeat, namely, that I feel that he has laid the soundest possible foundations for finance in this country and that he has done work, as my Honourable friend Sir Dinshaw Wacha has just said, which when it comes to be reviewed in its proper perspective will be pronounced to be of the greatest permanent value of any work done by any Finance Member in this country. I am quite certain, I say, that if he were here to-day his practical proposals would have been almost exactly the same as my own. Sir, I think we must look upon the progress of a nation not as something which takes place in any steady order. It is rather like the incoming of a tide. One wave comes forward and recedes again, but the next wave that comes on takes the tide a little higher. I think I am not unfair to my predecessor in saying that he came in at the lowest ebb and that he had the good fortune to live through five years of good monsoons and that he was carried forward on one of those waves of progress. That was his good fortune. His skill and his achievement, which has earned him or should earn him the gratitude of this country, was that he took the maximum advantage of that good fortune, and he has left the country in a far stronger position than that in which he found it. But, Sir, he left just at a time when that wave was spending its force, and now we see, as others will see who follow the course of nations, a slight reaction setting in, and our task is to peg ourselves down in the position we have reached and to be patient and cautious and to be ready to take advantage of the next wave of advance when it comes. That, Sir, is my view of the situation. I do not think it is a situation which need give anybody any ground for pessimism. But I have sought in my first statement on the finances of this country to paint the picture in its true colours and to make the country realize what was before us. You have on the one side people clamouring for the construction of railways and abusing the Government for putting the brake on in that direction. But, as many Honourable Members have pointed out to-day, you must not overstrain the credit of the country. If you do that you are damaging not only the Government itself but all the private interests and all private business as well. And if we have to call a halt, if it proves necessary to call a halt in the rapid advance which has taken place in the last few years, we should regard that action rather as a sign of strength than a sign of weakness. It has been said to me by many who have spoken on the Budget that I have presented a deficit Budget showing a deficit of 90 lakhs. I should like just to correct that impression. I tried in my Budget speech to show the realities of this year in comparison with the two previous years, and I would like to repeat the figures perhaps in a slightly different form. I think that one has to regard the three years 1927-28, 1928-29 and 1929-30 as a whole. It so happens that quite artificial influences have interfered with the normal distribution of revenue as between those three years. As our accounts show it, the year 1927-28 closed with a deficit of 222 lakhs which was made up out of the Revenue Reserve Fund. The year 1928-29 closed or is likely to close with a surplus of 30 lakhs, and the year 1929-30 is likely to close with a deficit of 90 lakhs to be met from the Revenue Reserve Fund. But if those artificial factors were eliminated — and

4 P.M.

I allude only to artificial factors of major importance, because I could dress up the figures in a still more convincing way if I wished to do so—if we eliminate only the major artificial factors, we should have the following result. For 1927-28 a deficit of 182 lakhs, for 1928-29 a

[Sir George Schuster.]

deficit of 75 lakhs and for 1929-30 a deficit of 25 lakhs. Therefore corrected in this way the figures do show progressive improvement, and I think in all these matters it is the tendency which is important to watch, and not so much the static position of the moment. Therefore, I say even though we have to show what is technically a deficit on this year's estimates, I do not think the position gives ground for serious pessimism.

Now, Sir, my Honourable friend Sir Maneckji Dadabhoy has criticised my proposals, but I do not know really what he would have had me do. Would he have had me deliberately overestimating revenue so as not to show a deficit ? I am sure that was not present in his mind. Or would he have had me refuse all those demands for constructive expenditure, beneficial expenditure which have been mentioned by various Members in the course of this debate—to whose appreciation I gladly pay a tribute of gratitude, because these things are often forgotten and the black spots called attention to—would he have had me refuse a grant for agricultural research or a grant to the Benares University or a grant to the Bose Research Institute or the small start which we have given to the work of improving the conditions in old Delhi ? I am sure that if he had been in my place he would not have taken that line. Then, Sir, he has helped me very much in one direction by saying that he entirely approves of the programme of military expenditure. I am grateful to him for his statement on that matter ; but, at least it closes up one other avenue for retrenchment. Therefore, I think I am justified in making the bold assertion that if my Honourable friend had been sitting in my place, or indeed if my distinguished predecessor had been sitting in my place, his proposals and my predecessor's proposals would on the present occasion have been practically identical with my own. Sir, he has criticised me for holding out the prospect of new taxation. Perhaps it would have been more politically wise to have said nothing about that. But the whole object of the way in which I presented the case this time was to present it exactly as I saw it, and I wished to withhold nothing. I saw the possibility of new taxation and I thought it right to say so. I am sure no Honourable Member here will blame me for that. But is this question of new taxation such an evil as has been generally represented ? There have been, Sir, some very interesting passages in the debate to which we have listened. Almost every speaker who has referred to the proposed tax on petrol has referred to it in terms of admiration and appreciation. Therefore, here we have some kind of new taxation which at least is regarded as beneficial to the country. Why ? Because it falls on the classes who can afford to pay for it and because its proceeds are going to be applied for objects which are beneficial to the country. Now, Sir, when I put that reference in my speech to the possibilities of new taxation I had in mind the responsibility of this Government for carrying out just that kind of expenditure which is beneficial to the country, and I would like to read a passage from my speech which illustrates what I had in mind. I said :

> " The future efforts of Government to provide money for beneficial and constructive purposes, such as I have specially mentioned, must of course depend on the financial position, but I should like to take this opportunity to emphasise my own view that it would be unworthy of this country if Government did not take steps to provide themselves with revenue to meet obligations of this nature."

Sir, that is an opinion to which I adhere and of which I am not ashamed, and if it should be necessary to impose new taxation—I hope most sincerely that it will not be necessary and with ordinary good fortune it will not be necessary—but if it should be necessary, then the line of taxation which I should

choose will be one which will fall least hardly on the poorer classes of this country and which would only be imposed for the sake of enabling the Government to discharge its responsibility in the directions to which I have referred.

Sir, it would perhaps be well for me to make some reference to various speeches that have been made, though I have covered most of the important points which have been brought up, and if I do not refer to any individual speaker it will not be because I failed to take note of all that has been said to-day. My Honourable friend, Mr. Natesan, paid special attention to the question of agricultural development and to some assistance from the Government in the way of developing co-operative credit. Others also have referred to the importance of this line of work. There I have only to say that I hope, as a result of the banking enquiry which we are now shortly to start, that we shall get some light on the main features in the problem and what are the main defects in the present system which it lies in the power of the Government to remedy. That is a subject in which I shall always be greatly interested, and I hope I shall have other opportunities of discussing it with Honourable Members here who are interested in it. My Honourable friend Sir George Godfrey referred to the question of buying up of Railways, and that perhaps is the only remark which has directly borne on the capital expenditure programme of the Government. I was grateful to him for his remarks and I think they were helpful, and he will see that I have dealt very fully with that whole question in my original Budget speech. There is no doubt that the capital expenditure programme of the Government must be regulated according to the credit and resources of the Government, and moreover the needs of the Railways must be considered in competition with the other demands and proper adjustment made between all those which have claims on the Government's resources. My Honourable friend Sir Manmohandas Ramji made what appeared to me to be very useful suggestions about dealing with non-recurring expenditure ; I have duly taken note of those and it is a matter which will have my attention. In dealing with the banking enquiry he asked me specially to give due consideration to the old traditional banking system which exists throughout the countryside and to do nothing which might embarrass or interfere with that. Sir, I know quite well that it would be impossible for the Government—or at least the most unwise thing that the Government could do—to endeavour to impose some artificial system on top of that which has grown up as the natural course of ages to suit the needs of the country. All that we can do, if we are wise, is to endeavour to assist and reinforce the natural system and to adapt our plans to those forms of organisation to which the country is already accustomed. I fully appreciate the point that has been made. Then, Sir, there was one reference to the grant to the Benares University and to the effect that no similar grant had been made to the Aligarh University. I had the opportunity of explaining the Government's position on that matter yesterday in another place. I should like to repeat what I said there, that the Government fully recognise that in giving this assistance to the Benares University they have created a precedent which will apply also to the case of Aligarh University, and the only reason why no similar grant was made at the same time was that no plan has yet been worked out. The question of what is to be done in future with the Aligarh University is, as I understand it, now under consideration, and as soon as definite proposals are put forward, the Government is ready to give the most favourable consideration to any application for assistance.

Sir, I have no more to say. I should only like in conclusion to repeat my thanks to all Honourable Members for the great courtesy which they have shown me to-day.

STATEMENT OF BUSINESS.

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH (Leader of the House): Sir, as there is no official business next week, I have to announce that the only meeting of the Council will be on Tuesday, the 12th, for the transaction of non-official business.

THE HONOURABLE THE PRESIDENT: For Tuesday, the 12th, one Resolution only was balloted for, and I have just received notice from the Honourable Member in whose name that Resolution stood that he does not intend to move it. That will therefore leave no business for the 12th but nevertheless it is necessary for the Council to meet on a day early in the week in order that any Bills which may be passed in another place this week may be laid on the table here, so that they may come up for consideration next week. I have been considering if there is any way that I can meet the convenience of the Council in this matter. I do not desire to ask the Council to meet when there is no business for it to transact. I have observed that on the 18th of March, which has been allotted for non-official business, no fewer than five Resolutions have been balloted for, which in the ordinary course are rather more than a day's work for the Council, and examining those, as the result of certain inquiries I have made, I find that the Honourable Rai Bahadur Lala Ram Saran Das has a Resolution standing in his name regarding the Income-tax Act. Notice of that Resolution was received on the 13th February so that statutory notice will have expired by the 12th of March. I understand also that the Member of the Government in charge of that subject does not object to the Resolution coming up on the 12th instead of the 18th. I think therefore it will suit the convenience of the Council if I exercise the power that the Standing Orders give me to interfere to a small extent with the ballot and bring back the Resolution standing in the name of the Honourable Rai Bahadur Lala Ram Saran Das from the 18th and direct that it should be taken up on the 12th.

The Council then adjourned till Eleven of the Clock on Tuesday, the 12th March, 1929.

COUNCIL OF STATE.

Tuesday, 12th March, 1929.

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

QUESTIONS AND ANSWERS.

NUMBER OF MUSLIM AND NON-MUSLIM TEMPORARY ENGINEERS AND APPRENTICE ENGINEERS.

96. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: With reference to the reply to my question No. 134 in the Council of State Debates on 21st September, 1928, in Volume II, No. 6, will Government be pleased to state the number of Muslim and non-Muslim temporary Engineers and Apprentice Engineers, province by province (including the Delhi and North-West Frontier Provinces)? with their percentage to the total in each case?

THE HONOURABLE MR. A. C. McWATTERS: The information required is given in the statement laid on the table.

Statement showing the number of Muslim and non-Muslim temporary engineers and apprentice engineers, province by province, with their percentage to the total in each case.

Province.	Temporary engineers.					Apprentice engineers.				
	Muslims.	Non-Muslims.	Total.	Percentage of Muslims.	Percentage of Non-Muslims.	Muslims.	Non-Muslims.	Total.	Percentage of Muslims.	Percentage of Non-Muslims.
Madras	..	..	..	..	..	..	1	1	..	100
Bombay	7	64	71	9·86	90·14	..	2	2	..	100
Bengal	..	4	4	..	100	..	..	..	..	..
United Provinces.	..	6	6	..	100	..	7	7	..	100
Punjab	18	73	91	19·78	80·22	3	13	16	18·75	81·25
Burma	..	39	39	..	100	..	3	3	..	100
Bihar and Orissa	..	..	..	..	..	..	1	1	..	100
Central Provinces.	..	4	4	..	100	..	..	..	..	..
Assam	..	2	2	..	100	..	..	..	..	..
N. W. F. P.	4	3	7	57·14	42·86	..	..	..	..	..
Delhi	..	7	7	..	100	..	..	..	..	..

NUMBER OF MUSLIMS, HINDUS AND SIKHS APPOINTED OR PROMOTED TO THE POST OF SUB-DIVISIONAL OFFICERS OR ASSISTANT ENGINEERS IN THE DELHI AND NORTH-WEST FRONTIER PROVINCES.

97. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Will Government be pleased to state the number of Muslims, Hindus and Sikhs, appointed or promoted to the post of Sub-divisional Officers or Assistant Engineers from February, 1928, to February, 1929, in the Delhi and North-West Frontier Provinces.

THE HONOURABLE MR. A. C. McWATTERS: Delhi—Muslim none, Hindu one, Sikh one. North-West Frontier Provinces—Muslims four, Hindu one, Sikh none.

ARTICLE IN THE "INQALAB" OF LAHORE REGARDING THE ESTABLISHMENT OF THE PUBLIC WORKS DEPARTMENT, DELHI.

98. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Has the attention of Government been drawn to an article published in the Urdu newspaper "Inqalab", Lahore, of 5th December, 1928, regarding the establishment of the Delhi Public Works Department and what action has been taken on it?

THE HONOURABLE MR. A. C. McWATTERS: The reply is in the negative.

DISCIPLINARY ACTION AGAINST SUB-DIVISIONAL OFFICERS AND SUBORDINATES OF THE PUBLIC WORKS DEPARTMENT, DELHI, WHO COLLECTED FUNDS FOR BARDOLI.

99. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: (*a*) Is it a fact that the Sub-divisional Officers and subordinates of the Delhi Public Works Department collected funds and sent them to Bardoli to help the Civil Disobedience Scheme?

(*b*) Is it a fact that the Officiating Chief Engineer, Delhi, communicated a proposal to the Government of India (between July and October, 1928) to dismiss under the Government Servants' Conduct Rules one of the Sub-divisional Officers who sent a subscription to Bardoli?

(*c*) If so, what disciplinary action has been taken against those Sub-divisional Officers and subordinates under the Government Servants' Conduct Rules?

THE HONOURABLE MR. A. C. McWATTERS: (*a*) Government are unable to say whether the fact is as stated.

(*b*) The Officiating Chief Engineer made no such proposal.

(*c*) Does not arise.

PROMOTION OF SUBORDINATES AS SUB-ENGINEERS AND TEMPORARY ENGINEERS, PUBLIC WORKS DEPARTMENT, DELHI.

100. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: With reference to the reply to my question No. 135 (*c*) in the Council of State Debates on 21st September, 1928, Volume II, No. 6, will Government be

pleased to state the names of the subordinates having qualifications equal to or lower than those of Pandit Udho Ram, who were promoted to the post of Sub-Engineers and Temporary Engineers in the Delhi Public Works Department ?

THE HONOURABLE MR. A. C. McWATTERS : None.

NUMBER OF ENGINEERS AND SUBORDINATES WORKING AS SUB-DIVISIONAL OFFICERS IN THE PUBLIC WORKS DEPARTMENT, DELHI.

101. THE HONOURABLE MR. MAHMOOD SUHRAWARDY : (*a*) Will Government be pleased to state the respective numbers of engineers and subordinates working as Sub-divisional Officers in the Delhi Public Works Department ? (*b*) Are all Sub-divisional Officers (put on construction of buildings) bound to work alike in respect of supervision, designing and management of the work ? (*c*) Is the qualification of subordinates working as Sub-divisional Officers equal to that of engineers as published in the " Gazette of India ", No. 4, Part I of 1928 ?

THE HONOURABLE MR. A. C. McWATTERS : (*a*) Engineers 4, subordinates 12.

(*b*) The work expected of Sub-divisional Officers in respect of supervision, designing and management of the work is in accordance with their aptitude.

(*c*) No.

NUMBER OF MUSLIMS AND NON-MUSLIMS APPOINTED AS SUBORDINATES, CLERKS AND DRAFTSMEN IN THE PUBLIC WORKS DEPARTMENT, DELHI.

102. THE HONOURABLE MR. MAHMOOD SUHRAWARDY : Will Government be pleased to state the number of Muslims and non-Muslims appointed in the Delhi Public Works Department from February, 1928, to February, 1929, as subordinates, clerks and draftsmen ?

THE HONOURABLE MR. A. C. McWATTERS : Muslim one, non-Muslims five.

NUMBER OF WORKS ASSISTANTS IN THE PUBLIC WORKS DEPARTMENT, DELHI.

103. THE HONOURABLE MR. MAHMOOD SUHRAWARDY : (*a*) Will Government be pleased to state how many Works Assistants are serving in the Delhi Public Works Department ? (*b*) Are their services secured on agreement ? Is each of them appointed to look after a separate class of work ? (*c*) What are their qualifications ? (*d*) How many of them are working as Sub-divisional Officers ? (*e*) Do they know Public Works Department accounts ?

THE HONOURABLE MR. A. C. McWATTERS : (*a*) Seven.

(*b*) Yes.

(*c*) Works Assistants are selected for their experience and knowledge of the practical working of their trades.

(*d*) None.

(*e*) They have sufficient knowledge for their duties.

NUMBER OF EUROPEAN EXECUTIVE ENGINEERS IN THE PUBLIC WORKS DEPARTMENT, DELHI.

104. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Will Government be pleased to state the number of European Executive Engineers excluding electrical engineers serving in the Delhi Public Works Department?

THE HONOURABLE MR. A. C. McWATTERS: None.

THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Why, Sir?

THE HONOURABLE MR. A. C. McWATTERS: I shall have to examine that point, Sir. I only know there are none.

QUALIFIED MUSLIM CANDIDATES FOR THE POSTS OF ENGINEERS IN THE PUBLIC WORKS DEPARTMENT, DELHI.

105. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: With reference to the reply to my question No. 101 in the Council of State Debates on 17th September, 1928, Volume II, No. 3, will Government be pleased to state (*a*) when the statement showing the names of the Muslim candidates is going to be laid on the table? (*b*) The year and post in which and pay on which Mr. Mohamed Hanif was appointed? (*c*) Whether Mr. Mohamed Hanif is working in any of the Divisions in the Delhi Public Works Department as an engineer? (*d*) If not, the year in which he left the Delhi Public Works Department? (*e*) Whether any of the Muslim registered candidates of the Delhi Public Works Department has been given a chance of appointment as an engineer after the appointment of Mr. Mohamed Hanif? (*f*) If not, why not?

THE HONOURABLE MR. A. C. McWATTERS: (*a*) The statement was furnished to the Honourable Member demi-officially on the 18th September 1928.

(*b*) Mr. Mohamed Hanif was appointed in 1923 as a Temporary Engineer on a pay of Rs. 250 per mensem.

(*c*) No.

(*d*) He left the Delhi Public Works Department in the same year.

(*e*) No.

(*f*) There has been only one appointment of Temporary Engineer since 1923.

EMPLOYMENT OF BABU RUP NARAIN AS SUPERINTENDENT, W-III SECTION, CENTRAL OFFICE, PUBLIC WORKS DEPARTMENT, DELHI.

106. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: With reference to the reply to my question No. 112 in the Council of State Debates on 17th September, 1928, Volume II, No. 3, will Government be pleased to state the result of the enquiry regarding Babu Rup Narain?

THE HONOURABLE MR. A. C. McWATTERS: Further information was communicated demi-officially to the Honourable Member on the 20th September, 1928. A copy of the demi-official letter will be sent to him separately.

SAFEGUARDING OF THE CLAIMS OF MINORITY COMMUNITIES IN THE PUBLIC WORKS DEPARTMENT, DELHI.

107. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Will Government be pleased to state:

(*a*) The number of Muslim Superintendents in the Chief Engineer's office, Public Works Department, Delhi.

(*b*) The number of Muslim Head Clerks and Accountants in the Delhi Public Works Department?

(*c*) Percentage of Muslim and Indian Christian clerks in the Delhi Public Works Department?

(*d*) Whether any step has been taken in the Delhi Public Works Department to prevent class monopoly and to safeguard the claims of minority communities?

THE HONOURABLE MR. A. C. McWATTERS: (*a*) None.

(*b*) Three.

(*c*) 23·5.

(*d*) There is no class monopoly, but in making appointments the claims of the minority communities are kept in view.

NUMBER OF MUSLIM DEALING ASSISTANTS IN EACH SECTION OF THE PUBLIC WORKS DEPARTMENT, DELHI.

108. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Will Government be pleased to state (*a*) the number of Muslim dealing Assistants in each section of the Delhi Public Works Department? (*b*) Whether it is a fact that some Muslim dealing clerks (assistants) are not given special increments? (*c*) If so, why?

THE HONOURABLE MR. A. C. McWATTERS: It is presumed that the question refers to the Central Office of the Delhi Public Works Department. The reply is—

(*a*) Accounts Section, three; Budget Section, two; Works Section I, one; Works Section II, nil; Works Section III, one; Accommodation Section, one; Rent Section, one; Establishment Section, nil.

(*b*) Yes.

(*c*) Because they are not considered worthy of them.

DISCIPLINARY MEASURES AGAINST CERTAIN CLERKS IN THE HEALTH OFFICE, NEW DELHI.

109. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Will the Government be pleased to state what disciplinary measures have been taken against one Babu Jagmohan Nath Kaul, Head Clerk, and Babu Banarsi Dass, 2nd clerk, of the Health Office, New Delhi, in a fraud case which recently occurred in the Health Office, Delhi?

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH: No disciplinary measures were taken as there was no case of fraud.

FALL OF A PORTION OF A HEAVY STONE BRACKET FROM THE EAST SIDE PORCH OF THE COUNCIL CHAMBER, DELHI.

110. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: (*a*) Is it a fact that a heavy stone bracket fell down from the east side porch of the Council Chamber, Delhi, some months ago? (*b*) If so, what was its cubical content and weight? (*c*) What was the cost of replacing it and who is responsible for this? (*d*) Is it a fact that this is the fourth fall of material from the Legislative Building?

THE HONOURABLE MR. A. C. MCWATTERS: (*a*) A portion of the stone bracket fell from the east side porch of the Council Chamber.

(*b*) The piece which fell is no longer in existence, but its cubical content was about 2 cubic feet and weight about 3 maunds.

(*c*) The cost of replacing it was Rs. 77 and was paid by Government.

(*d*) The reply is in the negative.

NAMES OF THE ENGINEERS AND SUB-DIVISIONAL OFFICERS POSTED ON PRESENT CONSTRUCTION WORK NOT BELOW ONE LAKH IN THE PUBLIC WORKS DEPARTMENT, DELHI.

111. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Will Government be pleased to state the names of the Engineers and Sub-divisional Officers who are posted on the present constructions not below one lakh in the Delhi Public Works Department, with the names of the constructions?

THE HONOURABLE MR. A. C. MCWATTERS: A statement giving the information asked for is being furnished to the Honourable Member.

REVISION OF RATES IN THE APPROVED AGREEMENT OF SARDAR DHARAM SINGH, CONTRACTOR OF GOVERNMENT HOUSE, NEW DELHI.

112. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: (*a*) Has the officiating Superintending Engineer, 2nd Circle, revised the rates in the approved agreement of Sardar Dharam Singh, Contractor of Government House? (*b*) Will this revision of rates effect a loss of about 4 lakhs to Government and profit to the Contractor? (*c*) If so, will Government be pleased to state under what rule this revision of rates in an approved agreement is made?

THE HONOURABLE MR. A. C. MCWATTERS: (*a*) No.

(*b*) and (*c*). Do not arise.

NUMBER OF CONTRACTS FOR WOODWORKS GIVEN TO SARDAR SUNDER SINGH.

113. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Will Government be pleased to state the number of contracts for woodwork only given to S. Sunder Singh, Contractor, within the last three years and the name of the Executive Engineer recommending him?

THE HONOURABLE MR. A. C. MCWATTERS: The number of work orders and contracts in the wood workshop given to S. Sunder Singh during the last three years has been 65 which represents 9 per cent. of the total number.

The wood workshop has been in the executive charge of the following officers :

Mr. T. S. Malik.

Mr. Mohammed Sulaiman.

R. S. Sham Lal.

SPECIAL PAY OF ASSISTANT DIRECTORS-GENERAL OF POSTS AND TELEGRAPHS.

114. THE HONOURABLE MR. MAHMOOD SUHRAWARDY : (*a*) Is it a fact that the Assistant Directors-General in the office of the Director-General of Posts and Telegraphs get a special pay of Rs. 125—150 in addition to their super-Secretariat rate of pay, namely, Rs. 1,000—50—1,500 ?

(*b*) If so, will Government please say whether the conditions laid down in the Fundamental Rules governing the grant of duty allowance or special pay are fulfilled in the case of the Assistant Directors-General ? Has the Finance Department ever been consulted in the matter ? If not, why not ?

THE HONOURABLE MR. A. C. McWATTERS : (*a*) Assistant Directors-General draw a special pay of Rs. 125 in addition to their pay of Rs. 1,000—50—1,500. One Assistant Director-General draws a special pay of Rs. 150 which he was drawing before the reduction in the special pay was effected.

(*b*) The replies to the first two parts of the question are in the affirmative. The third part does not arise.

PAY OF ASSISTANT DIRECTORS-GENERAL OF POSTS AND TELEGRAPHS.

115. THE HONOURABLE MR. MAHMOOD SUHRAWARDY : Will Government please state (*a*) whether the scales of pay of the Assistant Directors-General of the Director-General, Posts and Telegraphs' office, have been fixed with reference to their Secretariat or super-Secretariat nature of work ?

(*b*) If so, does the same consideration apply in the case of the clerical staff ?

(*c*) If not, on what considerations was the pay of the Assistant Directors-General fixed at the same minimum of Rs. 1,000 and the same rate of increment of Rs. 50 as for Assistant Secretaries.

THE HONOURABLE MR. A. C. McWATTERS : (*a*), (*b*) and (*c*). If the Honourable Member will refer to paragraph 25 of the Proceedings of the Standing Finance Committee, dated the 26th January, 1928, and paragraph 13 and item " E " of Appendix I of the Proceedings, dated the 28th January, 1927, he will find the information which he requires.

GRAVE APPREHENSION ABOUT THE COURSE OF EXCHANGE DURING THE YEAR.

116. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (on behalf of the Honourable Raja Moti Chand) : (*a*) Is Government aware of the grave apprehension which exists about the course of Exchange during the year in consequence of the rise in the Bank of England rate from $4\frac{1}{2}$ to $5\frac{1}{2}$ per cent. ? (*b*) What steps does Government propose to take to allay the apprehension and to steady the rate of exchange ?

THE HONOURABLE MR. E. BURDON: The Honourable Member has not explained the nature of the grave apprehension which is said to exist in regard to the course of exchange. If he will ask me a question in more specific terms and will give me due notice, I will do my best to answer it. On the present occasion all that I can say is that since the Bank of England rate was raised from $4\frac{1}{2}$ to $5\frac{1}{2}$ per cent., the market rate of exchange has varied between 1*s.* $5\frac{31}{32}$*d.* and 1*s.* 6*d.* only while Government have been able to effect substantial remittances at not less than the latter rate. Government, as the Chief Currency Authority, will continue to take such steps as they deem to be suitable in order to prevent abnormal variations in the rate: in other words, to maintain stability.

UNCOVERED MONSOON BILLS HELD BY THE BANKS IN CALCUTTA, ETC.

117. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (on behalf of the Honourable Raja Moti Chand): **(*a*) Is Government aware of the fact that the Banks as a whole in Calcutta hold up to £5,000,000 of uncovered Monsoon Bills, which they bought on a basis of 4 $\frac{5}{16}$ths per cent., and it is in this that the Banks have been most severely hit by the rise in the Bank of England rate?**

(*b*) Will Government be pleased to state whether there were full tenders at 1/5 $\frac{31}{32}$?

(*c*) Is Government going to reduce its buying rate for sterling below the 1*s.* 6*d.* level?

THE HONOURABLE MR. E. BURDON: (*a*) Government have no information that the position of the banks as a whole in Calcutta is as suggested; nor are they in a position to obtain accurate information on this subject.

(*b*) and (*c*). During the first two weeks of February a certain number of tenders at 1*s.* $5\frac{31}{32}$*d.* were received and were rejected. Since then Government have been able to purchase the full amount required at 1*s.* 6*d.* and above. Government are not prepared to disclose now or at any time what their buying rate is to be. Clearly it would not be in the public interest for them to do so.

IMPORT OF FOREIGN WHEAT.

118. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (on behalf of the Honourable Raja Moti Chand): **Will Government be pleased to state what amount of foreign wheat has been imported into India from October 1928 to February 1929?**

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH: From October 1928 to January 1929, 270,987 tons of wheat were imported into India. The figures for February are not yet available.

NUMBER OF DECCANI MUSSALMANS EMPLOYED IN THE DIFFERENT INDIAN REGIMENTS.

119. THE HONOURABLE MR. MAHMOOD SUHRAWARDY (on behalf of the Honourable Sir Ebrahim Haroon Jaffer): **Will Government be pleased to state:**

(*a*) The number of Deccani Mussalmans employed in the different Indian regiments in India;

(*b*) Whether they intend to reduce this number;

(c) If so, why;

(d) Whether they have issued any fresh instructions to abolish the existing Deccani Muslim companies from the Mahratta regiments; and

(e) Whether they will place a copy of such instructions on the table ?

THE HONOURABLE MR. H. G. HAIG: His Excellency the Commander-in-Chief being unavoidably absent from Delhi, I will, with your permission, Sir, answer this question on his behalf:

(a) Approximately 1,400.

(b) and (c). There is at present no intention of reducing the number of Deccani Mussalmans serving in the cavalry. As regards infantry, there is a proposal to reorganize Indian infantry battalions to conform with the reorganization of British Infantry battalions. If this proposal is carried out, there will be a reduction of the Deccani Mussalmans serving in regular infantry battalions, as of certain other classes. As an anticipatory measure a slight reduction of certain classes in infantry battalions has been ordered.

(d) As I have already indicated, Government are considering certain proposals.

(e) Government do not propose to lay any papers on this subject on the table.

BILL TO AMEND SECTION 44 OF THE CODE OF CIVIL PROCEDURE.

120. THE HONOURABLE MR. MAHMOOD SUHRAWARDY (on behalf of the Honourable Sir Ebrahim Haroon Jaffer): Will Government be pleased to state:

(a) What were the reasons for dropping the Bill brought in the Legislative Assembly and published in the *Gazette of India*, dated 1st March, 1924, further to amend section 44 of the Code of Civil Procedure, 1908;

(b) Whether one of the reasons was that the balance in favour of decree-holders in the United Kingdom over decree-holders in India would be so considerable that the proposed measure cannot be said to provide a reasonable degree of reciprocity;

(c) What steps they have so far taken to remove this objection; and

(d) Whether they intend to re-introduce the Bill after removing the objections raised by the last Select Committee on 17th February, 1925 ?

THE HONOURABLE MR. H. G. HAIG: (a) The Honourable Member is referred to the Report of the Select Committee, dated 17th February, 1925, which recommended that the Assembly should not proceed further with the Bill.

(b) Yes.

(c) and (d). The difficulty pointed out by the Select Committee can be met only by an amendment of the English law which, as the Honourable Member will understand, the Government of India have no power to effect.

ADDITIONAL EXPENDITURE IN CONNECTION WITH THE SITUATION ON THE AFGHAN FRONTIER.

121. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (on behalf of the Honourable Raja Moti Chand): Will Government be pleased to state (*a*) what additional expenditure has been necessary to meet the situation on the Afghan frontier owing to the internal troubles in that country?

(*b*) What appropriations, if any, have been made from the savings of the other departments for the requirements of the Foreign Department?

THE HONOURABLE MR. C. C. WATSON: The information is being collected and will be supplied to the Honourable Member in due course.

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 Indian Tariff Act, 1894, for certain purposes, which was passed by the Legislative Assembly at its meeting held on the 6th March, 1929.

RESOLUTION *RE* DEDUCTIONS WHEN DETERMINING INCOME-TAX OF LOSSES INCURRED BY PERSONS WHO STAND SURETY OR LEND MONEY.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab: Non-Muhammadan): Sir, I rise to move the Resolution which stands in my name and which reads as follows:

"This Council recommends to the Governor General in Council that if any person who is not a regular money-lender stands surety for another person or lends money and incurs loss thereby, such loss be allowed as a deduction when determining his income-tax."

Sir, I would draw the attention of this House to the exemptions under section 4, sub-clause (3) (*vii*), of the Income-tax Act, which reads as follows:

"Any receipts not being receipts arising from business or the exercise of a profession vocation or occupation which are of a casual and non-recurring nature or not by way of an addition to the remuneration of an employee....."

I am sorry to find, Sir, that a narrow construction has been put upon the wording employed in the aforesaid section. It has been held by various High Courts in India that howsoever remotely connected with business any casual profit or gain might be, it can be taken into consideration for the purposes of assessment. For the sake of illustration I will take the case of Sir Purshotamdas Thakurdas of Bombay *versus* the Commissioner of Income-tax, Bombay. The question arose whether the sum of Rs. 1,88,750 received by Sir Purshotamdas on account of his remuneration for selling the stock of cotton of a particular firm and distributing the same amongst the creditors was liable to assessment. The High Court of Bombay held that the amount

was liable to be assessed under the provisions of the Income-tax Act. It was not denied that Sir Purshotamdas Thakurdas was not a receiver by profession or vocation. He was doubtless a great Bombay merchant, and by virtue of his position as such he was entrusted with this work. Although this isolated transaction was wholly unconnected with his business, it was held as taxable. I do not question the decision of the Bombay High Court ; rather it supports me inasmuch as it was clearly held that even though it was a single transaction standing by itself, neither preceded nor succeeded by any similar item, it was held to be taxable. This inference was drawn from the reading of section 4 (3) (*vii*), which says that "it must not be arising from business". I emphasise the word "business", and would draw the attention of Honourable Members to the omission of the letter "a" before "business". I give below a quotation from the ruling 318 of 1925 of the Bombay High Court :

"It has been argued for the assessee that these receipts do not arise from business, that business connotes continuity and that only the receipts arising from a business which is carried on continuously can be assessed. But the section refers to receipts arising from business and not to receipts arising from a business. The definition of 'business' in section 2 (4) is as follows :

'business includes any trade, commerce or manufacture or any adventure or concern in the nature of trade, commerce or manufacture'

and consequently it is not necessary that the receipts should arise from a business continuously carried on during the year to make them liable to assessment. Even if they arise from a single adventure in business they would be liable to be taxed."

Further on, Sir, in the same judgment the Honourable Judges ruled :

"We are clearly of opinion therefore that the remuneration earned by the assessee owing to his having been appointed under a power of attorney by Umar Subhani to realize the cotton which he had purchased must be construed as receipts arising from business and is therefore liable to taxation. There is no need consequently to consider the arguments of the Commissioner with regard to the meaning of the word 'business' or the casual or the English authorities which have been cited before us. The answer to the reference will be that in our opinion the receipts in question are not entitled to be exempted from taxation."

I would particularly ask the House to note that "business" has been defined in the Act as "any trade, commerce or manufacture or any adventure or concern in the nature of trade, commerce or manufacture". It is obvious, therefore, that it is not necessary that receipts should arise from business continuously carried on throughout the year to make them liable to assessment. Even if they arise from a single transaction or adventure in business, they are liable to be taxed. Since the passing of that judgment, the Income-tax authorities have begun to tax such casual receipts however remotely connected they may be with business. But on the analogy of the ruling quoted above, casual loss should also be allowed. This is the object of my Resolution, which can for the sake of discussion be divided into two parts. Firstly, when a person stands surety for another for some consideration, and secondly, without it. In the start of a business or profession there is no regularity in the transactions. If a sufficiently large number of transactions turn out to be lucrative, that encourages the man and he follows it. That is the every-day experience of the business world. Supposing in an endeavour to find whether such a job as standing surety for another suits one or not a loss is sustained by him, then surely such a loss should be set off against his income because to the extent of that loss his income has diminished because that

[Rai Bahadur Lala Ram Saran Das.]

income only is to be charged to tax which is arrived at after defraying expenses and such losses, *vide* section 24 (*1*) which reads as follows :

"Where any assessee sustains a loss of profits or gains in any year under any of the heads mentioned in section 6 he shall be entitled to have the amount of the loss set off against his income, profits or gains under any other head."

There is no denying the fact that the loss so incurred is not in any way connected with domestic expenses or affairs. It is an endeavour, pure and simple, and if unfortunately the transaction turns out to be a bad one, the fact remains that the loss is one which should be set off against the income. It is generally the case that consideration for standing surety is only obtained from such persons whose business respectability the surety does not hold in high esteem. Whether one obtains consideration or not is immaterial. It solely rests on the respectability and soundness and the want of it. A business man has these considerations while hazarding his money in this manner, for no action is at all a gratuitous performance ; if any, it is in the business world. Even when no consideration is obtained ultimate gain is in view. Neither in the Indian Income-tax Act nor in the English Act is any distinction made between an income from a legal or illegal source, moral or immoral trade. I will read a paragraph from page 128 of Mr. Aiyangar's commentary on Income-tax (Partridge *V.* Mallandaine 1886-18 Q. B. D.-276) :

"As presumably profits from any kind of gambling, legal or illegal....."

THE HONOURABLE THE PRESIDENT : Order, order. I think the Honourable Member is rather getting away from his point. I cannot see what the question of illegality or legality of income or immorality or morality of the source of income has to do with the Resolution which he is now proposing to the House.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : I am trying to impress on the House that tax is imposed even on illegal or immoral income.

THE HONOURABLE THE PRESIDENT : That is no argument whatever in support of the Honourable Member's proposition.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Very well, Sir ; then I will not cite that ruling in detail.

Under the Indian Income-tax Act the heads of income, business, professional earnings and other sources mentioned in this section and dealt with in sections 10 to 12 correspond generally with what is dealt with by Schedule D of the English Act, so that the Act is concerned with income even of a mendicant or a prostitute. How very hard and unjust it is to decline to set off the losses of a businessman who earns purely from business already being followed or intended to be adopted. In my Resolution, Sir, I have taken a particular case. When any person stands surety for another, whether with or without consideration, his liability becomes co-extensive with him (the original debtor) and, supposing he has to make good the loss to the original creditor owing to his (principal's) becoming incapable of paying the loss so paid should be allowed as a legitimate deduction against his assessable income. The Resolution which I have moved before this House for consideration further seeks that if an assessee who is not a regular money-lender incurs loss by lending money,

such loss should be allowed as a deduction. This part of my Resolution is based on the converse of the Bombay High Court judgment in the case of Sir Purshotamdas Thakurdas of Bombay. As profits from a single transaction are liable to assessment so a transaction unfortunately resulting in loss is on the same footing. The interest if received by such a money-lender will be liable to assessment according to the ruling 125 of the Chief Court of Oudh, published in the All-India Reporter, March 1929, page 125. In this case money-lending was not the business of the assessee ; nevertheless on a construction of section 4 (*3*) (*vii*) it was held that interest received by the assessee is liable to assessment. It is not therefore too much to expect the Government to issue instruction to the Income-tax Commissioners to allow such casual losses also to bring the practice into harmony with each other. The interpretation put upon section 4 (*3*) (*vii*) by the High Court is final and cannot be questioned even by the Finance Department. After all, whether a man is a regular money-lender or not, his investments are as if it were the stock in trade of a business man ; should he lose any part of it, his income is diminished to that extent. It is therefore to be set off.

In conclusion, I have to point out that this disparity of treatment of such transactions when the question of income comes in is being keenly felt by the assessee. This hardship and discontent should be removed forthwith. The feeling of discontent is genuine, because in business connections one has at times to stand surety or do such acts to help a brother in the profession or expect the same treatment from another in his own time of need. This sort of practice is not unknown to the business world and exists among the trades and professional men. Surely such a loss is distinguishable from a private loss of capital or profits. By making such good relations with business men, he sows the seed for obtaining help in his business, if he so requires. If he gets the help, it gives steadier and longer life to his business. As regards the second part of the Resolution, the proposition is quite clear and needs no further explanation beyond what I have already said. I therefore, Sir, commend this Resolution to the acceptance of the House.

THE HONOURABLE MR. E. BURDON (Finance Secretary) : Sir, I cannot believe that by his Resolution my Honourable friend contemplates that if I, being a member of the Indian Civil Service and not being a regular money-lender, back a friend's bill and have to meet the bill owing to my friend's default, I should be allowed exemption from income-tax in respect of that amount of my salary which I have to set aside in order to meet the loss. As I say, I cannot believe that that can be my Honourable friend's intention, and I infer that it is not from certain observations which dropped from him in the course of his speech. I think he must recognise—and I am sure at any rate the House will recognise—that a concession such as I have just described would be unreasonable and that no sensible income-tax law would contain provisions of such a nature. My Honourable friend, I think, limits his contention to cases in which an individual, in pursuance of any of the business activities by means of which he earns his living, stands surety for some other individual or for some firm or company and has to pay the sum which he has guaranteed ; in such cases exemption from income-tax should be allowed. Actually, my Honourable friend must know that in general principle the law as it stands at present allows what he is asking for. He has, however, been disturbed by the fact that in certain concrete cases a judicial tribunal has agreed that the loss should not be allowed as a deduction for the purpose of determining income-tax, on the ground that standing surety was not part

[Mr. E. Burdon.]

of the regular business of the claimant. That is, I presume, why my Honourable friend in the wording of his Resolution has adopted the phrase " who is not a regular money-lender ". In view of these legal decisions, he wishes to have it established by law that a man may lend money in the way of business without being a regular money-lender. Really, however, he seeks to circumscribe the discretion of the assessing authorities and of the courts in their judgment on a matter of fact ; and he has drawn his Resolution so widely that it covers the cases even of people who do not lend in the way of business at all but merely as a matter of accommodation between friends. Now, Sir, from this account of the matter, it will be evident to the House at once that the Honourable Member is asking for something which he has not actually expressed and which in the nature of things it would be rather difficult to secure to him, however willing one might be to meet the point which he has raised. And here I should like to quote a passage from a judgment of the High Court of the Punjab which will, I think, make it clear beyond all doubt that the account I have given of the matter is correct :

" It appears that the petitioners have got a branch of their business at Bombay. There they stood surety for another firm. That firm became insolvent with the result that the petitioners had to pay the sum of Rs. 25,000. It has been held by the Income-tax Officer that the loan for which the petitioners stood surety had nothing whatever to do with the petitioners' business. The petitioners stood surety in order to do friends of theirs a kindness. It is unfortunate that they have been called upon to pay up for their friends, but inasmuch as this standing of surety was not in the course of the petitioners' business, it cannot be said that the loss was incurred in connection with the petitioners' business. The refusal to allow this amount to be deducted from the total income was, therefore, perfectly correct. "

Now, Sir, as I have said, the law on the subject is not in general principle against the limited purpose of my Honourable friend, as I conceive that limited purpose to be. The law provides that expenditure which is necessary for the earning of profits taxed may be deducted from the taxable income. The law also provides that, as the object in view is to tax income and not capital, capital expenditure is not admissible for deduction from taxable income. These, Sir, are the two principles of law which are relevant to the present discussion, and I take it that it will be generally agreed by my Honourable friend the Mover as well as by the rest of this Council that there is no need to disturb either of these two principles in any way. Under these principles, if standing surety is a person's business or part of his business, the loss that may arise out of standing surety will, under sections 10 and 13 of the Income-tax Act be automatically deducted from the person's taxable income to the extent that the loss is not a capital loss. Take, for example, an insurance company which does " fidelity " business. There can be no dispute as to the eligibility of such a company to deduct from its taxable profits such monies as it has to pay on account of claims. It trades in standing surety, and the loss would be trading loss and not loss of its capital. Similarly, if an individual habitually stood surety for others or underwrote any liability in return for consideration in some shape or form, there is little doubt that the loss that might occasionally arise out of the business of standing surety or of underwriting would be allowed as a deduction from taxable profits. But where standing surety is not the business or part of the business of the assessee, the loss cannot and should not be deducted from the person's taxable profits. In truth, Sir, my Honourable friend's difficulty arises not out of the law, but out of the application of the law in cases in which he thinks a wrong view has been taken of the facts, and I do not think myself that it is practicable to meet this point either by an amendment of the law or otherwise. I do not think

it is practicable. Whether it is a case of framing a statutory provision or framing general executive instructions, all that it is practicable to do is to prescribe that, when certain facts have been established as facts, then the legal consequences, the action to be taken, the processes that come into play, shall be such and such. But it is not practicable to prescribe that the deciding authority whoever he may be, that is to say, the authority responsible for the assessment of income-tax or the judicial tribunal hearing an appeal, shall take a particular view of the facts. My Honourable friend has incidentally in my opinion exposed the inherent weakness of his case by his use of the phrase " who is not a regular money-lender ", for neither the law nor any other mode of definition with which I am acquainted lays down, nor does it seem to be possible to lay down precisely, who should be deemed to be a regular money-lender, and who shall not be deemed to be a regular money-lender. This, however, is rather beside the point. What we have to look to is whether it would be practicable to make more specific and less general the principle of law which lays down that only expenditure that is necessary for the earning of the profits under taxation may be deducted from the taxable income. I, Sir, have no doubt in my own mind that it is not practicable to reduce the generality of this provision. That, I think, must be allowed to stand as it is, and we must continue in this matter, as it is necessary in so many other matters to leave it to the responsible authority to decide in individual cases on the question of fact, which has first to be decided before the law can be applied.

And now, Sir, I shall meet my Honourable friend even more closely. It is not our intention that it should be held that because a man does other things besides money-lending and only lends money or stands surety occasionally, losses incurred as a result of standing surety should not be reckoned as business expenses. I can readily conceive of a case in which a man's whole business, that is to say, the means by which he earned his livelihood, consisted of a considerable number of diverse activities, one of them being readiness to finance on occasion people of good standing by backing their bills or endorsing their *hundis*. In such cases I can see quite clearly that it would be in accordance with the provisions of the law, which I have mentioned more than once, that losses arising out of the endorsement of *hundis* should be treated as business expenses for the purposes of the Income-tax law. It would be a question of fact in each case, and, as I said, the manner in which the question of fact is to be decided in each case cannot be prescribed in detail either in the Income-tax Act or in the executive instructions which we issue under the rules which we frame under that Act. I think perhaps the House would like to hear what the executive instructions are which we have already incorporated in the Income-tax Manual on the question under discussion. The instructions are to the following effect :

"Money lent out on interest is the stock-in-trade of a money-lender or banker and the loss of such stock-in-trade can clearly be regarded as a trading loss like the loss of the stock-in-trade of any other trader where the loss is not covered by insurance. In settling claims of this nature the question has always to be considered whether money-lending is or is not part of the business of the trader in question. The investment of savings or occasional loans made to acquaintances cannot be considered to be loans made in the course of trading."

You will see, Sir, that in these instructions there is no reference to regular money-lending. Now, Sir, the purpose of these instructions which I have just read is merely to expound the law for the guidance of Income-tax Officers and I shall be very much surprised if the Council were to consider that the exposition given is unreasonable or likely to be oppressive in its effects.

[Mr. E. Burdon.]

For the reasons which I have given, Sir, I must oppose the Resolution. In its terms, as I said at the beginning, it has a much wider significance than that which, I believe, my Honourable friend really wishes to express, and even if we limit the significance so as to provide for only those cases in which money-lending, though occasional, is carried on as part of regular business, that would not, as I have explained, necessarily have the effect of requiring Government to make any change in the existing law and practice, and thus my friend's point would not really be met. In the circumstances, Sir, I think the Council will recognise that it is quite impossible for Government to accept the Resolution or seem, by doing so, to accept any particular implication. Sir, I oppose the Resolution.

THE HONOURABLE MAJOR NAWAB MAHOMED AKBAR KHAN (North-West Frontier Province: Nominated Non-Official): Sir, as a matter of fact, the imposition of income-tax and super-tax as provided by the Income-tax Act, 1922, is proving a source of trouble to all those concerned, and I think I have the support of a good many Members of this Honourable House in saying that there is a general desire throughout the length and breadth of India for some reasonable reduction in the existing rates of these taxes as well as the modern method of assessment of the officials concerned. Indeed, it is a pity that not even the slightest reduction in the rates of these taxes as provided by the Income-tax Act, 1922, has so far been considered worth allowing for, although a reasonable reduction in their rates is an urgent necessity of the moment. Besides this, the Income-tax authorities have their own way of making assessments which could rightly be characterised as highly excessive and without any justification, for these are merely based on conjecture or hearsay. The process adopted by the Department of Income-tax is coercive since the assessees have not been allowed any right of appeal against the assessments except before an officer of the Department and the final authority is vested in the Commissioner of Income-tax.

THE HONOURABLE THE PRESIDENT: Order order. The Honourable Member's speech will be quite in order when the Finance Bill comes before this House. It is not in order on the present Resolution.

THE HONOURABLE MAJOR NAWAB MAHOMED AKBAR KHAN: Well, Sir, I will leave that. I think my Honourable friend Lala Ram Saran Das is quite correct in bringing forward this Resolution. He is justified in moving the Resolution for, when the Income-tax Act provides for the assessment of income-tax and super-tax on income accrued in the cause of an assessee it fairly stands to reason that in case of his undergoing a deficit, the amount of such deficit ought to be allowed for while determining his income for purposes of assessment. The demand is quite reasonable and it is hoped that every Member will support it, for, when the income of a person is open to assessment of income-tax and super-tax there is no reason why he should be debarred from deducting his loss from the assessable income. It is absolutely in fair justice that a man's income liable to assessment should be determined after allowing him all the losses incurred by him either by standing surety for another person or lending money or spending the same in the shape of *chaukidhari* in order to secure his property yielding his income liable to assessment.

With these remarks, Sir, I strongly support the Resolution of my friend the Honourable Lala Ram Saran Das.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Sir, my friend the Honourable Mr. Burdon was first rather suspicious whether my implication also included a member of the I. C. S. He corrected himself later on.....

THE HONOURABLE MR. E. BURDON: A member of the I. C. S. who is not a regular money-lender, Sir.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: I know, Sir, that no member of the I. C. S. is allowed to enter into any business, and so, I think the I. C. S. ought not to have come into the discussion at all. However, Sir.....

THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Why I. C. S.? No Government official is allowed.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: No Government servant.

THE HONOURABLE MAJOR NAWAB MAHOMED AKBAR KHAN: Civil servant.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Army officers are to be excluded he thinks. The Honourable Mr. Burdon, Sir, has referred to the judgment of the Lahore High Court. I have got that judgment before me, but I did not refer to it because I thought of leaving it to my Honourable friend to do so and to show how conflicting are the rulings of the High Courts on the subject. In this ruling, Sir, the Honourable the Judges of the Lahore High Court say as follows. This is Judgment No. 168 of 1926. In this, Sir, it is said:

"It appears that the petitioners have got a branch of their business at Bombay. There they stood surety for another firm. That firm became insolvent with the result that the petitioners had to pay the sum of Rs. 25,000. It has been held by the Income-tax Officer that the loan for which the petitioners stood surety had nothing whatever to do with the petitioners' business. The petitioners stood surety in order to do friends of theirs a kindness. It is unfortunate that they have been called upon to pay up for their friends, but inasmuch as this standing of surety was not in the course of the petitioners' business, it cannot be said that the loss was incurred in connexion with the petitioners' business. The refusal to allow this amount to be deducted from the total assessable income was, therefore, perfectly correct."

Then, further on, they say:

"One question alone was raised in the application to this Court under Section 66 (3), and it seems to me that had the Commissioner confined his reference to the point raised before this Court objection could not have been taken to his action. As he has, however, stated the case on the other question I think it necessary to dispose of it.

In this connexion an examination of the proceedings shows that the enquiry was not a cursory or a summary one. The Income-tax Officer called for the accounts and after an examination of them, etc., etc."

This judgment, Sir, conflicts with the Bombay High Court judgment, which I quoted. In that case, Sir Purshotamdas Thakurdas was held by the High Court to be doing a casual transaction in acting as receiver which was not his regular job. The High Court held that even this occasional transaction of a man who was not a regular trader in a certain particular line was liable to assessment. The judgment of the Lahore High Court is conflicting. There

[Rai Bahadur Lala Ram Saran Das.]

is, Sir, another case of the Oudh High Court reported in A. I. R. 1929, Oudh 125. The Chief Justice and Justice Srivastava say :

"This is a reference to the Chief Court from the Commissioner of Income-tax under the provisions of section 66, Act II of 1922."

After setting out the questions to be answered, they say :

"The receipts in question were certainly not receipts arising from business or the exercise of a profession, vocation or occupation, nor were they by way of addition to the remuneration of an employee. But they were not of a casual and non-recurring nature. In these circumstances the exception does not apply and they are assessable to income-tax."

I should like my friend the Honourable the Finance Secretary to reconcile these judgments. My Honourable friend says that in case there is a loss in endorsing a *hundi* that loss will certainly be deducted when the tax is assessed. In regard to that I should like him to quote the page of the Income-tax Manual from which he has cited a quotation so that I may be in a better position to deal with that point. As far as I understand, those instructions are rather ambiguous, and, in view of these two or three judgments which have been cited, they are apparently interpreted differently. Then, Sir, my friend said that if Government acceded to my request it would involve a lot of cases which do not deserve the consideration which I seek—for example, the case when one helps a friend, and so on. I think, Sir, that that objection can be met by inserting an exception clause into the amended section saying that on transactions which are purely done as a matter of obliging some friend or in the way of helping an insolvent no deduction will be allowed. I am simply taking a case in which a man starts money-lending, for instance, and until he becomes a regular money-lender he ought not to be debarred from being allowed the losses in the assessment of his income. I have already said that a start has to be made at some time, but until long after the start a man cannot be classified as a regular business man in that particular line. I have also said that in business many trading firms do oblige each other by endorsing their *hundis*, which is equivalent to their standing surety, because the endorsing of a *hundi* means that if the drawer does not pay the endorser will be held liable. I think my case is quite clear, and I want to remove a hardship which the business people feel. Therefore, Sir, I put this Resolution before the House for their favourable consideration.

THE HONOURABLE MR. E. BURDON : Sir, from my Honourable friend's further observations I am confirmed in my belief that he only means his Resolution to apply to business transactions. He has suggested that if we amend the law in any way, we might put in an exception clause which would except the cases of loans to friends and acquaintances. But I think he overlooked the fact that in the executive instructions which are already issued and which I read out, this exception already exists :

"The investment of savings or occasional loans made to acquaintances cannot be considered to be loans made in the course of business."

Now, Sir, these executive instructions and my previous observations make it perfectly clear that the present position is that trading losses, business losses, are allowed as a deduction. The provision of law is formulated in a slightly different way. The loss must be a loss incurred in connection with the earning of the profits which are to be taxed. That is the present position, and I really cannot see why any one should desire any more lenient provision for assessment than that. As regards the conflicting rulings of the various High Courts to which my Honourable friend referred, I am afraid I cannot see that the rulings, in the true sense of the word, are in conflict. To start

with, the ruling of the Bombay High Court which my Honourable friend first quoted and the ruling of the Punjab High Court which I went on to quote myself not merely deal with different cases but they deal with cases of a different kind, and finally in each case the issue was one of fact. It is impossible in such circumstances to say that the two Judgments are in any way in conflict. They were dealing with entirely different matters. There is nothing whatsoever to show that if the Bombay High Court, instead of dealing with the case of Sir Purshotamdas Thakurdas' occasional gains had been dealing with the occasional losses of the gentleman whose case was tried by the Punjab High Court, they would not have come to exactly the same conclusion on the question of fact as the Punjab High Court.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: The Bombay High Court differentiated "business" from "a business" and they said the definition is defective.

THE HONOURABLE MR. E. BURDON: I am afraid, Sir, I am not prepared to argue that particular point. I have already made it clear that under our own conception of the law and under the executive instructions which we have issued to assessing officers we look to losses incurred in the way of business. It is a question of trading losses or business losses, or, as I have already said, when it is more precisely defined it is expenses or losses incurred in the process of earning the income which is to be taxed. I do not think I need say anything more: and I must continue to oppose my Honourable friend's Resolution.

THE HONOURABLE THE PRESIDENT: The question is:

12 NOON.

"That the following Resolution be adopted, namely:

'This Council recommends to the Governor General in Council that if any person who is not a regular money-lender stands surety for another person or lends money and incurs loss thereby, such loss be allowed as a deduction when determining his Income-tax'."

The Council divided.

AYES—12.

Akbar Khan, The Honourable Major Nawab Mahomed.
Govind Das, The Honourable Seth.
Khaparde, The Honourable Mr. G. S.
Mahendra Prasad, The Honourable Mr.
Mukherjee, The Honourable Srijut Lokenath.
Padshah Sahib Bahadur, The Honourable Saiyed Mohamed.
Ram Saran Das, The Honourable Rai Bahadur Lala.
Ramadas Pantulu, The Honourable Mr. V.
Rama Rau, The Honourable Rao Sahib Dr. U.
Ramsal Singh, The Honourable Raja Sir.
Sinha, The Honourable Mr. Anugraha Narayan.
Umar Hayat Khan, The Honourable Colonel Nawab Sir.

NOES—15.

Ashthana, The Honourable Mr. Narayan Prasad.
Basu, The Honourable Rai Bahadur Suresh Chandra.
Braidwood, the Honourable Mr. H. L.
Burdon, The Honourable Mr. E.
Charanjit Singh, The Honourable Sardar.
Clayton, The Honourable Mr. H. B.
Graham, The Honourable Mr. L.
Habibullah, The Honourable Khan Bahadur Sir Muhammad.
Haig, The Honourable Mr. H. G.
Irving, The Honourable Mr. M.
Maqbul Husain, The Honourable Khan Bahadur Sheikh.
McWatters, The Honourable Mr. A. C.
Natesan, The Honourable Mr. C. A.
Suhrawardy, The Honourable Mr. Mahmood.
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 Council will meet on the 18th and 20th instant for the transaction of non-official business. On Tuesday, the 19th, I will make a motion regarding the Standing Committee to advise on questions of emigration in the Department of Education, Health and Lands. A motion will also be made by the Honourable Sir Geoffrey Corbett that the Indian Tariff (Amendment) Bill, copies of which have been laid on the table to-day, be taken into consideration, and, if that motion is carried, he will also move that the Bill be passed. I am not yet in a position to say whether there will be any business for the Council on Saturday, the 23rd, but will make a further statement in the course of next week.

The Council then adjourned till Eleven of the Clock on Monday, the 18th March, 1929.

COUNCIL OF STATE.

Monday, 18th March, 1929.

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.

INCREASE OF THE RENT OF THE SHOPS IN DIAZ SQUARE, NEW DELHI.

122. THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY :

(*a*) What was the annual rent of the Diaz Square shops in New Delhi in 1920 and in 1927 and what is the present rent ?

(*b*) Is it a fact that the rent is increasing with every renewal of lease ?

(*c*) Do Government propose to stop this increase of rent ?

THE HONOURABLE MR. A. C. MCWATTERS : (*a*) The Diaz Square shops were not in existence in 1920. The annual rent in 1927 was Rs. 5,760 and the present rent is Rs. 10,080.

(*b*) Leases were granted for two years in the first instance, and when the term expired fresh tenders were called for. Old leases were not renewed.

(*c*) No.

TENDERS FOR THE LEASE OF SHOPS IN NEW DELHI.

123. THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY :

(*a*) Is it a fact that tenders for the lease of shops in New Delhi were invited in or about September, 1928 ?

(*b*) What was the total number of shops and the total number of tenders received ?

(*c*) How many shops were allotted to the previous lease-holders and how many to new ones ?

(*d*) How many of those who offered tenders were unsuccessful in securing an allotment ?

(*e*) Is it a fact that the largest number of tenders were for the Diaz Square shops ?

(*f*) Is it a fact that the Diaz Square shops are and remain fully engaged while other shops are still lying vacant ?

THE HONOURABLE MR. A. C. MCWATTERS : (*a*) Yes.

(*b*) The total number of shops was 80, and the total number of tenders received was 214.

(*c*) 79 shops were allotted to previous lease-holders, and one to a new one.

(*d*) 134.

(*e*) Yes.

(*f*) Yes.

REDUCTION OF THE DUTY ON GLASS BANGLES.

124. THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY: (*a*) Did the Bombay Glass Bangles Merchants' Association submit a petition to the Governor General in Council in September, 1928, about the reduction of the import duty on glass bangles ? (*b*) If so, what steps have Government taken upon the petition ?

THE HONOURABLE MR. A. C. McWATTERS: Sir, the Honourable Sir Geoffrey Corbett, being unavoidably absent, has asked me, with your permission, to answer this question and others which concern him.

(*a*) Yes.

(*b*) The Association was informed that its views had been noted.

CREATION OF THE KASHI TIRTH SUDHAR TRUST IN BENARES UNDER THE ANCIENT MONUMENTS PRESERVATION ACT.

125. THE HONOURABLE MR. G. A. NATESAN (on behalf of the Honourable Dr. U. Rama Rau): (*a*) Is it a fact that a Trust by name the 'Kashi Tirth Sudhar Trust' has been created in Benares under the Ancient Monuments Preservation Act ?

(*b*) If so, when and on whose initiation and with what specific objects ?

(*c*) Is it a fact that some of the ghats at Benares are dangerously dilapidated, and does the Trust intend to have them repaired ?

(*d*) Has the Trust been registered under the Indian Companies Act ?

(*e*) What work has it so far done to attain its object ?

(*f*) What financial or other assistance has been given or is being proposed to be given to the Trust by the Government of India ?

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH: The Ancient Monuments Preservation Act does not provide for the creation of Trusts, and the Government of India have no information about the Trust referred to by the Honourable Member.

GARAGE ACCOMMODATION FOR THE MOTOR CARS OF MEMBERS OF THE CENTRAL LEGISLATURE.

126. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: (*a*) Are the Government aware that very great inconvenience and considerable risk are being caused to the Members of the Indian Legislature for want of accommodation for their motor cars ?

(*b*) Are the Government aware that there are no garages provided with the quarters built for these Members on the Ferozeshah Road ?

THE HONOURABLE MR. A. C. McWATTERS: (*a*) Government are aware that some inconvenience has been caused to the Members by insufficient garage accommodation.

(*b*) Yes, but steps are being taken to provide sufficient garage accommodation.

*127.

MAXIMUM PERIOD ALLOWED FOR KEEPING A VALUE PAYABLE PARCEL IN DEPOSIT IN THE POST OFFICE.

128. THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY: (*a*) Is the maximum period allowed for keeping a V. P. P. in deposit in the Post Office ten days ?

(*b*) Does the same limit apply to goods railway receipts sent per V. P. Post ?

(*c*) Are Government aware that there are places in India which are so distant from each other that a consignment takes more than a month to travel between them by goods train ?

(*d*) Have Government considered the advisability of extending the deposit time limit for postal V. P. Ps. in such cases ?

THE HONOURABLE MR. A. C. McWATTERS: (*a*), (*b*) and (*c*). Yes.

(*d*) Yes. The time limit was advisedly reduced to ten days in 1913, and there is no evidence that the shorter period now allowed causes any practical inconvenience.

DISTINCTION MADE BETWEEN BANIA SHOPS AND SHOPS FOR GENERAL MERCHANDISE IN THE ALLOTMENT OF SHOPS IN NEW DELHI.

129. THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY: (*a*) In the allotment of shops in New Delhi is a distinction made between Bania shops and shops for general merchandise ?

(*b*) If so, will Government be pleased to state the line of demarcation between these two classes ?

(*c*) Are the Diaz Square shops classified as Bania shops ?

THE HONOURABLE MR. A. C. McWATTERS: (*a*) Not generally. There are specific shops for Banias who sell *ata*, *dal*, ghee, rice, sweets, etc., as distinct from those in which oilman stores, tinned provisions, scents, soaps, chemicals, etc., are sold.

(*b*) The line of demarcation is that in those shops in which the sale of general merchandise is permitted by the New Delhi Municipal Committee, the sale of Bania stores is prohibited, whether tinned or otherwise.

(*c*) Yes.

EXPENDITURE ON THE PUBLICITY DEPARTMENT ON EACH STATE RAILWAY.

130. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: What amount has been spent on the Publicity Department on each State Railway since its inception up to 31st December last, and what is the amount budgeted for each State Railway for the ensuing year ?

* For this question see after question No. 144.

THE HONOURABLE MR. A. C. McWATTERS: The information required is being collected and will be supplied to the Honourable Member when it is received.

BRANCH BOOKING OFFICES FOR PASSENGERS' PARCELS ON EACH OF THE STATE RAILWAYS.

131. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: How many branch booking offices for passengers' parcels have been opened during this year on each of the State Railways and at what places ?

THE HONOURABLE MR. A. C. McWATTERS: Information is being obtained and will be communicated to the Honourable Member on receipt.

CAUSING OF DELAYS TO ROAD TRAFFIC AT THE LEVEL CROSSING AT MOGHALPURA STATION ON THE NORTH WESTERN RAILWAY.

132. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Is it a fact that since the last few years quite a number of lines have been added to the Amritsar side road level crossing of the Moghalpura station of the North-Western Railway and that shunting operations cause unusually long delays to road traffic ?

CONSTRUCTION OF AN OVERBRIDGE TO REPLACE THE ROAD LEVEL CROSSING AT MOGHALPURA STATION ON THE NORTH-WESTERN RAILWAY.

133. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: (*a*) Is an overbridge going to be constructed on the Amritsar side of Moghalpura station on the North-Western Railway to replace the present road level crossing ? (*b*) If so, when ?

THE HONOURABLE MR. A. C. McWATTERS: With your permission, Sir, I shall answer questions Nos. 132 and 133 together. Government have no detailed information on the point, though they understand that the provision of an overbridge is under consideration. They are making enquiries from the Agent of the North-Western Railway and, on receipt of his reply, further information will be sent to the Honourable Member.

LOANS REPAYABLE IN 1930 AND THEREAFTER.

134. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will Government kindly state what Government loans are maturing for payment in 1930 and thereafter and what is the amount repayable in each year ?

THE HONOURABLE MR. E. BURDON: The Honourable Member is referred to the Return of the Rupee Debt of the Government of India for the 31st December 1928 and to the East India Loans Return for the half year ended on the 30th September, 1928. The former appears in the Gazette of India, Part II, of the 9th March, 1929, while a copy of the latter is available in the Library.

PROVISION OF INDIAN DINING CARS FOR UPPER CLASS PASSENGERS ON THE NORTH-WESTERN RAILWAY IN 1929-30.

135. THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Will Government kindly state what number of Indian dining cars, if any, for upper class passengers are going to be provided on the North-Western Railway during the next year?

THE HONOURABLE MR. A. C. McWATTERS. None.

IMPROVEMENT OF THE CONDITIONS OF SERVICE OF THE SUBORDINATE STAFF ON THE STATE RAILWAYS.

136. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: (*a*) Will Government be pleased to state what measures, if any, have been taken by them to improve the conditions of service, *viz.*, pay, working hours, quarters, etc., of Indians of the subordinate ranks employed in the State Railways during the last three years? (*b*) What is the expenditure involved on that account in each year? (*c*) What proportion does that expenditure bear to the annual earnings of the State Railways?

THE HONOURABLE MR. A. C. McWATTERS: Government have not full information in their possession on these matters as many of these questions can be dealt with by Railway Administrations individually. As has been explained in the Explanatory Memorandum to the Railway Budget, it is the intention of Government during the coming year to start an examination of the rates of pay and wages and other conditions under which the lower paid classes of railway servants are employed, and in connection with this Government propose to collect information of the nature suggested.

OVERCROWDING OF THIRD CLASS COMPARTMENTS ON STATE RAILWAYS.

137. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Will Government be pleased to state what practical steps, if any, have been taken during the last three years to remove the inconveniences felt by third class passengers in the State-owned Railways owing to crowding of third class compartments?

THE HONOURABLE MR. A. C. McWATTERS: Of the practical steps which have been taken to relieve overcrowding in third class passenger carriages, the most important have been the provision of more third class coaches and running of more passenger trains. Full details of the action taken by the Railway Board in this matter will be found in the annual Reports on Indian Railways under the head "Amenities and improvements for the travelling public." It is impossible to give the details within the scope of an answer, but I might mention that the third class seating capacity on all Railways has increased by 5·6 per cent. during the three years ending 31st March 1928, and the mileage of passenger trains by 23 per cent.

DUTIES OF EACH OF THE OFFICERS IN THE RAILWAY BOARD.

138. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Will Government kindly lay on the table a list:

(*a*) shewing the distribution of duties for each of the officers in the Railway Board;

(*b*) shewing the daily average number of cases disposed by each of them?

THE HONOURABLE MR. A. C. McWATTERS: It would be impraticable to convey in such a li t a clear idea of the various duties performed by the officers of the Railway Board, but if the Honourable Member wishes to have an approximate idea of the work done by the various officers, I would suggest his seeing at some time convenient to himself the Secretary of the Railway Board, who would be able to explain the matter to him clearly and in whatever fulness he desires.

RATES OF PAY OF THE OFFICERS AND THE STAFF OF THE RAILWAY BOARD.

139. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Will Government please lay on the table:

(*a*) a chart shewing the distribution with scales or rates of pay of the officers and the staff in the Railway Board?

(*b*) a statement shewing the total average monthly bill for each of the classes of officials separately for the years 1922, 1923, 1924 and 1928?

THE HONOURABLE MR. A. C. McWATTERS: The statements required are being prepared and will be sent to the Honourable Member.

ACTING ALLOWANCE TO SUBORDINATE READERS IN THE GOVERNMENT OF INDIA PRESS, DELHI.

140. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Is it a fact that in the Government of India Press, Delhi, acting allowance is not given to the subordinate readers?

THE HONOURABLE MR. A. C. McWATTERS: Acting allowance is not given to subordinate readers except when they officiate as head readers.

EXCLUSION OF MUHAMMADANS FROM RESPONSIBLE POSTS IN THE CLERICAL ESTABLISHMENT OF THE GOVERNMENT OF INDIA PRESS, DELHI.

141. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: (*a*) Is it a fact that the posts of Assistant Manager, Head Assistant, Head Computor, General Storekeeper, Assistant to Accountant and Cashier, Assistant to Head Assistant, Books in charge and Timekeeper in the clerical establishment of the Government of India Press, Delhi, are held by non-Muslims?

(*b*) Since the time the Government of India Press, Delhi, was established has any Muhammadan official been appointed to any of the responsible posts in the clerical establishment?

(*c*) If the answer is in the negative, will Government be pleased to state the reasons for the entire exclusion of Muhammadan officials?

(*d*) Is the post of Accountant and Cashier at present lying vacant?

(*e*) If so, will the Government be pleased to state how many applications have been received by the Controller of Printing and Stationery and Manager, Government of India Press, Delhi, from Muslim graduates and S. A. S. plucked, and what steps are being taken on them?

THE HONOURABLE MR. A. C. McWATTERS: (*a*) Yes.

(*b*) Two posts in the upper clerical scale are held by Muhammadans.

(*c*) Does not arise.

(*d*) Yes.

(*e*) Applications have been received from three Muslim graduates, of whom one appeared in the Subordinate Accounts Service Examination but failed. All applications are under consideration.

OFFICIATING AND PERMANENT PROMOTION OF CLERKS IN THE GOVERNMENT OF INDIA PRESS, DELHI.

142. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Is it a fact that the seniority is not observed in the Government of India Press, Delhi, in officiating as well as permanent promotion of the clerks from the lower to the upper scale of pay?

THE HONOURABLE MR. A. C. McWATTERS: In deciding officiating as well as permanent promotion of clerks in the Government of India Press, Delhi seniority as well as efficiency is taken into account.

NUMBER OF VACANCIES OF SECTION-HOLDERS IN THE GOVERNMENT OF INDIA PRESS, DELHI, FILLED BY MUSLIM COMPOSITORS.

143. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Will Government please state the total number of vacancies of section-holders in the Government Press, Delhi, during the year 1928-29 and how many have been filled by Muslim compositors?

THE HONOURABLE MR. A. C. McWATTERS: Two vacancies in the post of section-holders occurred in the Government of India Press, Delhi, during the year 1928-29. Neither of these posts has been filled by a Muslim.

APPLICATION FOR THE PREVIOUS SANCTION OF THE GOVERNOR GENERAL TO THE BOMBAY COTTON CONTRACTS BILL.

144. THE HONOURABLE MR. ANUGRAHA NARAYAN SINHA (on behalf of the Honourable Mr. Mahendra Prasad): (*a*) When was previous sanction in respect of the Bombay Cotton Contracts Act, 1922, under clause (*3*) of section 80-A, Government of India Act, applied for and when was it given?

(*b*) What were the circumstances under which application for such sanction was made by the Bombay Government?

THE HONOURABLE MR. L. GRAHAM: (*a*) Application for the previous sanction of the Governor General under sub-section (*3*) of section 80-A of the Government of India Act to the Bombay Cotton Contracts Bill, subsequently enacted as Bombay Act XIV of 1922, was made by the Government of Bombay in a letter dated the 7th July, 1922, and the sanction in question was conveyed in a telegram dated the 19th July, 1922.

(*b*) Application was made for sanction because the Bill required sanction. The reasons for the introduction of the Bill will be clear to the Honourable

Member from the Statement of Objects and Reasons published in the Bombay Government Gazette of the 21st July, 1922, and from the proceedings of the Bombay Legislative Council for the 25th July, 1922.

THE HONOURABLE SIR PHIROZE SETHNA : May I be permitted to ask question No. 127 standing in the name of the Honourable Sir George Godfrey ?

(Permission was given by the Honourable the President, and the question was put by the Honourable Sir Phiroze Sethna.)

TON-MILES OF GOODS HANDLED, ETC., ON THE NORTH-WESTERN RAILWAY AND CERTAIN OTHER SPECIFIED RAILWAYS.

127. THE HONOURABLE SIR PHIROZE SETHNA (on behalf of the Honourable Sir George Godfrey) : Will Government be pleased to give the following information for the broad gauge systems of the North-Western, East Indian, Eastern Bengal, Bengal Nagpur, Madras and Southern Mahratta, Great Indian Peninsula and Bombay, Baroda and Central India Railways for the years 1926-27, 1927-28 :

(1) The ton-miles of goods handled ;

(2) The total number of goods vehicles of all kinds—

(*a*) on the register on the last day of the year ; and

(*b*) available for traffic, *i.e.*, excluding those laid up for repairs, those waiting for repairs, and those lent or transferred for other purposes ;

(3) The total additions to the goods stock during the year ;

Note.—For (2) and (3) a bogie vehicle to be treated as two four-wheelers.

(4) Is it a fact that the statistics of the above named Railways show a substantial increase of wagon miles per shunting engine hour ? To attain this increase have Railways reduced the number of shunting engines in use at many of the larger goods yards ?

(5) If the answer to the last question is in the affirmative, is there any indication that wagons are being unnecessarily delayed in goods yards through insufficiency of shunting engines ?

THE HONOURABLE MR. A. C. McWATTERS : (1), (2) and (3). A statement showing the figures required is laid on the table.

(4) and (5). Statistics show that the wagon miles per shunting engine hour increased in 1927-28 by 11·6 per cent. over the East Indian Railway, 7·4 per cent. over the Bengal Nagpur Railway, 8·4 per cent. over the Great Indian Peninsula Railway and 10·9 per cent. over the Bombay, Baroda and Central India Railway. Particulars in regard to the number of shunting engines in use and delay to wagons in goods yards have been asked for from these Railways and will be supplied to the Honourable Member when received.

Statement showing—

(1) The ton-miles of goods handled ;

(2) The total number of goods vehicles of all kinds

(*a*) on the register on the last day of the year ; *and*

(*b*) available for traffic ;

(3) The total additions to the goods stock during the year ;

for the broad gauge systems of the North-Western, East Indian, Eastern Bengal, Bengal Nagpur, Madras and Southern Mahratta, Great Indian Peninsula and Bombay, Baroda and Central India Railways for the years 1926-27 and 1927-28.

Railway.	Year.	Ton-miles of goods handled (in thousands).	No. of goods vehicles of all kinds— (in terms of 4-wheelers)		Total additions (or reductions) to goods stock (in terms of 4-wheelers).
			on the register on the last day of the year (serviceable stock, excluding departmental wagons and brake vans).	available for traffic (Col. 4 *minus* average number ordered or awaiting repair during the year).*	
1	2	3	4	5	6
N.-W. . .	1926-27	2,877,931	30,110	28,454	+302
	1927-28	3,090,145	31,218	29,743	+1,108
E. I. . .	1926-27	6,012,850	52,519	50,001	—226
	1927-28	6,286,570	50,939	47,916	—1,580
E. B. . .	1926-27	531,458	8,437	7,969	—2
	1927-28	577,209	8,414	8,125	—23
B. N. . .	1926-27	2,389,540	24,147	22,263	+242
	1927-28	2,706,322	23,989	22,091	—158
M. & S. M. .	1926-27	731,795	5,553	4,940	+60
	1927-28	794,787	5,535	5,287	—18
G. I. P. .	1926-27	2,748,726	21,843	20,809	+216
	1927-28	3,006,265	20,518	19,635	—1,325
B., B. & C. I. .	1926-27	935,198	10,892	10,554	+351
	1927-28	961,924	10,816	10,528	—76

*Number of wagons lent or transferred for other purposes is not separately available.

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 Workmen's Compensation Act, 1923, for certain purposes, which was passed by the Legislative Assembly at its meeting held on the 16th March, 1929.

MESSAGE FROM THE LEGISLATIVE ASSEMBLY.

SECRETARY OF THE COUNCIL: Sir, the following Message has been received from the Legislative Assembly:

"I am directed to inform you that the Legislative Assembly have, at their meeting held on the 16th March, 1929, agreed without any amendments to the Bill further to amend the Presidency-towns Insolvency Act, 1909, for a certain purpose, which was passed by the Council of State on the 19th February, 1929."

RESOLUTION *RE* JURY TRIALS IN CASES OF SEDITION.

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY (East Bengal: Non-Muhammadan): Sir, I beg to move the Resolution which stands in my name. It runs as follows:

"This Council recommends to the Governor General in Council to take steps to have the criminal law so amended as to make jury trial compulsory in cases of sedition."

In England the courts presided over by the Justices of the Peace are known as Petty Sessions. They can impose punishments only to the extent of a small fine or a maximum of three months' imprisonment. By the Summary Jurisdiction Act, 1879, section 17, sub-section (*1*), a person when charged before a court of summary jurisdiction with an offence in respect of the commission of which an offender is liable on summary conviction to be imprisoned for a term exceeding three months and which is not an assault, may on appearing before the court, and before the charge is gone into, claim to be tried by a jury and thereupon the offence shall, as respects the person so charged, be deemed to be an indictable offence. But the law in India debars any person from claiming a trial by jury in respect of such offences, in cases which are not triable exclusively by the Court of Sessions. Moreover, in criminal cases in England the law places a twofold barrier of a presentment and a trial by jury between the liberties of the people and the prerogative of the Crown. Every accusation for treason or felony is preferred to, and if found true, presented to the court upon oath by a grand jury, whereafter, the actual trial takes place before the petty jury. In the case of misdemeanours only the Crown can proceed by information instead of by indictment. Trial by jury in England, therefore, is a system in which the community undertakes the duty of prosecution and it has therefore been described as "the most democratical of juridical institutions, the cherished bulwark of English constitutional liberty".

"Historical writers",

says D. G. E. Hall in his English Constitutional History,

"are probably amply justified when they affirm that the use of the jury system which means the co-operation of ordinary men, in the securing of justice, was the real beginning of self-government among us."

In his History of Trial by Jury, Forsyth says :

"If Englishmen are distinguished for one moral feature, more than another, it is, I think, a love for fair play and abhorrence for injustice. Now the very essence of jury trial is its principle of fairness. The right of being tried by his equals, that is, his fellow-citizens, taken indiscriminately from the mass, who feel neither malice nor favour, but simply decide according to what they believe to be the truth, gives every man a conviction that he will be dealt with impartially, and inspires him with the wish to mete out to others the same measure of equity that is dealt to himself."

Speaking of the jury system Tacquiville said :

"The jury serves to imbue the minds of the citizens of a country with a part of the qualities and character of a judge, and this is the best mode of preparing them for freedom. It spreads amongst all classes a respect for the decisions of the law ; it teaches them the practice of equitable dealing. Each man in judging his neighbour thinks that he may also be judged in return. * * * It teaches every man not to shrink from responsibility attaching to his own acts and this gives a manly character without which there is no political virtue. It clothes every citizen with a kind of magisterial office, it makes all feel that they have duties to fulfil towards society, and that they take a part in its government. * * * It is a school where the laws are taught him in a practical manner and are brought down to the level of his apprehension by the efforts of the advocates, the instructions of the judge and the very passions of the parties to the case."

It is thus a political institution of the highest value.

"It is to trial by jury",

says Lord John Russell,

"more than even by representation as it at present exists, that the people owe the share they have in the government of the country ; it is to trial by jury also that the government mainly owes the attachment of the people to the laws ; a consideration which ought to make our legislators very cautious how they take away this mode of trial by new, trifling and vexatious enactments."

I need not dilate any further on the merits of the jury system. Generally it has been accepted by almost all civilised countries and is prevalent in India also, but in India, as well as the continental countries of Europe, the Government have endeavoured to retain some influence over its decisions by entrusting the formation of the primary lists of jurors to their own officers. Not only this, the continental countries have by the establishment of Droit Administratif, and the Government in India by keeping the administration of criminal justice within the control of the executive, made the trial of cases in which the Government of the country is concerned almost a farce. Dicey in his Law of the Constitution observes :

"It is difficult for an English man to believe that at any rate where politics are concerned, the administrative courts can, from their very nature, give that amount of protection to individual freedom which is secured to every English citizen and indeed to every foreigner residing in England."

"It is no light matter,"

says Forsyth,

"in a constitutional point of view. Political grievances are really often of far less importance than judicial. Liberty becomes valueless when the very fountains of justice are poisoned."

Freedom of the press, Sir, all justly "prize as one of the first blessings of society" and it is chiefly indebted in free countries "to the jury for its vigorous existence". "Every state trial for seditious libel," says Forsyth,

[Mr. Kumar Sankar Ray Chaudhury.]

"is an appeal from the Government to the people". And the verdict of the people is final in England, for up till 1907, there was no appeal to any higher court from it and even then the High Court, which has been authorised to hear criminal appeals, can only either modify the sentence or quash the original verdict. It cannot order the retrial of a case. That right of appeal to the people, Sir, has been denied to us by making sedition cases under section 124A of the Indian Penal Code triable by magistrates without a jury, while the rest of the sections in that Chapter of the Code provide for a trial by jury alone. Sedition cases, I may venture to submit, are cases which juries are most competent to try. They arise mostly in urban localities, where intelligent jurors are available, their trial involves the construction of documents simply and where they are in the vernacular language, the jury are far more competent judges of their meaning than foreign judges who are often illiterate so far as the vernacular languages are concerned, and have therefore to rely upon the verdict of oral testimony of witnesses, without any responsibility attaching to it as in the case of a verdict of the jury. No complaint has been hitherto made, as was done in Ireland, that the jurors are averse to conviction. Even if that were so, the fault could not be laid at the door of the jury system, but to the fact that

"Self-government is practically unknown, centralisation swallows up and absorbs all freedom of local action; the Government stretches out its polypus arms in every direction, and hardly anything is too minute and unimportant for its grasp: the people do not manage their own affairs, but are treated like children fit only to be under tutors and governors"

and

"the consequence will be that the executive will be made responsible for every real or imaginary evil; discontent at its measures will smoulder in the hearts of the people and the riot of a mob will lead to the overthrow of a throne".

I shall now conclude my remarks with the following observations of Dr. Johnson:

"The more contracted power is, the more easily it is overthrown. A country governed by a despot is an inverted cone. Government cannot be so firm as where it rests upon a broad basis gradually contracted."

I commend my Resolution to the acceptance of this House.

THE HONOURABLE MR. G. S. KHAPARDE (Berar Representative): Sir, I wish to support this Resolution. On the general considerations of jurisprudence and history which my friend has dwelt upon I do not wish to speak. But I shall deal with that aspect of the question which relates to the administration of justice. Sedition trials so far as India is concerned, and in England also from what I have read, consist of this—either a man has published an article or has made a speech which it is alleged has brought Government into contempt or something of that kind. The offence itself is very difficult to define. In the old books which I studied as a student it was stated that no definition could be given. If any 13 people true and good agree that something is good then that is good; if the 13 people do not agree that something is good then it is bad. That is the kind of definition which we were given, though there was quite a large literature on the subject. I shall concern myself with what happens in India. I have been associated with four or more

sedition trials myself—defending in each case and never offending. What happens is that an article is published. It is not denied that the newspaper has published it; the editor admits that he has published it and the accused admits that he wrote it. So there is no question of fact to be determined. The question to be determined is, what is the meaning of the article? On that the whole dispute rages. I remember that in a notable case in Bombay the meaning of a particular passage was in dispute. The prosecution produced the Oriental Translator and we cross-examined him. Unfortunately he was not a Sanskrit scholar and so he got into a great mess. Then they wished to call Sir R. G. Bhandarkar, whose pupil I was, and the position became awkward. Fortunately he was not called and then a third person was produced. Unfortunately in that case the jury, with the exception of one Indian, was composed entirely of Europeans. The Indian juryman said it was not sedition but all the rest said it was sedition and the verdict of the majority was accepted. But whatever happened in that case, the point I wish to bring to the notice of this Honourable Council is that the question to be determined in these cases is not one of fact but of the interpretation to be put upon the expressions used, and the interpretation which they bear cannot be determined by the evidence of people, because different people will give different meanings to the same expression. But if the jury do not speak the same language as that employed in the offending article or speech, they have to depend upon translations. It is well known that words in their own setting convey one meaning, but if they are translated into another language they often convey a different meaning, and many phrases cannot be translated at all. In this way great difficulty arises. If you have studied sedition trials as I have studied them, you will know that the Judge has often found himself in great difficulty as to the interpretation to be put upon the offending words. To meet that difficulty the English law provides that a sedition trial should always be held before a jury. Of course there everybody speaks the same language and the interpretation which can be put upon words is not a matter of such difficulty as it is in this country. Here, therefore, it is much more essential that the suggestion conveyed by the words used should be interpreted by the people whose language it is. The true meaning and significance of the words is much more likely to be apparent to them than to anybody else. In the circumstances prevailing in India also you cannot always ensure that the trying magistrate will be a person who speaks the language in which the accused has used the offending expressions. And even if he does happen to in one court, in the next court to which the case goes the presiding Judge probably will not know the language. The Sessions Judge for instance probably speaks nothing but English; and then in the High Court the case may go before a body of persons who probably do not know anything about the language at all. That is how great difficulty arises. In a case of printed libel or sedition I say that there should be not one person but 10 persons to say what the meaning of the words is. If 10 persons sitting together agree that the suggestion carried by the words is productive of injury to the State, or brings Government into contempt, or is in any way improper, then I agree that the accused should be punished, but not otherwise. In a case of sedition alleged to have been contained in a speech, it often happens that the speaker admits that he made the speech, and sometimes admits the correctness of the extracts complained of, but he denies the connection in which he used the extracts and he affirms that the whole context does not bear out what the isolated passage by itself may be considered to mean, and on that a fight ensues. And how is that to be determined? It can only be determined by people who know the language and can fit in the extract and study it with reference to the context as a whole. Therefore it comes to this, that in sedition

[Mr. G. S. Khaparde.]

trials there is no question of fact to be decided. The sole question is, what does the offending passage mean ? That meaning cannot be made clear with the help of a dictionary, because no dictionary of a spoken language can be up to date. The meaning and suggestiveness of words change from day to day. And this also can never be determined by the calling of evidence, because even people who know the language may be biased by the view of the side on which they appear and people on one side will take one view and people on the other another view. For instance, there is a notable trial going on in Delhi in which 12 learned people have been called on one side and another set of 12 on the other side and they are disputing over the interpretation to be put upon certain passages. Therefore, to really judge the meaning of a passage you must get 10, or 13 as in England, disinterested people who know the language to come to a decision. I speak purely from an administrative and judicial point of view, not at all from the racial or the legal point of view or even from the point of view of jurisprudence. I therefore submit that sedition is an offence pre-eminently fitted for being tried by a jury ; it cannot be correctly tried by any other means and in England it has always been tried with a jury. In India also I believe—I was not able to verify it this morning—originally it got dropped out of the Penal Code by some oversight which we do not now understand. Then it was introduced and when it was introduced it was made a jury offence and tried by juries in Presidency-towns, and in the mofussil with the aid of assessors. Then it was latterly that the third enactment came in and then the offence was made triable by specially qualified magistrates and now it has been made triable by first class magistrates. I humbly submit that I always think that it is a mistake and it is neither fair to the magistrate, nor fair to the accused, nor fair to anybody. How could one poor man give an opinion as to what impression it will produce on the public generally? One word may convey one meaning to you and another meaning altogether to me or to a different person, and it puts a man in an unfair position if he is to say that the whole world will consider it in this way. Poor magistrates get into a bad position ; I do not say that justice miscarries, but justice is not done in that sense in which it should be done. Not only should magistrates do the right thing but the world should be convinced that they are doing the right thing. Unless these conditions are fulfilled, justice will not be done. I therefore heartily suppport this Resolution. I hope that early steps will be taken to carry it out. Newspaper readers are aware that in Bombay there was a sedition trial and the accused prayed that the case should be sent to the High Court and the magistrate declined to do so. Then the accused took it to the High Court and ultimately the High Court decided that the case should be submitted to the High Court. Naturally, if I am to be tried I should prefer to be tried by a jury, where 10 people agree to one opinion or not, whereas in the case of a magistrate he is called upon to decide the case and very likely he is a man who does not speak that language in which the accused spoke. On these grounds, therefore, Sir, I heartily support this Resolution.

THE HONOURABLE MR. H. G. HAIG (Home Secretary) : Sir, the Resolution before the Council recommends that the law should be amended so as to make jury trial compulsory in cases of sedition. The case put forward by the Honourable the Mover rests on the assumption, or I might say on the assertion, that jury trial in itself is something superior to any other form of trial. Well, Sir, had the Honourable the Mover been English I should not have been surprised at that assertion. Trial by jury is essentially an English institution. It

rests on—I think it has developed perhaps from—that respect for the opinions and the judgment of the average man which lies at the root of much of the strength as well as much of the weakness of our British national institutions. We are a conservative people and we are apt to say that our institutions are the best in the world; they have made us what we are: and not only are they best for us but they are best for every body else. That is another perhaps of our national characteristics. But no Briton could have put it more strongly than my Honourable friend the Mover who recited a fervent panegyric on the merits of the system of trial by jury. I suggested recently, Sir, in this Council that in India we might claim to think for ourselves, that we need not always assume that an institution which works well in England must necessarily be the best for India; and this seems to me to be a case in point. What we are concerned with is not any question of political privilege or status but the effective administration of justice, and I submit, Sir, that there is more than one method by which justice may be effectively administered in different countries. The system, I admit, has on the whole worked well in England, but I think it is really based on a different theory of the administration of justice to that which prevails in India. As I understand it, the principle for deciding criminal cases of importance in England was that there should be one single and final decision. Now, to put the responsibility for such a single final decision on one man might naturally be regarded as going too far. The judge was assisted by a jury, but the decisions of that jury were to be final. Now here, as an eminent authority Sir James Stephen pointed out, we proceed on a totally different principle. Referring to the whole of the Indian criminal procedure he said the very essence of it is control and supervision by one set of courts over another. We do not put the final responsibility on an individual. We provide for an elaborate system of appeals and the result of that different theory of administration of justice, it seems to me, is that when an attempt was made to adopt the English system and to introduce trial by jury into India we did not really introduce the English system of trial by jury. The decision of the jury was by no means final; the jury did not have to be unanimous; we had the system of decision by a majority; we had the provision that the High Court can upset and reverse the decision of a jury. That, Sir, is not the English system, as I understand it, and consequently though trial by jury was introduced in imitation of the English law, I maintain that it has never really fitted in with our system of criminal administration in India, and that is why it has never been a normal part of our machinery. It has been, looking at the country as a whole, an exceptional and an experimental procedure and it has been left to Local Governments to introduce this experiment where local conditions appeared to justify it. The local conditions which have generally been held to justify such an experiment are that there should be an ample supply of intelligent and public-spirited citizens and that the cases referred for the decision of the jury should be those in which the members of the jury are likely to be free from prejudice, political, racial, communal and social.

The Honourable Mr. Khaparde in recommending an extension of the system of trial by jury gave us a story which I thought provided an excellent argument against the system. He told us of a case in which a jury consisted of 7 persons, 6 of whom were Europeans and one was an Indian and the 6 Europeans were unanimous for conviction and the one Indian was for acquittal. The implication is, Sir, that the jury did not give a fair verdict but that its verdict was coloured by its prejudices.

THE HONOURABLE MR. G. S. KHAPARDE: That was not my implication at any rate.

THE HONOURABLE MR. H. G. HAIG: Well, I am sorry, Sir, if I have attributed to the Honourable Member a meaning which he did not intend to convey, but that was what suggested itself to me as the moral of his story.

I do not want to labour the point that the jury system has not universally or even generally been found very successful in India. I could quote the opinions of various Judges of the High Court on the subject but I do not want to go into the matter. Now, Sir, the Honourable the Mover proposes that this system should be made compulsory, that is to say, in all places, in the case of one particular offence. He does not consider apparently whether it would be possible to secure a suitable jury in all places, whether the system would be suitable for application in all places. Nor have I fully understood why this particular offence should be regarded as always suitable for trial by jury. The Honourable Mr. Khaparde explained that it was a question of judging words. I have always understood that the law of sedition is a complicated matter, that it is more than the mere general impression—this is seditious, this is not seditious. That is not really the system under which we endeavour to reach decisions in criminal cases in this country. I do not know whether the Honourable the Mover would be anxious to see section 124A abolished from the Code. I hope not. But if we maintain it in the Code we must ensure that cases under this section are tried in the most effective way and we must remember that the object of the criminal law is that the innocent should be acquitted and that the guilty should be punished. I cannot persuade myself that those objects are likely to be attained with any more certainty or with as great certainty by a system of jury trials as they are under the system which at present prevails, where a case is tried either by a magistrate or by a Court of Session sitting with the aid of assessors and there is an appeal and the matter goes up eventually to the High Court where it is adjudicated upon by those whose opinion is the most authoritative on these subjects in India.

Sir, I maintain that no case has been made out for the action suggested and I trust that the Council will reject this Resolution.

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY: Sir, I beg to submit that the Honourable the Government Member has not been able to meet my arguments quite fully. He admits that the law of jury trials has worked very satisfactorily in England but he does not say whether it has done so in India or not. On the contrary he says that the introduction of the system of trial by jury has been left to the Local Governments to be extended. And so far as I am aware, my information is that it is being gradually extended and trial by assessors is being replaced by trial by jury in the provinces. So there is no doubt about trial by jury being satisfactory in this country. My Honourable friend then said that the trial by a magistrate is subject to an appeal to the High Court and can be revised by the High Court. Is there no appeal against a trial by jury also provided in the Criminal Procedure Code? And I am not asking this House to abolish that appeal.

Then my Honourable friend said that the jury are not likely to give a verdict of conviction in cases of sedition. If the public are so perverse, I think the blame ought to lie on the Government for initiating harassing seditious trials. That was the case in Ireland, as I have already pointed out in my opening speech, and the state of Ireland had to be attended to and remedied before that defect could be cured, and unless similar remedies are adopted here, the state of things will go from bad to worse.

Then my Honourable friend said: Why should this particular offence be made triable by jury? It is not a question of this particular offence being

made triable by jury. It is a question why this particular offence should be excluded from the provision of a trial by jury. The whole Chapter, beginning from section 121, provides a trial by jury. It is only section 124A which is excepted. So it is not a question of making only this particular offence triable by a jury. It is rather the contrary. This section has only been excepted from the operation of a trial by jury while all the other sections of the Chapter are made triable by jury. These, I think, are all the points that were raised by my Honourable friend, Mr. Haig, and I submit that they have no substance in them.

THE HONOURABLE MR. H. G. HAIG: Sir, my Honourable friend challenged me to give reasons why I maintain that the system of trial by jury was not universally successful. I said I did not want to go into this matter, but as he has made a point of my not developing it I should like just to read out certain extracts from a debate which took place in the United Provinces Council in the year 1916, in which the opinions of certain Judges of the High Court were quoted. One distinguished Judge observed:

"It has always seemed to me that the jury system fails just where we require assistance. In simple cases, where the accused are men of low caste or position, juries may be trusted to return reasonable verdicts; but as soon as you have either a complicated case or a case in which the accused are men of position, the system breaks down."

Another Judge of the High Court observed that the system failed in cases complex in nature or tinged with politics or racial or religious or social strife. That is really my case for maintaining *primâ facie* that this is not a suitable class of case for trial by jury.

One other point raised by my Honourable friend was that this was the only offence in that particular Chapter of the Indian Penal Code which was not triable by jury. I do not think that that is exactly the right way of putting it. This is the only offence in that Chapter which can be tried by a magistrate. There is nothing to prevent such an offence being tried by a Sessions Judge if the magistrate commits it to him, and there is nothing to prevent, when the case comes before the Sessions Judge, if the system of trial by jury is .....

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY: Can the magistrate be compelled to commit him to the Sessions?

THE HONOURABLE MR. H. G. HAIG: No, Sir. That is not our system. The magistrate exercises his own discretion.

THE HONOURABLE SETH GOVIND DAS: That is the defect of the system.

THE HONOURABLE MR. H. G. HAIG: The reason presumably why this particular section is triable by a magistrate while other sections in the same Chapter are triable only by a Court of Session is that this is in that particular class of offences the least serious, and I think, Sir, that is a sufficient answer.

THE HONOURABLE THE PRESIDENT: The question is:

"That the following Resolution be adopted, namely:

'This Council recommends to the Governor General in Council to take steps to have the criminal law so amended as to make jury trial compulsory in cases of sedition'."

The Council divided :

AYES—13.

Desika Chari, The Honourable Mr. P. C.
Govind Das, The Honourable Seth.
Jaffer, The Honourable Sir Ebrahim Haroon.
Khaparde, The Honourable Mr. G. S.
Manmohandas Ramji, The Honourable Sir.
Muhammad Hussain, The Honourable Mian Ali Baksh.
Ram Saran Das, The Honourable Rai Bahadur Lala.
Rampal Singh, The Honourable Raja Sir.
Ray Chaudhury, The Honourable Mr. Kumar Sankar.
Sethna, The Honourable Sir Phiroze.
Sinha, The Honourable Mr. Anugraha Narayan.
Suhrawardy, The Honourable Mr. Mahmood.
Zubair, The Honourable Shah Muhammad.

NOES—23.

Akbar Khan, The Honourable Major Nawab Mahomed.
Akram Husain Bahadur, The Honourable Prince A. M. M.
Basu, The Honourable Rai Bahadur Suresh Chandra.
Braidwood, The Honourable Mr. H. L.
Burdon, The Honourable Mr. E.
Charanjit Singh, The Honourable Sardar.
Chettiyar, The Honourable Raja Sir Annamalai.
Clayton, The Honourable Mr. H. B.
Commander-in-Chief, His Excellency the.
Froom, The Honourable Sir Arthur.
Graham, The Honourable Mr. L.
Habibullah, The Honourable Khan Bahadur Sir Muhammad.
Haig, The Honourable Mr. H. G.
Harper, The Honourable Mr. K. B.
Irving, The Honourable Mr. M.
Maqbul Hussain, The Honourable Khan Bahadur Sheikh.
McWatters, The Honourable Mr. A. C.
Muzammil-ullah Khan, The Honourable Nawab Sir Muhammad.
Symons, The Honourable Major-General T. H.
Thompson, The Honourable Sir John.
Umar Hayat Khan, The Honourable Colonel Nawab Sir.
Wacha, The Honourable Sir Dinshaw.
Weston, The Honourable Mr. D.

The motion was negatived.

RESOLUTION *RE* LEADER OF THE INDIAN DELEGATION TO THE LEAGUE OF NATIONS.

THE HONOURABLE SIR PHIROZE SETHNA (Bombay : Non-Muhammadan) : Sir, I beg to move the Resolution that stands against my name, namely : 12 NOON.

"This Council recommends to the Governor General in Council that he be pleased to make a strong representation to the Secretary of State that in order to give practical effect to the admitted principle that there is no bar to an Indian leading the Indian Delegation to the League of Nations, this year's Delegation be led by an Indian."

This is my hardy annual, and I can only express the hope that this time at least the authorities in whose hands lies the appointment of members of the Indian Delegation to the League of Nations will show sweet reasonableness, and that in consequence the necessity will not arise of again knocking at the door until it is opened. The House is familiar with the history of this question, and I shall not trouble it with a statement of facts which it knows so well. I shall only refer to the debate that took place last year on the subject. The Resolution I moved a year ago was very wide in its scope. It urged that Indian representation not only on the League of Nations but also on other Imperial or International Conferences should be by a delegation predominantly Indian and led by an Indian. Honourable Members will remember that the position,

of Government on the Resolution was explained not as before by the then Honourable the Law Member, the late Mr. S. R. Das, but by the Honourable Mr. Haig, the Home Secretary. He asked me not to divide the House on the Resolution but to withdraw it. I expressed my willingness to do so, provided he gave the House the assurance that the Government of India had put forward our claim very strongly, had, in fact, done their very best to support our demand, and that the responsibility for a different decision rested not with them, but with the Secretary of State who was the ultimate authority to decide the matter. Let me quote what I then said :

"I am perfectly agreeable 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."

I even went further to meet the Home Secretary. I said :

"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 to the League of Nations will be an Indian, I shall be content."

This will prove to the House how moderate was my demand, but Mr. Haig was unable to give any such assurance and meet moderation and reasonableness on my part with moderation and reasonableness on his.

In his speech in reply to the debate last year the Honourable Mr. Haig repudiated the proposition that the ablest men—men competent enough to lead the Delegation to the League of Nations and other Delegations—were never to be found among Indians. It was very nice of my Honourable friend to have made that repudiation, and we are all grateful to him for his vindication of our fitness to fill such an important and responsible rôle as that of a leader of such Delegations as that to the League of Nations and other International bodies. But what satisfaction can this repudiation give us when we remember the cold fact that hitherto, though so many sessions of the Assembly of the League of Nations have been held, not even once has an Indian to whose merits Mr. Haig has thus paid a theoretical tribute been chosen to lead the Delegation ? What can mere academic appreciation, however flattering it may be to us, avail when in practice, our merits and claims are refused recognition and our representatives are made to play second fiddle ? I do hope that Mr. Haig does not think that we are such simple minded people—that sweet words will please us and do duty for what is really necessary by way of action. Mr. Haig further said that Government must be free to select those for leadership whom for the particular purpose in view and at the particular time it might hold to be best suited. It is very curious that the freedom which Mr. Haig claims for Government has never yet been exercised in favour of an Indian. Evidently he thinks, and the Government he represents think, that during the past so many years, no purpose has been in view, no time has arisen, for an Indian being considered as the best suited. If there has been no such purpose and no such occasion, one wonders what purpose India's membership of the League of Nations is designed to fulfil. I cannot help saying, Sir, that Government have yet to prove their *bonâ fides* in the matter, and if the real truth is to be told, they are influenced by their bias in favour of a Britisher. The real trouble is that they cannot shake off the old prejudice that an Englishman, whoever he may be, is intrinsically superior to an Indian, however able and

[Sir Phiroze Sethna.]

eminent the latter may be, and that their decisions are due to this prejudice and also to the feeling of racial prestige which is so difficult for an Imperial people to overcome, however vehemently they may declare that no such prejudice and no such feeling really affect their policy.

In my previous Resolutions on this subject my complaint against Government has been that it has till now never appointed an Indian to head a Delegation either to the League of Nations or to any of the International or Imperial Conferences. To-day I go further and say that Indian Delegates to the League of Nations are not entrusted with work which should be given to them, but from which either deliberately or otherwise Government has so far excluded them. I will now explain what I mean. Indian Delegates do not grudge to do their share of work. It is well known that Sir C. P. Ramaswami Aiyar and Sir Basanta Kumar Mullick, who were Substitute Delegates in 1926 under the leadership of Sir William Vincent, did perhaps the bulk of the work that was done by the Indian Delegation in that year. Yet it is very remarkable that even these two gentlemen I have named, whose ability and efficiency are unquestioned even in the opinion of Government themselves, were not nominated to those Committees, the work of which related to Disarmament or related to purely political questions. All such work was entrusted to the Leader, Sir William Vincent, and to Sir Edward Chamier. That being so, it was not possible for the Indian members of the Delegation to be in touch with the main work for which the League was brought into existence, although it cannot be denied that such work as was originally contemplated has been thrown into the background and the humanitarian aspect has been augmented and emphasised. On previous occasions I have referred to criticisms offered at the League by representatives from different parts of the Empire in regard to Indian members of the Delegation from India being given a back place and have quoted such criticisms. Even in 1926 the representatives of almost every other nation felt the incongruity of the Indian Delegation being led by a non-Indian, and the delegates from the Dominions, especially Ireland and Canada, were loud in their expressions of dissatisfaction. I will repeat to-day what I have said before that Sir William Vincent proved a very good Leader and I will also add that on a particular occasion our Delegation with his active support differed from the delegates of Great-Britain itself in regard to the discrimination sought to be made between European-owned and other ships relating to the right of search.

The House will remember that on previous occasions we have been told that Indian Princes, if they are members of the Delegation as they often are, would not like to be led by an Indian who is only a commoner. Surely the answer to this is obvious, namely, that there cannot be any objection to an Indian Prince leading the Delegation provided such a Prince is capable enough to be appointed the head of the Delegation, I am sure such Indian Princes as the Maharaja of Patiala, the Jam Sahib of Nawanagar or the Maharaja of Bikanir would prove most excellent leaders. (*An Honourable Member:* "The Nawab of Bhopal".) He may be.

Take the year 1927. Sir Fazli Hussain and Sir Basanta Kumar Mullick were Substitute Delegates and Sir C. P. Ramaswami Aiyar, who in the previous year was similarly a Substitute Delegate, was advanced to the position of one of the three Delegates. The head of the Delegation in 1927 was Lord Lytton. I believe I am not wrong when I say that not only Lord Lytton himself, but the League officials full well realised that because Sir C. P. Ramaswami Aiyar had been in Geneva in the year previous he had far greater knowledge of the

problems than any of his other colleagues. It is not surprising therefore that the work of the Delegation fell mainly on the shoulders of Sir C. P. Ramaswami Aiyar and yet, although perhaps he bore the brunt of the work, he was left out completely from the work of both those Committees which dealt with questions of Disarmament and which dealt with political questions in general. I ask Government if that was intentional or otherwise. Without any satisfactory reply from them, the Indian public cannot be blamed if they doubt the intentions of Government.

Again, I ask Government if it is not within their knowledge that criticisms were openly made at Geneva why an Indian of the standing, position and capability of Sir C. P. Ramaswami Aiyar should not have been chosen as the Leader in 1927 when he had served, and served so efficiently, as a Substitute Delegate in 1926. This wonder was intensified because Sir Atul Chatterjee's Presidentship of the International Labour Conference was attended with such signal success.

One of the factors which militates against Indians inevitably becoming Leaders of the Delegation is the discontinuity of the personnel. Every other country sends practically the same men year after year, and it is well known that personal touch and mutual acquaintanceship are of the utmost value in the discussions and decisions at the League. India alone changes the Delegates practically year after year. If Sir C. P. Ramaswami Aiyar and Sir Basanta Kumar Mullick attend the League not twice, as they have done till now, but say for three or four years in succession, it would be impossible to pretend that anybody else could lead the Delegation better. It has been sometimes suggested that the change of personnel is really due to the realisation of this factor.

This Council has discussed this particular Resolution in one form or another so often by now that I can hardly add anything further to the arguments that have been previously advanced. Much water has flowed under the bridges even after I brought up this Resolution a year ago. Lord Birkenhead is no longer the Secretary of State for India. He has always been regarded as a man of great ability, but oftener than not great ability in such persons perhaps proves a source of trouble and misfortune to those he has to deal with. Lord Birkenhead's successor, Lord Peel, is credited with solid common sense, and I sincerely hope that in this particular matter Lord Peel will display the same good sense that he has shown in regard to the question of an independent Secretariat for the Legislative Assembly.

One word more and I have done. I fully realise that the acceptance of my Resolution will raise a question of the status of the Indian States' representatives on the Indian Delegation to the League. A suggestion has been made in certain quarters that the Indian Princes should seek separate representation at the League Assembly. Far be it from me to intend or desire such a situation arising out of my Resolution. I stand now, as I have always stood, for an honourable federal relation between Indian States and British India, and I appeal to the Indian Rulers, in the interest of our common Motherland, to stand united with us before the nations of the world. This can and should be secured by providing opportunities for representatives from both sides of India to lead the Indian Delegation by turns. In that view, as the mover of the Resolution, I would welcome a progressive Indian Prince from amongst the leaders of the Princes' Chamber leading the Indian Delegation this year, provided the Indian States agree to a British Indian leading next year, and so on.

Sir, I commend my Resolution to the House.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab: Non-Muhammadan): Sir, I rise to congratulate my Honourable friend Sir Phiroze Sethna on his bringing this Resolution in this Council for the fourth time. I beg to support the line of argument so ably advanced by my esteemed friend the Mover. So far, the Leader of the Indian Delegation to the League has not been an Indian, and this has placed an undesirable ban of inferiority on our country in the Council of the World. I am confident, Sir, that His Excellency the Viceroy will lend his powerful backing to the elimination of this omission. I also feel that in the best interests of the country the Leader of the Indian Delegation should alternately be a progressive Indian Prince, and I would appeal to all Honourable Members who may speak after me to realise and emphasise this point of view. Such a gesture is necessary at this stage to secure that closer federal relation between the Indian States and British India which all true friends of India look forward to. As remarked by the Honourable the Mover, Sir, the selection alternately of an Indian Prince will save us from another bone of contention amongst the political and communal groups in the country, and I would appeal to the Government not to detract from the chance of securing the unity which is being striven for in the country at the moment by introducing any fresh element of discord. To avoid that, the selection of an Indian Prince would be an invaluable asset. Most of our Princes have traditions of tolerance amongst all classes of their subjects, and it can be truly said that they belong to no community and that they belong to all communities. As such I support the suggestion that a progressive Ruling Prince from amongst the leaders of the Chamber of Princes may be selected this year to lead the Indian Delegation. I beg to suggest the name of His Highness the Maharaja of Patiala, the able Chancellor of the Chamber of Princes, for selection this year.

With these remarks, Sir, I strongly support the Resolution.

THE HONOURABLE MR. L. GRAHAM (Secretary, Legislative Department): I should like to congratulate the Honourable the Mover, Sir, generally on the tone of his speech, and, if I take exception to one passage, I think on the whole, when he observes the nature of the exception which I take, he will probably agree with me. He took objection to the lack of continuity in the personnel of our Delegations. If he only knew the difficulty which we have experienced in securing continuity—an object for which we have consistently striven—I think he would not have made that criticism so lightly. But, Sir, when he proceeded to insinuate that we had deliberately avoided continuity in order to prevent an Indian from acquiring such capacity and experience as would make him obviously the man to lead the Delegation, I say, Sir, that I must most emphatically repudiate that insinuation and I trust, Sir, he will withdraw it after what I have said.

The Honourable Member did not take the House into the history of this Resolution and I do not propose to do so either. I am glad to note that he has not on this occasion charged the Government with deliberate breach of faith. Possibly he remembers what my Honourable friend, Mr. Haig, said to him last year when he pressed that charge against the Government. I am particularly interested, in the course this debate has taken so far, in the change of mind which seems to be animating my Honourable friend, and what particularly struck me was his suggestion that we should find the solution of our troubles in appointing one of the Indian Princes who has previously not been on the Delegation to lead a Delegation. I shall have a word to say about that later, Sir. There are one or two points of detail which I should like to take up before making a definite statement on this subject. I think it is rather

hard on the Government representative that he should be expected to say without any notice why a particular member of the Delegation was not placed on Committee No. 3 or Committee No. 6 in the year 1926.

THE HONOURABLE SIR PHIROZE SETHNA : And 1927.

THE HONOURABLE MR. L. GRAHAM : That, Sir, is the sort of question for which one would be fully justified in asking notice. I have only brought with me the report of the Indian Delegation of 1928. The Committees to which my Honourable friend refers, so far as I remember, were the Committee which dealt with the reduction of armaments ; on this Committee I find the members were the Earl of Lytton and Sir Edward Chamier. I think I am right in saying that these two gentlemen were members of that Committee last year also : another instance of the advantage of continuity. Committee No. 6 was the other Committee to which I think he referred,—relating to political questions. I find that on that Committee in 1928 the members were His Highness the Nawab of Palanpur and Sir Venkata Reddy. Another grievance removed, I hope. Now again, talking of Sir Venkata Reddy, I should like to take this opportunity on behalf of Government of congratulating him on the services which he performed at Geneva last year. There is another case where our policy of continuity was frustrated by the demands of the Empire. Sir Venkata Reddy is now engaged elsewhere on work, I suppose, of even higher value and perhaps I shall not be charged with having sent Sir Venkata Reddy to South Africa in order to prevent his going back to Geneva.

Sir, the Honourable Member asked me to be sweetly reasonable. I think it is time I was, Sir. I should like to read out a statement. I am going to read it out because I attach great importance to this statement, a statement which does really amount to an offer. I think it meets the Honourable Member fully although it may not exactly meet the words of his Resolution. I would ask his very careful attention to what I am now going to read :

"The House will recall the announcement made by the late Mr. Das in the Council of State on the 24th of August, 1926, and the subsequent debate which took place on the 13th March, 1928, on a Resolution recommending that the Delegation should be predominantly Indian in its composition and led by an Indian. On this latter occasion the Honourable the Home Secretary pointed out that the Government must be free to select those whom they consider most suitable for the particular purpose in hand and that they cannot, therefore, bind themselves by any promise that the Leader would invariably be an Indian. To that policy Government must obviously adhere ; but since that debate, this matter has been continually in the mind of Government and I am authorised to state that in selecting the Leader for the coming session of the League of Nations, Government will make it their earnest endeavour to meet the wishes of the House by securing the services of an Indian who may worthily uphold the high traditions which previous Leaders of the Delegation have established. It must, however, be clearly understood that for subsequent years Government retain and will exercise full discretion to entrust the Leadership as may seem to them most appropriate to an Indian representative from British India, or to an Englishman or possibly to a Ruling Prince, though this last alternative would raise questions of a different nature which would require careful consideration."

Now, Sir, the principle which underlies that declaration is that inevitably the Delegations from India will represent different sections, will in fact be a partnership, and the idea is that the partners should take it in turn to lead the Delegation. My Honourable friend, in his Resolution, asks us to make a strong representation to the Secretary of State that this year's Delegation be led by an Indian. That, Sir, is not precisely the procedure that we should follow. Our method is to suggest names to the Secretary of State as suitable members of the Delegation, and what we have undertaken to do this year

[Mr. L. Graham.]

in connection with this announcement which I have just made is to look for an Indian, to find an Indian whom we think suitable to lead, to secure his willingness to go and then to recommend to the Secretary of State that he should be No. 1 on the Delegation. The Honourable Member is fully aware that the title of ' Leader ' is largely a courtesy title. The first delegate on the list leads the Delegation, and what we have really agreed to do is this. This is really an undertaking. We have agreed to do our very best to find an Indian who in our opinion will be suited to lead the Delegation and in sending his name home we shall ask that he should be the first delegate, in other words, that he should lead the Delegation. I trust, Sir, that the Honourable the Mover of the Resolution will admit that though this may not verbally meet his Resolution, it does meet it in spirit and that this undertaking of ours is one which he should certainly be ready to accept.

THE HONOURABLE MR. G. A. NATESAN (Madras : Nominated Non-Official) : Sir, there have been two occasions in the Council of State when in a discussion upon this question I have had the privilege of taking part. Like my Honourable friend Sir Phiroze Sethna and others I was deeply disappointed at the attitude of Government, and it is now a matter of satisfaction that the Honourable Mr. Graham has just read out to us a declaration of policy which the Government of India will pursue in regard to the future. I should like to state at once that I hardly think this is the occasion when we should discuss which type of Indian should lead the Delegation, whether he should be a Prince, a representative of the people, or of this class or of that community. I am sure no suggestion will be made that anybody here is anxious to press the claims of any particular individual for occupying this position of distinction on behalf of India. But I should state that there is absolutely no doubt that if an Indian happens to go abroad, as I myself had the privilege of going and visiting England, Canada and America, undoubtedly questions regarding our political status and our political aspirations are put to us, and it is often with a sense of humiliation that we have to say that the tallest amongst us are not given the privilege of serving our country and the Empire in the manner in which they could do so worthily if only the opportunity were given. I will not stress this point further and I hope that, after this declaration of policy and after the attempt to find a suitable Indian, Government will not tell us that in the whole of this country, with all the best of Indian talent that has been available to the Empire in many directions and with all the encomiums that have been, if I may say so, bestowed upon people who have done honour to this country and to the Empire, Government have not been able to find this year an Indian suitable for this place. I have no doubt that if Government look about with anxiety and solicitude to see that the feelings of India in this matter are respected, they will be able to find the appropriate individual. Having regard to the very happy turn the discussion has taken, I only hope that this matter will not be pursued in the manner in which we were forced to do so in previous years and that this discussion will end in peace and satisfaction to all the people concerned.

THE HONOURABLE SIR SANKARAN NAIR (Madras : Non-Muhammadan) : Sir, I find myself in disagreement with everybody who has spoken on the Resolution. India was a party to the Treaty of Versailles. She is entitled, therefore, to representation on the League of Nations, not for a formal purpose, but to take part in it as the other nations have been taking part. One of the main reasons for which the League of Nations was started, as stated

in the interim report to which the Honourable Mr. Graham has just referred, is to carry out arbitration, security, disarmament. This composite subject is generally regarded as the most important which the League has in hand. Now, Sir, there are various subjects which the League considers—economic, social, and various others, but this is the most important of them. Now, what has been the case ? In 1926 and 1927, the years to which my friend referred, the representatives of India divorced themselves altogether from the others in so far as this subject was concerned. I speak from recollection, but I have no doubt that I am right. Lord Lytton and Sir C. P. Ramaswami Aiyar, who were the representatives of India at the League of Nations, said that India is only indirectly interested in the political problems like that of disarmament as their interests are in the charge of the British Delegation, and therefore they did not propose to take part, so far as India was concerned, in questions which referred to disarmament or arbitration or security, but would confine themselves to humanitarian questions. I regard that, for reasons which I shall presently refer to, as unfair to India. The reason is this. What is it that underlies all these questions of arbitration, security and disarmament ? There is no use disguising it. It lies on the surface. So far as England is concerned, it is the fact that Russia is disseminating her revolutionary ideas, communistic and socialistic, all over the world, and in India in particular. Therefore, England does not like disarmament that might prejudice her. That has been plainly stated. In 1926 or 1927 Lord Cushendun, the Leader of the British Delegation, said that for the reason that Russia is spreading her revolutionary principles within the British Empire, England must take objection to the form in which the disarmament proposals had been put forward. Lord Cushendun did not refer to the other reason, but the other reason was put bluntly by Lloyd George and these are his words :

"There is one obstacle to acceptance by the great Powers which may be well called insuperable. France will ask herself whether she can hold Morocco and Algeria without an army ; Britain will put herself the same question about India ; Italy will have to consider the consequences in Tripoli, and America will also weigh the result upon her Dominion in the Phillipines."

I do not discuss the question whether England or India is right, but when that is the state of things it is but right that India should speak for herself. If she agrees with England in all her proposals about disarmament it must be an Indian representative who must at the League of Nations say that India agrees with England in all these proposals. If it is a question of the spread of Communism—we know that the Home Member referred to the spread of Communism in India when speaking the other day in the Legislative Assembly on the Public Safety Bill—if that is to be a reason against disarmament, England's Delegation speaking on behalf of herself and of India cannot carry the weight which an Indian representative in the League of Nations will carry if he says that we do not want the spread of Communism in India. But take the other reason, the ground on which Lloyd George has put it. The real reason for England refusing to disarm is, he says, her dominion over India. That is eminently a matter in which India should make her voice heard. Again, I do not say that India should speak with the same voice as England or with a different voice. But however it may be, on all these questions of disarmament and arbitration it is India who should state India's mind and that can really be done only by an Indian. I do not say that no Englishman could do it ; but properly the man who should speak for India on these great questions should be an Indian. It may be on the side of England or, if it unfortunately happens that the Indian representative differs from England, then against England. But it is the voice of India which should be heard. India has a

[Sir Sankaran Nair.]

peculiar responsibility in this matter—if I am incorrect Mr. Graham will correct me. I believe that India is the only member who can represent the interests of all these mandated territories and those countries to which Lloyd George referred in his speech. There is nobody there to speak for all the countries which are under France, Morocco and Algeria, nor for the territories under Italy. There is nobody there who can speak for them as India can. Therefore, for all these reasons it is necessary that an Indian should go there to speak for India, and England should not speak for India. Whether India supports the views of England or whether she goes against the views of England, it is India herself who must be there to speak for herself. What weight will be attached to Lord Cushendun's words when he says, "I am speaking on behalf of India as of England" on all these questions of arbitration and disarmament? No weight will attach to them, for others will say, "That is not the voice of India". I therefore heartily support the motion—though for a different reason—that an Indian must speak there for India.

Then the question has been advanced, if an Indian is to speak it will not be a British Indian, it must be one of the Princes. I say that if the Indian Prince cannot be guided by a British Indian, even when the latter is superior, I say it is an argument which cannot be listened to for a moment, for the simple reason that we cannot recognize any distinction in a matter of this sort. Capacity and ability and suitability for the work to be done can be the only determining principle. It may be that there is an Indian Prince who could well represent India, or it may be there is a British Indian who could represent India better. But to say that when there is a British Indian who could represent India better than an Indian Prince, that even then the Indian Prince should be the spokesman is not right. From the interim report of the Commission compare the speech of the Nawab of Palanpur with the speeches of the other members of the Delegation—the speeches of Lord Lytton and of Sir Edward Chamier on these questions which are vital to India. Personally I prefer very much the speech of the Nawab of Palanpur to the other speeches as he claimed equality for India. He says in effect that India has not been accorded her due share.

With these words, Sir, I support the Resolution.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN (Punjab: Nominated Non-Official): Sir, my friend has moved this Resolution with his usual, or I would rather say unusual, ability, and I must thank and congratulate the Government for more or less accepting the Resolution. We have often been told that if you knock at the door the door will be opened. And to-day we find that by knocking at the door it has opened. Now, Sir, when it is admitted that there should be an Indian leading the Delegation, we have to consider what kind of person he should be. At this time unfortunately, owing to the Nehru Report and various other communal troubles, if any one community sent its representative the others will object. (*An Honourable Member:* "Question.") If I put before the House the ideas of the people generally in rural places as well as in urban places and the troubles we have had, I think there will be no difficulty in proving this. But, Sir, as has been pointed out before, Princes have Christians, Hindus, Sikhs, Muhammadans and others as their subjects, and they possibly cannot take a communal point of view. So they are common to all communities. If any Prince is chosen, no doubt he will be acceptable to Muhammadans, Hindus and people of other religions alike. Reference has been made to Communism and the trouble from Russia.

Those States which are in the Punjab and near the Frontier are more afraid of any such trouble coming than those who are far away. I think a Prince from the Punjab has been already suggested. The Maharaja of Patiala who has been for the last two or three years chosen by his brother Princes as the Chancellor of the Princes' Chamber, would no doubt be the best man. Then, as we have got troubles owing to dissensions this year, if the Maharaja of Patiala leads the Delegation this year, next year the position would be different with new reforms and there would not be so much communal trouble and then a British Indian may take his turn as already suggested. While strongly supporting the Resolution, I would urge that the suggestion that His Highness the Maharaja of Patiala should lead the Delegation this year, put forward by two or three Members of the House, may be adopted by the Government.

THE HONOURABLE SIR PHIROZE SETHNA : Sir, this is the fifth time that I have brought forward this Resolution before the Council of State. On the three previous occasions, the officers of Government who replied, Sir Muhammad Shafi, the late Mr. Das and Mr. Haig, all expressed their profound sympathy with the idea underlying the Resolution. To-day for the first time from what we have heard from the Honourable Mr. Graham, Secretary to the Legislative Department, it is at least proposed to convert that lip sympathy into action and reality. We congratulate Government on the step they mean to take.

I will now endeavour to reply to some of the points raised by Mr. Graham in the course of his speech. He said that I insinuated that the Government of India deliberately bring about a change of personnel. I am quite prepared to withdraw such insinuation, if he interprets it as such, and I am ready to accept his explanation that the position of Delegate or Substitute Delegate has been offered to a particular individual or individuals year after year but that such individual or individuals, as in the case of Sir K. V. Reddy, have had to decline the offer for one reason or another. I would, however, suggest to the Honourable Mr. Graham that in the appointments Government will make this year, they should let the Delegates and the Substitute Delegates know that Government intend to send them regularly for the next three or four years at least. If those to whom they offer the positions are willing to accept the same on this condition, well and good ; otherwise Government may well turn to others and I am sure they will have no difficulty in getting suitable men to give such assurance.

In regard to the other charge I laid against Government, namely, that Indians were deliberately kept out of the two Committees I named, the Honourable Mr. Graham said that he would require notice of such question. My Honourable friend Sir Sankaran Nair said that so far as he knows Indian Delegates, or at any rate some of them, deliberately refused to serve on those Committees. He said that, I suppose, on hearsay.

THE HONOURABLE SIR SANKARAN NAIR : From the report of 1926.

THE HONOURABLE SIR PHIROZE SETHNA : I have it on good authority that some Indian representatives at least who were willing to serve on these Committees were deliberately kept out of them. I hope therefore that Mr. Graham will be good enough to inquire into this matter and see that hereafter, especially for the reasons advanced by my friend Sir Sankaran Nair,

[Sir Phiroze Sethna.]

Indians are appointed on these two Committees which I have named in particular.

In the statement which my Honourable friend Mr. Graham read out, he concluded by saying:

"It must, however, be clearly understood that for subsequent years Government retain and will exercise full discretion to entrust the Leadership as may seem to them most appropriate to an Indian representative from British India or to an Englishman or possibly to a Ruling Prince, though this last alternative would raise questions of a different nature which would require careful consideration."

I will take the last point first. If it does require careful consideration, I hope careful consideration will be given to it and no difficulty raised in the matter of selecting a suitable Ruling Prince on occasions to preside over the Delegation; for, as my Honourable friend Sir Sankaran Nair pointed out, some Ruling Princes have discharged their duties as Delegates very efficiently and there is every reason to believe that there are some very sound men among them in the Princes' Chamber, and if one such is selected from amongst them as a Leader he will discharge his duties as efficiently as perhaps any able Indian who is only a commoner and who is asked to preside over the Delegation.

My friend Mr. Natesan has raised a point. Government have promised to search for a suitable Indian whose name they will submit to the Secretary of State. Mr. Natesan expressed the hope that Government may not come back and say that they could not find such an Indian. Let me remind my Honourable friend of the assurance given by the Honourable Mr. Haig last year that there certainly are Indians to be found who are quite capable of being appointed Leaders and that there are a good many. If the offer made by Government is refused by one or two suitable Indians there will be yet plenty of others from whom to select, and I am sure that such an excuse will never be put forward. In Mr. Graham's statement there is also mention that besides an Indian and a Ruling Prince, on occasions an Englishman may also be appointed. I do sincerely hope for the sake of the Government of India and for the British Government themselves that those occasions will be very very rare indeed or none at all. I for one would not mind an Englishman presiding over a Committee or Commission that works in India, but when there is a Delegation going from this country to other parts of the world where they have got to mix with people of other nations, it is then that Indians feel the humiliation greatly and the more so when there are competent Indians, on the admission of Mr. Haig himself, in this country who could discharge the duties that are expected of Leaders. It is therefore that in such positions as heads of Delegations to the League of Nations, also as heads of Delegations sent to the Imperial Conference and one other position in particular, namely, the High Commissionership for India in England, I do hope that Government will never again make the mistake of sending any other but an Indian.

Mr. President, I once again congratulate Government on the step they propose to take. I do not say that the millenium will be brought about just because the head of the Delegation will be an Indian or that the heavens will fall, but I do say that this is a step in the right direction. It behoves Government to pursue a truly liberal policy and conciliate public opinion. It is only by doing so that you will weaken the force of extremism which is so rampant in this country to-day and for which I for one lay the blame on Government themselves for not listening to the voice of those of us who call overselves Moderates or Liberals. I am glad they are doing so in the matter of this Resolution, and I hope the same good sense will prevail whenever any equally reasonable and legitimate proposals are put forward from our side of the House.

Mr. President, I will now, with your permission, beg leave to withdraw the Resolution after the assurance that I have received from Government to-day, which virtually amounts to an acceptance of my Resolution.

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

RESOLUTION *RE* DISTRIBUTION OF SPINNING WHEELS TO THE FAMINE-STRICKEN PEOPLE OF THE NORTHERN DISTRICTS OF THE CENTRAL PROVINCES.

THE HONOURABLE SETH GOVIND DAS (Central Provinces : General) : Sir, I rise to move the Resolution which stands in my name. It reads thus : [1 P.M.

"This Council recommends to the Governor General in Council that he should call the attention of the Government of the Central Provinces to the desirability of giving relief to the famine-stricken people of the Northern districts of the Central Provinces by distributing spinning wheels to them and by opening depôts in village centres from which the village people may buy cotton."

It is the misfortune of my province, Sir, that, while the slightest economic distress in other parts of the country attracts universal attention, the most terrible conditions in our midst go almost unnoticed by the rest of the country. The floods of Gujarat commanded sympathy even in England, but though the Northern districts of the Central Provinces have been suffering continuously for the last four years, neither the Government of India nor the people of the neighbouring provinces have shown any sympathy with us.

Sir, our misfortunes began in 1926 when, on account of the excessive rains and floods, the agriculturists were very badly hit. On account of these excessive rains and floods the soil was so badly spoiled that we could not get a good harvest also in 1927. In 1928, the rust did tremendous harm to the standing crops and in most of the places of the Northern districts the cultivator could not even reap what he had sown. The people were eagerly looking forward to this year's crop and up to the end of January it seemed to be a bumper crop ; but early in February the long-suffering agriculturists got up one morning and found that their hopes had vanished. The unprecedented cold wave and the frost did havoc and in one night the whole crop was destroyed. The area thus affected consists of the whole of the Jubbulpore Division of five districts, *i.e.*, Jubbulpore, Saugor, Damoh, Seoni and Mandla, and some portions of the two neighbouring districts of Hoshangabad and Narsingpur in the Nerbudda Division. The total area of these seven districts is 24,622 square miles inhabited by 30,57,403 people. In large portions of these districts, we have only one major crop, that is *rabi*, and it can easily be imagined what a terrible shock the people must have received on account of the continuous failure of the *rabi* crops for four years. Last year, after the rust, we the landlords and the tenants combined together and tried our utmost to get the Famine Code applied to this area, but, in spite of our best efforts, the Code was not applied and only a state of scarcity was declared by the Central Provinces Government in this tract. Then there was no remission of the land revenue. Even so far as suspension was concerned, in the beginning the Central Provinces Government only applied Scale A and it was after continuous agitation that Scale B was applied to the tract for the suspension of the revenue. This year's condition is much more serious than what had prevailed last year. His Excellency Sir

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Montagu Butler came to these districts, and he consoled the people to the utmost extent he could. But I am sorry to say that His Excellency did not give us any definite idea as to what his Government was going to do in the matter. We hear that the Honourable Mr. Nelson, our Revenue Member, is shortly coming to these districts and it is expected that we shall know then the definite plans of the Government. For the present, Sir, the Central Provinces Government communiqué which we have before us is altogether unsatisfactory, as it declares only a partial failure of crops. I myself visited 13 centres of the Jubbulpore District recently and I saw there about 20,000 people of about 300 villages. In each centre, people from 20 to 30 villages assembled and in many centres their numbers rose to thousands. They came with the samples of their crops. They came weeping, and many of them had not got food for days together. I can say from my personal knowledge that their condition is simply shocking. This is, Sir, in short the history and the condition of the people in the Northern districts of the Central Provinces. Now, Sir, the least we can expect from the Central Provinces Government is the application of the Famine Code to this area and of course all the other relief which automatically follows from the application of this Code.

As regards the relief that my Resolution seeks, it is that *charkas* should be distributed in this area and depôts should be opened from where the agriculturists may buy cotton. But let me not be misunderstood. I do not mean that the relief should be given only in this way. What I mean is that along with other reliefs this additional relief should also be given. The relief which was given to the people last year was in the shape of breaking metal and digging moorum for the roads. The people had to walk for miles to get this relief and in spite of their working for eight continuous hours, they could only get from one and a half annas to two and a half annas a day according to the work they could do. Then, Sir, most of the people who went to these centres of relief were from the labouring classes. The majority of the farmers did not go for this kind of relief. It cannot be expected that farmers of high caste, I mean Brahmins, Thakores, and others, would go with their wives and children and do this kind of work. Therefore, Sir, they could not take advantage of the relief which was given by the Government last year in these tracts. Let Government not be under the impression that extreme necessity would drive such people to do anything and everything. They are in trouble and in great trouble no doubt, but then their family traditions of self-respect will not allow them to go for such kind of work. They would rather prefer to die in their homes than go for miles, with their children and with their wives, to break metal and dig moorum. It is for such a class of people that I propose that *charkas* should be given and cotton depôts should be opened. It may be asked whether this relief is economically adequate. According to the Government, the standard famine wage is two annas per head per day and I can prove that if they ply the *charka*, they will be able to get much more than the standard famine wage of the Government. In 1927 there was a spinning competition in the Satyagraha Asram of Mahatma Gandhi and four of the young men of Sabarmati made the following records of spinning. Three of them spun from 23 hours to 24 hours continuously and one of them spun for 11 hours. The first youth could spin 14,784 yards of yarn in 23 hours. The average per hour was 641 yards. The second one could spin 12,889 yards of yarn in 24 hours. The average was.....

THE HONOURABLE THE PRESIDENT: I think the Honourable Member might spare the Council these statistics.

THE HONOURABLE SETH GOVIND DAS: I was only proving, Sir, how much the people would be able to spin if they.....

THE HONOURABLE THE PRESIDENT: Will the Honourable Member please proceed with his speech ? I have asked him to spare the Council these statistics.

THE HONOURABLE SETH GOVIND DAS: All right, Sir. I will go forward. What I mean, Sir, is that according to the competition which was held in Sabarmati Asram about 600 yards of yarn of about 14 counts weighing about ½ lb. were spun per hour. Now, Sir, after a little practice of, say, about 15 days, the average spinner will be ..... .

THE HONOURABLE THE PRESIDENT: The Honourable Member is doing deliberately what I have told him to refrain from doing. Unless he can come to the substance of his speech, I shall have to ask him to resume his seat. He is wasting the time of the Council.

THE HONOURABLE SETH GOVIND DAS: I will not give figures, Sir, but I would request you to allow me to say what an average spinner will be able to spin, because it will be necessary to know whether the relief would be adequate to him if he took to spinning. What I mean to say is that if he worked for eight hours and spun even ¼ of the yarn spun by the experts of Sabarmati per hour, of even 12 counts, he would be able to spin one pound of yarn in eight hours which will bring him four annas a day. Now, Sir, in breaking metal, in spite of working for more than eight hours, he could get only two annas, while if he plies the *charka*, he will be able to get four annas a day. Then he has to break the metal under the hot sun, amidst hot breezes, and after walking for miles, while the *charka* would be plied under the cool shade of his own house, amidst comforts associated with "sweet home" resounding with the music of the spinning wheel and homely songs of his womenfolk. Sir, what a contrast between two kinds of reliefs !

Then, Sir, I am not suggesting a novel kind of relief. This kind of relief was given to many famine-stricken tracts in various provinces. We find that the *charka* was successfully used in famine relief at Miri, near Ahmednagar, in 1920-21 ; in Kurnool District, Andhradesh, in 1922 ; in Coimbatore in 1924 ; in Atrai, North Bengal, in 1923-24 ; in Pudupalayam, Salem District, Tamil Nadu, in 1925 ; and in Utkal and Morattupalayam, Coimbatore District, in 1925. Also for flood relief in South Kanara in 1924 ; Duadoreda, Hooghly District, Bengal, in 1922 ; Rajshahi and Bogra Districts, North Bengal, in 1922-23. Also by the cotton mill labour unions for relief of striking employees of the Ahmedabad mills in 1923. In Orissa, Sir, this work succeeded wonderfully. This is what we find in the *khadi* guide published by the All-India Spinners' Association in 1927 :

"Utkal is the province of chronic famine. Here therefore is an obvious field for *khadi* work. But for various reasons the work in this province could not be properly organised before 1925. * * * The progress made can be realised from the fact that while in 1924-25 Utkal had a production of only Rs. 4,703, in 1925-26 it had a production of Rs. 32,500. About the same time the imports from other provinces were stopped and Utkal *khadi* alone was sold by the All-India Spinners' Association sale bhandars. The sales in 1925-26 amounted to Rs. 29,020."

The *khadi* work has succeeded mainly during the last nine years, and there is no doubt that people who are famine-stricken in the various tracts of this

[Seth Govind Das.]

country have received great relief on account of this work. But, Sir, it is noteworthy that in this respect the Government did not do anything. This work has been carried on only by non-official organisations. The reason for the Government not having done this work or helped these organisations is that from the very beginning their attitude has been hostile towards our spinning industry. History clearly shows that organised and continuous efforts were made by the British, not only to give protection to their industry—I mean the textile industry of England—but also to kill the textile industry in our own land. I can prove this by many quotations from historians, but I would not do that for the present. Of course, if these facts are challenged by the Government, then, when replying to the debate, I will prove from the historians that every method was used to kill our spinning industry in this country. Even to-day, Sir, the hostility of the Government towards the *charka* is clear from the fact that while the Royal Commission on Agriculture has suggested so many cottage industries as supplementary occupations for the agriculturists it has not said a word about the *charka*.

In conclusion, Sir, I want to assure the Government that if they accept my Resolution and if they induce the Central Provinces Government to take this work in hand, it will not require a big capital. An ordinary *charka* can be had for Rs. 1-8-0. In 1920-21, when we manufactured *charkas* in big numbers, it could be had at Re. 1-0-0 only, and I am sure that even to-day, if they are made in big numbers, Government will be able to get them at a cheaper price. On cotton they will not have to spend anything. They will only have to invest money. And then our turn will come, I mean the turn of the unofficial organisations. They will buy the yarn, get *khadi* made and sell it. On behalf of the Congress Committees of these famine-stricken areas, I assure the Government that if they are ready to fulfil the first part, namely, the supply of *charkas* and the opening of cotton depôts, we will be ready to co-operate with them as far as the second part of the work is concerned, that is, buying yarn and getting *khadi* made. Here is the hand of co-operation, Sir, extended by the Congress workers in the interests of the starving millions of the people of the Central Provinces. Will the Government come forward and accept the hand of co-operation ?

With these few words, Sir, I move my Resolution.

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH (Education, Health and Lands Member) : Sir, I do not propose to take up the time of the House by entering into a discussion of the ethics of this Resolution, nor even will I attempt to dilate upon its economic aspect. I will merely content myself by making a few general observations for the information of the House, and I trust they will convince the House that this at any rate is not the forum for the consideration of the suggestions contained in the Resolution of my Honourable friend Seth Govind Das.

Before, however, I explain my attitude on this Resolution, let me make it clear beyond all possible doubt with what grave concern the Government of India have watched, and are still watching, the progress of distress in the Central Provinces. The distress in question began last year, owing to rust in epidemic form severely attacking wheat in three districts principally, all in the Jubbulpore Division. Scarcity was declared in three districts and appropriate measures of relief were taken. With the harvesting of the last *kharif* crops, conditions improved and the Local Government anticipated that no relief measures of any kind would be needed after March in the present year. But the exceptionally cold weather which occurred in January and culminated

in frost most unfortunately changed the outlook completely. Crops were then severely affected and serious damage was caused to the bulk of the wheat crop in some six districts, particularly as cloudy and unsettled weather followed the cold wave. The extent of the distress is still being investigated, but the evidence already to hand shows that the damage to standing crops has been very considerable.

Appropriate measures of relief have, however, been taken, and these, according to the information just supplied by the Local Government, are as follows :

Firstly, scarcity has been declared to exist or to continue in the six districts principally affected ;

Secondly, suspended land revenue of the previous year has been remitted to the amount of nearly 14 lakhs ;

Thirdly, instalments of *takavi* loans and the interest thereon have been suspended ;

Fourthly, the *rabi kist* of 1928-29 has been suspended to the extent of 20½ lakhs in the Jubbulpore Division and of about 3 to 4 lakhs in the Narsinghpur District ;

Fifthly, *takavi* has been distributed liberally for agricultural purposes and improvements, and special arrangements have been made for the provision of seed ;

Sixthly, public works and forest works have been opened in the different areas ;

Seventhly, Government forests in the affected areas have been thrown open for the free extraction of head loads of grass and minor forest produce ; and

Eighthly, gratuitous relief has been widely distributed to the poor and incapacitated in certain of the affected districts.

The above measures, which have all been adopted by the Local Government to meet the existing situation, are still in progress and will, so far as can be foreseen at present, meet the situation.

Sir, let me repeat that deeply concerned as we are with the distress which this brief account shows to prevail, the Government of India cannot accept this Resolution for reasons mainly of a constitutional nature. I need hardly remind this House that Famine Relief is a Provincial subject under the Devolution Rules. The House will, I am sure, agree with me when I say that the Governor General in Council should ordinarily refrain from issuing instructions to Local Governments as to their method of administering a Provincial subject such as this. I do not of course mean that such instructions should never be issued ; circumstances might arise in which the issue of instructions by the Governor General in Council might be advisable in exercise of the general powers of superintendence, direction and control conferred by the Government of India Act. But I do say, Sir, that such instructions should not issue without the clearest evidence of their necessity and suitability. But neither the necessity nor the suitability of the proposed instructions has been proved in the present case. The facts which I have narrated above go to show that in the exercise of the ordinary methods of famine relief the Local Government have taken all appropriate steps, and have the situation well in hand. The issue of instructions in such circumstances would, I feel sure the House will agree, be constitutionally undesirable and administratively uncalled for.

[Khan Bahadur Sir Muhammad Habibullah.]

Then again, Sir, it has not been proved that it would in fact be suitable to advise the Local Government to combat the prevailing distress by distributing spinning wheels and opening depôts for the sale of cotton to villagers. I do not propose to enter into a discussion with the Honourable Member as to the profits likely to be earned from hand spinning. I have already stated that I do not propose to enter into a discussion of the economics of hand spinning as an industry. I will merely add that the development of hand spinning is not a Central subject, and we have no data to show the economics of the industry. We are thus not in a position to recommend to the Local Government the adoption of the particular form of relief proposed, and it should be left to them to take the step proposed, if they think it suitable. It may well be that there would be difficulties in the way ; the ordinary official machinery for the administration of famine relief may not be adapted for the distribution of spinning wheels and for necessary supervision of the work after the distribution was complete. I venture to think that the method of relief proposed could, if useful at all, probably be worked best by non-official agency. Again, it may not be desirable to encourage the agriculturists and peasants affected to look for indoor relief in place of aid from relief works and the like provided on the time-honoured system of famine relief, which has proved its utility in the past.

Sir, I think I have said enough to show why I cannot accept this Resolution. I would only add that, had the adoption of this particular form of relief been so necessary as to justify the issue of the proposed instructions by the Governor General in Council, the desirability of the proposed form of relief would, I think I may claim with confidence, have been ventilated in the local Legislative Council or represented direct to the Local Government. I can assure the House that neither of these things has happened ; there were indeed several references to the prevailing distress at the recent Session of the local Council, when reductions of grants were moved in order to criticise relief arrangements, but, Sir, there was no mention whatever of any proposal for the distribution of spinning wheels and the opening of depôts for the sale of cotton. Nor was the matter mentioned at a meeting of Members of the Legislative Council of the Northern Districts of the Central Provinces, which was specially called recently by His Excellency the Governor to discuss the situation in the affected areas. This shows conclusively, I feel, that there is no case for the action which it is here suggested that the Central Government should take. If the Honourable Member so desires, I have no objection to send a copy of this debate to the Local Government for information, but, for reasons already explained, I am sorry I am not prepared to accept the Resolution, as no ground has been made out for interfering with the discretion of the Local Government in its administration of a Provincial subject.

THE HONOURABLE SETH GOVIND DAS : Sir, I have very carefully listened to the speech of the Honourable the Leader of the House and especially to the list of the reliefs which has been sent to the Honourable Member by the Central Provinces Government. Sir Muhammad Habibullah considers those reliefs sufficient and appropriate. What I want to say is that, as far as the people of my province are concerned, and as far as the people who are stricken with famine are concerned, they consider that these reliefs are not sufficient. Last year after this much-boasted relief was given, there was continuous agitation in these districts. However, I did not say that nothing had been done by the Central Provinces Government ;

but the question is whether it has been sufficient to meet the appalling circumstances which prevail in our province. I say, Sir, that if there had been our own Swaraj Government, a thousand times more would have been done.

Now, Sir, as regards the suitability of the relief which I ask the Government to give, while moving the Resolution I tried to prove that in many famine-stricken areas such kind of relief had been given.

Sir Muhammad Habibullah further said that this question was not raised in the Provincial Council. There is the question of ballot, and a Resolution could not be balloted in the local Council for such kind of relief, and I think, Sir, that this was the reason why a Resolution like this was not moved there. Here we have a Resolution very easily out of the ballot, and therefore we can discuss matters more easily.

Sir, I am not satisfied with what the Leader of the House has said, that is, that he will merely send a copy of the debate to the Central Provinces Government. A report of the debate will reach His Excellency Sir Montagu Butler through the ordinary newspapers sooner than the copy of the debate would do. I would have been satisfied if the Honourable Member had given me an assurance that he would send the debate with certain recommendations; but as he has not done so, I am not in a position to withdraw my Resolution. I therefore commend it to the acceptance of the House.

THE HONOURABLE THE PRESIDENT: The question is:

"That the following Resolution be adopted, namely:

'This Council recommends to the Governor General in Council that he should call the attention of the Government of the Central Provinces to the desirability of giving relief to the famine-stricken people of the Northern districts of the Central Provinces by distributing spinning wheels to them and by opening depôts in village centres from which the village people may buy cotton'."

Those who are of that opinion will say "Aye". (*A voice* "Aye".) Those who are of the contrary opinion will say "No." (*Voices*: "No".)

I think the Noes have it.

THE HONOURABLE SETH GOVIND DAS: Ayes.

THE HONOURABLE THE PRESIDENT: Will those Honourable Members who vote for the Resolution rise in their places? (Three Honourable Members rose.) The Ayes are three. Will those Honourable Members who vote against the Resolution rise in their places? (Several Honourable Members rose.) The Noes have it.

The motion was negatived.

The Council then adjourned till Eleven of the Clock on Tuesday, the 19th March, 1929.

COUNCIL OF STATE.

Tuesday, 19th March, 1929.

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.

Horse Allowance and Cycle Allowance of Subordinates in the Public Works Department, Delhi.

145. The Honourable Sir EBRAHIM HAROON JAFFER (on behalf of the Honourable Mr. Mahmood Suhrawardy): Will Government be pleased to state (*a*) How many subordinates in the Delhi P. W. D. are getting horse allowances and how many cycle allowances? (*b*) What is the difference in the amount of horse allowance and cycle allowance per month? (*c*) How many subordinates getting horse allowances are living in Government quarters in New Delhi? (*d*) Do they go out of New Delhi on horses for duty? (*e*) What is the difference between the duties of subordinates getting horse allowances and those getting cycle allowances? (*f*) Why is horse allowance given to subordinates who work in New Delhi and live in New Delhi?

The Honourable Mr. A. C. McWATTERS: (*a*) Twenty-eight get horse allowances and the same number cycle allowances.

(*b*) Rs. 20.

(*c*) Fifteen.

(*d*) Such of them do whose works lie beyond the limits of New Delhi. They ride or drive to the works in their charge.

(*e*) There is no essential difference. Each case is considered on its merits with regard to the suitability of the mode of conveyence to the work to be done.

(*f*) To enable them to execute their duties.

Cracks in the Roofs, Columns, etc., of the Bodyguard Lines, New Delhi.

146. The Honourable Sir EBRAHIM HAROON JAFFER (on behalf of the Honourable Mr. Mahmood Suhrawardy): (*a*) Are there cracks in the roofs, columns, lintels and terraces in the Bodyguard Lines, Delhi (now P. W. D. Offices)? (*b*) If so, why? (*c*) Under which Division has this work been done?

The Honourable Mr. A. C. McWATTERS: (*a*) There are no cracks of any structural importance.

(*b*) Does not arise.

(*c*) The Sixth Division.

MARBLE COLUMNS IN AND ABOUT THE DURBAR HALL OF GOVERNMENT HOUSE, NEW DELHI.

147. THE HONOURABLE SIR EBRAHIM HAROON JAFFER (on behalf of the Honourable Mr. Mahmood Suhrawardy): Have the marble columns in and about the Durbar Hall of Government House, Delhi, uneven joints? If so, why?

THE HONOURABLE MR. A. C. McWATTERS: The reply is in the negative.

CHARGE OF SHORTAGE OF BRICKS AGAINST A SUBDIVISIONAL OFFICER OF THE PUBLIC WORKS DEPARTMENT, DELHI.

148. THE HONOURABLE SIR EBRAHIM HAROON JAFFER (on behalf of the Honourable Mr. Mahmood Suhrawardy): (*a*) Is there a charge of shortage of many lakhs of bricks (pointed out by the Central Accounts Office, Delhi) against the S. D. O., 1/8 P. W. D., Delhi? (*b*) If so, will Government be pleased to state what action has been taken against him?

THE HONOURABLE MR. A. C. McWATTERS: (*a*) The reply is in the negative.

(*b*) Does not arise.

NUMBER OF MUSLIM SUPERINTENDENTS AND CLERKS IN THE CENTRAL OFFICE, PUBLIC WORKS DEPARTMENT, DELHI.

149. THE HONOURABLE SIR EBRAHIM HAROON JAFFER (on behalf of the Honourable Mr. Mahmood Suhrawardy): (*a*) Will Government be pleased to state how many Superintendents and clerks are working in the Central Office, Delhi P. W. D.? (*b*) How many of them are Muslims?

THE HONOURABLE MR. A. C. McWATTERS: (*a*) Seven Superintendents and 73 clerks.

(*b*) Twenty.

EXAMINATIONS PASSED BY THE SUBORDINATES AND ENGINEERS SERVING IN THE PUBLIC WORKS DEPARTMENT, DELHI.

150. THE HONOURABLE SIR EBRAHIM HAROON JAFFER (on behalf of the Honourable Mr. Mahmood Suhrawardy): Will Government be pleased to lay on the table a list of subordinates and engineers serving in the Delhi P. W. D. stating

(*a*) Number of subordinates and engineers who have passed the overseers' examination from a recognised college or university with the rates of their pay per month?

(*b*) Number of engineers and subordinates who have passed the sub-overseers' examination from a recognised college or university, with the rates of their pay per month?

(*c*) Number of engineers and subordinates who have passed no examination from any recognised college or university, with the rates of their pay per month?

THE HONOURABLE MR. A. C. McWATTERS: The information will be collected and furnished to the Honourable Member.

LAND DEVELOPMENT OFFICER IN THE PUBLIC WORKS DEPARTMENT, DELHI.

151. THE HONOURABLE SIR EBRAHIM HAROON JAFFER (on behalf of the Honourable Mr. Mahmood Suhrawardy): (*a*) Is there a Land Development Officer in the Delhi P. W. D. ? (*b*) If so, what are his duties ?

THE HONOURABLE MR. A. C. McWATTERS: (*a*) There is at present no separate post of Land Development Officer.

(*b*) The work formerly done by the holder of this post comprised the administration of Government land in the Raisina estate and the maintenance of records connected therewith. This work is now done by the staff of the Chief Engineer.

NAMES OF ENGINEERS AND SUBORDINATES SERVING IN THE PUBLIC WORKS DEPARTMENT, DELHI, WHO HAVE ACQUIRED PLOTS OF LAND IN THE NEW DELHI AREA.

152. THE HONOURABLE SIR EBRAHIM HAROON JAFFER (on behalf of the Honourable Mr. Mahmood Suhrawardy): (*a*) Will Government be pleased to state the names of the engineers and subordinates serving in the Delhi P. W. D., who have been given plots of land in the New Delhi area on lease ? (*b*) Have they erected their buildings on these plots ? (*c*) Have they constructed their buildings according to designs approved by the Government Architect, New Delhi ?

THE HONOURABLE MR. A. C. McWATTERS: (*a*) The following have acquired plots at Auctions :

Engineers.—Messrs. Wazir Dayal, Bishan Singh and Bahadur Singh.

Subordinates.—Messrs. Abbasi, Durga Das, Mohan Lal, Tufail Mohammad and Ralla Ram.

(*b*) Four have completed their residences.

(*c*) Yes.

EXECUTIVE ENGINEER IN CHARGE OF THE CONSTRUCTION OF GOVERNMENT HOUSE, NEW DELHI.

153. THE HONOURABLE SIR EBRAHIM HAROON JAFFER (on behalf of the Honourable Mr. Mahmood Suhrawardy): (*a*) Was Sardar Bahadur Malik Teja Singh, Executive Engineer, given the chance of officiating as Superintending Engineer, Delhi, for six months in 1928-29 ? (*b*) If so, will Government be pleased to state whether any Executive Engineer was put in his place on the construction of Government House ?

THE HONOURABLE MR. A. C. McWATTERS: (*a*) and (*b*). Yes.

LIMES APPROVED BY THE PUBLIC WORKS DEPARTMENT, NEW DELHI.

154. THE HONOURABLE SIR EBRAHIM HAROON JAFFER (on behalf of the Honourable Mr. Mahmood Suhrawardy): Will Government be pleased to state which lime is the approved one for the construction of the Delhi P. W. D. (*i.e.*, Katni, Satna or Jeypore) ?

THE HONOURABLE MR. A. C. McWATTERS: Various limes have been approved from time to time for different purposes.

NAMES OF ENGINEERS IN THE PUBLIC WORKS DEPARTMENT, DELHI, ON DEPUTATION FROM OTHER PROVINCES FOR 10 YEARS OR MORE.

155. THE HONOURABLE SIR EBRAHIM HAROON JAFFER (on behalf of the Honourable Mr. Mahmood Suhrawardy): Will Government be pleased to state the names of the Engineers who have been on deputation in the Delhi P. W. D. from other Provinces for 10 years or more ?

THE HONOURABLE MR. A. C. McWATTERS: Messrs. Rouse, Sale, Croad, Parker, Malik, Bishan Singh, Sham Lal, and Bahadur Singh.

SUPERSESSION BY BABU PIAREY LAL OF SUBORDINATES IN THE PUBLIC WORKS DEPARTMENT, DELHI.

156. THE HONOURABLE SIR EBRAHIM HAROON JAFFER (on behalf of the Honourable Mr. Mahmood Suhrawardy): (*a*) Will Government be pleased to state how many subordinates were superseded by Babu Piarey Lal on his appointment in the Delhi P. W. D. as a regular subordinate on Rs. 200 per mensem in the month of November 1928 ? (*b*) Was Babu Piarey Lal a work-charged subordinate in the stoneyard, Delhi ? (*c*) Were his services dispensed with by order of the Superintending Engineer, 11th Circle, Delhi ? (*d*) If so, will Government be pleased to state the age and qualification of Babu Piarey Lal and the reason for appointing him on that pay ?

THE HONOURABLE MR. A. C. McWATTERS: (*a*) Babu Piarey Lal was brought on to the regular establishment from the work-charged establishment on a pay of Rs. 178. This pay is higher than that drawn by 38 subordinates in the regular temporary establishment.

(*b*) Yes.

(*c*) Yes.

(*d*) His age is about 31 years. He is a qualified sub-overseer from the Roorkee College. He was appointed on the same pay that he was in receipt of when his previous work-charged post was brought under reduction.

AMOUNTS PAID TO WORK-CHARGED MUSLIMS, HINDUS AND SIKHS IN DECEMBER 1928 AND JANUARY 1929 IN THE 1ST DIVISION, PUBLIC WORKS DEPARTMENT, DELHI.

157. THE HONOURABLE SIR EBRAHIM HAROON JAFFER (on behalf of the Honourable Mr. Mahmood Suhrawardy): Will Government be pleased to state the respective amounts paid to work-charged Muslims, Hindus and Sikhs in the months of December 1928 and January 1929 in the 1st Division, P. W. D., Delhi ?

THE HONOURABLE MR. A. C McWATTERS: The information is not readily available, and I do not think any useful purpose would be served by compiling it.

COMPLETION OF THE CONSTRUCTION OF GOVERNMENT HOUSE, NEW DELHI.

158. THE HONOURABLE SIR EBRAHIM HAROON JAFFER (on behalf of the Honourable Mr. Mahmood Suhrawardy): (*a*) Will Government be pleased to state when the construction of Government House, Delhi, is to be completed ? (*b*) What work remains to be done ?

THE HONOURABLE MR. A. C. McWATTERS : (*a*) It is expected that Government House will be ready for His Excellency the Viceroy to move into at the end of October 1929.

(*b*) The dome, floorings, finishings and furniture, remain to be completed.

TESTING OF LIME IN THE PUBLIC WORKS DEPARTMENT, DELHI.

159. THE HONOURABLE SIR EBRAHIM HAROON JAFFER (on behalf of the Honourable Mr. Mahmood Suhrawardy) : (*a*) Is lime tested in a lime testing machine in the Delhi P. W. D. ? (*b*) If so, will Government be pleased to state what is the power of the lime used on the construction of Government House, Delhi ?

THE HONOURABLE MR. A. C. McWATTERS : (*a*) The lime is tested periodically.

(*b*) Government are not in possession of the detailed tests.

DUTIES AND EMOLUMENTS, ETC., OF THE SECRETARY AND ASSISTANT SECRETARY OF THE DELHI CITY MUNICIPALITY.

160. THE HONOURABLE SIR EBRAHIM HAROON JAFFER (on behalf of the Honourable Mr. Mahmood Suhrawardy) : Will Government be pleased to state (*a*) the duties, length of service, pay and qualifications of the Assistant Secretaries of the Delhi Municipality ? (*b*) The number of allowances, the amount of allowances, the pay, and the duties of the Municipal Secretary, Delhi ?

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH : Enquiries have been made and the result will be communicated to the Honourable Member as soon as possible.

PAY OF DRAFTSMEN WORKING IN THE FIRM OF ARCHITECTS, NEW DELHI.

161. THE HONOURABLE SIR EBRAHIM HAROON JAFFER (on behalf of the Honourable Mr. Mahmood Suhrawardy) : (*a*) Have some draftsmen working in the firm of Architects, New Delhi, been getting their pay for years from the Central P. W. D. Office, Delhi ? (*b*) If so, why ?

THE HONOURABE MR. A. C. McWATTERS : (*a*) and (*b*). One draftsman was lent to one of the Architects in the interests of Government work. The question of the incidence of his pay is under discussion.

QUALIFICATIONS OF THE OFFICER IN CHARGE OF THE STANDARDIZATION BRANCH, RAILWAY BOARD.

162. THE HONOURABLE SIR EBRAHIM HAROON JAFFER (on behalf of the Honourable Mr. Mahmood Suhrawardy) : (*a*) Was Mr. Magson, the officer in charge of the Standardisation Branch (Drawing Branch), Railway Board, in the year 1927 ? (*b*) If so, what was his qualification ? (*c*) What is the qualification of the present officer in charge of the Standardisation Branch (Railway Board) ?

THE HONOURABLE SIR GEOFFREY CORBETT: (*a*) and (*b*). No. Mr. Magson was not the officer-in-charge of the Standardisation Branch of the Railway Board. He was a draftsman designer engaged to assist in the design of structural steel work.

(*c*) The present officer-in-charge of the Standardisation Branch is a member of the Indian Railway Service of Engineers with special aptitude for the kind of work required.

NUMBER OF SIKHS, MUSLIMS, HINDUS AND CHRISTIANS EMPLOYED IN THE DRAWING BRANCH OF THE RAILWAY BOARD.

163. THE HONOURABLE SIR EBRAHIM HAROON JAFFER (on behalf of the Honourable Mr. Mahmood Suhrawardy): Will Government be pleased to state the number of Sikhs, Muslims, Hindus and Christians in the Drawing Branch of the Railway Board?

THE HONOURABE SIR GEOFFREY CORBETT:

Sikhs	6
Muslims	4
Hindus	2
Christians	*Nil.*

LENGTH OF SERVICE OF MR. E. W. GRINDAL, CENTRAL ACCOUNTS OFFICER, PUBLIC WORKS DEPARTMENT, DELHI.

164. THE HONOURABLE SIR EBRAHIM HAROON JAFFER (on behalf of the Honourable Mr. Mahmood Suhrawardy): (*a*) Will Government be pleased to state the length of service of Mr. E. W. Grindal, Central Accounts Officer, P. W. D., Delhi, in the Delhi Province? (*b*) Has Mr. E. W. Grindal been Chief Superintendent and Personal Assistant to the Chief Engineer, Delhi? (*c*) If so, will Government be pleased to state (*i*) How long? (*ii*) What his pay was when he joined the Delhi P. W. D.? (*iii*) What pay he is getting now?

THE HONOURABLE MR. A. C. McWATTERS: (*a*) His total length of service in Delhi is about 18 years. His service as Central Accounts Officer, Public Works Department, Delhi, is about 4½ years.

(*b*) Yes.

(*c*) (*i*) About 12 years.

(*ii*) Rs. 400.

(*iii*) Rs. 1,200 (being his pay in the time-scale as a member of the Indian Audit and Accounts Service). He also draws a special pay of Rs. 300 per mensem for carrying on the duties of Estate Officer, Delhi, as a temporary measure.

RULES FOR THE TRANSFER OF ACCOUNTS OFFICERS.

165. THE HONOURABLE SIR EBRAHIM HAROON JAFFER (on behalf of the Honourable Mr. Mahmood Suhrawardy): Will Government be pleased to state the rules for transfer of accounts officers from one place to another place (*i.e.*, after how many years)?

THE HONOURABLE MR. E. BURDON: There are no rules for the transfer of accounts officers from one place to another. Transfers are made as required by administrative considerations from time to time.

COUNTING TOWARDS PENSION OF SERVICES OF PERSONS SENT TO KENYA COLONY BY THE INDIAN MILITARY AUTHORITIES.

166. THE HONOURABLE SIR EBRAHIM HAROON JAFFER (on behalf of the Honourable Mr. Mahmood Suhrawardy): (*a*) Are the services of the persons who were sent to Kenya Colony (East Africa) in 1919 by the Indian military authorities reckoned towards pension? (*b*) If not, will Government be pleased to state under what rule? (*c*) Is such service service under the British Government of India?

THE HONOURABLE MR. A. C. McWATTERS: His Excellency the Commander-in-Chief, who is unavoidably absent, has asked me to answer this question with your permission, on his behalf.

(*a*) Yes, if they held permanent pensionable posts.

(*b*) Does not arise.

(*c*) Yes.

SAFEGUARDING OF THE CLAIMS OF MUSLIMS IN THE INDIAN SERVICE OF ENGINEERS.

167. THE HONOURABLE SIR EBRAHIM HAROON JAFFER (on behalf of the Honourable Mr. Mahmood Suhrawardy): With reference to the reply to my question No. 134 in the Council of State Debate on 21st September, 1928, in Volume II, No. 6, regarding statement showing percentage of Muslim and non-Muslim Engineers, have Government taken any steps to safeguard the claims of the minority community?

THE HONOURABLE MR. A. C. McWATTERS: The statement furnished in reply to the Honourable Member's question No. 134 in the Council of State on the 21st September 1928 showed the total number of officers in the Indian Service of Engineers and the provincial engineering services. The Government of India are, however, concerned only with recruitment to the Indian Service of Engineers, recruitment to the provincial engineering services being under the control of Provincial Governments. The exact position as regards the Indian Service of Engineers is as follows. Recruitment to the Service in England is confined to European British subjects. Appointments made in India to the Service have hitherto been reserved for students of certain engineering colleges and for officers promoted from the provincial engineering services. In the circumstances, it has not so far been possible to reserve any posts in the Service for minority communities. The guarantees of appointment to the students of the colleges having, however, recently expired, the question of the procedure under which direct recruitment to the Service in India will be made in future is under consideration. Due provision will be made in the rules for the reservation of certain appointments for the redress of communal inequalities if qualified candidates are available.

SUSPENSION OF BABU CHAMPAT SINGH, CASHIER IN THE CENTRAL OFFICE, PUBLIC WORKS DEPARTMENT, DELHI.

168. THE HONOURABLE SIR EBRAHIM HAROON JAFFER (on behalf of the Honourable Mr. Mahmood Suhrawardy): Is Babu Champat Singh, Cashier in the Central P. W. D., Delhi, under suspension, and if so, why?

THE HONOURABLE MR. A. C. McWATTERS: He is under suspension pending investigation of certain matters the principal of which relates to a loss of Government money in his custody.

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.

PART I.

The treaty mentioned in this Part provides for the grant of most-favoured-nation treatment to the products and manufactures of India on terms of reciprocity.

Country.	Nature of agreement.	Description.	Date.
Serb-Croat-Solvene State.	Treaty . . .	Commerce and Navigation.	May 12, 1927.

PART II.

India has* acceded to the treaty mentioned in this Part.

Country.	Nature of agreement.	Description.	Date.
Siam	Treaty . . .	Commerce and Navigation.	July 14, 1925.

*The accession under Article 34 was subject to the reservations:—

(1) That the privileges granted by the said treaty in its application to any State in India shall be subject to such modifications as are necessitated by the laws and regulations in force in any such State or by reason of the legitimate exercise of the powers inherent in the ruler of any such State; and

(2) that the right to appoint Consular Officers or Consular Agents under Article 27 of the treaty shall be restricted to seaport towns in British India.

MOTION FOR THE ELECTION OF THE 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."

Sir, I have merely to state that the House elects a panel every year before the close of its Winter Session. The members of the Committee who were nominated from it last year vacate their office on the 25th of this month, and it is therefore necessary that the next election to fill their places should take place immediately. I wish to express, Sir, that this Committee has all along been rendering very useful and helpful work in connection with the important and intricate problems which are referred to it for advice, and I should be sorry to allow any gap between the expiry of the term of the Committee and its reconstitution.

The motion was adopted.

THE HONOURABLE THE PRESIDENT: I hope to be in a position tomorrow to give directions as to the date for nominations and election for this panel.

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.

The small proposals embodied in this Bill are not, strictly speaking, protective, but they are designed to give what we call equality of tariff treatment. They arise out of a general reference that we made some time ago to the Tariff Board to examine representations to the effect that the development of certain industries in India is hampered by the fact that the duty on the finished article is lower than the duty on the materials which have to be imported for the manufacture of that article. These two particular cases are the outcome of our general tariff policy in respect of machinery. This policy was stated clearly not very long ago in our Resolution on the Report of the Tariff Board dealing with the cotton textile industry when, you may remember, the Tariff Board recommended, amongst other things, that the duty should be removed from machinery. We then said:

"The removal of the import duty on machinery was recommended by the Fiscal Commission and is in accordance with the principle of the Resolution adopted by the Legislative Assembly on the 16th February, 1923, that the fiscal policy of the Government of India may legitimately be directed towards fostering the development of industries in India."

We then removed, or rather the Legislature removed, by the Act of September, 1927, with effect from the 1st October following, the duty on all machinery and component parts of machinery. But this again was subject to a certain definite proviso, as stated in this Resolution:

"The removal of the duty on machinery is subject to the proviso that it may be necessary to reimpose an import duty on particular kinds of machinery, if it appears, on a report by the Tariff Board, that it is desirable to encourage the manufacture in India of such machinery and that a protective duty is required for that purpose, or that the imposition of a duty is necessary *in order to secure equality of tariff treatment* and remove a handicap under which the manufacture of such machinery in India would otherwise suffer."

That is, the revenue duty of 2½ per cent. on machinery, which had been imposed a few years previously at a time of financial difficulty, was removed by the Act of September, 1927, subject to a proviso that the manufacture of machinery in India should not be prejudiced thereby. The two cases with which this Bill deals are both cases of the manufacture of certain machinery in India, for which equality of tariff treatment is required.

[Sir Geoffrey Corbett.]

The first deals with an application made by the Indian Cable Company of Jamshedpur. This Company is making two articles connected with electric installations. The first are hard drawn copper conductors, and the second rubber insulated wires and cables. I will deal first with the first item—hard drawn copper conductors. The raw material for this article is electrolytic copper rod, which is commonly known as " black rod ", and which is liable to the ordinary general rate of duty of 15 per cent. But the finished conductors, being machinery under the tariff as it now stands, are duty free. The Company has not been suffering from any particular hardship up till now, for since 1923 we have by executive order allowed the Company to import its requirements of black rod free of duty, and all that the Tariff Board now recommend in this respect is that the Tariff Schedule should be so amended as to remove the duty from black rod altogether. There are, however, certain difficulties in accepting this recommendation. In the first place, we are advised by our technical advisers that it would be very difficult to distinguish black rod from other copper rod. There would probably be continual disputes as to whether a particular consignment was black rod or not, and perhaps a good deal of stuff would come in duty free on which the Legislature intended that 15 per cent. duty should be paid. The second difficulty is this, that the relation of prices between black rod and other copper rod is such that if the duty were removed, it would probably be that a certain amount—perhaps a large amount—of black rod would be imported for purposes other than the manufacture of conductors for purposes which are now met by other kinds of copper rod. Taking into consideration these difficulties, the Government of India decided not to accept this particular recommendation of the Tariff Board, but to continue the existing practice of allowing the Indian Cable Company's requirements to be imported free of duty by executive order. That is, we do not in any way differ at all from the principle recommended by the Tariff Board that the Cable Company should get its supplies of black rod duty free. We have in fact been allowing imports duty free since 1923, but, for practical reasons, we thought it desirable to continue the present arrangement rather than make any amendment in the Tariff Schedule. So much for black rod.

The second article which this Company is manufacturing is rubber insulated copper wires and cables. The tariff position with regard to these is that the small cables, the small wires, which are really used for domestic purposes, pay the 15 per cent. duty, but the larger ones which are used for industrial installations come in free as machinery. The Tariff Board reported that there are actually 92 different items in the tariff which are used in the manufacture of these wires and cables on which varying rates of duty are levied. I think this House will agree that it would be really quite impracticable for us to consider the remission or reduction of duty on 92 different items for this purpose ; and what the Tariff Board have recommended is this. They have calculated that, if an import duty of 5 per cent. were imposed on cables and wires which are now duty free as machinery, the tariff inequality would be fully wiped out. We have accepted this recommendation, and the amendment in the first item in this Bill is to give effect to it, that is, to impose a duty of 5 per cent. on rubber insulated copper wires and cables which are now duty free. For fear the House should think that this is inconsistent with our policy of encouraging industries in India, I may remark that the Tariff Board are firmly of opinion that this small duty will not materially affect industrial development, that is, the use of electric installations in industrial development, because it will work out at a very small amount of the total cost of electric installations. I think

the actual figure they have worked out in a specific case is only one-eighth of one per cent. of the total cost of the installation.

The second item with which I have to deal is printing type. Honourable Members may remember that, when the duty on printing machinery was removed by the Act of 1927, the existing duty of 2½ per cent. on printing type was retained, because it was feared that the removal of that duty might prejudicially affect certain type foundries working in India. The present inquiry shows, however, that this 2½ per cent. is not quite enough in certain cases, that is, in cases of the cheaper type, to remove the tariff inequality in view of the fact that the imported metal, particularly lead and antimony, which are used in the manufacture of this type, is liable to a duty of 15 per cent. This position is rather unsatisfactory because it is against this cheaper type, which comes mainly from Germany and America, that the Indian type foundries are largely competing. The Board have calculated that the duty on the metal imported for the purpose of manufacturing type varies from about Rs. 4-8-0 to Rs. 5-8-0 per 100 lbs. They therefore recommend a specific duty of one anna a pound, that is 100 annas, or Rs. 6-4-0 on 100 lbs., which is rather more than the duty which the manufacturer of type will have to pay on the metals he imports to make 100 lbs. of type, and so leaves a reasonable margin for error or accident or for any fluctuations in values. Well, Sir, Government have accepted this recommendation, and the second item of this Bill is intended to give effect to it.

It is a little difficult to make these rather technical matters clear in a short speech, but if I have left any point doubtful, Honourable Members will doubtless raise it and I can then deal with it in my reply.

Sir, I move.

THE HONOURABLE THE PRESIDENT: The question is:

"That the Bill further to amend the Indian Tariff Act, 1894, for certain purposes, as passed by the Legislative Assembly, be taken into consideration."

The motion was adopted.

Clause 2 was added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE SIR GEOFFREY CORBETT: 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 Wednesday, the 20th March, 1929.

COUNCIL OF STATE.

Wednesday, 20th March, 1929.

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.

PARTICIPATION OF THE NON-OFFICIAL MEMBERS OF A CANTONMENT BOARD IN CANTONMENT ADMINISTRATION.

169. THE HONOURABLE SIR EBRAHIM HAROON JAFFER: (*a*) Are Government aware that a definite assurance was held out by His Excellency the Commander-in-Chief to a deputation of the All-India Cantonments Association on 27th August, 1926, that suitable instructions would be conveyed to the local military authorities, for a more real and practical participation of the non-official members of a Cantonment Board in Cantonment administration?

(*b*) Will the Government be pleased to state what steps have been taken to give effect to that assurance, and in what way, and to what extent, those steps have contributed to the attainment of the object in view?

(*c*) Have any non-official Vice-Presidents of Cantonment Boards been given any separate status in the performance of executive work and has there been any appreciable number of occasions when they have been given an opportunity of performing the duties of the official Presidents? If so, will the Government be pleased to state in which Cantonments and on what occasions?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: (*a*) I am of course aware, Sir, of what I stated to the deputation. I said that their point of view had my fullest sympathy and that the whole matter would be examined in detail, and that suitable instructions to secure the object in view would be conveyed to the local military authorities after the orders of the Government of India had been taken.

(*b*) The Government of India introduced an amendment, which was passed, to section 20, sub-section (*1*) of the Cantonments Act of 1924. The amendment, among other things, made it possible for Vice-Presidents to preside at meetings of the Board in the absence of the President. The objects of this amendment were explained in full to the military authorities, and their attention was at the same time drawn to the President's power of delegation to the Vice-President under section 22 (2).

(c) The Vice-President of a Board cannot have any separate status other than that which is conferred on him by the law. I am not aware of the number of occasions on which powers have been delegated to Vice-Presidents, nor the nature of the powers delegated; and I do not think that any useful purpose would be served by collecting information on this point. Government have no reason to suppose that such delegations are not made when circumstances require that they should be made.

INFERIOR AERATED WATER AND ICE SUPPLY IN THE RUNNING TRAINS ON THE NORTH-WESTERN RAILWAY.

170. THE HONOURABLE SIR EBRAHIM HAROON JAFFER: (*a*) Are Government aware that complaints have been received by the Agent, North-Western Railway, about inferior aerated water and ice supply in the running trains of that Railway?

(*b*) Are the aerated water bottles used on this line still of an old pattern and have they not yet been replaced by the new type of corked bottles?

(*c*) Are the Government aware that the arrangements for keeping ice in the "Ice Compartment" are not sanitary and there is no proper supervision over them?

(*d*) Is it a fact that "Ice-boys" are not infrequently unclean and have no clean prescribed dress?

(*e*) Is it a fact that the contract for the supply of aerated water and ice was renewed last year without calling for tenders?

(*f*) Will the Government take steps to rectify the above defects and to direct that the contract be given to the best tender for the supply of best ice and aerated water under healthy conditions?

THE HONOURABLE SIR GEOFFREY CORBETT: (*a*) The Agent of the North-Western Railway reports that no serious complaints have been received by him on this account, but that supplies are periodically checked and examined by the Railway Medical Officers and contractors are asked to remedy defects brought to notice.

(*b*) Corked aerated water bottles were used on part of the system last year, and, this year it has been suggested to the contractors that their use should be extended.

(*c*) No.

(*d*) No.

(*e*) Yes.

(*f*) The Agent will no doubt take these matters into consideration when the contracts are due to be let next time.

WANT OF AN OVERBRIDGE AT METTUPALAIYAM.

171. THE HONOURABLE SIR EBRAHIM HAROON JAFFER: Will Government be pleased to state

(*a*) Whether a large motor traffic has grown up between Mettupalaiyam and Ootacamund during recent years?

(*b*) How passengers cross the railway lines in order to occupy motor cars which are parked on the other side of the railway station at Mettupalaiyam?

(*c*) Whether Government has seen criticisms regarding the want of an overbridge at Mettupalaiyam in the *Delhi Express* of Madras and other papers?

(*d*) Whether Government intend to build an overbridge over the rails?

(*e*) If not, why not?

THE HONOURABLE SIR GEOFFREY CORBETT: (*a*) Motor traffic between Mettupalaiyam and Coonoor has increased considerably of recent years.

(*b*) Passengers cross the lines by a bo rde l footway.

(*c*) No.

(*d*) and (*e*). As this is a station with comparatively light traffic the provision of a footbridge does not at present appe ir necessary.

EXPENDITURE ON THE PUBLIC SERVICE COMMISSION.

172. THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY (on behalf of the Honourable Srijut Rama Prasad Mookerjee): Will Government be pleased to state the amount spent during 1927-28 and budgeted for for 1928-29 for the Public Service Commission under the following heads:

(*a*) Salaries of the Chairman and members of the Commission;

(*b*) Travelling and other allowances of the members of the Commission;

(*c*) Office establishment;

(*d*) Other expenses?

THE HONOURABLE MR. H. G. HAIG: Attention is invited to pages 146 and 147 (Demand No. 32, Public Service Commission) of the Detailed Estimates and Demands for Grants for 1929-1930 which have been presented to this House. The information desired is given therein, but I would point out that the provision for the pay and allowances of the Secretary is included in the figures shown against the sub-heads "Pay of Officers" and "Allowances, Honoraria, etc.—Non-voted", respectively.

NUMBER OF POSTS FILLED UP BY GOVERNMENT ON THE RECOMMENDATION OF THE PUBLIC SERVICE COMMISSION.

173. THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY (on behalf of the Honourable Srijut Rama Prasad Mookerjee): How many posts have been filled up by Government on the recommendation of the Public Service Commission every year since its appointment?

THE HONOURABLE MR. H. G. HAIG: The figures are as follows:

1926	29
1927	144
1928	164
1929 (up to date)	19

These figures do not include appointments made on the advice of the Public Service Commission to ministerial posts in the Government of India Secretariat and Attached Offices.

PROCEDURE FOLLOWED IN FILLING UP APPOINTMENTS OF SUPERINTENDENTS OF POST OFFICES AND INCOME-TAX OFFICERS.

174. THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY (on behalf of the Honourable Srijut Rama Prasad Mookerjee): Will Government be pleased to state whether posts of Superintendents of Post

Offices and of Income-tax Officers are filled up on the recommendation of the Public Service Commission ? If not, why not ?

THE HONOURABLE MR. A. C. McWATTERS : So far as Superintendents of Post Offices are concerned, the posts are not filled up on the recommendation of the Commission as the existing statutory 'Functions' Rules, which define the services and posts with recruitment for which the Commission is concerned, do not cover these posts. But the question whether any change in this respect is desirable will be examined after certain other statutory rules now being drafted have been made. I may add that, meanwhile, a change in the system of recruitment has lately been effected by the decision of the Government of India that after the 1st January 1929 the recruitment of probationary Superintendents of Post Offices in any official year should be confined to candidates who have obtained qualifying marks at the examination for admission to the Indian Audit and Accounts Service held by the Public Service Commission in the preceding year.

The appointments of Income-tax Officers also are not filled on the advice of the Public Service Commission. They are not under the absolute control of Commissioners of Income-tax, but are subject to the previous approval of Local Governments. The question of referring such appointments to the Public Service Commission will be considered by the Government.

APPOINTMENT OF A COMPETENT SCHOLAR AS LIBRARIAN OF THE IMPERIAL LIBRARY.

175. THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY (on behalf of the Honourable Srijut Rama Prasad Mookerjee) : Has the attention of Government been drawn to a Resolution passed at the last session of the All-India Library Conference at Calcutta urging the appointment of a competent scholar as Librarian, Imperial Library ?

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH : The reply is in the affirmative.

MR. W. R. BARKER'S MEMBERSHIP OF THE PUBLIC LIBRARIES COMMITTEE.

176. THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY (on behalf of the Honourable Srijut Rama Prasad Mookerjee) : Is it a fact that Mr. W. R. Barker, Chairman of the Indian Public Service Commission, was a member of the Public Libraries Committee appointed by the Board of Education, England, in 1924 ?

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH : Yes.

LIBRARIAN, IMPERIAL SECRETARIAT LIBRARY.

177. THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY (on behalf of the Honourable Srijut Rama Prasad Mookerjee) : (*a*) Has the attention of Government been drawn to an advertisement in the papers inviting applications for filling up a temporary vacancy of the office of the Librarian, Imperial Secretariat ?

(*b*) Is it a fact that a statement is made in the advertisement that there was every chance of the person now to be appointed temporarily being made permanent after two years ?

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH: (*a*) Yes.

(*b*) In the advertisement published by the Public Service Commission it is stated that the vacancy will be temporary for a period of two years, but that there is a possibility that it will be made permanent.

SALARIES OF THE LIBRARIAN, IMPERIAL SECRETARIAT LIBRARY, AND OF THE IMPERIAL LIBRARY.

178. THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY (on behalf of the Honourable Srijut Rama Prasad Mookerjee): (*a*) What are the grades of salary of the posts of Librarian, Imperial Secretariat, and of the Imperial Library?

(*b*) On what grade of salary was Mr. J. A. Chapman originally appointed as Librarian, Imperial Library?

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH: (*a*) A statement giving the information desired by the Honourable Member is placed on the table.

(*b*) He was appointed on a salary of Rs. 750—50—1,000.

Statement showing the pay of the posts of Librarian, Imperial Secretariat Library, New Delhi and Simla, and of the Imperial Library, Calcutta.

Librarian, Imperial Secretariat Library, New Delhi and Simla.	Librarian, Imperial Library, Calcutta.
Rs.	*Rs.
200—15—500.	1,000—50—1,500.

*This scale of pay, which was drawn by the permanent incumbent now on leave, is under revision and is now temporarily fixed at Rs. 750 per mensem for the officiating incumbent of the post.

DIFFERENCE IN PROCEDURE IN THE FILLING UP OF THE TEMPORARY POSTS OF LIBRARIANS OF THE IMPERIAL SECRETARIAT LIBRARY AND THE IMPERIAL LIBRARY.

179. THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY (on behalf of the Honourable Srijut Rama Prasad Mookerjee): What is the reason of the difference in procedure in the filling up of the temporary vacancies in the case of the Librarians of the Imperial Secretariat and the Imperial Library?

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH: The reason is that Government have knowledge of the experience and qualifications of the officiating Librarian, Imperial Library, Calcutta: for temporarily filling the post of the Librarian, Imperial Secretariat Library, no one now employed on the staff of the latter library is available; hence the need for seeking the aid of the Public Service Commission.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN: Will this Imperial Library be brought to Delhi some day?

THE HONOURABLE THE PRESIDENT: That question does not arise out of the answer given.

REORGANISATION OF THE IMPERIAL LIBRARY.

180. THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY (on behalf of the Honourable Srijut Rama Prasad Mookerjee): (*a*) Was the question of the reorganisation of the Imperial Library placed at any stage before the Standing Advisory Committee for Education? If not already done, is it the intention of Government to place all the papers before the Standing Advisory Committee for Education before arriving at any final decision?

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH: (*a*) No.

(*b*) The suggestion will be considered.

PROVISION OF AMENITIES FOR PASSENGERS AT NABADWIPA GHAT STATION.

181. THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY (on behalf of the Honourable Srijut Rama Prasad Mookerjee): (*a*) Is it known to Government that Nabadwipa in the district of Nadia in Bengal is a place of pilgrimage for Hindus?

(*b*) Is it a fact that the light railway from Krishnagore to Nabadwipa Ghat is largely used by pilgrims to Nabadwipa?

(*c*) Is it a fact that there is neither a suitable shed for pilgrims at the Nabadwipa Ghat station nor a pucca pathway leading to the Ganges?

(*d*) Is it a fact that there is no arrangement for lighting the Ghat station or the approach from the river?

(*e*) What proportion of the income of the branch line is derived from the pilgrim traffic to Nabadwipa?

(*f*) Do Government propose to take early steps to alleviate the difficulties of the passengers on this branch line?

THE HONOURABLE SIR GEOFFREY CORBETT: Government are aware that Nabadwipa is a pilgrimage centre of importance but are not aware in detail of the provision made for passenger amenities at Nabadwipa Ghat. I am sending a copy of the Honourable Member's question to the Agent of the Eastern Bengal Railway so that he may consider what action may be necessary.

DATE FOR THE RECEIPT OF NOMINATIONS TO THE PANEL FOR THE STANDING COMMITTEE ON EMIGRATION.

THE HONOURABLE THE PRESIDENT: With reference to the motion adopted by the House yesterday morning that it would proceed to the election of a panel to the Committee on Emigration, I have to fix Saturday, the 23rd of March, up to the hour of 11 o'clock in the morning for the receipt of nominations. I may say that up to date I have already received five nominations and three more nominations will complete the panel.

RESOLUTION *RE* INVESTIGATION INTO THE SYSTEMS OF LAND REVENUE IN THE DIFFERENT PROVINCES.

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

"That this Council recommends to the Governor General in Council that a Committee be appointed consisting partly of elected Members of the Indian Legislature and partly of persons who may be considered to be well conversant with the subject, to investigate and report on—

(1) the systems of land revenue in the different provinces of India;

(2) their economic effects upon the condition of the rural population in each province;

(3) the changes and modifications that in its opinion should be made in the system, with a view to promoting the economic welfare of the agricultural population, and

(4) any financial measures that might be adopted to make up for any loss should the changes and modifications recommended by the Committee involve a loss in the existing revenues."

This House is aware that the question of the land revenue systems prevailing in this country has engaged the attention of all those who feel keenly interested in the condition of the agricultural population and the necessity of ameliorating it, and of raising the general economic level of the masses of India. I do not propose to trace the history of this question, for were I to do so, it would be impossible for me to deal at sufficient length with the main issue which is involved in my Resolution, within the time to which I am entitled. It is impossible for me, however, not to make at least a passing reference to the Resolution issued on the subject in 1902 by Lord Curzon's Government. It is well-known that that Resolution was drafted by Lord Curzon himself, and it reveals in a very conspicuous manner the high literary qualities of that great Viceroy and his clarity of thought on any subject, however difficult and abstruse, to which he applied himself. The principles laid down in that Resolution still govern the various systems of land revenue assessment that obtain in this country. So far as those principles go, they were certainly an improvement upon the state of things and the practice that existed before Lord Curzon issued his famous Resolution. The most satisfactory feature of that Resolution was Lord Curzon's insistence upon two cardinal principles, namely, first, moderation in enhancement and, secondly, sympathy in collection. Moreover, though Lord Curzon vigorously defended the general land revenue policy of the Indian Government, he had the fairness to admit that no claim could be made for it that it was scientific, exact or free from any blemish whatever.

"Indeed"

he

"the one claim which the Government of India would decline to make for the land revenue system of this country is that it can properly be regarded as a science at all".

He, however, maintained that

"assessments cannot be dictated by the theorist in his study, they elude dogmatic treatment, and can only be safely worked out by the Settlement Officer in the village and the fields",

and did not seem to think that the latitude to be given to Settlement Officers can be clearly defined and restricted by statutory provisions or that the general principles of assessment could be paid with any degree of exactitude and embodied in a Statute.

[Sir Phiroze Sethna.]

As I have said, Sir, Lord Curzon's Resolution was issued in 1902, that is, now more than 26 years ago. In the first place, the view that land revenue assessments cannot be governed by scientific principles is being questioned more and more, and economists have proposed solutions based on such principles. Secondly, the question of the right land policy has been receiving the earnest consideration of most Governments, and the views propounded in different countries, *e.g.*, in Australia, New Zealand, France, Germany, on the subject deserve to be considered. Thirdly, there is a growing feeling amongst the Indian leaders and people that the time is come for fully examining the economic effects of the various land revenue systems, and fourthly, in 1919, the Joint Parliamentary Committee gave the go-bye to the theory that the principles of land revenue assessment and other working must be left to executive direction and cannot be embodied in a Statute. The House is familiar with the views expressed by the Committee. Nevertheless, it may not be amiss if I remind Honourable Members of what they said. In their report on the Government of India Bill, 1919, they observed as follows :

"The Committee are impressed by the objections raised by many witnesses to the manner in which certain classes of taxation can be laid upon the people of India by executive action, without, in some cases, any statutory limitation of the rates, and in other cases, any adequate prescription by statute of the methods of assessment. They consider that the imposition of new burdens should be gradually brought more within the purview of the Legislature..... The Committee are of opinion that the time has come to embody in the law the main principles by which the land revenue is determined, the methods of valuation, the pitch of assessment, the periods of revision, the graduation of enhancements, and the other chief processes which touch the well-being of the revenue payers."

For the first time, the Joint Parliamentary Committee and through them the British Parliament have recognised a highly important principle, namely, that whether land revenue is rent or tax, it is, after all, a species of taxation, a financial impost, and like all species of taxation, it should be clearly defined and its levy brought under the control of the Legislature. This is a great landmark in the development of the land revenue policy. As far as I am aware, every Provincial Government has taken steps to give effect to the recommendations of the Joint Parliamentary Committee, but so many differences of opinion have been disclosed on the subject between Government and various sections of representatives of the people that it would seem that in no province has the necessary legislation been carried out.

THE HONOURABLE MR. MILES IRVING : Yes, in the Punjab.

THE HONOURABLE SIR PHIROZE SETHNA : To some extent. I will refer to that later. Some have advocated the extension of the permanent settlement in *ryotwari* areas, others have suggested that land revenue assessments should be treated on the lines of income-tax, others again have proposed that no revision settlement should be brought into operation unless it first receives the sanction of the Legislative Council.

The most important point in connection with the land revenue systems is, what are their economic effects upon the people, particularly the agricultural population ? The poverty of the Indian peasantry is proverbial ; in those provinces where permanent settlement has been introduced, such as Bengal and Bihar, the condition of the tenantry is notoriously wretched. These are well known facts, universally admitted, and it is impossible now to deny or question them. The Government view is that the land revenue policy

is no factor at all in any province in the impoverishment of the ryot, that whatever poverty exists among the agricultural population is due to other causes and has nothing to do with the land revenue policy or system. Here is a distinct issue, namely, what is the relation between the land revenue system of a province and the economic condition of its people, in particular, of the agricultural population in that province? Is there any relation at all? If so, what is it? Is the poverty of the people, their low economic condition, in any way, to any degree, directly or indirectly, due to the land revenue system? Does the system operate so as to add to the burdens of the poor, to aggravate or increase their poverty? How does it operate in particular upon the small peasant proprietor? These are all very important questions having a direct bearing upon the tremendous issue of the general uplift of the masses, and they call for a thorough investigation. If such investigation discloses that the economic condition of the masses is adversely affected by the prevailing land revenue system, it obviously becomes a matter of importance and it may be even of urgency to consider whether a new land revenue system, which would obviate those effects, could be devised, whether any changes could be made in the existing system, or whether there is no alternative which could not produce worse results, and that therefore we must be satisfied with things as they are.

I submit, therefore, that the time is now come for instituting a thorough inquiry into the economic effects of the various land revenue systems in India. The Taxation Enquiry Committee was appointed to enquire into questions of taxation, but the question of land revenue policy was excluded from its purview. Again, the Royal Agricultural Commission was asked to investigate the main factors affecting the rural prosperity and welfare of the agricultural population, but its recommendations were to be subject to the limitation that it would not be within its scope to make recommendations regarding the existing systems of land ownership and tenancy or of assessment of land revenue. In both these inquiries in which the question could have been gone into, Government have deliberately avoided it for reasons which it is difficult to understand or conceive. Indeed, Government have hitherto given no reason whatever why they do not want to enquire into this important matter. It is obvious that the whole question of the economic condition of the masses and of improving it cannot be fully investigated unless it is also considered what effects the land revenue system produces. It will not do for Government to say that the system is a very old one, inherited from the remote past and that its economic consequences, whatever they may be, do not matter and must be taken as a matter of course, particularly as the State cannot and will not abandon the position that land revenue assessments are in principle nothing more than the enforcement and enjoyment by the State of its rights over land. It is futile to reopen the controversial question as to whom the land belongs—either to the State or to the actual holder, as to whether land revenue assessment is tax or rent. On this theoretical or academic question, it is hopeless to expect agreement. The controversy will never be settled, it will continue till doomsday. Besides in these days, the fundamental basis of property like the bases of all other things is being questioned, and theories of Socialism and Communism, whether right or wrong, or like most new-fangled theories partly right and partly wrong, are being built which go to the very root of the rights, nature and incidence of property. In view of these radical and far-reaching transformations of the very foundations of thought in most matters of social and political order, a Government which will seek refuge simply in antiquity or in traditional ideas, methods and practices is doomed; it will not be able to hold its own against the onrush of extreme or revolutionary currents of thought and movement. The antiquity or the

[Sir Phiroze Sethna.]

traditional character of a system or institution is no justification for its continuance, nor will it be a bulwark against attacks levelled against it. The only right position, the only safety, lies in reconsidering or revising the system or institution in the light of sound, comprehensive thought and reforming and readjusting it so that it may not operate as a hardship but will prove a real instrument of promoting the welfare and happiness of the people. Whether the land revenue assessment is tax or rent, the fact remains that the people—which means in this country 70 per cent. of the total population or more—have got to pay: after all, it is a part of the whole fiscal system of a province, and surely it cannot be a matter of indifference, what the actual consequences of such payments are upon the general economic condition of by far the largest portion of the entire population in whose contentment and prosperity and intelligent understanding of the basis of authority, and enlightened realization of their duties and responsibilities no less than their rights, the stability and strength of Government are inextricably interwoven.

All these considerations fully warrant the submission I am making that a Committee should be appointed to investigate the economic effects produced upon the agricultural population by the system or systems of land revenue assessment prevalent in each province. This is the first thing that has got to be done. And then the next thing would be to consider in the light of their investigations whether any changes should be made in those systems, and, if so, what. I shall not anticipate those changes. Perhaps it may even be that the results of the investigation and a comparative consideration of alternative systems may not warrant any changes at all. It would obviously be wrong to dogmatise either way. Different systems of land taxation obtain in different countries. Two views in particular deserve mention. One view is that the land revenue assessments or land tax should be assimilated to income-tax, that the former, as such, should be abolished and income-tax should be levied on all incomes, including agricultural. The theory underlying this view is that profits of agriculture are, after all, a species of income, and there is no reason why it should be a separate source of taxation, and differently assessed from ordinary income. The other view is that as land is property, it should be taxed as such, and at the same time, income-tax should be levied on all income including agricultural. Just as in some places a house tax is levied on all houses, whether they yield rent or not, in the same way, a land tax should be levied on all land whether it produces any income or not; but the levy of this land tax is no reason why agricultural income should not be taken into account when income-tax is to be levied. I have already said that there are also advocates of the extension of the permanent settlement and they are of two classes. Some advocate it and at the same time maintain that agricultural income should be exempted from income-tax; others are advocates of the permanent settlement coupled with the levy of income-tax on agricultural income. The first view that agricultural income should be governed by the principles of income-tax is opposed on the practical ground that if it is so governed, the result will be a considerable reduction in land revenue and the State will at once be faced with the question, "How to make up the loss?" Of course no such loss will accrue if there is a land tax and at the same time removal of the existing exemption of agricultural income from liability to income-tax. But in that case a doubt may be raised whether this may not be double taxation. I do not propose to express any personal opinion of my own on this occasion on any of these points. I want simply to point out that there are different systems advocated, and all these will have to be

considered by the Committee whose constitution I recommend by my Resolution. All these proposals are made by men whose views are entitled to every respect.

As an illustration of what I am saying, I may refer to an inquiry instituted by the Government of New Zealand in 1924. In that year, that Government appointed a Commission called "A Commission to inquire into and report upon Land and Income-tax". The Commission inquired into the existing system of land taxation in all its aspects and its views and recommendations on the subject are interesting and suggestive. They say :

"We received a good deal of evidence for and against land-tax. The weight of evidence was against both land-tax and graduated land-tax, and in favour of abandoning both and substituting the graduated income-tax."

They recommend :

(1) That land and Income-tax must be considered together, as they dovetail into each other.

(2) That the present graduated land tax should be abolished, and income-tax should be paid in respect of income from land as part of the tax-payer's income.

(3) That any loss of revenue brought about by the adoption of the last recommendation should be made up by a flat rate of land-tax on all unimproved land values over £2,000. In assessing income-tax no exemption should be allowed in respect of this land-tax.

This is how the problem has been tackled in New Zealand. In September last, my Honourable friend Dr. Rama Rau moved a Resolution regarding the levy of revenue, tax, cess or fee on land held in private ownership, and while replying to the debate on the Resolution my Honourable friend the Leader of the House, Sir Muhammad Habibullah, told the House that the Government of India had again decided to address Local Governments on the subject of land revenue administration and expressed a hope that a satisfactory solution of this difficult problem would soon be arrived at. I do not know whether Government have accordingly addressed Local Governments on the subject. If they have, I sincerely trust my Honourable friend will take this House into his confidence and lay the whole correspondence on the Council table. Perhaps it may be that he himself is thinking of appointing a Committee for making an inquiry such as I am proposing. This land revenue problem is one which has often given a lot of serious trouble and may give yet more in the future unless all trouble is sought to be avoided by examining the economic effects of the land revenue system and as a result of the investigation, by improving it and bringing it more into line with right principles and public opinion. I shall not refer to the trouble at Bardoli except to say that the whole Bardoli affair brings into strong relief the necessity of going to the root of the matter in the manner I have proposed. I sincerely trust that the lessons of Bardoli will not be lost, and the one supreme lesson of Bardoli is that the land revenue system calls for a thorough investigation.

The *Times of India* published a leader some months ago in which it urged an inquiry into the economic effects of the land revenue system—exactly such an inquiry as I am asking for. It urged that in case the results of the investigation ultimately lead to loss of land revenue, the Committee to be appointed should also propose financial measures for making good such loss. Personally, I have no objection to this course. Land revenue is the sheet anchor of provincial revenue, and any loss that improvement in the land revenue system may lead to will certainly have to be made up. But if the well-being of the

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masses, the great need we all realise of improving their economic condition, requires that the existing land revenue system should be reconsidered and reformed, even though as a result the land revenue may show a falling off, the thing has got to be done, and I for one feel no doubt that the financial system can be so readjusted as to meet the loss that may accrue. We have entered on a stage in the development of India when the whole Governmental, administrative and financial systems will have to be improved and modernised on sound principles. Systems of land revenue, finance, taxation—all must undergo the process, the sole aim being to prevent injustice, to remove hardship, to promote fairplay and equity, to redress all legitimate grievances and to raise the material and moral condition of the vast masses—the teeming millions—of this land.

With these words, Sir, I commend my Resolution to the acceptance of the House.

THE HONOURABLE SETH GOVIND DAS (Central Provinces : General) : Sir, I beg to move the amendment which stands in my name :

"That for the words 'a Committee be appointed consisting partly of elected Members of the Indian Legislature' the words 'a central Committee and provincial Committees be appointed consisting partly of elected Members of the Indian or Provincial Legislature, as the case may be' be substituted."

Sir, the reason for my moving this amendment is due to the fact that the land revenue system varies from province to province, and unless and until provincial Committees with the real representatives of the people are appointed to co-operate with the central Committee the thorough investigation into the matter, which the Honourable the Mover of the Resolution desires, cannot be made. In certain provinces there is permanent settlement : in others there is temporary settlement : in some provinces there is the zemindari system ; in others there is the ryotwari system. Besides this there are many sub-divisions of these systems. Therefore, I suggest that the inquiry into the matter be conducted on the lines on which the inquiry into the banking system is proposed to be conducted.

Sir, I congratulate my Honourable friend Sir Phiroze Sethna on bringing forward this Resolution, because there is no doubt about the fact that a thorough investigation and reorganisation of the revenue system is a long-felt want of the agriculturists of this country. I do not want to take up more time of the House because my Honourable friend has already said all that should be said on the question. We may not agree with all the reasons which my Honourable friend has advanced for the inquiry. I agree with the principle that the inquiry ought to be made, and I hope, Sir, my Honourable friend will accept my amendment, which only strengthens the underlying idea of his Resolution.

With these few words, Sir, I commend my amendment to the acceptance of my Honourable friend and of this House.

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH (Education, Health and Lands Member) : Sir, my Honourable friend Sir Phiroze Sethna has to be congratulated on the vigour of the speech made by him in support of his Resolution, a copy of which he was good enough to supply to me and for which I am highly grateful. No one can dispute his thesis that land revenue, which touches the bulk of the agricultural population of this country, is a matter of great importance both to Government and to the people. Nor, Sir, will it be questioned that the welfare and contentment

of the agricultural classes should be, and are, an object of profound interest and steadfast endeavour to Government. The main question for consideration now is whether the existing systems of land revenue oppress the agricultural classes, whether an investigation is necessary in order to ascertain the relation between these systems and the economic condition of these classes, and finally, whether an all-India investigation of this problem, if investigation were found to be necessary, would be practicable.

The Honourable the Mover has urged four reasons in support of his proposition that such an inquiry is necessary. The time that has elapsed since the Government of Lord Curzon reviewed land revenue policy, the challenge of economists to the soundness of the land revenue systems of India, the scrutiny of the question of land taxes by countries like Germany, the recommendation in regard to Land Revenue of the Joint Parliamentary Committee which considered the Government of India Bill, and the emergence of Socialist and Communist notions about ownership of and rights in land, are the principal reasons adduced by him to justify a comprehensive examination of the land revenue systems of British India.

Now, Sir, whatever else the passage of time may have done, it has not made the revenue systems of British India less complex, nor the constitutional power of the Government of India to review or readjust these systems wider. One has only to look at the formidable compilations of Baden Powell, and the provincial departments of Land Revenue to get an idea of the unique complexity of the various systems of land tenure that exist in different parts of India. It is important to mention this fact, because settlements of land revenue are influenced in no small measure by the prevailing systems of tenure. And the Government of India Act of 1919 and the rules framed under it have made land revenue a reserved provincial subject and a provincial head of revenue. My Honourable friend would probably urge that, so long as the subject is reserved, the Government of India have powers of direction, superintendence and control over Local Governments and that the investigation which he has in mind is not a detailed survey of tenures and cognate matters, but a broad survey of economic conditions and a general testing of the principles of land revenue by modern canons of taxation. As regards the latter portion of this rejoinder, I have already stated that land revenue cannot be divorced from a consideration of the nature of land tenures. A further point to make is that detailed enquiry into the economic condition of the agriculturist is periodically made in each temporarily settled province whenever a district is settled or, to use a phrase which would more correctly represent the general practice, resettled. Any officer with settlement experience would be able to convince my Honourable friend, whose open-mindedness I have learnt to admire, that no committee of enquiry could excel the care or the solicitude with which these investigations, on which settlement proposals are based, are conducted.

The answer to the constitutional argument that the Government of India have powers of direction, superintendence and control is that since land revenue is a provincial head of income—and in most provinces the main head of income—an enquiry of the nature suggested by my Honourable friend cannot properly be initiated except with the consent, and I would even go further and say except on the suggestion, of Local Governments. The reason for this conclusion is not only that any change in the system of land revenue may affect provincial finances. An equally important reason is that an investigation of this scope and wide compass may have repercussions beyond economics and finance, and exercise an unsettling effect on the always delicate question of the relationship of landlords and tenants. This possibility has to be taken seriously

[Khan Bahadur Sir Muhammad Habibullah.]

into account in areas where the settlement of land revenue is made not directly with the cultivator of the soil but with landlords or zemindars.

My Honourable friend's second argument, namely, that the provincial land revenue systems need to be reviewed and readjusted in the light of modern canons of taxation, is answered by the fact that this task has already been accomplished by the Indian Taxation Enquiry Committee. That Committee included a land revenue officer like my Honourable friend Sir Charles Todhunter, and a trained economist like Dr. Hyder. The conclusions of the Committee were communicated to Local Governments, and have doubtless received their consideration. I know that both in Madras and Bombay the suggestion of the Committee that Government should take 25 per cent. of the net assets as land revenue has been pressed. In Bombay, which is my Honourable friend's Presidency, I think I am correct in saying that the Committee which the Local Government set up and which considered the question of amending the Land Revenue Act of Bombay based some of its proposals on the recommendations of the Taxation Enquiry Committee. Not only then has this aspect of the problem been competently investigated, but the results of the investigation appear also to have influenced consideration of the percentage of the net yield from land which the State should take.

My Honourable friend will forgive me if I do not agree to treat the example of Germany and New Zealand as an inspiration and a guide to us in this country. We are differently built in this country. Our land revenue system is a product of history—of a very long process of evolution. I am at one with my Honourable friend in thinking that what is archaic or outworn is not to be venerated merely because of its antiquity. But it cannot be seriously contended by any one that our land revenue system has become so decrepit and out of joint with the times as to deserve to be discarded. I wonder what my Honourable friends from Bengal, where the permanent settlement is regarded as sacrosanct, would think of such a doctrine. Need for review and revision there may be. The progressive reduction in the State's share of the net assets of agricultural land which had taken place more particularly during the period of British administration shows that the system is sufficiently elastic to be susceptible of adjustment from time to time under pressure of economic and other factors. But its vitality and its special suitability to the historical, social and economic structure of our polity are features which it will be a grave error to ignore.

Up to this point, Sir, I have endeavoured to show, first, that in this matter the initiative rests, and rightly rests, with Local Governments; secondly, that the variety and complexity of our land revenue systems make an all-India inquiry impracticable by reason of the long time that such an inquiry would take; thirdly, that the economic condition of the agricultural population comes under careful scrutiny at the time of resettlement which precedes the revision of the Government demand; fourthly, that the bearing of modern principles of taxation on our land revenue system was recently examined by the Taxation Inquiry Committee, whose conclusions have not been without effect on proposals relating to the adjustment of the Government demand; and fifthly, that the experience of Germany and other western countries is no safe guide to us.

I shall now turn, Sir, to my Honourable friend's case in so far as it rests on the recommendations of the Joint Parliamentary Committee. Since this matter was last referred to in the House, Sir, the Punjab, the United Provinces, and the Central Provinces Legislative Councils have passed legislation to

codify the principles of land revenue administration into law. It is not, therefore, correct to say now that the recommendation of the Joint Parliamentary Committee still remains sterile. But I have mentioned this fact with a more important object than the mere correction of a statement of fact made by the Honourable the Mover. If my Honourable friend and other Honourable Members of this House will devote a little time to the study of the history of these pieces of legislation, they will realise both the complexity of the task and the propriety of leaving it to Local Governments to settle these questions of which the importance to the provinces concerned is paramount. These questions have to be considered primarily with an eye on local economic and social conditions, and settled by agreement between two parties, namely, the Government of a province on the one hand, and the representatives of the agricultural interests concerned on the other. I do not wish to push the argument of provincial self-sufficiency too far. But it is obvious from the nature of the problem and from the history of recent land revenue legislation and the investigations and discussions preceding such legislation that initiative in the matter and the burden of the work must fall on the provinces.

I shall not detain the House longer, Sir. For the reasons which I have stated, Government do not consider it either necessary or practical to embark upon an inquiry of the nature suggested by the Honourable the Mover. It follows, Sir, that it is not possible for them to accept the Resolution. I have only a word to add about my Honourable friend Seth Govind Das's amendment. It seems to me that, if the provinces wish to set up inquiries, there is nothing to prevent their doing so. Moreover, such inquiries could be set up by each province independently without it becoming necessary for the Government of India to set up a central agency for co-ordinating the results of those inquiries. If Local Governments decide to set up committees, their reports will, at some stage, be submitted to the Government of India. The existing machinery at headquarters can then examine these reports and help the Government of India to discharge their general responsibilities in the matter.

THE HONOURABLE MAJOR NAWAB MAHOMED AKBAR KHAN (North-West Frontier Province : Nominated Non-Official) : Sir, nearly 86 per cent. of the population of India is composed of agriculturists and landowners and it is in view of their being such a large majority in number that the question of effecting an improvement in their present condition is engaging the attention of all the Local Governments as well as everyone concerned with them. I do not want to go into the details of the miseries under which this largest portion of the inhabitants of India is labouring at present. These are very well known to every Honourable Member in this House, but for the sake of illustration I should like to point out that this class of agriculturists is groaning under heavy debts which, according to certain calculations, have been estimated at 600 crores of rupees. I would not like to detain the House by quoting figures and will content myself with saying that immediate steps should be taken to relieve this community of agriculturists from their present deplorable condition, for the betterment of their condition will bring peace, prosperity and contentment to India as a whole. If suitable measures are adopted to make this three-fourths of the inhabitants of India live a life of contentment and peace, I believe it will greatly help in finding a definite solution of the ever-increasing problem of unemployment in India. Of all the numerous liabilities falling to the lot of the agriculturists in India, the present system of land revenue is the most exacting. After every six months they are called upon to make payments of a fixed sum of money as their portion of the land revenue, no matter whether they have the means to provide for the payment or not.

[Major Nawab Mahomed Akbar Khan.]

Settlements of lands are made after every 30 years, and on each occasion of such renewal of settlement of land, there has been a constant increase in the land revenue as compared with the last settlement. In spite of this, settlements of lands are made by officers of Local Governments and the local subordinate officers, some of whom are the residents of the places under assessment, which system is telling heavily on all those concerned. Again, there is no uniform system of settlement of lands in all the provinces of India. There is a permanent settlement in Bengal while in other provinces the system of settlement differs in the case of every province. The present system of land revenue is proving a source of the greatest trouble to all the agriculturists as a whole, and the necessity of adopting some remedial measures is very keenly felt among all those concerned. Under the circumstances, the Resolution moved by my Honourable friend Sir Phiroze Sethna is quite in the fitness of things and ought to be appreciated by every Member. But prior to the Resolution there is a report by the Royal Commission on Agriculture which I think is receiving the immediate attention of the Government of India. It has been submitted after exhaustive and careful inquiries into every aspect of the agricultural life, and in case the Government of India intend to give effect to its recommendations, the sooner it is done the better it would be for the agriculturists as well as for the Government. Although the question of land revenue is a purely provincial subject I think it will be better if the Government of India can see its way to bring it partly under its direct control by the establishment of a Department of Land Settlement and making settlements in all the provinces of India on a uniform system. In this way, every settlement of land will be effected by an impartial officer, bearing no prejudice to anybody, and this will certainly result in a great advantage to the agriculturists.

12 Noon.

Sir, I have carefully listened to the speech made by the Honourable the Leader of the House, and he has been constantly saying that the inquiry is not necessary; that it will take a very long time, and that it will be difficult because various systems are prevailing in the different provinces. Sir, to me it seems that the inquiry is most essential and necessary because it will give relief to very nearly three-fourths, if not a higher percentage than that, of the population of every province. The Leader of the House has been saying that the Taxation Enquiry Committee have thoroughly gone into the matter and that they have in their report made some suggestions about the present Resolution. But, Sir, I see that the Taxation Enquiry Committee was appointed with the object of finding out new avenues of taxation for the Government of India. It was not appointed with the sole object of inquiring into the land revenue systems of this country. To me it seems, and it will seem also to those Members who have anything to do with land, both landlords and agriculturists, that the early appointment of a Committee is most essential to go into this question and to decide what remedies should be set up in order to improve the condition of the agriculturists.

With these words, Sir, I strongly commend the Resolution.

THE HONOURABLE MR. G. S. KHAPARDE: I have sent in an amendment, Sir.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab: Non-Muhammadan): Sir, in seconding the Resolution so ably moved by my esteemed friend the Honourable Sir Phiroze Sethna, I strongly support the

principle underlying the desire for an examination of the systems of land revenue which are in force in the various provinces. The principle that the land revenue demand should be assessed in a manner which is less irksome to landlords and tenants cannot be gainsaid. The pitch of the assessment and the period of settlement are two of the important matters which are of vital importance not only to the agriculturist but to the whole of the rural population. The Punjab Legislative Council is to be congratulated on taking a step in the right direction on these two questions. In the Punjab, the standard of assessment has been lowered from half net assets to 25 per cent. of the assets of the landlord and the terms of settlement, which varied from 20 to 30 years. have been put down at 40 years as a rule. In arriving at this decision, if I remember aright, in the Punjab Legislative Council the Government opposed the 25 per cent. basis of assessment, but the point was carried by the Council and it was a matter of gratification to find that His Excellency the Viceroy gave his assent to the Punjab Land Revenue Act notwithstanding, if I mistake not, the opposition of the Punjab Government on this particular matter. The equitable distribution of assessment from holding to holding, from estate to estate, and for larger units is another question of great concern to the agricultural population. The system of land revenue varies from province to province and it is only reasonable to ask that a comparative study of the various systems should be made without delay and with a view to effect improvement in the provinces where defects are found to exist on the lines of those provinces where they do not exist. A close examination of the systems would, I have no doubt, prove useful to the agriculturist in making his burden easier to carry, but it would at the same time make the work of revenue collection more smooth and give the satisfaction of having in every province a system brought up to date in the light of experience. The fact that every major province is responsible for its own revenue policy need not be a bar to a comparative study of the systems of all the major provinces by one responsible body and at the same time. The Committee proposed should be in a position to offer valuable advice, where it is needed, to every province, and the advantage of such an independent and competent body arriving at well-considered decisions will be that, subject to their approval by the Government of India, a lead will be given to the provinces concerned, and the Provincial Legislative Councils who will have all the material laid before them will not have any difficulty in adopting measures which are calculated to benefit the agricultural and rural population of each province.

My Honourable friend Sir Phiroze Sethna has said in his speech that the income derived from land may be subjected to income-tax. Sir, I differ from him in this vital matter. I hold that in India land is owned by the people and Government collects land revenue as a tax. That tax has ranged from 50 per cent. and upwards in certain provinces. In the Punjab, as I have mentioned, legislation has laid down that in the future land revenue shall be assessed to land tax to the extent of 25 per cent. of the net assets. When such a big proportion of the income of a landlord is taken as a tax no more taxation is justifiable. I am a landlord myself and I can say that in the Punjab at any rate land taxation has reached a pitch beyond which it is impossible to go. The harvests of the last three years in particular have been so bad that the landlords have had in many cases to pay the land revenue out of their own pockets and incur loss.

Our esteemed Leader of the House, Sir Muhammad Habibullah, said that the present system of land revenue does not oppress the agricultural classes. I say, Sir, that the present policy of land revenue has oppressed them, and I disagree with him entirely. Then he said that the

[Rai Bahadur Lala Ram Saran Das.]

initiative in starting an inquiry like this ought to be taken by the Provincial Governments ; but I should like to ask the Honourable the Leader of the House whether the Royal Commission on Agriculture was formed at the instance of the various Provincial Governments. I do not say that that Commission was not needed. But I say that if there is any measure of public utility and importance which deserves to be undertaken, the inquiry now proposed is deserving of the utmost consideration, because after all landlords and agriculturists are the backbone of the Empire and are the people who should be most looked after. This matter was undoubtedly referred to the Indian Taxation Enquiry Committee, but there was a great deal of misapprehension amongst landowners and zemindars as to the scope of the inquiry which that Committee would make in the field of land revenue assessment. A meeting of the All-India Landlords' Association was held and this matter was fully discussed and I understand a representation was made to the Government of India. If I mistake not the Association was led to believe that the scope of the inquiry of the Taxation Enquiry Committee did not embrace the revision of the land revenue policy. Of course that Committee, as the Leader of the House has said, recommended 25 per cent. as the basis of assessment. But, as I have also said, that basis has not yet been accepted by all the Provincial Governments. It was a useful suggestion, and if other Provinces would follow what has been done in the Punjab, one point anyhow will be solved. The Honourable the Leader of the House has said that India cannot be compared to New Zealand and other foreign countries in the matter of land revenue assessment. As far as I know, in those countries to which reference was made, the people do not own the land. The land belongs to Government and the people pay rent for it. But in this matter of a comparison, sometimes the Government of India, when it suits them, do compare India with foreign countries, but when it does not they do not. The Leader of the House has admitted that the policy of assessment is sufficiently elastic. That is the reason why we want that elasticity to be put in order. Sometimes the elastic nature of the policy is not good for the people of India engaged in agriculture.

With these words, Sir, I strongly support the Resolution.

THE HONOURABLE THE PRESIDENT : Honourable Members hitherto do not seem to have directed their attention to any extent to the amendment moved by the Honourable Seth Govind Das. I think, therefore, that I had better put that amendment to the Council and get it out of the way. Does the Honourable the Mover wish to say anything in regard to that amendment ?

THE HONOURABLE SIR PHIROZE SETHNA : I am not in favour of the amendment for the reasons advanced by the Honourable the Leader himself. It is entirely a matter for the provinces themselves. If they want to have their own Committees they can have them.

THE HONOURABLE THE PRESIDENT : The original question was :

"That the following Resolution be adopted, namely :

'This Council recommends to the Governor General in Council that a Committee be appointed consisting partly of elected Members of the Indian Legislature and partly of persons who may be considered to be well conversant with the subject to investigate and report on :

(1) the systems of land revenue in the different provinces of India ;

(2) their economic effects upon the condition of the rural population in each province ;

(3) the changes and modifications that in its opinion should be made in the systems, with a view to promoting the economic welfare of the agricultural population; and

(4) any financial measures that might be adopted to make up for any loss should the changes and modifications recommended by the Committee involve a loss in the existing revenues '."

Since which an amendment has been moved:

"That for the words 'a Committee be appointed consisting partly of elected Members of the Indian Legislature' the words 'a central Committee and provincial Committees be appointed consisting partly of elected Members of the Indian or Provincial Legislature, as the case may be,' be substituted".

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

The motion was negatived.

THE HONOURABLE MR. G. S. KHAPARDE (Berar Representative): Sir, I submitted an amendment this morning. I trust Your Honour will permit me to argue it.

THE HONOURABLE THE PRESIDENT: The Honourable Member requires no permission from me to move an amendment of which he has not given notice. The Standing Order says that an amendment may be moved unless any Honourable Member objects to its being moved. In that case I shall have to give a ruling from the Chair. The Honourable Member may proceed and may or may not anticipate an objection.

THE HONOURABLE MR. G. S. KHAPARDE: With your permission, Sir, then.....

THE HONOURABLE THE PRESIDENT: My permission is not necessary, as I have told the Honourable Member.

THE HONOURABLE MR. G. S. KHAPARDE: Thanks, Sir. My position is rather peculiar in this respect. I approve of the general principle of the Resolution, but I do not like part of its wording. Now, my Honourable friend's amendment has been rejected and so there is no use talking about it. I approve of the principle of the Resolution, but object to the term "consisting partly of elected Members". By the term "elected Members" I understand elected Members of this Council as well as, I suppose, of the Assembly. If that is so, my objection comes in. We have got another 18 months of life for this Council and the life of the Assembly expires in another eight months. If elected Members from this Council and elected Members from the other House are put on this Committee, within 18 months' time or even eight months' time some of the Members will have to disappear and this Committee will not be able to function. Now, the work which is to be entrusted to this Committee is very serious, is very important, and it will take a great deal of time. As was remarked by one of the Honourable Members here, the tenancies differ almost from district to district; if not from district to district they certainly differ from province to province; and an enquiry into those tenancies and their reasonableness is not likely to be completed within even for that matter 18 months; even 18 months would not be sufficient, much less would it be completed in time for the Members of the Assembly to continue on it. So my first amendment was that instead of its being a Committee, it be converted into a Commission appointed by the Viceroy, so that the members could work not only during the lifetime of the present Parliament, but also

[Mr. G. S. Khaparde.]

in the lifetime of the next Parliament and the lifetime of the succeeding Parliament, in order that the body may be more permanent and may have continuous work. I want to change the word " Committee " into " Commission ".

My next argument is—and it refers to both the points fortunately for me—that because the work is very important and because it is likely to take a great deal of time, it is therefore necessary, very necessary in my opinion, that we should first of all see what the scope and the nature of the enquiry would be. I have great respect for our own Council and I have sat on it for the last 15 years and more, and I have equally great respect for the other House which has recently come into existence.

I believe that the landed interests are not so well represented in either House as they might have been.....

THE HONOURABLE MR. G. A. NATESAN : Not even here ?

THE HONOURABLE MR. G. S. KHAPARDE : No, nor have the landed interests been properly represented in the other House. I have always felt this, but it was unnecessary to make a complaint. Now that the matter has come up, I do make a complaint about it in this respect. I complain also about the speech made by my Honourable friend Sir Phiroze Sethna. They look upon landlords or the people owning lands as so many people who are tenants on the land, nothing more. What is the history of it ? The history of it is, as it is in every country I believe, that people who constitute the landed aristocracy were, some of them, at one time the rulers of the land and have sunk into private citizens ; others have come in by purchase ; and a third set of people have come in under a third title ; taken together they constitute the aristocracy. But that aristocracy does not hold under one tenure nor under one arrangement. The arrangements vary ; their interests vary; the ways in which they carry out their administration also vary. People who own a certain amount of land, and especially the descendants of ancient ruling houses, still to this day have clinging to them certain traditions and certain traditional services, and indeed the traditional services are very important ; and that constitutes the difference between the landed aristocracy and the aristocracy which gets on the land by purchase or by converting large capital into estates. There is a difference between them and that tenancy will have to be carefully enquired into. It is not merely a question of economics—the relations between the landlord and the other people. It is a custom that has grown up here ; from time immemorial certain services are rendered by the tenants irrespective of any contract whatever ; certain remissions are given to the tenants irrespective of any contract, and perhaps not even economic considerations come into the matter. It is very important that all these should be maintained, because, as I hold, it is the landed aristocracy that inherits what is called " territorial patriotism ". The patriotism of the merchant is pecuniary, and if he finds that higher interest can be realised by sending his money to Australia, he will send it there ; if he finds that he can get a better interest in New Zealand, certainly his money will go there. All that he cares for is money. But the landlord cannot do that. A landlord's interests are buried and entirely nailed down to the particular piece of land which belongs to him. He therefore has territorial patriotism, and to him it is of importance that his fields, its boundaries and certain other things connected with his lands, should be maintained for all time. He therefore fights for it, whereas your merchant can transfer his property from India to

New Zealand. He does not care so long as his capital is safe. He can transfer his capital from this country to somewhere else—I do not understand these transactions—and when he has transferred his capital he is free to go away. That constitutes the great difference. So, if my recommendation is accepted, if this Commission is appointed, landed interests must be preponderatingly represented on it, certainly not less than half. I have therefore put in the word "adequately", that is to say, at least half the number of members of the Commission must be landlords and people interested in the local landed aristocracy. The other reason for this is that this enquiry will involve an expenditure of a great deal of time and labour. Those two questions which my Honourable friend mentioned are very live questions, not dead questions, questions which originated in the days of Sir Michael Westropp, who held that the land belonged to the occupant and the holder. Government hold that land belongs to them. That controversy is going on and will go on, and the Taxation Enquiry Committee have left the question undecided. That is a live question that still exists. That question cannot be got over by ignoring it or leaving it undecided indefinitely. It has important consequences. If Government become the supreme landlord, they have got to perform the duties of a landlord. They cannot merely collect the rent and sit tight. As landlord, they have to provide for drainage of the land, and attend to other necessary things. That very important question of the ownership of land has to be decided. The Taxation Enquiry Committee has avoided that question. But that question will force itself and will have to be decided authoritatively and from that will follow the consequences, whether the tax or money collected from the landlords is an economic consideration or is a consideration influenced by political reasons, whether Government will maintain these people on their land because not only do they cultivate it but they serve as unpaid militia, a useful reserve to be called for at any moment you like.

The Honourable the Leader of the House said this was a provincial question. I humbly submit that it is not; it is an Imperial question. The question is whether we shall treat our landlords as merely revenue-paying tenants or so many landlords or in some sense as co-owners of the land with Government, and therefore to be taken into consideration and treated accordingly. So this is an important matter not to be got rid of in that way. That statement that it is a provincial subject is not correct, because only three provinces have framed anything like local Acts in connection with this Revenue Code. The remaining six have not. Out of nine provinces only three have framed rules, and those rules—I do not know, I suppose they have been recently received.....

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH: They are not rules. They are Acts passed by the respective Legislatures and are in operation to-day as Acts.

THE HONOURABLE MR. G. S. KHAPARDE: Anyhow, only three provinces have done so and the remaining six have taken no action. Therefore the Government of India is still seized of the question and the direction given by the Parliamentary Committee still holds, and the Government of India as a whole are still responsible for that recommendation of the Parliamentary Committee being carried out. That being so, the Government of India are still seized of the subject and I suppose we are entitled to rely upon their consideration.

[Mr. G. S. Khaparde.]

A still greater consideration is the further one that I have mentioned of the position in which the landed aristocracy is placed of being either merely tenants or being something in the nature of co-owners and therefore liable to be called upon to contribute a greater share of revenue than others.

The last consideration which I wish to urge in favour of my amendment is that if this Royal Commission is established, it will be able to take its own time. It will prepare all the material. It will predominantly consist of landlords and they will be able to say everything they wish to urge, and then with the material collected and the judgment framed on it, the question can go before the Legislatures concerned and be considered, and then and then alone will it be possible to give a reasoned judgment. As for the suggestion of the Honourable the Revenue Member that on every occasion of a resurvey there is some kind of inquiry and that is enough, I humbly submit that it is not. He said, it is a very careful inquiry. I dare say from the official point of view, it may be, but from the people's point of view it is not. And in the Bardoli question that was the great ground put forward and in the case of the neighbouring districts, I believe something like the Bardoli trouble is brewing. In my own province there is a similar trouble brewing now and the complaint is that the inquiry is not carried out as it should be. People do not know what are the various grounds on which enhancement is claimed. Unless you see that this is put right in all the provinces of India, there will be trouble all round. Well, I say the wisest course would be to accept my amendment and bring into existence this body which will move about, record all evidence, put down everything that landlords claim to be done, everything that the tenants claim, and let the record be placed before this Council and the Assembly, and let their Honourable Members exercise their judgment, and when that has been done, then and then alone will the recommendation of the Joint Parliamentary Committee be carried out: otherwise they remain uncarried out. For this reason I support the proposal that this amendment of mine should be put to the vote, namely:

"That for the words 'Committee be appointed consisting partly of elected Members of the Indian Legislature and partly of persons who may be considered to be well conversant with the subject' the words 'Commission on which landed interests will be adequately represented, be appointed' be substituted."

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN (Punjab: Nominated Non-Official): Sir, I first congratulate the Mover of this Resolution and I can easily say that I can thank him on behalf of about 100 per cent. of the population of India. Though the agriculturists may be only 86 per cent. still the rest of the population is so connected with them that they deal in their goods or in the things they produce.

Sir, I should like to say that this is not a provincial subject but entirely Imperial. Supposing India were invaded by Russia? Would it not be an Imperial subject? There are ways and ways of invasion. One way of invasion is by force of arms and the other is by spreading Communism. Now, this Communism our Government here as well as elsewhere is doing its very best to keep out. But by their deeds they are bringing this Communism into the country as much as they can.

THE HONOURABLE MR. G. A. NATESAN: Is an inquiry likely to allay the troubles?

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN: If an inquiry is instituted, the people will think that something is *being done* for their troubles. It is far from the truth that they would dislike it. They will like it: they will think that Government is coming to their rescue. Now, as things stand, I am very sorry that the Leader of the House was forced to say "No" to questions which everybody in the whole of India knows to-day ought to be done. He was forced to say so against the whole population of India. I also thank Mr. Khaparde and Seth Govind Das who after all by their various amendments meant good to the general public. If, Sir, you were to see the things from this point of view, that we live side by side with a money-lender, then we find as I have often said before that a man who makes anything up to Rs. 2,000, is very well off and pays nothing, while another man who, gets say Rs. 5 or even an anna from the land, is taxed, though that money may not be even sufficient for one day's food. Are not those masses of people, Sir, who have been born in this country, entitled to eat and live? I can say positively that there are hundreds of families of these poor agriculturists that have got nothing to eat. We are sitting under these fans to-day, Sir, but if we were to go out, even in this Delhi province, and in the Rohtak district which is adjoining it, there is such a famine as they have perhaps never seen for many years. But here of course the Resolutions can come from the Central Provinces, but where we are sitting in the centre of these troubles nobody knows it.

I am glad, Sir, that in my province something has been done in the shape of having a 40 years' settlement and a few other things, but these are not sufficient. What is a settlement? A settlement means that Government officials, from the top to the bottom, all first meet and settle the settlement there that so much money will be increased on such and such an area. Then who are to carry on the settlement? The *patwari* who wants to become a *kanungo*, the *kanungo* who wants to become a *naib tehsildar*, the *naib tehsildar* who wants to become a *tehsildar*, the *tehsildar* who wants to become an Extra Assistant Commissioner, and the Extra Assistant Commissioner who wants to become a Deputy Commissioner. These are the men, and their future prospects are entirely in the hands of the Government. Are they going to think of the poor ryot? Generally what they do is this. They will take the best land, best water and best crop, and then they will take the average of that best crop and distribute it over the entire area. It is said, Sir, that this system has come to us from history. History always has not been the same. Previously, if we grew anything in our country, we kept it in the country and everything used to be cheap. Now, when all the things that are produced in this country are exported, of course they become very dear. The difficulties of the poor agriculturist would not be great if he were to grow sufficient food for his consumption for the whole year, but that is not the case. I think that at any rate 98 per cent. do not produce enough for the whole year. So they have to buy their requirements, and when they want to buy they must have money, and when they have no money they must go to a money-lender, and when they once go to a money-lender, they are slaves for their lives. If we want tranquillity in the country, we must do something at once, whether in the shape of what my Honourable friend Sir Phiroze Sethna has said or what my Honourable friends on my left have suggested. But the thing is that something must be done. The vocal classes, when they have a grievance, at once come and speak here and get relief. But the poor zemindar cannot speak. All his troubles are in his mind and there they remain. He is so crushed and so poor that he has not got the capacity or means to make himself heard, and if we do not come and speak here for him as we are doing, we will not

[Colonel Nawab Sir Umar Hayat Khan.]

be true to the Government and the country. We must put before the Government what is going on. When we so genuinely speak, they should not say that we do so only for the sake of speaking. We do so for the good of the Government themselves, and it is for the good of their people that they should come forward and do something for them.

Now, Sir, there cannot be any Indian who does not know that cent. per cent. of the people desire an inquiry, and he cannot do anything better than adopt this Resolution. I think it is the duty of those of us, who are nominated, to tell the Government truly that such things should be done. Simply to vote with the Government is no loyalty or service. Service on such an occasion like this is to say how the people feel, and support it by votes also. Sir, when we speak like this, I think the Government officials, who are here after all for our good, should not throttle us by the weight of the official majority. I would appeal to them to let us settle our own affairs and see on which side we all go, and that will be the right procedure to follow now. It is a gratifying thing, Sir, for all of us, agriculturists, that the man at the helm now is one who is an agriculturist and naturally his sympathies will be with us. Another very good thing has been done in having the Agricultural Commission. That was a step in the right direction only if they were allowed to review the land revenue policy also. The land revenue policy is the thing which ought to have been reviewed. Previous Governments used to take *chauth*, that is, one-quarter. There is another Arabic word *ushar*, that is, one-tenth, and all this was realised in kind. Some Governments used to take one-tenth, and some one-fourth. If now the revenue is taken in kind, the agriculturist will not suffer, because, if his crop is bad, Government will also take a share of the bad crop. But since money has been introduced for purposes of paying the revenue, he has to find this money. In very bad years the revenue is remitted, but they do not remit the revenue altogether. They keep on the demand for three years, and if the agriculturist gets a little better crop, the bad year's revenue is also realised from him. So, it is necessary that the land policy should be revised. You would have heard, Sir, of a book by Darling on the Punjab agriculturists. In that book, he has given a picture of what happens to a poor zemindar. The Sircar takes a portion from him, and then the Sahukar takes another portion and something of what is left goes to the Ahilkar (the official) and when he has given everything away, he naturally starves, and he says, *Guru sampath rakhe* " God may keep my honour " to meet all the demands, and after paying the dues he has got nothing left for himself. These bonfires that are made in these days in the cities are no trouble to the Government, but, Sir, the bonfire which will be in the hearts of 90 per cent. of the people will be a real danger and it has got to be considered for the safety of the Government. All these matters are under the care of the Government...

THE HONOURABLE THE PRESIDENT: The Honourable Member's time is up.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN: In the end, Sir, I appeal to Honourable Members to adopt this Resolution.

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH: Sir, I rise merely to object to the amendment which was moved by my Honourable friend Mr. Khaparde. I must confess that I had no notice of it at all until it was announced on the floor of the House. If my Honourable friend was anxious to move the amendment, and if according to him the Resolution

of which the Honourable Sir Phiroze Sethna had given notice would thereby have been greatly improved, he should have done me the courtesy of sending me a copy of the amendment simultaneously with his sending it to the Legislative Department. I have had no time to consider its implication and am not prepared to accept it. On behalf of Government therefore I must oppose it.

THE HONOURABLE MR. MILES IRVING (Punjab : Nominated Official) : Sir, I think the heart of the Finance Secretary must have been rejoiced when he heard the suggestion of the Honourable Member on my right that there should be an Imperial Department to deal with land revenue. He has already heard and will doubtless hear in the course of the debate on the Finance Bill many things against the inhuman, remote and intolerable practices of the Imperial Department of Income-tax. But now we find that after all the Imperial Departments are not so remote and inhuman as has been thought, and it has been seriously suggested that the entire collection of land revenue should be made over to the Central Government. The suggestion has been made in two places, and if the Honourable Mr. Khaparde's amendment be taken as a third, in three places, that land revenue should become a central subject. I want to take my point very largely on the ground of provincial autonomy. We hear a great deal of provincial autonomy on platforms, but I have found in my short experience of this House that whenever Honourable Members are interested in a particular subject which is a provincial subject, be it transferred or reserved, they find some reason for attempting to bring back the authority of the Central Government. The point which I do wish to make is this, that you cannot have it both ways. If you believe that the Government of India Act of 1919 put India on the right path in making its provinces, not perhaps already members of a federal organization, but members of what may be a federal organization—if you have given to them the management of the greater part of the administration and the responsibility of collecting taxes to meet the expenses of that administration—then you cannot turn round and say, " We do not like this or that in the way in which they carry out their duties. We must interfere with them." (*An Honourable Member* : " The Joint Parliamentary Committee gave direction and control to the Central Government.") Direction, superintendence and control have indeed been left to the Central Government.

(There was an inaudible interruption by an Honourable Member.)

The suggestion which the Honourable Member refers to is simply a pious opinion commended to the consideration of the Government of India and the Provincial Governments. The point I am trying to take now is this, that you are putting back the clock when you suggest interfering with the Provincial Governments in provincial subjects, be they reserved or transferred. I am now going to make the point as regards my zemindar friends that not only is this constitutional principle—which is the principle of the chief Party in the Punjab Council—not only is this principle being broken, but you are doing the worst thing possible if you wish to secure reform of the land revenue administration. I do not wish to take this House through the history of the Punjab Land Revenue Bill. But any one who will take the pains to study the debates in the provincial Council will find a deep and growing indignation expressed by the popular Party in the Council at the delay which was caused, shall we say in another place. So far from its being the fact that the Punjab Government has been backward, Honourable Members must be aware that for three years a Land Revenue Bill was held up because it was considered—and

[Mr. Miles Irving.]

possibly rightly considered—that the views of other provinces must be consulted. And that is the sort of thing in which we shall be steeped if we have a Central Committee of this kind. My recollection can go back to the old days of the divided head, when land revenue was a divided head, and if we wanted to give the smallest measure of relief to the land revenue payers, we had to consult the Government of India because their funds were concerned. In exchange for that system we got certain doles. Well we know the Punjab does not require those doles. As you and I, Sir, used to say in a very different place *Timeo Danaos et dona ferentes.* We do not desire relief from central revenues, nor do we desire interference with our provincial subjects. The Honourable Members to my right would find, I believe, that that really is the opinion of the great majority of zemindars in the House. (*An Honourable Member:* "No"). I do not think if the facts are brought home to them, that they will ever believe that they could get any advantage by appealing to an outside Legislature, chiefly because of the delay which that inevitably involves. I had not intended to speak on the details of land revenue administration, but there are certain statements which have been made on the other side which I think it is necessary to contradict. It is not the case that every settlement increases the demand. It is not the case that land revenue is collected without regard to whether people can pay or not. The arrangements for the suspension and remission of land revenue are most elaborate and I believe most delicate of adjustment. (*The Honourable Seth Govind Das:* "Question.") The Honourable Member says "Question", but I have carried out these arrangements and every village is considered in an unsecured tract. Finally, when an Honourable Member says that produce rates and commutation prices are exaggerated, he is saying something contrary to the experience of every settlement officer. Every one knows that the prices which are fixed in commutation settlement and the produce rates are absurdly small. But those are details. I do not wish to be drawn into a discussion or defence of the land revenue policy. I desire to confine my case to the contitutional question. We have provincial autonomy very largely established. I appeal to this House not to go back on that and not to attempt to take away what Parliament has given and attempt the impossible task of instituting a unitary Government in this enormous continent.

THE HONOURABLE SIR PHIROZE SETHNA: Sir, I am sorry that the Honourable the Leader of the House has not thought fit to accept the amendment of the Honourable Mr. Khaparde. After consideration I admit that there is much force in his contention that, should the work of the Committee extend beyond the lives of both Houses of the Indian Legislature, the Committee would cease to exist if the elected Members of the Legislature serving on the Committee were not re-elected. As, however, owing to the Honourable Sir Muhammad Habibullah's objection, the amendment is not before the House, I will not refer to it any further.

THE HONOURABLE THE PRESIDENT: The amendment is before the House.

THE HONOURABLE SIR PHIROZE SETHNA: I thought you ruled, Sir, that if any one objected it would be disallowed.

THE HONOURABLE THE PRESIDENT: I said no permission was required until some one had objected. I understood that the Honourable the Leade

of the House was not taking an objection under the Standing Orders but was lodging his protest against a certain slight lack of courtesy on the part of the Honourable the Mover of the amendment in not giving him some notice of his intention to move it.

THE HONOURABLE MR. G. S. KHAPARDE: I had a conversation with the Honourable the Leader of the House in the Lobby. Perhaps he has forgotten that. I said I was going to move an amendment.

THE HONOURABLE SIR PHIROZE SETHNA: Then, Sir, if the amendment is before the House, I accept it with pleasure.

I will now refer to the remarks of the Honourable the Leader of the House. The Honourable Sir Muhammad has not disputed my thesis, as he has said. He, however, contends that the task is an impracticable one for an all-India investigation, because he thinks that the question is indeed a very complex one. (*An Honourable Member:* "What about the Simon Commission?") The Honourable Sir Muhammad observed—and very rightly—that land revenue is a reserved subject with the provinces and he has anticipated my reply that, because it is a reserved subject, the Government of India could exert its influence and get the provinces to help in the matter and in the direction that I have outlined in my Resolution. The Honourable Sir Muhammad pointed out that he would not like to do anything which would increase the tension between landlords and tenants and referred in particular to the zemindars. My Honourable friend, Lala Ram Saran Das, observed that he would not agree with the view I expressed that land revenue should be assessed for income-tax. In that connection, the House will permit me to make some reference to a deputation that waited in the middle of last January from the zemindars of Bengal on the Royal Statutory Commission. The deputation of these zemindars was headed by the Maharaja of Darbhanga and Maharaja Tagore and, as one newspaper criticises the work of the deputation, these zemindars appeared before the Commission in "the rôle of injured innocents". The paper goes on to say that they

1 P.M.

> "failed to survive the cross-examination of Sir John Simon and his colleagues."

Sir John is reported to have observed that:

> "the production of jute contributes much to the prosperity of Bengal and yet the zemindars do not pay any of the tax on it. In Mymensingh district alone the sum received annually by the sale of jute totals seven million whereas the land revenue has remained fixed at sixty thousand sterling or seven and a half lakhs of rupees."

Of course objection was taken to this by the deputation and they pointed out that the profits did not go to them but they went to the middlemen. It was then explained that there were about four or five middlemen between the ryot and the purchaser. But it was pointed out by the Commission that there were nearly 40 lakhs of such middlemen and none of these paid any tax on that agricultural revenue. The spokesman of the deputation warned all concerned that any disturbance of the present land revenue arrangement would lead to an economic revolution in Bengal. Now, Sir, if the Committee that I suggest is appointed and if the Committee is of opinion that the Permanent Land Settlement of 1793 is to continue as it is, I, for one, will have no quarrel with it; but it is for that Committee to enquire whether it should be so or not. In that connection, I may be allowed to mention in passing the opinion of a very eminent civilian of the Government of India who has now retired. He has prognosticated that if India gets Swaraj one of the first questions it will

[Sir Phiroze Sethna.]

tackle will be the removal of the Permanent Land Settlement. Whether that will be done or not lies in the lap of the gods. But I would like to refer to one further remark made by another Member of the Commission who observed that the Bengal zemindars asked the rest of India to contribute so that they might benefit, and they pay nothing towards income-tax.

The only objection, as far as I can see, on the part of the Leader of the House is that, because this is a question which pertains especially to the provinces and because it is a very complex question, he would rather that the question is initiated by the provinces themselves. Now, Sir, I contend, as my Honourable friend Colonel Umar Hayat Khan has done, that this being a Government of India question inasmuch as it is a reserved subject of the provinces, the question should be initiated not by the provinces but by the Government of India themselves. Sir, what is the essence of my Resolution? It is this, that an enquiry be made into the economic effects upon the agricultural population of the land revenue system which prevails in different parts of the country at the present moment. It is in that way and that way alone that we shall be able to solve the problem of rural uplift, which has been talked about so much during the last two or three years and ever since the Royal Commission on Agriculture came out, and it is only in this way that the whole position can be fully envisaged and the problem tackled completely. Again, I would like to say this, supposing the economic effects of a particular land revenue system in a particular province upon the agricultural population is harmful, how is it possible to elevate the agricultural population and make them such men and women as the Royal Agricultural Commission have asked the Government of India to try and make them? An all-round amelioration of the conditions of our agricultural population certainly involves the removal of any evil of economic effects that may be found as the result of the examination that I have suggested, and if it is proved that there are such effects they should be removed as soon as possible.

I certainly have not suggested—I think somebody said so in the course of his remarks that I did—that there should be a uniformity in the land revenue system throughout India. I quite realise that this is an impossible task and, as the Honourable the Leader of the House himself said, land revenue has got to be based on systems which have prevailed not for years but for centuries, and due regard must be paid to everything that is happening in that particular province.

Whilst I was quoting from the Report of the Joint Parliamentary Committee, my Honourable friend, Mr. Miles Irving, interjected and, I think, wanted to say that the Punjab had passed an Act, to which fact my Honourable friend the Leader of the House also referred. It has been brought out in the course of this discussion that out of the nine provinces in India, three, namely, the Punjab, the United Provinces and the Central Provinces, have already framed Acts. I quite admit that, but nothing can be regarded as settled until it is settled right, and the enactment of a Statute does not prove that the principles of assessment which have been laid down are correct. In fact, the enactment of such Statutes should not be advanced as an argument against my Resolution. In the absence of such an enquiry it is impossible to be certain whether the Acts that have been passed in these three provinces have dealt with the question as they should have been, that is to say, whether the assessment charged, be it 25 or 50 or 60 per cent. is right, or whether it should be enhanced or decreased. It is therefore that an enquiry is very necessary.

In the course of my speech, in moving the Resolution, I referred to a leader in the *Times of India*. That leader was published in an issue exactly six months ago to-day on the 20th September 1928. The heading of the leader is "The Land Revenue System". It of course refers to the land revenue system in the Bombay Presidency, because at that time the Bardoli question was on the anvil. In concluding that article, the *Times of India* has very rightly observed—and with your permission, Sir, I will quote three or four sentences therefrom. They are as follows:

"The difficulty is to suggest the agency by which such an inquiry should be conducted."

And it goes on to say:

"It is possible that an all-India inquiry may be indicated, with the assistance of experts from England assisted by non-official members, on the lines of the Taxation Committee to lay down the outlines which could be filled in by local committees for the various provinces. But our main purpose here is to insist on the fundamental proposition that the problem is one that must be studied, and studied thoroughly, from both the economic and financial standpoints."

That exactly is the stand that I myself take. Government evidently fight shy of a task which they regard as complex and a task which, I admit, is a formidable one; but I hold that they will not be able to avoid this for an indefinitely long time. It will be pressed forward very frequently in the future and the time will come for Government to realise that it is not only necessary but wise to have an enquiry such as I have recommended; and I do hope that the Honourable the Leader of the House, in spite of what he has said before, will, if this Resolution is carried by the House, consider giving effect to it.

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH: Sir, if one thing has impressed me more than another during the course of the discussion on the Resolution to-day, it is, I submit, the admission on the part of almost every Honourable Member who has spoken of the magnitude of the problem which is raised by this Resolution, its complexity, its complications and, may I add, its divergencies. I think if the speech of my Honourable friend, Mr. Khaparde has contributed anything to the debate, it has indeed brought into prominence the various difficult problems which are inevitably associated with the land tenures in each province. Not only, Sir, are the tenures different in the different provinces, but they are different from district to district in the same province. And the province which I have the honour to represent has got various tenures which are, I believe, over a hundred in number. I cannot speak with anything like the same authority in respect of the varieties of land tenures which may be in vogue in the other provinces, but I do say that the complexity and the variations of the land tenures are so marked that it will be impossible for any one committee to apply its mind to any effective purpose.

My Honourable friend, Sir Phiroze Sethna, raised indeed a very important question. He said: "Yes, so far as information has been supplied, it is only three provinces who have until now codified their land revenue policy in the shape of legislation. India consists of nine provinces. What about the remaining six provinces?" I might at once answer that question for his satisfaction. He will remember that Bengal and Bihar and Orissa are not at all concerned about any land revenue legislation in that they have been enjoying the benefits of permanent settlement for ages past, and I am not at all sure whether there is any desire on the part of those areas to bring themselves once more under the ambit of the general land revenue policy of the rest of India and enact their laws on the same principles as obtain in other provinces. Bombay, as I suppose my Honourable friend must know, has already its legislation

[Khan Bahadur Sir Muhammad Habibullah.]

framed and introduced into the Legislative Council. But for certain reasons it has not yet passed through the legislative anvil: let us hope it will soon become law. Burma's problems are somewhat different. Burma was awaiting the conclusions of the Indian Taxation Committee before venturing to frame her own legislation. Now that the Indian Taxation Committee has delivered its verdict, the attention of that Government has since been drawn to the necessity of framing legislation at as early a date as possible. Then there remain Madras and Assam. As regards Madras there is a long history behind it, and I shall not weary the House at this late hour by a recital of all those facts. Assam at the present moment has not framed any legislation. Let us only hope that it will also fall into line with other provinces. Well, that is the position. My Honourable friend will realise that effective action has been taken in three provinces on the recommendations of the Joint Parliamentary Committee. Two provinces need take no action by reason of the fact that they enjoy permanent settlement. Other provinces have either legislation under consideration or they have introduced them in their respective Legislative Councils.

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY: What about the minor provinces ?

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH: The minor provinces have no Legislative Councils and therefore legislation cannot be introduced into these provinces.

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY: Legislation can be introduced for these provinces in this Legislature perhaps ?

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH: I shall consider what can be done.

Sir, there were a few criticisms which I do not think I should allow to go unchallenged, from my gallant friend, Colonel Nawab Sir Umar Hayat Khan, as regards the hole and corner fashion in which resettlements are conducted. He, I think, gave us a very deplorable picture of the officials of the Settlement Department gathering in solemn conclave in a secluded place and after arriving previously at a decision in their own minds as to what the percentage of increase should be, each one prompted at the moment not by the lofty idea of discharging his duty honestly and honourably but bent on securing the good-will of somebody upon whose smiles his promotion depends. Sir, I must repudiate that statement very strongly. (Hear, hear.) I have been connected with a province in the capacity of Land Revenue Member. I have myself seen, watched and supervised the settlement operations in vogue in that province, and I can say from my personal experience that even these much maligned settlement officers are honourable men.

Then, Sir, my Honourable friend Lala Ram Saran Das made also what I should regard as rather an unhappy statement when he, perhaps through lack of information or acting on information which he did not care to test or verify, asserted that the Punjab Government opposed the Bill which was passed by their Legislative Council, but that it was His Excellency the Viceroy who exercised his prerogative of mercy, vetoed the recommendation of the Provincial Government and gave his assent finally in respect of that measure. I may assure my Honourable friend that there was no opposition from the Local Government. Under the rules they were bound to reserve the Bill for the consideration of His Excellency the Viceroy, which they did, and I will ask him not to

do an injustice though inadvertently, to a Provincial Government as they cannot defend themselves on the floor of this House.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: I said, if I mistake not, as I presumed that that was the case.

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH: I just wanted to say to the House that the Honourable Member was not right.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Well, I was open to correction.

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH: Well, it was therefore my duty to correct the misstatement.

Well, Sir, some analogy is sought to be introduced between the Agricultural Commission which His Majesty's Government appointed and this proposed Land Revenue Inquiry Committee. Well, I am certainly not prepared at this juncture to enter into a discussion of the reasons which prompted the Government of India to recommend to His Majesty's Government the desirability of appointing a Royal Commission on Agriculture, but I will say this much that there is no analogy whatsoever between the magnitude of the task which the Royal Commission on Agriculture had to face and that which it is proposed should be imposed upon the Committee. It is not, as in the case of the former, merely to examine into the agricultural conditions prevailing in particular provinces, the reasons which have retarded their agricultural development and the remedies which might be applied for the purpose of giving impetus thereto, but to go into such minute, complex and complicated details that I for one cannot even guarantee the life of the members of this Committee before they deliver their goods. One has merely to apply his mind, with of course a certain degree of knowledge of the land revenue problems which confront each province, to the possibility of a single committee examining these problems from province to province, from district to district and perhaps from *taluk* to *taluk* for the purpose of finding out the various land tenures in vogue in the respective areas, how far they affect the economic condition of the people, how far it is possible to reduce their burden and in what manner their burden can be reduced. If we were to entrust a committee with functions like these, we would be introducing still further complications, still further variations in the land revenue policy of India, instead of helping their solution.

Sir, I have not much more to say. My gallant friend from Hoti—I admire his enthusiasm on behalf of the agriculturists because I am not unmindful that he is himself a landed proprietor—has said nothing which I need definitely refer to in the course of my remarks, because, I think, that they were more or less of a general nature. My gallant friend from the Punjab, however, read a homily to the nominated Members of this House as to what their duties on occasions like this are. These have never been disputed even by Government. Nominated Members have always enjoyed as much freedom to exercise their vote as they like. Government Members have never tied them down to any particular line of view, and I only hope that he will recall his own experience in this House and then answer the question whether he was exercising his right in this House independently of the existence of the Government block or not.

[Khan Bahadur Sir Muhammad Habibullah.]

I think, Sir, that Mr. Miles Irving has already put the provincial case so strongly that I do not wish at this late hour to dilate upon it. One sometimes wonders as to how the attitude changes from point to point. When the Government of India wish to interfere in any provincial matter in the interest of the people, we are at once reminded of the fact that it is entirely a provincial responsibility and that the Government of India have no right to interfere. What do they know, our critics ask, about provincial problems and about provincial needs and interests ? But in this case, Sir, some of the Honourable Members who have spoken want the Government of India to get such a grip over the land revenue problems which even Parliament has had the good sense to assign entirely to provincial activities and the revenue derived from it is entirely a provincial source of revenue. Some of the Honourable Members have practically suggested that the time has come when we should go back on the present policy and that we should now resume control over land revenue because the provinces have not until now applied themselves with care and attention to the prosperity of the teeming millions which it was their duty to do. I cannot myself subscribe to that theory, for I know as a matter of experience that the Provincial Governments are as eager, as anxious and as solicitous of the welfare of the agriculturists committed to their charge as any of us in this House, and I should indeed be sorry to interfere in the administration of land revenue by them. However, Sir, I am quite prepared to do one thing, if my Honourable friend Sir Phiroze Sethna would think such a step essential from his point of view. I have no objection to consult the various Local Governments as to whether in their opinion the appointment of a Committee to inquire into these questions which are referred to in the Resolution is essential or necessary, and after receiving their reports, I promise that I shall apply my mind to it as sympathetically as I possibly can. More than that I am not able to say.

THE HONOURABLE THE PRESIDENT : The original question was :

" That the following Resolution be adopted, namely :

'This Council recommends to the Governor General in Council that a Committee be appointed consisting partly of elected Members of the Indian Legislature and partly of persons who may be considered to be well conversant with the subject to investigate and report on :

(1) the systems of land revenue in the different provinces of India ;

(2) their economic effects upon the condition of the rural population in each province ;

(3) the changes and modifications that in its opinion should be made in the systems, with a view to promoting the economic welfare of the agricultural population ; and

(4) any financial measures that might be adopted to make up for any loss should the changes and modifications recommended by the Committee involve a loss in the existing revenues.' "

Since which an amendment has been moved :

" That for the words ' Committee be appointed consisting partly of elected Members of the Indian Legislature and partly of persons who may be considered to be well conversant with the subject' the words ' Commission on which landed interests will be adequately represented be appointed ' be substituted."

The first question I have to put is that that amendment be made in the original Resolution.

The Council divided :

AYES—15.

Akbar Khan, The Honourable Major Nawab Mohammed.
Desika Chari, The Honourable Mr. P. C.
Govind Das, The Honourable Seth.
Harnam Singh, The Honourable Raja Sir.
Jaffer, The Honourable Sir Ebrahim Haroon.
Khaparde, The Honourable Mr. G. S.
Mehr Shah, The Honourable Nawab Sahibzada Saiyad Mohamad.
Muhammad Hussain, The Honourable Mian Ali Baksh.
Padshah Sahib Bahadur, The Honourable Saiyed Mohamed.
Ram Saran Das, The Honourable Rai Bahadur Lala.
Ray Chaudhury, The Honourable Mr. Kumar Sankar.
Sethna, The Honourable Sir Phiroze.
Sinha, The Honourable Mr. Anugraha Narayan.
Umar Hayat Khan, The Honourable Colonel Nawab Sir
Zubair, The Honourable Shah Muhammad.

NOES—25.

Akram Hussain Bahadur, The Honourable Prince A. M. M.
Basu, The Honourable Rai Bahadur Suresh Chandra.
Braidwood, The Honourable Mr. H. L.
Burdon, The Honourable Mr. E.
Chettiyar, The Honourable Raja Sir Annamalai.
Clayton, The Honourable Mr. H. B.
Commander-in-Chief, His Excellency the
Corbett, The Honourable Sir Geoffrey.
Graham, The Honourable Mr. L.
Habibullah, The Honourable Khan Bahadur Sir Muhammad.
Haig, The Honourable Mr. H. G.
Harper, The Honourable Mr. K. B.
Irving, The Honourable Mr. M.
Maqbul Hussain, The Honourable Khan Bahadur Sheikh.
McWatters, The Honourable Mr. A. C.
Natesan, The Honourable Mr. G. A.
Symons, The Honourable Major-General T. H.
Thompson, The Honourable Sir John.
Watson, The Honourable Mr. C. C.
Weston, The Honourable Mr. D.

The motion was negatived.

THE HONOURABLE THE PRESIDENT : The question then is :

"That the original Resolution be adopted."

The motion was negatived.

STATEMENT OF BUSINESS.

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH (Leader of the House) : Sir, with reference to the business for Saturday, the 23rd instant, in regard to which I promised a further statement, I have to say that the Council will meet on that day for the discussion of a motion by the Honourable Mr. McWatters that the Workmen's Compensation (Amendment) Bill, as passed by the Legislative Assembly, be taken into consideration, and if that motion is carried, that the Bill be passed. The Meeting on Saturday, the 23rd, will also give an opportunity for any Bills passed by the Legislative Assembly being laid on the table.

The Council then adjourned till Eleven of the Clock on Saturday, the 23rd March, 1929.

COUNCIL OF STATE.

Saturday, 23rd March, 1929.

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 (Commerce Secretary).

QUESTIONS AND ANSWERS.

TRANSFER OF BABU DAVINDRA KISHORE FROM THE ESTABLISHMENT SECTION TO THE ACCOUNTS SECTION OF THE PUBLIC WORKS DEPARTMENT, DELHI.

182. THE HONOURABLE MR. MAHMOOD SUHRAWARDY: Will Government be pleased to state what action has been taken on the representation of Babu Davindra Kishore in connection with his transfer from the Establishment Section to the Accounts Section of the Public Works Department, Delhi, and what enquiries have been made on the points raised by him in his representation ?

THE HONOURABLE MR. A. C. McWATTERS: This is a matter of purely internal interest concerning the office of the Chief Engineer, Delhi, and Government are not, therefore, prepared to furnish the information asked for by the Honourable Member.

REDUCTION OF BASANT SINGH, A COMPOSITOR IN THE GOVERNMENT OF INDIA PRESS, DELHI.

183. THE HONOURABLE MR. G. S. KHAPARDE: (*a*) Is it a fact that Basant Singh, a compositor in the Government Press, Delhi, was reduced for six months in 1925 ?

(*b*) Did he apply on 10th July 1928 to be restored ?

(*c*) Was he restored ?

(*d*) If not, why ?

THE HONOURABLE MR. A. C. McWATTERS: (*a*) Basant Singh was reduced on the 13th November 1924 for bad work and was not to be restored to his former class until a favourable report was received.

(*b*) Yes, on the 3rd July 1928.

(*c*) The answer is in the negative.

(*d*) As no favourable report was received on his work.

EXHAUST ARRANGEMENTS IN THE MONOTYPE SECTION OF THE GOVERNMENT OF INDIA PRESS, DELHI.

184. THE HONOURABLE MR. G. S. KHAPARDE: (*a*) What are the exhaust arrangements in the Monotype Section of the Delhi Press ?

(*b*) Are the fumes able to find an exit ?

(*c*) Is the health of the employees suffering ?

(*d*) Did one Sodagar Ram become faint from the fumes ?

(*e*) Have cowls been fixed ?

(*f*) If so, has the trouble been stopped ?

THE HONOURABLE MR. A. C. McWATTERS: (*a*), (*b*) and (*e*). Cowls have been fitted over each of the Monotype casters, the fumes from which find exit through pipes which extend up to the roof of the building. The Inspector of Factories, Delhi, has passed the arrangements as satisfactory.

(*c*) and (*d*). The answer is in the negative.

(*f*) Does not arise.

SELECTION OF SECTION-HOLDERS IN THE GOVERNMENT OF INDIA PRESS, DELHI.

185. THE HONOURABLE MR. G. S. KHAPARDE: (*a*) Is it a fact that in Resolution No. 31-A., 1920, it is laid down that section-holders will be selected from assistant section-holders ?

(*b*) If so, is this practice being followed in the Government Press, Delhi ?

THE HONOURABLE MR. A. C. McWATTERS: (*a*) The answer is in the negative.

(*b*) Does not arise.

FILLING OF VACANT POSTS OF SECTION-HOLDERS IN THE GOVERNMENT OF INDIA PRESS, DELHI.

186. THE HONOURABLE MR. G. S. KHAPARDE: (*a*) Is it the practice to fill the post of section-holder when vacant by the senior compositor and the assistant section-holder alternately ? (*b*) Will Government be pleased to state whether the vacancies which occurred on 28th March, 15th April, 15th November and 10th December were all filled by piece-workers ?

(*c*) If so, why ?

THE HONOURABLE MR. A. C. McWATTERS: (*a*) Vacancies of section-holders in the Government of India Presses are filled alternately by senior compositors and assistant section-holders provided they are duly qualified.

(*b*) I presume the Honourable Member refers to the Government of India Press, Delhi. Only two permanent vacancies occurred in that Press during 1928, one on the 30th May and the other on the 18th August 1928. One was filled by a senior compositor and the other by a senior monotype operator.

(*c*) Does not arise.

Beef for British Troops in India.

187. The Honourable Seth GOVIND DAS: Will Government be pleased to state:

(*a*) What were the estimated requirements of beef during the year 1926-27 for British troops in India?

(*b*) How many tons of beef were actually consumed in each of the years 1926-27 and 1927-28?

(*c*) What is the price of the ordinary quality of beef and of the best quality of mutton in India?

(*d*) What will be the estimated extra cost if mutton is used in place of bee for British troops in India?

His Excellency the COMMANDER-IN-CHIEF: (*a*) The Honourable Member is referred to the reply given on the 7th March 1927 to part (*c*) of question No. 149.

(*b*) About 8,510 tons in 1926 and 8,340 tons in 1927 and in 1928.

(*c*) The price of beef is just under 2 annas a pound and that of mutton approximately 4½ annas a pound.

(*d*) From Rs. 27 to 30 lakhs a year.

Exports of Beef.

188. The Honourable Seth GOVIND DAS: Will Government be pleased to state how much beef was exported from India each year during the last 10 years?

The Honourable Mr. J. A. WOODHEAD: A statement giving the information in the possession of Government is laid on the table.

Statement showing the quantity of beef exported from India during the 10 years ending 1928-29.

1919-20.	1920-21.	1921-22.	1922-23.	1923-24.	1924-25.	1925-26.	1926-27.	1927-28.	1928-29.	Remarks.
Total.	Total.	Total.	Total.	Total.	Total.	Total.	Total.	Total.	Total.	
Cwt.	Cwt.	Cwt.	Cwt.	Cwt.	Cwt.	Cwt.	Cwt.	Cwt.	Cwt.	
599	12	*Nil*	411	469	2,222	510	370	205	947*	*Exports from:— (1) Burma from April 1928 to end of February 1929=cwt. 683. (2) Bombay from April 1928 to 9th March 1929=cwt. 264 947

Note.—There was no beef exported from the Madras Presidency during the period in question. Figures for the Bengal Presidency from 1924-25 to date are not available.

EXPORTS OF OXEN, COWS, BULLOCKS AND CALVES.

189. THE HONOURABLE SETH GOVIND DAS: Will Government be pleased to state the number of (1) oxen, (2) cows, (3) bullocks, (4) calves exported from India each year during the last 10 years ?

THE HONOURABLE MR. J. A. WOODHEAD: The only information which Government possess is contained in the Annual Statements of the Sea-Borne Trade of British India, copies of which are in the Library.

SLAUGHTER OF COWS AND BULLOCKS FOR THE TRADE IN SKINS AND HIDES.

190. THE HONOURABLE SETH GOVIND DAS: Will Government be pleased to state how many cows and bullocks were slaughtered each year in this country for the trade in skins and hides during the last 10 years ?

TOTAL NUMBER OF COWS AND BULLOCKS SLAUGHTERED IN EACH YEAR DURING THE LAST 10 YEARS.

191. THE HONOURABLE SETH GOVIND DAS: Will Government be pleased to state the total number of cows and bullocks slaughtered in this country each year during the last 10 years ?

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH: With your permission, Sir, I will answer questions Nos. 190 and 191 together. The information is not available.

TOTAL NUMBER OF INDIAN STUDENTS STUDYING ABROAD IN 1928.

192. THE HONOURABLE SIR EBRAHIM HAROON JAFFER: Will Government be pleased to state:

(*a*) the total number of Indian students studying abroad in 1928, and

(*b*) the number of Indian students in (*i*) Great Britain, (*ii*) France and (*iii*) Germany, during the same year ?

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH: The attention of the Honourable Member is invited to paragraph 2 of a letter from the Secretary to the High Commissioner for India, London, dated the 10th January 1929, which is prefixed to the Report on the work of the Education Department, London, for the year 1927-28. Copies of this Report have been placed in the Library of the House. No information is available regarding the number of Indian students in France and Germany.

SUPERVISION OF THE PROGRESS OF INDIAN STUDENTS STUDYING ABROAD.

193. THE HONOURABLE SIR EBRAHIM HAROON JAFFER: Will Government be pleased to state if there is any central authority to supervise the progress of Indian students studying in non-residential universities and other technical institutions in Great Britain and on the Continent ?

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH: There is an Education Department in the office of the High Commissioner for India in London to look after the welfare of Indian students in Great Britain and, so far as possible, on the Continent. This Department does not, however, supervise the progress of Indian students other than Government scholars and such other students as may be entrusted to its care by parents and guardians in India or by trustees who award scholarships in Europe.

PROGRESS REPORTS OF INDIAN STUDENTS STUDYING IN ENGLAND AND OTHER EUROPEAN COUNTRIES.

194. THE HONOURABLE SIR EBRAHIM HAROON JAFFER : Will Government be pleased to state if there is any Central Office in England or on the Continent where progress reports of Indian students (other than Government scholars) in Great Britain and European countries are received and communicated to their guardians in India ?

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH : The progress reports of Indian students studying in England and other European countries, who are placed under the control of the Education Department of the High Commissioner's Office, are received by that office and are forwarded to the parents, guardians, or trustees concerned.

CONTROL EXERCISED OVER INDIAN STUDENTS IN GREAT BRITAIN BY THE HIGH COMMISSIONER FOR INDIA IN LONDON.

195. THE HONOURABLE SIR EBRAHIM HAROON JAFFER : Will Government be pleased to state if the High Commissioner for India in London is authorised to exercise any control over Indian students in Great Britain (other than Government scholars) ? If he is so authorised, in how many instances has such control been actually exercised ?

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH : The High Commissioner for India in London is not authorised to exercise control over Indian students studying in Great Britain other than Government scholars and such students as are entrusted to his care by parents, guardians or trustees in India. Last year the number of Government scholars under his control was 275, while the number of other scholars under his control was 38.

ELECTIONS TO THE PANEL FOR THE STANDING COMMITTEE ON EMIGRATION.

THE HONOURABLE THE PRESIDENT : Eight nominations have been received for the panel of the Committee on Emigration in the Department of Education, Health and Lands. I therefore have pleasure in declaring the following eight Members to be duly elected :

The Honourable Mr. G. A. Natesan,

The Honourable Sardar Charanjit Singh,

The Honourable Colonel Nawab Sir Umar Hayat Khan,

The Honourable Rai Bahadur Lala Ram Saran Das,

The Honourable Sir Phiroze Sethna,

The Honourable Sir Ebrahim Haroon Jaffer,

The Honourable Mr. Mahmood Suhrawardy, and

The Honourable Sir Manmohandas Ramji.

THE HONOURABLE MR. A. C. McWATTERS (Industries and Labour Secretary): Sir, I beg to move that the Bill further to amend the Workmen's Compensation Act, 1923, for certain purposes, as passed by the Legislative Assembly, be taken into consideration.

Sir, this Bill represents what I may call a first instalment of reform. The Workmen's Compensation Act came into force only on the 1st July, 1924, and this Bill is confined to removing certain defects which have been brought to our notice in the operation of the Bill, mainly by the Commissioners for Workmen's Compensation. Some of the suggestions also were received from our Standing Advisory Committee in the Department. The Bill is therefore confined to questions more or less of detail and does not attempt in any way to deal with the principles which underlie the main Act. We have under consideration a more general reform of the whole Act and we have already addressed Local Governments in connection with this.

The details of this Bill were very fully set out in the original Statement of Objects and Reasons and also in the report of the Select Committee in the other House, and I think it will therefore be sufficient if I draw the attention of this House to the more important matters which are contained in the Bill. First of all I would draw the attention of the House to the question of extending the advantages of the Act to workmen working under railway contractors. This originally occupied the position of the second clause in the Bill but the Select Committee in the other House for good reasons decided that it would be better to deal with the matter in another way and therefore they have omitted clause 2 of the original Bill and have transferred the workmen working under railway contractors to Schedule II of the Act, which gives a definition of the workmen to whom the Act generally applies. The result of this is that the clauses in the Bill now before the House have had to be renumbered and the original clause 2 has disappeared. I may also add that this suggestion, which is probably the most important of the matters dealt with in the Bill, was one which was made to us by our own Standing Advisory Committee.

The next most important alteration is the removal of the restriction in connection with building trades and bridge construction. As the Act now stands, workmen engaged in building and bridge construction get the benefits of the Act only in the case of death or total permanent disablement. We considered it only reasonable that the full benefits of the Act should apply to such workmen even in the case of minor injuries. Originally this restriction was imposed, I imagine, because it was felt to be uncertain what amount of liability would fall upon the employers if this additional benefit were given, but I think the experience of the last four years has satisfied us that this liability will not be excessive, especially in view of the restrictions in Schedule II of the Bill which defines the class of construction to which the Act applies.

The third point to which I draw attention is the present clause 3 of the Bill. In our original clause we had proposed to devise a new method of determining the wages of workmen who were employed for only a short period before the accident, but the opinions received made it fairly clear that the new method of calculation might work out detrimentally in some cases to the workmen and in some cases to the employer, and the Committee of the other House, quite rightly I think, decided that the matter required to be reconsidered. Therefore, we have not that proposal in the Bill as it now comes before this House. Clause 3 as it stands merely states that the method of calculating wages in section 5 of the original Act shall apply to one or two other cases

where wages are mentioned in the original Act mainly in connection with the limit of Rs. 300 a month, above which the Act does not apply.

Clause 4 of the Bill, which is the longest clause, is an attempt to put into proper shape section 8 of the original Act which was badly drafted and somewhat confused. The Select Committee in the other House have made an important alteration in this clause inasmuch as they have extended the benefits of section 8 to women. Originally it applied only to minors and persons under legal disability, but they have extended the whole of these provisions to women. Section 8 deals with cases where compensation has to be deposited with the Commissioner and not paid direct by the employer. The Select Committee in the other House also have been careful to retain the provisions which make it clear that payments by the employer for funeral expenses or for advances to workmen up to a reasonable sum may be deducted by him before depositing the amount of the compensation with the Commissioner.

The other matters in the Bill are relatively of minor importance. Clause 5 extends to Commissioners the powers of civil courts in cases of perjury. Clause 6 deals with the question of the registration of agreements in certain particular cases. An important point here is that the Select Committee in the other House have extended the benefits of this clause to women which is a corollary of the action they have taken in connection with clause 4. The principal remaining clause of the Bill, clause 7, deals with Schedule II. In this we now find mention of workmen working under railway contractors and workmen dealing with overhead electric cables, which was omitted in the original Act, and we have also brought together the various notifications which have been issued from time to time extending the scope of the Act so that they will now form part of the Schedule.

I think, Sir, these few words are sufficient to explain the general purport of this Bill, which I now move for consideration.

THE HONOURABLE THE PRESIDENT : The question is :

"That the Bill further to amend the Workmen's Compensation Act, 1923, for certain purposes, as passed by the Legislative Assembly, be taken into consideration."

The motion was adopted.

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

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

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. A. C. McWATTERS : Sir, I move that the Bill, as passed by the Legislative Assembly, be passed.

The motion was adopted.

ALLEGED DELAY IN THE DISPOSAL OF GOVERNMENT BUSINESS IN THE LEGISLATIVE ASSEMBLY.

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH (Leader of the House): Sir, as there is no official business before the House and there is great uncertainty as to when any Bills which are passed in another place are likely to be laid before this House, I suggest that the date of our next sitting be left open. If you accept this suggestion, Honourable Members will be informed by circular of the date on which the Council will next meet.

THE HONOURABLE SIR ARTHUR FROOM (Bombay Chamber of Commerce): Sir, might I ask the Leader of the House, with the date of the next meeting of this Honourable Council left open, whether there is any effort being made to expedite business in the other House? Is there a meeting of the other House to-day, Sir? It seems to me that the Members of this Honourable House are being kept here unduly. Fortunately or unfortunately, I have not been able to attend all the meetings this time because I have been busily employed elsewhere, but I am now in Delhi for the purpose of attending such meetings as there may be. I think it is due to the Members of this House that Government should make some sort of suggestion as to when we are likely to receive any Government business here. Are we to be kept here indefinitely with nothing to do, under the not too pleasant conditions in Delhi at this time of the year, to wait on the other House, or will further business be transferred to the Simla Session?

*THE HONOURABLE SETH GOVIND DAS (Central Provinces: General): Sir, particularly when there are Hindu festivals, we ought to know for how long we will not be sitting, because many Members would like to go to their own places. I want to know from the Honourable Member whether this House is going to sit after *Holi* or even before that.

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH: Sir, as I have already stated, I have no information as to how the trend of business in another place will take its course. The only information that I have at this moment is that the Finance Bill, which we were anxious to lay on the table to-day, has not been completed, They will resume discussion, I think, on Wednesday next, and whether it will be passed in the course of that day or whether it will be adjourned to the following day and passed on that day, it is beyond me to conjecture. Of course it may be taken for granted that we will not meet here until the Finance Bill is passed by the other House. That, I suppose, will be a sufficient indication to my Honourable friend to adjust his movements during the *Holi* festival.

Now, Sir, referring to the question which has been raised by the Honourable Sir Arthur Froom, I can only plead, Sir, that as Leader of this House, I have no control over the proceedings of the other House, nor, in justice to my Honourable colleague, Mr. Crerar, can I say that he could exercise his control over that House so effectively as to terminate the proceedings on a particular day and at a particular hour. The Honourable Member is aware that the Government is in a minority in the other House and therefore the proceedings in that House must take a course which the non-official Members of that House wish to give to it. I quite sympathise with those Honourable Members who have spoken and others as well. It is rather inconvenient that they should be held up without any definite information, but it is entirely owing to circumstances beyond the control of Government. If we could have done anything to accelerate business and to finish our Session here as early as was anticipated, everyone of us would have been glad to leave Delhi and get to our own respective places to do our allotted duties. I am therefore sorry, Sir, that I had to make this statement, but I find there is no business of which I could give any definite notice to this House that it could be taken up on a particular day.

THE HONOURABLE SIR GEORGE GODFREY (Bengal Chamber of Commerce): May I ask the Honourable Member, the Leader of the House, Sir, if he could explain for the general information of the

* Speech not corrected by the Honourable Member.

Members of this House, why the other House is not sitting to-day? It seems to me that there is a distinct waste of time going on. I freely admit that the Honourable the Leader of the House has no control over it whatever, but for our information, and I think we are entitled to some information, may I know why should not the other House be sitting to-day, Saturday, which is not a gazetted holiday. I am informed that Monday and Tuesday, being gazetted holidays, they will not sit on those days. Therefore, it seems to me that legislators have come up here and are wasting much public time and money by taking the fullest advantage of all holidays and doing little work.

THE HONOURABLE SIR MANECKJI DADABHOY (Central Provinces: Nominated Non-Official): Sir, I must confess that I am not at all satisfied with the explanation which has been given by the Leader of the House. I consider the way in which the time of this House has been wasted is absolutely scandalous, and I think Government are partly responsible for the management of the business in the other House. They know very well that that House is bent on dilatory action and to oppose Government in every matter and to waste public time. Under such circumstances, I think it is only due to this House that the Government should ask the Members of the Assembly to meet at least a month before we are called upon to come here and attend the Council of State meetings. If a procedure like this was adopted, if they wanted to waste their time, they would be happy to do so, but they would certainly not waste the valuable time of the Members of this House. Now, I had to leave the other day on account of important business in my own part of the country. I had to give up my business there and come here again to attend to the Finance Bill and two other important Bills, and I find that none of those Bills are ready to come up for discussion before this House. As regards the other two Bills which are pending in that House, I think Government are also partly responsible for the delay, and responsible in this way, that they ought to have certainly brought those measures for discussion in the Assembly long before the financial grants in that House were discussed. I cannot therefore altogether exonerate the Government management in this matter; and I hope in future they will look more also to the convenience of this House and arrange business in the other House in a way which will ensure to this House at least some measure of respect which is due to it.

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH: I merely wish to say, Sir, a word or two in reply to my Honourable friend Sir George Godfrey. He asked me why the other House was not sitting to-day when we considered it necessary to hold a meeting. Ordinarily, as the Honourable Member and the House is aware, neither this House nor the other House meets on Saturdays, and what we regard as a necessary relaxation for ourselves, by allowing two or three run of holidays every week, we should certainly not grudge the other House. This is rather an exceptional occasion on which we have met on a Saturday. We met to-day deliberately hoping that by now the Finance Bill would have been finished in the other House and that we could lay that Bill on the table of this House to-day; but our expectations have not borne fruit, because the Finance Bill has not yet passed the final stage in the other House. I quite appreciate the vehemence with which my Honourable friend, Sir Maneckji Dadabhoy, has attacked the Government, the unfortunate Government, which is never safe from vehement attacks. But his suggestion, that we must have met here about a month later than the other House or that the other House should have been summoned a month earlier than we were summoned, could not conveniently fit in with the programme of legislative

[Khan Bahadur Sir Muhammad Habibullah.]

business. In the first place, it has got to be remembered that the Finance Bill cannot be introduced into the other House on or before a particular date.

THE HONOURABLE SIR MANECKJI DADABHOY : I was speaking of the other two Bills.

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH : As regards the question why the two other Bills were not introduced earlier, I should certainly leave the adjustment of Government business in the other House to the Leader of the House, just as I reserve to myself the discretion to arrange the programme of business which comes up before this House, and I think the Leader of the other House must have had very good reasons why he did not introduce the other two Bills before the voting on Demands for Grants.

Let me repeat that I do feel that Honourable Members in this House have been greatly inconvenienced, but let me also assure them that if there was anything which Government could have done either to remove or at any rate to mitigate that inconvenience, we should have been glad to do so. It is obvious that our work here depends entirely upon the progress of work in the other House. Honourable Members have been watching, either by reading newspapers or by personally attending the discussions in another place, the rate of progress that is being made there, and I do not think that they can charge the Government with responsibility for the alleged dilatory manner in which work there is going on. We shall make every effort as soon as work in the other House is finished to get through it in this House and terminate our proceedings as early as circumstances may permit. More than that I cannot say.

THE HONOURABLE SIR ARTHUR FROOM : Sir, is the Government of India satisfied with the present position and procedure in the Central Legislature ? If not, have they in contemplation the making of some recommendations before the Commission which, I believe, is now in Delhi ?

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH : I am sorry I cannot answer that question on the floor of the House.

THE HONOURABLE THE PRESIDENT : I can only characterise the situation revealed by the statement made by the Honourable the Leader of the House as extremely unsatisfactory from the point of the Council. My sympathies are with Honourable Members in the matter but I seem to have no option but to accept the suggestion made by the Honourable the Leader.

The Council will now adjourn. The date of the next meeting will be notified to Honourable Members by circular.

The Council then adjourned to a date to be notified to Honourable Members by circular.

COUNCIL OF STATE.

Saturday, 30th March, 1929.

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.

REVISION OF THE PAY AND PROSPECTS OF THE MINISTERIAL STAFF OF THE CALCUTTA CUSTOM HOUSE.

196. THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY (on behalf of the Honourable Srijut Lokenath Mukherjee): (*a*) Is it a fact that the initial pay of the clerical staff serving in the Calcutta Custom House is Rs. 45 whereas the initial pay of all other clerical establishments under the Government of India serving in Calcutta is from Rs. 50 to Rs. 60?

(*b*) Is it a fact that since the last revision of pay introduced in the Calcutta Customs in 1922 as the result of the findings of the McAlpin Committee, the ministerial employees of the Calcutta Customs have memorialised the Government as many as three times for a revision of the findings of the McAlpin Committee as regards their pay and prospects and for fixing their pay on a more equitable basis?

(*c*) If so, will the Government kindly state what orders were passed on those memorials each time?

(*d*) Is it a fact that all their prayers as embodied in the said memorials were negatived without any proper enquiry having been made into their grievances?

(*e*) If so, why?

(*f*) Is it a fact that at the same time that the clerks of the lower ranks memorialised the Government, the Superintendents of the Calcutta Customs also made a representation for an improvement in their rates of pay also fixed following the principle laid down by the McAlpin Committee, and that though the prayers of the lower grade clerks were rejected yet the Government favourably considered the prayers of the Superintendents and actually modified the findings of the said Committee?

(*g*) Is it a fact that two Collectors of the Calcutta Customs, Messrs. G. S. Hardy and W. W. Nind, strongly supported the clerks' successive memorials and that the latter (Mr. Nind) went so far as to point out to the Government that an improvement of the clerks' pay in modification of what had been fixed under the McAlpin Committee Report was essentially necessary in that it would besides bringing the working efficiency of the staff to the desired level, which is at present wanting, prove a strong prophylactic against bribery and corruption?

(*h*) Is it a fact that since 1922 the Central Government have been pleased to revise more than once the rates of pay of their other clerical establishments located in Calcutta and that the same benefit was not extended to the Customs establishment?

(*i*) If the answers to (*a*), (*f*) and (*h*) are in the affirmative, will the Government kindly state the reasons in each case ?

(*j*) Do Government propose to consider the desirability of revising the pay and prospects of the ministerial establishment of the Calcutta Custom House for effecting improvements thereto ?

(*k*) If not, why not ?

THE HONOURABLE MR. E. BURDON: (*a*) The Honourable Member's statement is substantially correct. There are, however, certain other Central Government establishments at Calcutta, *viz.*, Income-tax and Printing and Stationery establishments, in which the initial pay of the clerical staff is Rs. 45 per mensem.

(*b*) and (*c*). The ministerial staff of the Calcutta Custom House have sent up four groups of memorials since 1924—one to the Central Board of Revenue, two to the Government of India and one to the Secretary of State. The orders passed on the group of memorials received in 1924 were that the rates of pay of stenographers and of typists should be slightly raised and that the pay of Superintendents should be re-arranged. The next two groups of memorials addressed respectively to the Central Board of Revenue and to the Government of India were rejected because they contained no new facts or arguments. The last group, which was addressed to the Secretary of State, was withheld.

(*d*) and (*e*). Save as regards the points referred to in the answer to (*b*) and (*c*) above, the memorials were negatived ; but not without proper enquiry.

(*f*) The revision of pay of Superintendents consisted merely of the substitution of a single scale of pay of Rs. 300—550 for two continuing scales of Rs. 300—500 and Rs. 500—650 which existed formerly, and involved no increase of cost to Government on the whole.

(*g*) The Government of India are not prepared to disclose the observations made by officers subordinate to them when forwarding memorials for consideration.

(*h*) It is the case that certain clerical establishments of the Central Government located in Calcutta have had their pay revised more than once since 1922. The position as regards the Customs establishment has already been explained.

(*i*), (*j*) and (*k*). The position is that the Government of India have held in the past and hold now that the pay of ministerial establishments in Custom Houses may appropriately be regulated to a very considerable extent by the pay given by the Local Governments to similar establishments under them.

PRINCIPLES OBSERVED IN DETERMINING THE SENIORITY OF THE STAFF IN THE VARIOUS DEPARTMENTS OF THE GOVERNMENT OF INDIA SECRETARIAT.

197. THE HONOURABLE MUNSHI NARAYAN PRASAD ASTHANA: (*a*) Will Government state if they have laid down any general principles for determining the seniority of the staff employed in the various Departments of the Government of India Secretariat ?

(*b*) If so, what are they ?

(*c*) If not, what is the usual practice in the Departments regarding the same ?

(*d*) Are promotions to upper time scale appointments or superintendentships made strictly on the basis of the seniority list ?

(*e*) Have Government issued any instructions for promotions to such selection appointments ?

(*f*) If so, what are they ?

THE HONOURABLE MR. H. G. HAIG : (*a*) No. Each Department decides the relative position of its employees on the seniority list.

(*b*) Does not arise.

(*c*) Seniority is ordinarily determined by the date of permanent appointment to the particular grade or division to which the employee belongs.

(*d*) No. Promotion is made according to merit though seniority is taken into account if other things are equal.

(*e*) and (*f*). Yes. A Resolution issued on 27th May 1920 lays it down that promotion to the upper time scale of the first division will be strictly by the selection of assistants who are considered fit for Superintendentship.

NUMBER OF PERSONS DRAWING A SALARY OF RS. 100 AND OVER ON THE BENGAL AND NORTH-WESTERN RAILWAY.

198. THE HONOURABLE MR. ANUGRAHA NARAYAN SINHA : (*a*) Will Government be pleased to lay a statement on the table showing the number of persons drawing a salary of Rs. 100 and over on the Bengal and North-Western Railway specifying the departments in which they are employed ?

(*b*) Will Government be pleased to state separately how many of them are :

(*i*) Indians ; (*ii*) Europeans ; (*iii*) Anglo-Indians ; (*iv*) others ?

(*c*) Will Government be pleased to make a similar statement with regard to employees on the Bengal and North-Western Railway drawing a salary of Rs. 500 and upwards ?

THE HONOURABLE MR. J. A. WOODHEAD : I would refer the Honourable Member to Appendix " F " in Volume I, and Appendix " C " in Volume II of the Railway Board's Report on Indian Railways for 1927-28, which give the only statistics of communal representation that are collected. The form in which these statistics are collected was settled with the advice and concurrence of the Central Advisory Council for Railways, and Government regret that they are not prepared to call upon railway administrations to supplement these with figures for other limits of pay.

TERMS ON WHICH THE TIRHOOT STATE RAILWAY IS WORKED BY THE BENGAL AND NORTH-WESTERN RAILWAY.

199. THE HONOURABLE MR. ANUGRAHA NARAYAN SINHA : (*a*) Will Government be pleased to state the terms on which the Tirhoot State Railway is worked by the Bengal and North-Western Railway ?

(*b*) Will Government be pleased to state whether they will have to pay any compensation to the Bengal and North-Western Railway, if they take over immediate charge of the Tirhoot State Railway ?

THE HONOURABLE MR. J. A. WOODHEAD : The information required by the Honourable Member is given on pages 12 and 13 of the History of Indian Railways for 1926-27, a copy of which is in the Library.

NUMBER OF GOODS WAGONS AND THIRD AND INTERMEDIATE CLASS CARRIAGES ADDED TO THE STOCK OF THE BENGAL AND NORTH-WESTERN RAILWAY DURING THE LAST SIX YEARS.

200. THE HONOURABLE MR. ANUGRAHA NARAYAN SINHA: Will Government be pleased to state the number of (*a*) goods wagons, (*b*) third class carriages, and (*c*) intermediate class carriages which have been added to the stock of the Bengal and North-Western Railway annually during the last six years ?

THE HONOURABLE MR. J. A. WOODHEAD: A statement giving the required information is laid on the table.

Statement showing goods wagons and third and intermediate carriages added to the stock of the Bengal and North-Western Railway during the years 1922-23 to 1927-28.

	1922-23.	1923-24.	1924-25.	1925-26.	1926-27.	1927-28.
General Service Goods Wagons.	*Nil*	22	157	293	294	125
Bogie Thirds .	28	30	12	32	33	4
Bogie Intermediates and Thirds.	4	*Nil*	3	2	2	*Nil*

MILEAGE OF THE TIRHOOT STATE RAILWAY.

201. THE HONOURABLE MR. ANUGRAHA NARAYAN SINHA: What is the extent of the Tirhoot State Railway and the mileage covered by it ?

THE HONOURABLE MR. J. A. WOODHEAD: The sections comprising the Tirhoot Railway and the mileage covered by each section, are detailed on pages 14 and 15 of the "History of Railways (constructed and in progress) corrected up to 31st March 1927", a copy of which is in the Library. The total mileage is 809·26.

DIVIDEND PAID BY COMPANIES MANAGING STATE-OWNED RAILWAYS.

202. THE HONOURABLE MR. ANUGRAHA NARAYAN SINHA: Will Government be pleased to lay on the table a statement showing the rate of dividend paid by various systems of Railways worked or managed by private companies ?

THE HONOURABLE MR. J. A. WOODHEAD: A statement is laid on the table showing the dividend paid by the Companies managing State-owned Railways in India for the year 1927-28.

Statement showing the dividend paid by the Companies managing State-owned Railways in India for the year 1927-28.

Name.	*Dividend (per cent.).*
Assam Bengal Railway	5
Bengal and North Western Railway .	19*
Bengal Nagpur Railway . . .	5
Bombay, Baroda and Central India Railway	6
Madras and Southern Mahratta Railway	11
Rohilkund and Kumaon Railway . .	18
South Indian Railway	

* For year ended 30th Septembe 1928.

THE SHRI MAHAJAN ASSOCIATION, LIMITED.

203. THE HONOURABLE MR. ANUGRAHA NARAYAN SINHA: Will Government be pleased to state:

(*a*) Whether the companies registered under the Indian Companies Act by way of limited liability guarantee companies have to file a statement in lieu of prospectus and make a declaration under section 103 of the Indian Companies Act ?

(*b*) Was any company registered with the Registrar of Companies, Bombay, required to file such a statement or called upon by the Registrar to do so up to August, 1925 ?

(*c*) Did the Registrar of Companies call upon the Shri Mahajan Association, Limited, to make and file a statement in lieu of prospectus and procure a trading certificate ?

(*d*) If so, whether the Registrar's requisitions were complied with ?

(*e*) Has he withheld the certificate ?

(*f*) If so, under whose orders ?

THE HONOURABLE MR. J. A. WOODHEAD: (*a*) The Honourable Member's question raises a point of legal interpretation in regard to which I must leave the Honourable Member to form his own opinion.

(*b*) to (*f*). The Government of Bombay have been asked to report.

ARTICLES OF ASSOCIATION OF REGISTERED COMPANIES.

204. THE HONOURABLE MR. ANUGRAHA NARAYAN SINHA: Will Government be pleased to state what steps, if any, they propose to take to ensure that the articles of association of registered companies shall strictly conform to the Indian Companies Act ?

THE HONOURABLE MR. J. A. WOODHEAD: The Government do not propose to take any special steps for the purpose mentioned.

EXTENSION OF THE DURATION OF THE BOMBAY COTTON CONTRACTS ACT, 1922.

205. THE HONOURABLE MR. ANUGRAHA NARAYAN SINHA: (*a*) Was the Bombay Cotton Contracts Act, 1922 (XIV of 1922), passed with a duration of three years only ?

(*b*) If so, has the period of the said Act been extended by the Bombay Government for a further period of five years ?

(*c*) Was the extension brought before the Legislature ?

(*d*) Were the Government of India consulted ?

(*e*) If so, how long before the extension ?

(*f*) How and when was the consent of the Government of India given ?

(*g*) Will Government be pleased to lay the papers on the table of the House ?

THE HONOURABLE MR. J. A. WOODHEAD: (*a*) Sub-section (*2*) of section 1 of the Bombay Cotton Contracts Act, 1922, provides that the Act shall remain in force for three years and for such period thereafter as the Governor in Council may by notification direct.

(*b*) Yes.

(*c*) The information desired by the Honourable Member is not in the possession of the Government of India.

(*d*) No.

(*e*) to (*g*). Do not arise.

INCREASED TRAFFIC IN PASSENGERS CARRIED ON EACH OF THE STATE RAILWAYS FROM 1ST APRIL TO 31ST DECEMBER, 1928.

206. THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN (on behalf of the Honourable Rai Bahadur Lala Ram Saran Das): Will the Government kindly state what increased traffic in passengers has resulted on each of the State Railways during 1st April to 31st December, 1928, as compared to the same period a year before, and what is the normal increase per year ?

THE HONOURABLE MR. J. A. WOODHEAD: A statement giving the information required is placed on the table.

Statement showing number of passengers carried over State Railways from 1st April to 31st December, 1928, as compared with the corresponding period in 1927, and the average annual increase.

Railway.	Numbers of passengers carried from 1st April to December 31st.		Difference (Increase or Decrease) over 1927.		Percentage Average annual increase.*
	1927.	1928.	No.	Percentage.	
1	2	3	4	5	6
E. B. . .	37,848,398	38,451,636	+603,238	+1·59	+4·02
E. I. . .	57,778,801	54,396,088	—3,382,713	—6·22	+2·87
G. I. P. . .	47,730,844	47,436,017	—294,827	—0·62	+4·66
N. W. . .	66,375,752	67,770,494	+1,399,742	+2·11	+6·31

*Based on the figures from 1919-20 to 1927-28.

DEBARRING OF MR. EBRAHIM GOOLAM ALI FROM TENDERING FOR SUPPLIES TO THE INDIAN ARMY SERVICE CORPS.

207. THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN (on behalf of the Honourable Sir Ebrahim Haroon Jaffer): Has the firm of Mr. Ebrahim Goolam Ali been officially debarred from tendering for supplies to the I. A. S. C.?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: Yes.

CONDONING OF PLATFORMS IN THE FRONT OF HOUSES IN AMBALA CANTONMENT.

208. THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN (on behalf of the Honourable Sir Ebrahim Haroon Jaffer): (*a*) Is it a fact that under the Government of India Circular No. 31622-1 (A. D.), dated 19th February, 1926, all platforms in the front of houses, between the houses and the drain, even if encroachments, have been condoned and treated as a part of the site under the house ?

(*b*) Has the Special Land Officer, Ambala, imposed certain restrictions upon the application of this Circular ? If so, will the Government state the same ?

(*c*) Is it a fact that in 1926, the Cantonment Board, Ambala, prepared a list of platforms condoned by it under the above Circular ?

(*d*) Is it a fact that many of the platforms so condoned are now being rejected by the Special Land Officer ?

(*e*) Will the Government state how many have been rejected and on what grounds ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: (*a*) Yes, but only those encroachments were condoned which were in existence before the date of the letter.

(*b*) to (*e*). I am making enquiries and will let the Honourable Member know the result in due course.

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 to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to fix rates of postage under the Indian Post Office Act, 1898, further to amend the Indian Paper Currency Act, 1923, to fix rates of income-tax and to raise the import and excise duties on motor spirit, which was passed by the Legislative Assembly at its meeting held on the 28th March, 1929.

ELECTION OF A MEMBER TO THE GOVERNING BODY OF THE CENTRAL COUNCIL OF AGRICULTURAL RESEARCH.

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH (Education, Health and Lands Member) : Sir, I move :

" That this Council do proceed to elect, in such manner as the Honourable the President may direct, one Member to sit on the Governing Body of the Central Council of Agricultural Research."

As this, Sir, is the first motion of its kind, I think I owe it to the House that I should explain as briefly as possible the reasons which have led to this motion.

Honourable Members will remember that the Royal Commission on Agriculture in India have held in Chapter III of their Report that agricultural research is still in its infancy in India ; that without research, organisation for demonstration and propaganda cannot achieve full measure of success ; that lack of co-ordination in agricultural research has prejudicially affected progress ; and that the Government of India ought to undertake to promote, guide and co-ordinate agricultural research throughout India and link it with agricultural research in other parts of the world. To this end, they recommend that the Government of India should establish an Imperial Council of Agricultural Research. According to the Commission, this was to consist of a main body of 39 members, which would include—

(*a*) three whole-time members appointed by the Government of India ; and

(*b*) thirty-six members, of whom one will be an unofficial elected Member of the Council of State and two unofficial elected Members of the Legislative Assembly.

The Government of India examined the Commission's scheme with the utmost care. In their view, the scheme was on the whole admirably designed to ensure the objects for the attainment of which the setting up of such an organisation was recommended. But they felt that criticism would probably develop in regard to the Commission's proposals on two points, one of them being the composition of the Council. They anticipated that the proposed composition of the Council was open to criticism on the ground that the body proposed was too large, and gave inadequate representation to the Central Legislature. To meet this criticism the Government of India decided to effect a material change in the structural part of the scheme by dividing the central organisation into two parts, one executive and the other advisory. The executive part, which might be called the Governing Body, would hold the funds placed at the disposal of the proposed organisation, consider all proposals for research, and sanction expenditure. This body would consist of the administrator among the three whole-time experts referred to above, two Members of the Indian Legislative Assembly, one Member of the Council of State, one representative each of the European and Indian commercial communities chosen by their recognised associations, one representative nominated by the Government of each major province, and two representatives of the Advisory Council selected from among its members. The scheme outlined above was submitted to the Conference of Provincial Ministers and other representatives last October, and was approved by them. The Provincial Ministers of Agriculture, however, expressed the view that the provincial representatives should be the Ministers of Agriculture, and that the Member of the Governor General's Executive Council in charge of Agriculture should be the Chairman of this body. These

suggestions have been accepted by the Government of India. I am now, therefore, asking this Council to proceed to elect, in such manner as you, Sir, may direct, one Member to sit on the Governing Body of the Central Council of Agricultural Research.

THE HONOURABLE THE PRESIDENT: The question is:

"That this Council do proceed to elect, in such manner as the Honourable the President may direct, one Member to sit on the Governing Body of the Central Council of Agricultural Research."

The motion was adopted.

THE HONOURABLE THE PRESIDENT: In connection with that motion adopted by the House, I direct that nominations shall be received by the Secretary up to 11 o'clock in the morning on Thursday, the 4th of April.

INDIAN FINANCE BILL.

THE HONOURABLE MR. E. BURDON (Finance Secretary): Sir, I have given notice of my intention to 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, to fix rates of income-tax, and to raise the import and excise duties on motor spirit, as passed by the Legislative Assembly, be taken into consideration.

I desire further, Sir, to move that the Bill be taken into consideration forthwith. Having regard to the provisions of rule 27 of the Indian Legislative Rules, I am well aware, Sir, that the motion cannot be made without your permission, and my first step must therefore be to seek that permission. I do so for public reasons of a very compelling nature which, if you will allow me, Sir, I will now explain to the House.

I am sure that Honourable Members of this Council have followed closely the course, the very unusual course, which events have taken in regard to the passage of the Finance Bill in the Legislative Assembly. Without making any comments on the proceedings in another place, I may be permitted to say that there has been very great and unusual delay; and because of this I am compelled to ask the Council, in the public interest, to agree to an unusual procedure being adopted in the final stages of our annual financial legislation. To put the situation as briefly as possible, Sir, the Finance Act of 1928 ceases to be operative on the 31st of March, 1929. To-day is the 30th of March 1929, and if the Finance Bill of 1929 is not passed into law to-day, then in ordinary course the result will be that Government will lack the necessary statutory authority for the collection of taxes, the proceeds of which are required to meet the cost of carrying on the every day administration of the country. That would be a very serious situation, not merely for the Government, but for the general community also; and I feel confident that this Council would be ready to make very considerable sacrifices to avert such a situation.

Fortunately, Sir, there is nothing unusual in the material propositions which the Finance Bill contains. Apart from the additional petrol tax, a measure which originated in a recommendation made by this Council itself, the Bill merely provides for the continuance of taxation on the existing basis. Further, the Bill has been in the hands of Honourable Members, and the Budget proposals in general have been known to the Council for nearly a month, and

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in the general discussion on the Budget there was no indication that this Council was not prepared to accept in general the Honourable the Finance Member's proposals for 1929-30. These, Sir, I say, are fortunate circumstances. Otherwise I should have felt much greater reluctance in asking the Council to agree to a course of action which I recognise cannot be wholly convenient to Honourable Members and which denies to them the full measure of consideration which Government at all times desire to give this Council when it is humanly possible and consistent with the public interest to do so.

It goes without saying that Government will be prepared to accept notices of amendments on the floor of the House and to discuss them. But I ask the Council to co-operate to this extent that they will do their utmost to enable the Bill to be disposed of to-day and so to relieve Government and the general community from the very serious and undesirable consequences which would follow from any other course.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN (Punjab : Nominated Non-Official) : Sir, about the same time last year when the salt tax was reduced and also the postage, this House rose to the occasion and brought in amendments to restore the money. Well, Sir, when we had done that, the same Bill went back to another place and they passed it. That hows the mentality of people in various places.

THE HONOURABLE THE PRESIDENT : I understood the Honourable Member was going to speak on the question whether the Honourable Mr. Ernest Burdon should be allowed to make his motion to-day or not. The references to the other House are entirely beside the point.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN : I rise, Sir, to support this : the Council should rise to the occasion and Mr. Burdon should be allowed to bring in this Bill which will be convenient not only, I think, for this House, but for the whole country.

THE HONOURABLE MAJOR NAWAB MAHOMED AKBAR KHAN (North-West Frontier Province : Nominated Non-Official) :
THE HONOURABLE MR. G. S. KHAPARDE (Berar Representative) :
THE HONOURABLE SARDAR BAHADUR SHIVDEV SINGH UBEROI (Punjab : Sikh) :
THE HONOURABLE SIR SANKARAN NAIR (Madras : Non-Muhammadan) :
THE HONOURABLE SARDAR CHARANJIT SINGH (Punjab : Nominated Non-Official) :
THE HONOURABLE NAWAB SIR MUHAMMAD MUZAMMIL-ULLAH KHAN (United Provinces West : Muhammadan) :
THE HONOURABLE RAJA SIR HARNAM SINGH (Nominated : Indian Christians) :
THE HONOURABLE NAWAB SAHIBZADA SAIYAD MOHAMAD MEHR SHAH (East and West Punjab : Muhammadan) :

} also support the motion.

THE HONOURABLE SIR ARTHUR FROOM (Bombay Chamber of Commerce) : Sir, it is with a certain sense of loneliness on this Bench that I rise to extend

my entire commiseration to the Honourable the Finance Secretary on the unenviable position in which he finds himself, for I feel it possible that if the control of affairs had been in the Honourable the Finance Secretary's own hands his unenviable position, to which I have referred, would not be existing to-day. We are not satisfied, Sir, that the Government of India could not have taken steps to prevent what I am afraid I must refer to as a deplorable situation which has happened before in this House and which on each occasion has aroused the greatest opposition—the situation of a Bill being rushed through without mature consideration. The Honourable the Finance Secretary has pointed out that the Bill, except in one particular, is identical with the existing Act of 1928-29. That is true, but at the same time I do not think that there is much consideration shown to this Honourable Council when we are asked to take up a Bill on the same day as that on which it is laid on the table. However, Sir, as I said at the beginning of my few remarks, the Honourable the Finance Secretary has my entire commiseration. I also recognise that the House must again rise to the occasion and support Government. It is inconceivable that, owing to the tactics of a certain Party in another place, the country should be without a statutory means of carrying on the administration of the country by reason of its loss of power to tax. But I should like to take this opportunity of suggesting most earnestly to the Government of India whether they cannot devise some means of preventing any future treatment of this Council in—what I think I am not wrong in describing as—a manner which lacks any semblance of the consideration due to it. I cannot help thinking that the Government should be able to foresee a situation such as has arisen on this occasion. Whether or not the closure should have been moved in another place I do not propose to debate on the floor of this House, but I do think that some action should have been taken to avoid the most important Bill of the whole year being thrown at us on the last day of the year and the Members of the Council asked to support it and pass it. As I have said, I am prepared to support my Honourable friend the Finance Secretary. I am very sorry that he has been obliged to get up and make this apology which I know must be as distasteful to him as it is to us.

THE HONOURABLE MR. K. B. HARPER (Burma Chamber of Commerce): Sir, I would like to support the request made by the Honourable the Finance Secretary. We have been kept idle for some time and most of us, I feel sure, are anxious to get to work. I feel that the present situation has been created through no fault of this House and it seems unnecessary to have to employ extraordinary measures to carry on the government of the country when it is open to the Council, with your permission, to avoid them.

I support the motion.

THE HONOURABLE THE PRESIDENT: So far as I remember, this is the first occasion on which I have been asked to suspend a Standing Order to enable a Bill of first importance to be taken up in this House on the same day on which it has been laid, and the House will realise that, in dealing with a request of this kind, I should not lightly give a decision. One of my duties sitting here is, so far as in me lies, to give every facility for the disposal of business, whether it be Government business or non-official business; and, in view of the very cogent reasons adduced by the Honourable the Finance Secretary for an early hearing of this Bill, and in view of the fact that the House seems to be of one mind in this matter, I allow the motion which has been placed tentatively on the paper to-day to be made.

THE HONOURABLE MR. E. BURDON: 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, to fix rates of income-tax, and to raise the import and excise duties on motor spirit, as passed by the Legislative Assembly, be taken into consideration.

Sir, there is really very little that I need say at this stage in support of my motion. Actually, such observations as are pertinent to a motion to take the Finance Bill into consideration have already been made in my speech presenting the Budget statement to this Council and in the Honourable the Finance Member's Budget speech made in another place, which I am sure every Honourable Member of this Council has studied very carefully. I will, however, add a few words. The Budget for 1929-30, as has already been carefully explained, does not pretend to do more than tide us over a critical period, a period of some difficulty which we hope will be transitory, a period when we are compelled to mark time, to consolidate our position and cannot presume to advance. It has been a matter of some difficulty, as I have already explained in detail, to square the revenue and expenditure account. Nevertheless, in the result we hope by the exercise of continuing care and vigilance and without increasing taxation to cover our existing liabilities and also to provide some money—not a very large sum of money, I am afraid—for certain new purposes of an admittedly beneficial character. As the Council is aware, the Government were forced, in considering their proposals for next year, to contemplate at one time the possibility of having to impose fresh taxation. Fortunately, Sir, Government have found it possible to avoid this in the year 1929-30 at any rate, and I am sure that the Council will regard this feature of our proposals with some considerable satisfaction. It only remains to add, Sir, that the Legislative Assembly have voted the whole of the votable supply with certain minor exceptions. Altogether six reductions of votes were made. Four of these were nominal and remain undisturbed and the two major cuts have been restored by the Governor General in Council. In any event, the variation resulting from the action of the Legislative Assembly, if that had stood fast, did not amount to more than Rs. 6 lakhs, all told, and consequently, nothing has occurred since I presented the Budget statement which need disturb our proposals for 1929-30. The immediate consequence is that the whole of the resources provided for under the Finance Bill continue to be required for the expenditure of the Government.

I do not think, Sir, that I need say anything more save to express my gratitude to the Council for having worthily risen to the occasion and for having once more proved true to the good tradition which this Council has created for itself.

Sir, I move.

THE HONOURABLE MAJOR NAWAB MAHOMED AKBAR KHAN: I should like to say, Sir, a few words about the increase in import and excise duties on petroleum from four annas to six annas as laid down in the Statement of Objects and Reasons attached to this Bill. The increase of two annas per gallon is expected to yield an additional revenue.....

THE HONOURABLE THE PRESIDENT: Order, order. I would suggest to the Honourable Member that he should reserve these remarks until the clause which imposes the duties of which he speaks comes for consideration before the Council. At this stage it is merely the principles of the Bill which should be discussed.

*THE HONOURABLE SARDAR BAHADUR SHIVDEV SINGH UBEROI: Sir, when I rise to make a few observations about the Finance Bill, my sympathies go to the left as well as to the right. I quite sympathise with the position in which my Honourable friend the Finance Secretary has been placed by the treatment which has been accorded to this Bill in the other House. But I also cannot withhold my sympathy from the view that this House should not have been treated like this, and means should be found whereby this House should have been put in possession of such an important measure as the Finance Bill in time so that Members may express their views on it. Of course, at this late stage, when one goes into the practical side of this question, one cannot withhold one's support to the consideration of this measure now. At the same time, it must be pointed out that this is the occasion when the Members of each House have the opportunity of saying something which materially affects the people at large as regards taxation. As you, Sir, have remarked, this is the first occasion when this has taken place when you have been asked to give your permission to the consideration of a Bill on the same day as it has been laid on the table. This must be taken as an exceptional case. But I wish to add to what has been said by my Honourable friend Sir Arthur Froom that the Government should consider such contingencies seriously and not ask the House immediately to consider such an important measure as the Finance Bill in future. I give my whole-hearted support to the consideration and the passing of this measure now.

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY (East Bengal: Non Muhammadan): I think it my duty, Sir, to rise to oppose the motion both on political as well as financial grounds.

Howsoever much the British people might say that they are not to be bullied into submission, they are, I venture to submit, not much famed for their valour and be it said to their credit, they know when to yield, although they never do so at the right moment and that with good grace. Look at the present occasion. I mean the appointment of the Simon Commission. They vaunted that they were the sole arbiters of India's destiny and as such did not include any Indian in the personnel of the Commission. When they met with the opposition they have done in this country, they came down lately to announce that anything that they do must, in order to be successful, meet with acceptance from the generality of the people and that they are therefore going to propose some sort of a round table conference with the coming Joint Committee of the next Parliament.

But this offer, under the present circumstances, I venture to submit, has not much of business in it, as Mr. Srinivasa Iyengar, our Deputy Leader, said in the other House, because the Government in England that has made this offer is soon going to be dissolved, and one does not know what the next Government in power is going to be and what line of action its proposed Joint Committee is going to adopt; and even if the proposed method be adopted, what the ultimate upshot of all these negotiations is going to be. Circumstanced as England is, a country small in size, not rich in material resources, she is bound in self-interest to exploit the untapped resources of India so long as she can, unless she is obliged to give up the attempt by the force of our endeavours or by the international situation. The prospect then of our getting any measure of real self-government from them easily and at an early date is in my opinion very remote, howsoever much they may profess their good intentions about it. We cannot therefore relax our campaign of opposition in the country. We can do so only when we find that the measure of reform, if any, that is going to be granted meets with our approval, and not before

* Speech not corrected by the Honourable Member.

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then. And I might say that the informed opinion of the country is unanimous that nothing short of Dominion status complete and absolute in the sense which it at present bears, of the British Empire being a Commonwealth of free nations, will satisfy the people of India. There has been I submit some misconception, in the minds of the Europeans residing in India, about the meaning of the words " Dominion status ". They do not, as General Smuts points out, " realize the new situation, that the British Empire instead of being one Central Government consists of a League of free States, free, equal, and working together for the great ideals of human government ". Sir Robert Borden was equally insistent upon the complete recognition of the Dominions as autonomous nations in the Imperial Commonwealth, with a voice in foreign policy and in foreign relations. This misapprehension on the part of the Britishers in India was the cause in the other House of Colonel Crawford asking for a guarantee that granted Dominion status the Indians would not treat it as a ladder for attaining independence. For after all, if real Dominion status, in the sense in which it is at present used, were granted to India, the question would be not whether India would try to break off from the Empire, but whether the far-flung portions of the Empire would remain content to be treated as mere appenages to the main structure and to live under the shade of the " central dome " of the Empire, as Lord Curzon once called India, inhabited by 330 millions of people who are more thrifty, more intelligent and hard working upon terms of equal scope and competition. Even now in these days of most unequal treatment, when Indians are being kept backward and uneducated and are exploited and impoverished, doors are being shut against them in the different Colonies. So long as this state of things continues, it does not lie in the mouth of the gallant Colonel to ask from us any guarantee about the integrity of the Empire.

I shall now deal with the appeal of the Honourable the Finance Member for co-operation from us for the conduct of the Government of India pending further reforms. He says the British Parliament has given its pledge and has made further assurances that it is going to stick to that pledge in spite of utterances to the contrary made by individual politicians. But pledges given so long as they are unfulfilled in action, and are often broken, have rendered us somewhat sceptic about them, and when they are contradicted by men like Lloyd George and Lord Curzon holding high offices in the British Government, they cease to have any value whatsoever in the eyes of the people in India. Moreover, as I have already stated before, we cannot believe in the *bonâ fides* of these pledges given in such vague terms, nor do we accept the position that the British people should be the judges of our fitness for self-government, because we hold that it is not to the interest of England to grant us freedom and she will try to keep us under her control as long as she can by holding false hopes before our eyes. Here no doubt I admit the truth of Sir George's observations that there are some benevolent exceptions among Englishmen. But that England taken as a whole means to keep us under control is amply borne out by the policy pursued by her in India. The finances of India must be controlled by an officer brought from England without any Indian experience, and cannot be placed in charge of any Indian of experience. The Foreign and Political Department must entirely be controlled by Europeans. India must maintain a British army to overawe and checkmate the Indian army, and even her Indian army must be officered by Europeans at a huge cost. The sons of India can only serve as cannon fodder in the defence of the country, without being able to wield a single cannon. The Air Force, new to India, is closed to Indians. Her railway policy must be-

conducted to facilitate the export of raw materials and the import of finished goods, which the Honourable the Finance Member objects to being called the exploitation of India. And Sir Victor Sassoon feels no hesitation in urging the Government to borrow more and more from foreign countries and construct more and more railways in India and leave them under foreign management, while her water communications are neglected and left to the ravages of foreign steamer companies to the detriment of the health of the people and the choking of her means of internal communication. Her industries are crippled and crushed by the currency and exchange policy adopted by Government, and when the cotton industry of India is in its last throes, the Finance Member twits it with having made some profits during previous years, and Lancashire, backed by the resources of the Bank of England, is bent upon crushing it by taking up the weaving of coarse cloth, and what may still survive such onslaught will perhaps be crushed by the well meant efforts of the Labour Commission. The salt industry in India must suffer for want of facility of railway transport because European merchants find it convenient to bring salt in the holds of ships by way of ballast, although wagons travel back to Bengal from Madras in an empty condition, and blame is laid at the doors of Bengal and Burma that they prefer foreign salt which is proved to be of inferior quality simply because it is more white. When we challenge the Government about it, the answer the Commerce Member gives is that they are not bringing it any longer from England in large quantities but from Egypt, Spain and Arabia, as if that can in any way satisfy the grievance of India. Although the industrial advance of the country is spoken of by the Finance Member as being one of the objects of the banking inquiry, the personnel of the Committee that is proposed to be constituted does not contain a single industrialist, far less an Indian industrialist. Only the Chambers of Commerce and banking interests are to be represented on the Committee. The Finance Member in presenting his Budget the other day appealed to us for goodwill, but goodwill, Sir, cannot be expected to flow from one direction only, and unlike good milk will not bear the adulteration of sophistical arguments in any quantity to ensure an unstinted supply. Nor will it flow long unless it is followed by good actions. That, Sir, is impossible to come from the British bureaucracy, so long as they are here, to serve British interests more than Indian, and the attainment of Indian freedom requires that that bureaucracy should be the first to be assailed and brought down and divested of its vested interests and the finances of this poor country should be delivered from the costliest system of administration in the world.

I now come to the financial objections to the Bill. Though the Finance Member admits that the general condition of the country is bad in patches, he still has doubts whether viewed as a whole it gives ground for serious pessimism, for he holds that the trade statistics so far available are on the whole encouraging. He cites as illustrations of the prosperity of the country the fact that the balance of trade including private imports of treasure is in favour of India by about 6½ crores, but he does not say whether the private import of treasure is increasing, nor does he realise that the external trade of the country is entirely in the hands of foreigners and it is they who reap most of the benefits derived from this favourable balance. The industries of India have already been neglected and well nigh killed in the interests of the British industries by manipulations of currency and exchange, and the country has been converted under their sway almost into a purely agricultural country, and even in this respect we find her activities are now being curtailed by foreign competition with the consequence that her export of rice has gone down by 7 crores and that of wheat by 2¾ crores, whereas her import of grains

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has increased to a large extent. Due to the exchange policy of the Government, the mill-owners of Bombay have suffered a lot, and one should have expected that cotton yarn and manufactures imported from outside should consequently be largely increased and still there is a large drop in cotton and cotton yarn and manufactures. This shows that the people of the country are not at all prospering and they have not the means even wherewith to purchase their proverbially scanty clothing, and it is due greatly to the exchange policy of the Government. While the people have not enough food in the country and cannot supply themselves with proper clothing, the Government have been fostering and gloating over the growth of the motor traffic in the country by about 38 per cent. and the increase of 29 lakhs in the excise duty on motor spirit. The sugar industry of the country, once the largest producer of the commodity, is dying inch by inch and the import of sugar is increasing every year. So also is the case with kerosene, the excise duty on which is gradually diminishing. Although the export of coal shows no falling off, we have heard from the Railway Member's speech that the internal traffic in coal and kerosene, two of the necessities of life with the people, have also fallen off. The policy of wagon supply on the rake system favouring export by bigger concerns has led to this state of things. Nor do we find any mention in the Honourable Member's speech of the condition of the tea trade. Jute no doubt is a monopoly of India, and export records an improvement of 5 crores, but this industry is entirely controlled by foreigners, and almost all its profits go to them instead of going to the actual cultivators who produce it out of waist-deep water. Coming to Income-tax also, we find a drop of 5 lakhs, although there was a large collection of arrears of super-tax in Bihar and Orissa. The fact that this is largely due to a drop of 21 lakhs mainly from Bengal and Burma shows that conditions of jute, tea and the petroleum industry are not satisfactory. The working of the Indian Posts and Telegraphs Department has been admitted to be very disappointing, yet the Government could afford to create the following extra posts during the course of the last year, although there was no provision for them in the Budget, namely, 1 Deputy Director General costing Rs. 47,800 a year, 2 Deputy Directors General costing Rs. 45,800 a year, 5 Assistant Directors General costing Rs. 71,900 a year and 1 Chief Superintendent costing Rs. 5,400 a year under the head Direction and General Charges, and one Deputy Chief Engineer, Telephones, costing Rs. 27,900, one Deputy Director General, Telegraph Traffic, costing Rs. 27,900 and 1 Controller of Traffic costing Rs. 15,700 a year under the head Joint Charges, Telegraphs and Telephones. In all a sum of Rs. 2,42,400 has been added to the annual cost of the Department by these appointments and are being continued in the next Budget. The accommodation of some of the offices of the Department in costly buildings like the Eastern Hostel at Delhi has also involved the Department in an expenditure of Rs. 88,000 for the rent, water and current charges, etc., of the buildings occupied by the office of the Director General, Posts and Telegraphs, at New Delhi and Simla and of Rs. 20,000 for rent, water and current charges, etc., of buildings occupied by the Deputy Accountant General, Posts and Telegraphs, Delhi, and a similar sum of Rs. 6,400 for the Central Office. Besides these items, leave provision for an officer on special duty has been made in the Budget for the next year to the extent of Rs. 10,500, though no provision for any such actual duty has been made in the Budget. Perhaps the special duty for which he has been engaged is to be on leave, otherwise I fail to understand how, if there is any special duty which occasions the employment, a man employed in such duty can remain on leave throughout the whole year. While fat berths are readily

being created for highly paid officials, the grievances of the ill-paid subordinate staff in some cases, as for example the Railway Mail sorters and the runners in respect of their boat hire, are being left unredressed.

Coming now to the General Budget for the next year, we find it extremely top-heavy and a great part of the revenue is thus swallowed up by the administration charges. Take, for instance, the Industries Department. The administration charges for this Department, Item No. 39 in the Budget, apart from the salary of the Member in charge, is Rs. 6,03,010, while the money spent by it, which consists of a few grants and can be easily administered is only Rs. 2,21,000, as per Item No. 60 of the Budget, but of this small sum even it is curious to note that Rs. 4,000 is spent on scholarships for art studies. Take again the Department of Education, Health and Lands. The cost of administration of the Education Department, Item No. 34, independently of the salary of the Member in charge, is Rs. 7,73,000, while the amount spent on education, mostly grants, is Rs. 7,92,000; that on Medical Service, Item No. 56, is Rs. 11,34,000, out of which only Rs. 16,100, as far as I could gather, is spent on the purchase of medicine, clothing, bedding, diet and stores. The rest of the huge sum is spent on administering that paltry quantity of goods. Take again Public Health. The total cost of this Department, Item No. 57, is Rs. 15,83,000, and I could find no item of expenditure for the purchase of medicine out of this huge sum. I come next to Agriculture. The total cost of administration of this Department, Item No. 58, is, apart from the salary of the Member in charge, Rs. 35,28,000. Out of it only Rs. 16,300 are spent on agricultural and veterinary publications and Rs. 15,000 at the Pusa Central Bureau of animal husbandry and Rs. 8,000 at the Karnal cattle breeding farm and Rs. 10,000 at the Bangalore animal husbandry and Rs. 5,000 at the Wellington farm for cattle, while a sum of Rs. 22,200 only is spent on sugarcane station working expense at the Coimbatore Sugarcane station and Rs. 13,000 are spent on the purchase of dairy produce at the Anand Creamery. The rest of the entire huge sum is spent on administering these small amounts. The total cost of the administration of the Veterinary Department again is, by Item No. 59, Rs. 6,68,000. Out of this only a sum of Rs. 80,000 is spent on the purchase of grain, Rs. 30,000 on the purchase of grass and Rs. 44,000 on the purchase of chemicals and apparatus.

Let me now, Sir, deal with the income-tax policy of the Government. Here also we find another instance of a great and invidious distinction made between Indian and British interests. Though the Finance Bill on the face of it looks quite harmless, in actual practice, however, on a close scrutiny, it will appear, Sir, to operate as a great hardship to Indian and to confer great benefits to British interests. Look at Schedule II of the Bill and you will find that while income-tax is levied on companies and registered firms at the maximum rate of one anna and six pies in the rupee, whatever their total income might be, super-tax is levied on companies, whatever their income might be, only at the minimum rate of one anna in the rupee, whereas in the case of individuals, etc., it goes up to six annas in the rupee. This special treatment in the matter of super-tax is not even extended to registered firms, so that companies paying super-tax, the great majority of whom are in the hands of Europeans, get off with a light tax, whereas it falls heavily on the Indians. Last year, Sir, I brought in amendments to the Finance Bill to remedy this defect, and I was opposed from the Government Benches on the ground that the occasion was not suitable for bringing in such amendments inasmuch as the matter was too important and had great bearing on the finances of the country, to be introduced at this stage. But I venture to submit, Sir, as the Schedule is now before us and my proposed amendment related only to the

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Schedule this is a proper moment when the matter could be taken up, as at any other time such an amendment coming from a private Member is bound to be rejected on the ground of its being a money Bill.

Year in and year out we are crying, Sir, for the reduction of the salt tax and postal rates which fall heavily upon the poor and are met by Government with a reply as to how to make up the consequent deficit in revenue. But here, Sir, is a source which is capable of yielding a large amount and without pressing heavily upon people who cannot bear it. The Finance Member, in his reply to some Member in the other House about the increase in motor and petrol duties, retorted that they were tapping the richer classes more and more. Why do they not tap this the most proper source of revenue from the richest class as well in the country without making any racial distinction? I wanted to ascertain from Government how much revenue can be obtained in this way by putting some questions during the Simla Session. But you, Sir, rejected those questions on the ground of their being hypothetical. As it is useless to bring again similar amendments before this House, I, however, refrain from doing it this year.

12 NOON.

I shall now close my speech by dealing with the Indian Army. From the very creation of the Indian Legislature, Sir, we have been crying for the reduction of the Army Budget, and the Inchcape Committee recommended that it should be brought down to 50 crores. Yet the late Finance Member and His Excellency the Commander-in-Chief informed us on more than one occasion that there was no prospect of military expenditure being reduced in the near future, but that there was a prospect of its being increased. Yet how is it that means have been found of spending a sum of about 2½ crores out of it for purposes of mechanisation? The Honourable the Army Secretary in the other House gives credit for it to the further control now being exercised by the military authorities. Credit no doubt is due to them for this belated performance of their legitimate duty, but in spite of the umbrage taken by the Army Secretary for doing so, we are bound still to contend that the Army bag, or shall I say the Army bog, where the finances of India are sunk from year to year, is still elastic and wide-gaping enough to put some more charges into it, if it cannot bear a little shearing by way of Indianisation. And well might the portfolio of Law and Order, the sole function of the Government of the country, be thrown into it, so that deadly peace may reign in the country to the eternal glory of the British lion. Coming to this subject of Indianisation, we are bound to say that we are involved in a vicious circle out of which there is no escape unless we get political freedom. We are told that we cannot get self-government unless and until we are fit to defend ourselves, a proposition which is not at all warranted by the development of self-government in the other Dominions: and then opportunities being very tardily given to us to fit ourselves for the defence of our mother country, the Army Secretary begins immediately to complain loudly that the response made by us has been very poor. Sir, so long as self-government is not given to us, I venture to state that such response is bound to be poor. The life of a soldier is a life full of risks and dangers. That is why recruitment in all civilised countries has become an art that requires much tactful and sympathetic handling. We all know marriage had been raging in an epidemic form in England during the war when bachelors were being forcibly recruited as soldiers. Apathy towards enlistment therefore is bound to exist in a country dominated by foreigners where the soldiers are recruited, not for defending their hearth and homes so much, as for keeping their kith and kin under subjugation, and to fight

unholy wars not to advance the cause of their motherland, but that of the rulers who thereby tighten their grip upon the country. So long therefore as self-government is not obtained, there is no use in our having anything to do with the Bill now before the House except opposing it in all stages.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN: Sir, but for the preceding speaker, perhaps I would not have got up. When he has painted everything in India so black, I think not only should the Government Benches defend themselves but we, who are his countrymen and know perhaps just as much as he does, if not better, should come out and say something about the matter. Sir, I have been 8½ years on active service during various wars, and I think I have got more experience of the Army than the speaker who has preceded me. It has been seen that if the British officers of a unit were killed, the other soldiers did not proceed any further. In the same way, Sir, there is a mercenary army in India where we do not find yet that there is a nation and that therefore the national idea is not with the Indian soldiers. So there ought to be some soldiers who have got the national idea like British soldiers to stiffen the Army. This is most essential. If you want an army which will in time of need act as an army, you ought to have this element. What is the use of an army which my friend suggests, which will not even be considered to be sent to the front line because there would be a danger that the line would be broken at that spot? So, Sir, coming from the Punjab, which is the home of soldiers, I would like to have the Army as it is.

Then, Sir, of course, my friend comes from a place which is not afraid of any trouble. Supposing as there is trouble now in Afghanistan, another Power came in and invaded neutral territory? And, if India did not move a finger, of course, they would bring their army to our border. So if we were to fight with some big nation like that, if the Army was less than what it is at present or less efficient than it is, then there would be danger first to the Punjab which is on the way. Our friend would not care a bit if the whole country was sacked up to Delhi because he would be absolutely safe. So we, Sir, who stand the danger, would always like the Army not only to be as efficient as it is but increased in number so that we will always be safe.

Then, Sir, last time I said sufficient about agriculturists. I thought that it was only the agriculturists who had something to complain of. But I find to-day that everybody else who is well off and moneyed people also are complaining—I do not know why. This class, Sir, did not help us much and would not even in future help us much to defend our country. Now, as to the present attitude that our House has taken up, when the Commission is here, I think we have done a real service to our country. When they see how people behave in the other place, they will perhaps come to know that all India is like that and is not fit for further advance, but I think our House to-day have shown that there are other Indians who can come up to the mark and that may neutralise what has been done elsewhere. This is all I would like to say on the occasion.

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, to fix rates of income-tax, and to raise the import and excise duties on motor spirit, as passed by the Legislative Assembly, be taken into consideration."

The motion was adopted.

THE HONOURABLE THE PRESIDENT: In view of the procedure adopted to-day, I shall, of course, have to permit amendments to be moved without notice. I would merely suggest this to Honourable Members that, if any Honourable Member rises with the intention of moving an amendment to any particular clause, he should make that clear as early as possible in his speech so as to give as much notice as possible to the Chair and to the member of the Government who will have to deal with it.

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

THE HONOURABLE THE PRESIDENT: The question is:

"That clause 6 do stand part of the Bill."

THE HONOURABLE MR. K. B. HARPER: Sir, at various times during the past two weeks I have been listening to the discussions on the Finance Bill in another place and I have come away deeply conscious that I am not a politician. I hope, however, that this Honourable Council at any rate will not think me unduly eccentric if I take up a question which is raised by this clause of the Finance Bill and try to make some constructive suggestions on it. I have felt driven to break my silence in this Honourable Council to welcome the Report of the Indian Road Development Committee, a report which must, I think, fire the imagination of every one who studies it and especially of any one who like myself comes from Burma and knows something of the vast potentialities of that country in agriculture, forests, minerals and all manner of wealth and the backwardness of communications which is preventing the people of the province from taking advantage of that latent prosperity. It needs no exceptional degree of imagination to read in the statistical statements which make up Appendix III to the Report, the story of Burma's struggle for the improvement of her communications. Her record during the last ten years in this matter, as in so many others, is unbeaten by any other province, and yet even now, there are only two provinces, the smaller areas of Assam and the Central Provinces, which cannot boast of nearly and in some cases more than twice Burma's total mileage of roads. The area covered by Burma's cultivation and forests is greater than the whole of Assam, while Burma is still left with an uncultivated area which is greater than the total area of any other province of India. But much of this uncultivated area only awaits some means of communications to make its development possible.

Sir, it would be easy to dilate for an almost unlimited time, though I will refrain from doing so, on the possibilities to India and Burma generally of a really adequate system of road communication, and whatever may be the reason for the apathy with which the proposed increase in the motor spirit excise duty for this purpose seems to have been received, I consider that the thanks of the country are due to the Indian Road Development Committee for opening the door to the achievement of enormous possibilities, even though I cannot altogether agree with the steps which the Committee recommend should be taken to achieve them. Their conception is bold, but the execution they recommend seems to me to be timid to a degree which threatens to deprive their labours of all their value. Let us examine their proposals for a moment and see what they mean. They recommend an increase of two annas in the motor spirit duty, all of which is to be earmarked for the purposes of a special Road Development Fund. So far I agree. The Honourable the Finance Secretary has told us that this should bring in a sum of 83 lakhs of rupees in the current year, and the Committee has proposed that one-sixth of this sum should be retained by the Government of India for certain purposes and the balance, that is, 69 lakhs of rupees, divided amongst the provinces and the Indian States in the proportion of their share in the payment of it. The

Sub-Committee in Part II of their report give a table showing the proportions in which the excise is paid by the provinces—their figure is not strictly correct, as it leaves out of account the Indian States which, according to my information, take about 6 per cent. of the total petrol consumption of India. For the purposes of the present calculation, however, we may take the Sub-Committee's figures which show the provinces in rather a better light than they would actually be in, and calculating the average cost of road construction as also given in the report, we can arrive at the total mileage of new roads which each province could construct with the funds proposed by the Committee. Naturally I look at Burma first and find that her share of the first year's grant amounts to enough to construct 24 miles of new road—the equivalent of one journey from Old Delhi to the Qutub and back! The Punjab get the same. The Central Provinces would have to be content with 16 miles and Assam with 8 miles! Assam's 8 miles would represent an increase over her present total mileage of less than one-tenth of 1 per cent. and to achieve an increase of 10 per cent. over her existing mileage would at this rate take over 100 years! Rather an anti-climax, Sir, I suggest, to the bold conception which the Committee held up to us. I fully appreciate that a really adequate system of road development is going to cost a vast sum of money just as I realise that every scheme must have a beginning, but I would earnestly ask the Honourable the Finance Secretary whether it is really necessary that the beginning in this case should be so very small and so very timid, and whether a great deal better use cannot be made of the sums of money which are going to be available. The House will have noticed when reading the report of the Sub-Committee so ably presided over by my Honourable friend Sir Arthur Froom that they found an almost universal demand that the proceeds of the additional two annas excise duty should be made available to provide for interest and sinking funds for loans, a course which the Sub-Committee themselves favoured. The full Committee, however, rejected the suggestion on the grounds of the impermanency of the security for a Provincial loan. I would ask the Honourable the Finance Secretary to reconsider this suggestion and see if he cannot find some way of getting over this difficulty of impermanent security. I suggest, for instance, that a loan might be taken by the Government of India and not by Provincial Governments and the capital divided amongst the provinces. I need hardly say that I do not for a moment suggest any departure from the sound businesslike principles with which we know the Honourable the Finance Member to be imbued, to our great advantage, but I do suggest that if the object itself is desirable, as I consider adequate financing of India's road development most certainly is, the means of achieving it are worthy of closer investigation than the full Committee seem to have given to this question of loans. As the Sub Committee pointed out, good roads are not the result of a country's prosperity, but a country's prosperity immediately reacts to the construction of good roads, and it follows that the sooner more good roads are built in India, the sooner will the country begin to enjoy the increased prosperity they will bring. A loan on the basis suggested by the Sub-Committee will enable us to launch out immediately on a programme about 15 times more ambitious than we could attempt on the Committee's recommendations as they stand at present, and though this will only be a beginning it will be a substantial beginning and it would help to convert the Road Committee's report from being the expression of a pious hope to becoming the beginning of a practical achievement. I therefore commend this question of loans to the Finance Member's earnest consideration.

There is another point which comes prominently to one's notice when one enters into calculation of the provinces' shares of the Road Development Fund,

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and that is the variation in the cost of road construction in different provinces; This I imagine is not so much a question for the Honourable the Finance Member as for the Standing Committee which is to be set up. But the variation is so wide that it makes the Committee's present proposals for dividing up the fund unsatisfactory and I think inequitable. After all, what we are after is not money, not rupees, but mileage, and I raise this point here in the hope that it will be possible in due course to amend the Committee's proposals in this connection with this point in mind.

Then, Sir, there is another source from which the Road Development Fund might be augmented, again proposed by the Sub-Committee in more vigorous terms than it has been reproduced by the full Committee, and that is the existing motor spirit excise duty of four annas and the import duty at the same figure. I will not take up the time of the House by discussing the rather disingenuous case put forward in the report for withholding any portion of the excise duty from the provinces. I would merely point to the phenomenal rate at which the proceeds of this duty have expanded in recent years. They have climbed gradually from a very small amount in 1917 to nearly 80 lakhs in 1925. Since then the proceeds have more than doubled themselves, and the Honourable the Finance Secretary tells us that he expects to collect 166 lakhs for the general revenues from this source in the current year in spite of the proposed increase of two annas for road development. I would suggest to the Honourable Member that the time has come to consider whether he is not asking motor transport to pay rather more than its due share towards the general revenues of the country, and I would seriously ask him to consider whether he could not indicate a maximum figure, if necessary, for a specified period of years, at which he would be prepared to limit the appropriation of excise duty and import duty for general expenditure, any surplus receipts over that figure being credited to the Road Development Fund. That would, I think, be in keeping with the Committee's own recommendation. Then there are two respects in which the fund should be protected. One is the Sub-Committee's proviso, which is not, I think, adequately stressed by the full Committee, that the fund is intended to be for expenditure in addition to, and not in place of, the normal expenditure by provinces on roads; and the other is that the fund must be tied up in such a way that it cannot be raided for the benefit of general expenditure after the example set by England's versatile Chancellor of the Exchequer.

Then, Sir, there is a further point which particularly concerns Burma. It is to be regretted that the Sub-Committee was not able to visit Burma, but the Committee are to be congratulated on arriving by a short cut at the only practicable conclusion with regard to Burma's participation in the Road Development Fund. Their conclusion is recorded in paragraph 78 of their report, which, with your permission, I will read to the House:

"It has been represented by the Government of Burma that the province of Burma is separated from the rest of India by a wide stretch of hills and forests which is entirely roadless and its road system is not likely to be connected with the Indian road system within any calculable time. It follows that road development in Burma is a self-contained problem and has no all-India aspects. Recognizing the special circumstances we consider that for the present the amount apportioned to Burma might be spent on any scheme of road development approved by the local Government and the local Legislature. But if at any future time the question of road connection with India becomes a live issue the position should be reconsidered."

Honourable Members will recollect that the Committee recommended that one-sixth of the annual grant to the Road Development Fund should be retained by the Government of India for projects which are of all-India importance

or which concern more than one province or State, and for expenditure on intelligence and research. Now, Sir, the whole ground on which Burma is to be treated separately is that road development in Burma has no all-India aspects, from which it follows that except in intelligence and research Burma cannot benefit from the one-sixth which the Government of India are to retain. I ask, therefore, that Burma should, in addition to her share of the five-sixths of the grant, receive a full share on the same basis of the one-sixth which the Government of India are to retain, less only a deduction for her fair share of the expenditure on intelligence and research. Burma has so often suffered on purely technical objections from measures designed for the benefit of India, such as the steel protective duty, that I hope this opportunity, which can be open to no technical objection, will be taken to show Burma that India is willing that she should enjoy the advantages as well as suffer the disadvantages of her geographical position. At the same time I would suggest that it be made quite clear to Burma that a condition of this special treatment is that the grant is to be used in addition to and not in place of her normal expenditure on roads. In India presumably this provision will be the care of the Standing Committee and I think it only right that Burma should observe such similar provisions where they apply.

Lastly, Sir, there is the question of aviation spirit. The Committee in their report referred to the objection to asking consumers of petrol in aeroplanes to contribute to a fund for road development, and I understand that Government have accepted this objection in principle but consider there are grave administrative difficulties in overcoming it. I would ask the Finance Department to reconsider this opinion, and before deciding that these difficulties are insuperable to get into touch with the principal users of the spirit—there are not many of them if we except the Air Force which is not affected—and see whether they cannot come to some mutually satisfactory and workable scheme. The amount of money involved is not important to the Government of India, but it means a good deal to civil aviation companies and clubs, especially at this early stage.

I fear, Sir, that I have taken up more than my share of the time of the House, but I wished to take this opportunity to raise what I consider to be important questions, so that they may be reconsidered and Government's views be ready by the time the proposed conference sits in the summer. I would therefore ask Government to give their earnest attention to the points I have made :

Firstly, to consider the feasibility of financing the Road Fund from loans ;

Secondly, to reconsider the Committee's proposals for apportioning the Road Fund so as to obtain a more equitable division of mileage ;

Thirdly, to consider putting a maximum limit to the appropriation of the motor spirit excise and import duties for general expenditure ;

Fourthly, to ensure that the Road Fund is employed as additional expenditure and not to replace normal provincial expenditure on roads ;

Fifthly, to ensure that the Road Fund cannot be raided for the benefit of general revenues ;

Sixthly, to give Burma her full share of the portion of the grant which the Government of India are to retain for all-India projects ; and

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Lastly, to get into touch with the consumers of petrol in aeroplanes with a view to arriving at a satisfactory system by which aviation spirit properly used may be exempted from the excise duty

I cannot help feeling, Sir, that if the opportunity now offered by the Road Committee's report is wisely and boldly followed up the acceptance of this clause in the Finance Bill to-day may well mark the beginning of a new era of prosperity in India.

THE HONOURABLE SIR ARTHUR FROOM: Sir, it is with a certain amount of relief that we have arrived at clause 6 of this Bill as it has helped to dispel the gloomy cloud under which I fell after listening to the wail from the Honourable gentleman behind me, in comparison with which I should think the lamentations of Job were nothing. The wail was partly relieved by a comic interlude in the extraordinary interpretation he put upon the Income-tax Act of this country. Now, Sir, we sometimes—not unreasonably I hope—have occasion to criticise the actions of the other House. But here I am glad to find myself able to congratulate most heartily the Members of the other House in passing clause 6 of this year's Finance Bill. Clause 6, as we all know, provides for an increase of 2 annas in the petrol excise, this 2 annas to be devoted to roads in India and to roads only. I cannot help thinking that the Honourable Sir George Schuster, our new Finance Member, must experience a considerable degree of satisfaction that in the first Finance Bill which has passed through his hands the only portion which provides for increased taxation is one the proceeds of which are to be at once devoted to a benevolent undertaking in this country. I use the word "benevolent", because I feel most sincerely that the future happiness of India, the future progress of this great country, the further prosperity of India is wrapped up in trying to help the agriculturist; and the best way in which you can reach the agriculturist, the best way in which you can secure for him a better price for his labour, is by developing the roads of India. I will not go over the ground which has been set forth clearly in the Road Committee's Report, but I think that if Honourable Members will again read that portion of it, they will see how completely the development of India's roads will benefit the agriculturist. It will educate him; his outlook at present is limited perhaps by a diameter of 10 or 15 or 20 miles or thereabouts. As the little motor buses spring up, he moves about, his mind is broadened; also roads help him to bring his produce to the market without employing the middleman; and in fact, to sum up, the development of roads in this great country will benefit the agriculturist more than anybody else.

Now, Sir, I listened with great attention to the remarks of the Honourable Mr. Harper, and I was very glad to hear him approve of this extra 2 annas excise and that he supported this small beginning in the direction of the development of roads in India. It is a small beginning. If Honourable Members will see the figure in the Statement of Objects and Reasons, they may think the amount is very small. I would like to point out that the figures "6 lakhs" should be "60 lakhs" for the year 1928-29. I presume it was printed rather hastily. But, Sir, it is a small beginning.....

THE HONOURABLE MR. A. C. McWATTERS (Industries and Labour Secretary): On a point of explanation, Sir, the figure of Rs. 6 lakhs represents the figure for March only of the current year.

THE HONOURABLE SIR ARTHUR FROOM: Leaving that anyhow, Sir,—though it is curious that Rs. 60 lakhs is the half revenue for the current year—

as I said, this 2 annas is only a small beginning and we hope, as the Honourable Mr. Harper pointed out, that as time goes on, the Honourable the Finance Member will be able to give up some of the existing 4 annas excise also to go towards a Roads Fund. The Honourable Member's predecessor expressed the hope—I will not say in the immediate future—but hoped that the Government of India would at no distance of time be able to act in this manner. I fancy that my friend the Honourable Mr. Harper suggested that the Road Committee had left out of their calculations altogether the Indian States. Is that what he said ?

THE HONOURABLE MR. K. B. HARPER : No. I was referring to the figures taken by the Sub-Committee for the division of a grant of Rs. 50 lakhs, which I used as a rough basis for calculation.

THE HONOURABLE SIR ARTHUR FROOM : The sooner the Government can give up this 4 annas, this revenue is bound to grow even quicker than it does now. It has been the case with other countries, and there is no reason why it should not be the case with this country.

Now by a fortuitous circumstance the prosperity of the oil companies, I take it, will grow with the development of roads in India, and I hope that at some time or other we may have some suggestion coming forward from the oil companies to help the road transport of India.

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY : May I ask the Honourable Member how many motor transport services have been established up till now for the transport of goods from the interior to help the villagers ?

THE HONOURABLE SIR ARTHUR FROOM : I am afraid I cannot give the numbers. The Honourable Member may ask someone else that question. When you travel through India, if any road is put in good condition, you will see a very large number of little motor buses plying on the road at once.

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY : That relates to passenger traffic. So far as my experience of Bengal is concerned, not a single service for the transport of goods has been established.

THE HONOURABLE SIR ARTHUR FROOM : That is not the experience of all provinces.

THE HONOURABLE NAWAB SIR MUHAMMAD MUZAMMIL-ULLAH KHAN : In the United Provinces also all the motor buses are for passengers only.

THE HONOURABLE SIR ARTHUR FROOM : I hope the United Provinces will wake up and begin to use them for carrying goods. It is not the fault of the roads ; it is the fault of the people. If you give them facilities they should use them.

I have not got very much more to say except that I also hope with the Honourable Mr. Harper that the Government of India will examine the possibility of the loans. The revenue which is estimated to accrue from this extra 2 annas is not a very big one, especially when it is divided up, but it is a small start and it has also the advantage of creating an awakening in India and calling

[Sir Arthur Froom.]

the attention of the people to this very great movement, the business of developing their roads. As you know, Sir, I and the Honourable Mr. Suhrawardy, behind me, and one of the Honourable Members of the Legislative Assembly made a long and exhaustive tour of India last year in a very short time, but in that short time we found that those who had not up to then bothered their heads about roads were ready and willing to take up this question of the development of roads in the provinces, with a little help. Chairmen of District Boards told us: "Our roads are bad; we have no money; nobody pays attention to them, not even the Provincial Governments who look after certain roads." Although we cannot at present provide all the money required, we have awakened interest in this very important subject of the development of roads.

Sir, I support whole-heartedly clause 6 of this Bill.

THE HONOURABLE MAJOR NAWAB MAHOMED AKBAR KHAN: Sir, I should like to say a few words. Nawab Sir Malik Umar Hayat Khan has satisfactorily replied to my friend Mr. Kumar Sankar Ray Chaudhury. I would, however, like to give him concrete examples to show why British forces are necessary in India. The first is that of Kohat. In Kohat I was a witness myself. I put the proposition to him. We had a brigade there. When trouble took place between Hindus and Mussalmans, the question got further, and at a certain time.....

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY: On a point of order, Sir, are we now discussing the Finance Bill?

THE HONOURABLE MAJOR NAWAB MAHOMED AKBAR KHAN: I am just replying to your point. I will come to that. You were a long time speaking. I want to have my argument now.

THE HONOURABLE THE PRESIDENT: I shall not allow the Honourable Member to argue with any other Honourable Member.

THE HONOURABLE MAJOR NAWAB MAHOMED AKBAR KHAN: Sir, the question is this, that to my mind the presence of British troops is most essential in India because in the Kohat trouble the Indian troops could not be relied on, either the Muhammadans or the Hindus, because there was a fear that they would take sides; and again I will impress the point on him that, if there had not been Englishmen looking after the place, Indian subjects would not have got out of Kabul as easily as they did. Then, there are occasions when my friend sitting in Bengal always asks for his case to be tried by an Englishman. Well, for his case work, when he wants the disinterested person, so in the Army we want disinterested people to be here to keep the balance between the Hindu and the Mussulman.

Then, the other thing, Sir, that I wanted to say was something with regard to this petrol duty. Sir, to my mind the increase of two annas is fully justified because it has been explained by the Honourable the Finance Member in the other House that the increase in the duty on petrol is not only for the advantage of the general revenues of the Central Government, but for the specific purpose which has been unanimously recommended by a committee appointed in consequence of a Resolution passed in this House. It goes without saying that the increase in the petrol duty is sure to be beneficial to Government as well as to the public. It will bring additional revenue to Government, while for the public it will make provision for more facilities in the matter of road journeys, because

the traffic will run more smoothly and quickly with less danger than at present and if roads were in better condition than they are at present it would surely result in causing less wear and tear of tyres and tubes and thereby making road journeys more economical and comfortable. No doubt, the taxis will have to pay more for their petrol consumption, but they can compensate themselves by increasing their charges per seat, but undoubtedly the taxis will have less breakdowns than they have at present. I think the Honourable the Finance Member has done his level best to make both ends meet this year by recommending this increase of two annas per gallon. I hope the Honourable the Finance Member will not resort to any fresh taxation but will economise and retrench existing expenditure and will do his best by developing the existing resources and try to explore all the possible means of avoiding any fresh taxation. I think the banking inquiry which he has promised to institute is a real effort to increase the prosperity of India.

THE HONOURABLE THE PRESIDENT: The Honourable Member is now not relevant at all. If he has finished with his highly inflammable subject, I think he had better sit down.

THE HONOURABLE MAJOR NAWAB MAHOMED AKBAR KHAN: With these remarks, Sir, I will now close my speech.

THE HONOURABLE MR. E. BURDON: Sir, I am sure that the Council have listened with the same interest as myself to the very thoughtful commentary on the Road Development scheme which has been given by my Honourable friend Mr. Harper, and to the suggestions—suggestions, if I may say so, containing a great deal of substance—which he has made. I can assure him that those suggestions will receive the very careful consideration of the Departments of the Government of India concerned. I understand that my Honourable friend does not expect that Government would on the present occasion be able to state their own conclusions in regard to any of these suggestions, and naturally the suggestions will require some considerable time for the careful study which they deserve. My Honourable friend suggested, however, that the first thing that the Government of India should do should be to formulate their own ideas on the various points which he has brought to notice and have their conclusions ready for presentation to the conference which is to be held in the coming summer. I am not sure, Sir, that in regard to certain of the Honourable Member's suggestions this process may not have to be reversed. But before continuing on this particular point, I think I should explain to the Council exactly what is intended in regard to the conference which is to be held. The intention of the Government of India is that a Standing Committee of the Indian Legislature should be appointed to deal with road development. If that Committee is appointed, a meeting will be convened in Simla in the coming summer, and it is proposed to invite to attend the meeting representatives from the provinces, and these I understand will be the Ministers who have in their charge, amongst other things, the subject of Roads. Now, Sir, when this conference meets, I think it will be for them, in the first instance, to take up certain of the suggestions which my Honourable friend has made, to examine them, to find out whether there is unanimity among the provinces in regard to them, and then, if there is, to put some definite proposal to the Government of India. For example, my Honourable friend's first point is that Government should reconsider the feasibility of financing the Road Development scheme from loans to be raised, if necessary, by the Government of India. Now, Sir, I feel sure that it will be very desirable in the first instance to find out what the general sense

[Mr. E. Burdon.]

of the provincial representatives may be in regard to this matter, and I think this is certainly a suggestion which should be considered by the conference in the first instance. Even at this stage, however, I think it would be wrong if I were to seem to hold out any suggestion that this expedient which my Honourable friend has proposed will be a simple one for the Government of India to adopt. It has been recognised that there is a difficulty in the way of Local Governments raising loans on the security of the annual grants which they may hope to receive from the Road Fund. A difficulty, similar in kind, would stand in the way of the Government of India raising loans on the security of the annual proceeds of the additional petrol tax, because that is not a certain or secured asset. This objection will, of course, be obvious to anyone who considers the matter at all closely. I do not say it is a conclusive objection, but I think it right to mention it now.

Then, Sir, the second of my Honourable friend's points is that the Committee's proposals for apportioning the Road Fund should be reconsidered so as to obtain a more equitable division. That again is certainly a matter for consideration, in the first instance, by the Standing Committee and representatives of provinces.

The third suggestion is that a maximum limit be set to the appropriation of motor spirit excise and import duties for general expenditure, any surplus being devoted to the Road Fund. Well, Sir, when I gave evidence before the Road Development Committee, a very similar point was put to me by my Honourable friend Sir Arthur Froom, and I said to him—and I am afraid I must say again now—that this is hardly an appropriate time, hardly a propitious time, to ask the Government of India to promise to sacrifice revenue.

My Honourable friend's fourth point is to ensure that the Road Fund is employed to provide for additional expenditure and not to replace normal provincial expenditure on roads. I am not quite sure what exactly my Honourable friend means by this. There are two methods in which it might be said that the Road Fund was raided. By one method the accumulations in the Fund would be diverted to some other purpose. By another method the annual proceeds of the Fund would be devoted to purposes ordinarily financed from general revenues instead of being transferred to the Road Fund. I do not think either of these raids could be carried out except with the consent of the Legislature itself, and I cannot conceive it to be likely that the Legislature would ever do such a thing. But if the Legislature were set upon it, I am afraid there is no absolute means of preventing them from doing so. I find, Sir, that I have omitted something. I have just dealt with the question of raiding the Road Fund. The other point I have to deal with is the question of ensuring that the Road Fund is employed to provide for additional expenditure and not to replace normal provincial expenditure. As regards this, I have always understood it to be the intention that the special machinery that has been devised should have this for one of its objects, namely, to ensure that the additional money which is raised through the additional petrol tax results in additional expenditure on the development of roads. The machinery consists essentially in the Standing Committee which is to be appointed and in the annual vote of the Legislature. I assume that one of the functions of the Committee would be to see that the grants which it makes are expended on the purposes for which the grants are given, and that if this is not done, further grants will not be given in future. Similarly, I imagine that the Legislature will be interested in seeing that the additional tax which it has voted goes in the proper direction and on the occasion on which it votes the tax annually will endeavour

to satisfy itself by examining the reports, returns and statistics which will be furnished by the Standing Committee, that actually matters are taking their proper course.

My Honourable friend's sixth point is that Burma should be given her full share of the portion of the grant which is to be retained by the Government of India for all-India projects. That is essentially a matter which should be considered first by the Standing Committee and the provincial representatives who, I imagine, will inquire first of all what the Government of Burma themselves have to say on this particular subject.

The last point is that the Government of India should get into touch with the consumers of petrol in aeroplanes with a view to arriving at a satisfactory system by which aviation spirit properly used may be exempted from the excise duty. That, Sir, I am afraid is quite a new point to me, but I think I may say that we will undertake to consider this particular proposition directly with as little delay as possible.

THE HONOURABLE THE PRESIDENT: The question is :

"That clause 6 do stand part of the Bill."

The motion was adopted.

Clause 6 was added to the Bill.

Schedule I and Schedule II 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 making my final motion, I wish to make a very few observations with reference to what was said at an early stage of our proceedings to-day by the Honourable Sir Arthur Froom and one or two other Honourable Members. I wish to say this that I think the Honourable Members who have expressed that view are entirely justified in taking exception to the necessity which has been placed upon this Council of having to take the Finance Bill into consideration and pass it on the same day as the Bill was laid on the table. I think, as I say, they are entirely justified in the views that they hold and these views have my entire sympathy. Indeed, in my opening remarks, I was careful to say that Government themselves very much regret the necessity, because, in particular, the unusual procedure which we have had to adopt denies to the Honourable Members of this Council the full measure of consideration which Government at all times desire to accord to them. On the other hand, Sir, when my Honourable friend said that in his opinion Government ought to have foreseen this possibility and taken steps to prevent the emergency arising, then, Sir, I do not feel that I am able to go the whole way with him. The ordinary arrangements, the ordinary precautions, which Government take have sufficed in previous years, and it would have been difficult, if not presumptuous, for Government to conceive beforehand that a situation such as has actually arisen could or would be induced. Further, even if they had done so, I cannot at the moment see what steps the Government could have taken which would have been sufficient absolutely to prevent this undesirable situation from arising. The matter, however, is naturally one which will have to receive very careful consideration from the Government. It is essential that any steps that may be possible should be taken to prevent a similar situation arising again, and I wish to give the Council an assurance that we would do our best to this end.

Sir, I move that the Bill, as passed by the Legislative Assembly, be passed.

THE HONOURABLE MR. NARAYAN PRASAD ASHTHANA (United Provinces Northern : Non-Muhammadan) : Sir, in rising to speak on the motion now before the House, I may at once say that it is not my intention to oppose the motion. But the Finance Bill has not my sympathies altogether, except in one particular which has been referred to by the Honourable Sir Arthur Froom. I cannot welcome it because there has been no relief in the burden of taxation to the tax-payer of the country. It is the constitutional right of this House only on this occasion to give vent to the grievances which remain unredressed. Although this House has got no right to make cuts in Demands or to keep an eye upon expenditure, it surely can, when the Finance Bill comes before it, go into the sources of income and thus try to control the expenditure. The mere general discussion on the Budget which takes place is in my opinion a barren procedure, because it only abounds in suggestions without any effective control on the expenditure. As we go into the sources of the income upon which this Finance Bill is based, and note the high level of taxation that it maintains, the question must surely emerge that this is necessitated because of the heavy expenditure. If the Army expenditure had not risen to 58 crores gross or 55 crores net, from about 22 or 23 crores in 1913-14, if the Lee Concessions and other numerous concessions had not come into force during this period, if other expenditure had not increased, of course the Finance Bill would not have been in this shape to-day. But then the question remains, what is the Government to do and what is our duty under present circumstances ? No doubt there have been suggestions for effecting economies. There have been suggestions for cutting down expenditure. One of the most effective suggestions was that of Indianising the services, military as well as civil. We all know that Indian labour is cheaper than British labour, that if Indians are more and more employed in high civil offices as well as in the military the expenditure will surely go down. But the military policy of the Government has been one of distrust of the Indians. What has been done to give effect to even the moderate recommendation of the Skeen Committee ? My friend the gallant Colonel Sir Umar Hayat Khan Tiwana has come to the rescue of the British army and has pleaded its cause, but I think the gallant Colonel will himself admit that he is not a bit inferior to any Colonel in the British army, and if he thinks that Indians cannot be good soldiers or that Indians are not fit even to defend their own country, then I think the Colonel has a very poor opinion of himself and of his countrymen. The fact therefore is that if the British Government had only trusted Indians and had not gone on in this way, keeping the country under military subjection for the purposes of exploitation, then surely the history of the past 150 years would have been written quite otherwise, and to-day we would have found Indians altogether sufficient and efficient to defend their own country and we would not have found the mentality which exists among some of our countrymen that we are unfit to defend ourselves. Sir, have not high civil offices been given to Indians and have they not proved their capacity ? Have not those few Indians who have been appointed to high offices under the Crown proved this beyond doubt ? I think that so far as retrenchment is concerned, this could have been done even under the present constitution. I say under the present constitution because I think that, unless the constitution of the Government is changed, no reforms and no Finance Bills can ever be acceptable to the average Indian. However, even under the present constitution economies could have been effected by using more and more Indian agency in the civil and military services. Sir, the constitutional changes which have been demanded by Indians and are being demanded are not such as after 150 years of British rule could not be granted to them. I hope

1 P.M.

[Mr. Narayan Prasad Ashthana.]

that British statesmanship would rise to the occasion and would grant that which the Indians demand with a glad heart and willing generosity before it is too late. I wish that the British Parliament would after all give the Indians the right to be masters in their own house and make India an equal partner in the Commonwealth of British nations.

Now, Sir, so far as the particular provisions of the Finance Bill are concerned, we find that the postal rates which were doubled for emergency purposes have been maintained since then ; the high level of taxation on such a common necessity as salt has also been maintained over a long period of years. I may say that these are taxes on the poorest of the poor, and if we could have had any relaxation in that burden, it would have been received with delight and the Finance Member would have been congratulated upon it. Sir, representing as I do the landed and the moneyed classes (being a Member of the Council of State) I have to say something on their behalf also. The moneyed classes are no doubt suffering from the hardship of the income-tax and super-tax and also from a good deal of harassment in its administration. I wish that the income-tax could have been graded in such a way as to work lesser hardships and also to avoid that inquisition which precedes the assessment. Such being, Sir, our grievances I would have urged this Council to refuse the supplies and to reject the Bill, but as I understand that our Finance Member is new to the labours of his office and that he must begin with a *status quo* let us wait for a year and see what he does. Sir George Schuster comes to us with an international reputation, and we hope and trust that under his fostering care and constant watchfulness the finances of India will improve, that suitable economies will be effected and that the material well-being of the Indians will be effected. Our Finance Member has given a promise to us that he will serve the country in its best interests. Let us hope that when he lays down his office, it may be said of him that he has fulfilled his promise and that he has given his best to the service of India.

Sir, with your permission, may I say only one word more, and that is to add our tribute of praise to the Honourable Mr. E. Burdon, who will handle for the last time the Finance Bill in this Council. (Applause). Our Finance Secretary has been so very popular in this Council that it is not a little tribute to him that he persuaded this Council this morning to come to a unanimous conclusion that the Finance Bill may be considered without being laid on the table for three days. He has been so popular, so efficient and so helpful to the Members of this Council that we cannot but add our tribute to him before he lays down the office of Finance Secretary in October next. (Applause).

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, to fix rates of income-tax, and to raise the import and excise duties on motor spirit, as passed by the Legislative Assembly, be passed."

The motion was adopted. (Applause).

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH : Sir, for the reasons already given by me when I made my last statement, it is

[Khan Bahadur Sir Muhammad Habibullah.]

again impossible to state definitely when it will be necessary for this House to meet again for the disposal of Government business. It will not in any case be before Wednesday, the 3rd April. I therefore again propose, Sir, with your concurrence, that the date of our next meeting be left open. Honourable Members will be circularised as soon as the date can be fixed. When that will be depends, as Honourable Members are aware, on the progress of Government business in another place.

THE HONOURABLE THE PRESIDENT: The Council will adjourn. The date of the next meeting will be notified to Honourable Members.

The Council then adjourned to a date to be notified later.

COUNCIL OF STATE.

Monday, 8th April, 1929.

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.

CONFIRMATION OF TEMPORARY CLERKS IN THE ARMY DEPARTMENT.

209. THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY : (*a*) Is it a fact that in the Army Department men are kept on in temporary appointments for years before they can be confirmed ? If so, why ?

(*b*) Is the period of temporary service counted towards pension ?

THE HONOURABLE MR. J. A. WOODHEAD : In the unavoidable absence of His Excellency the Commander-in-Chief, may I, Sir, with your permission, answer the question ?

(*a*) A certain portion of the Army Department clerical establishment was retained on a temporary basis shortly after the war. The whole of this portion has, however, now been made permanent, and the clerks concerned have been given the full benefit of their temporary service in fixing their permanent pay.

(*b*) Yes, under article 370, Civil Service Regulations, if the temporary appointment is subsequently made permanent.

THE HONOURABLE SRIJUT RAMA PRASAD MOOKERJEE : Is Government aware that there are many temporary assistants in the clerical division of the Army Department who are not given the benefit of the temporary service rendered by them in the Department ?

THE HONOURABLE MR. J. A. WOODHEAD : Sir, I would ask for notice of that question.

ASSISTANTS IN CHARGE OF IMPORTANT SECTIONS OF THE ARMY DEPARTMENT.

210. THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY : (*a*) Is it a fact that junior assistants have been placed in charge of important sections of the Army Department ?

(*b*) Who is in charge of Section "E" ?

(*c*) Why are men from selection grades not selected for assistants in charge of sections ?

THE HONOURABLE MR. J. A. WOODHEAD (on behalf of His Excellency the Commander-in-Chief) : (*a*) No, Sir.

(*b*) There is no longer an E Section ; but No. 5 Section, which corresponds to the old Section E, is in the charge of the Establishment Officer. It consists of two sub-sections, both of which are in the charge of a Superintendent.

(*c*) Does not arise.

POWERS OF LOCAL GOVERNMENTS AND REGISTRARS OF JOINT STOCK COMPANIES IN THE MATTER OF REGISTRATION OF COMPANIES.

211. THE HONOURABLE MR. ANUGRAHA NARAYAN SINHA: (*a*) Have the Government of India bestowed any and, if so, what powers (besides those which the Local Governments possess under the Indian Companies Act) of interference with the duties and functions of Registrars of Companies under the Indian Companies Act, particularly in the following matters:

(*i*) To call upon a Registrar to refuse registration of a Company without assigning any reasons where a Company or an Association is authorised to be registered after the persons forming it were associated for a lawful purpose as required by the Indian Companies Act (VII of 1913);

(*ii*) To call upon a Company or Association registered by way of a guaranteed limited liability Company to apply for a trading certificate under section 103 of the Act;

(*iii*) To refuse or withhold such certificate after the requirements under the said section have been duly complied with;

(*iv*) To register a Company with definitions and articles which do not conform to the provisions of the Indian Companies Act?

(*b*) If the reply be in the affirmative, will Government lay such orders or instructions to Local Governments on the table of the House?

(*c*) Are Registrars of Companies given any other and, if so, what powers in the matters following:

(*a*) Refusal to register a Company or an Association which has been incorporated for a lawful purpose and without giving reasons for refusal;

(*b*) To call upon a Company or Companies limited by guarantee to make and file a statement in lieu of Prospectus and a Declaration under section 103 of the Act;

(*c*) To refuse or withhold a Trading Certificate after the requisitions are complied with;

(*d*) To register a Company or Companies whose definitions and articles are in violation of the Indian Companies Act?

THE HONOURABLE MR. J. A. WOODHEAD: The Government of India have issued no instructions to Local Governments or Registrars of Joint Stock Companies on any of the matters mentioned by the Honourable Member.

ELECTION OF THE PANEL FOR THE STANDING COMMITTEE ON ROADS.

THE HONOURABLE MR. A. C. McWATTERS (Industries and Labour Secretary): Sir, I beg to move:

"That this Council do proceed to elect in the manner described in the Rules published in the Home Department Notification No. F. 49, dated the 22nd August, 1922, as amended by the Home Department Notification No. D.-794-C., dated the 30th January, 1924, a panel consisting of 6 members from which 3 members of the Standing Committee to advise on matters relating to Roads will be nominated."

Sir, this motion does not require any great explanation from me. As the Finance Bill has recently been passed in both Houses, money has now been provided by an addition to the petrol excise for carrying out the recommendations of the Indian Road Development Committee which have been in principle accepted by Government. One of the most important recommendations of that Committee was for the appointment of a Standing Committee of the Indian Legislature for Roads. The Committee recommended that—

"A Standing Committee of the Indian Legislature for Roads should be appointed, similar in constitution and functions to other departmental Standing Committees, which would advise the Governor General in Council on all matters relating to roads,"

and it is in literal fulfilment of this recommendation of the Roads Committee that I am making the present motion. It is true that the portion of the Committee which is to represent the Legislative Assembly has not yet been appointed. But Government see no reason why the representation from the Council of State, to whom after all is due the initiation of this new roads policy, should not be carried out. Therefore, Sir, I move my motion and I have no doubt whatever that this House will give it its support.

THE HONOURABLE SRIJUT RAMA PRASAD MOOKERJEE (West Bengal: Non-Muhammadan): Sir, I do not oppose the motion moved by the Honourable Member, but may I make one inquiry as to whether it is the intention of Government to take the advice of the Committee that will be formed, because it was said by the Honourable Member who moved the motion that the Committee will be of the same character as the other Committees which we have in other Departments? From what we know of the advice that is taken of the different Departmental Committees by Government, I am not very sanguine at the present moment that the Committee will serve any useful purpose if Government consult this Committee in the same way. If Government is really willing to take the opinion of the Members of this House or of the other House, then certainly the Committee is needed, but not otherwise.

THE HONOURABLE MR. A. C. McWATTERS: I should like to say just a few words in reply to that inquiry. It is the intention of Government that this Committee should be consulted. In fact, the Roads Committee themselves made a definite recommendation. No. 12 of the Summary of their recommendations runs:

"Grants should be made to each province, up to the amount so apportioned to it in each year, for expenditure on projects approved by the Governor General in Council with the advice of the Standing Committee of the Indian Legislature for Roads."

As I have said, Government have accepted in principle the recommendations of the Roads Committee and therefore it must be assumed that they have also accepted that particular recommendation. I may add that our intention is to call a conference in Simla during the summer of the representatives of the provinces, the Ministers who would be in charge of this subject, and we propose to invite the members of the Central Committee such as have been appointed or will be appointed, to take part in the conference, and their advice will be taken in accordance with the recommendations of the Roads Committee. I might also add, as remarks have been made about some of the other Standing Committees, that I think the Honourable Member's criticisms do not apply to the Committee in my Department which is regularly consulted in matters of importance.

THE HONOURABLE SRIJUT RAMA PRASAD MOOKERJEE: Not the Education Committee.

THE HONOURABLE THE PRESIDENT: The question is:

"That the following motion be adopted, namely:

'That this Council do proceed to elect in the manner described in the Rules published in the Home Department Notification No. F. 49, dated the 22nd August, 1922, as amended by the Home Department Notification No. D.-794-C., dated the 30th January, 1924, a panel consisting of 6 members from which 3 members of the Standing Committee to advise on matters relating to Roads will be nominated'."

The motion was adopted.

THE HONOURABLE THE PRESIDENT: I have to ask whether Government intend or propose that effect should be given to that motion in the current Session.

THE HONOURABLE MR. A. C. McWATTERS: Yes, Sir, we regard it as of importance.

THE HONOURABLE THE PRESIDENT: One of the principles followed at the nomination stage of an election of this nature is that no Honourable Members of the Council should be nominated without their consent. That I fear limits very considerably for the Council their choice in the matter, because so many Honourable Members at this late stage of the Session are absent that it would be almost impossible to obtain their consent to their nomination in time to enable the election to take place. I have therefore grave doubts whether I should call upon the Council now to proceed with the election. I shall be glad if the Honourable Mr. McWatters would explain to the Council his views on the matter from that aspect.

THE HONOURABLE MR. A. C. McWATTERS: The question is an extremely difficult one owing to the late stage at which it has been possible to make this motion. It was impossible to make it until after the Finance Bill was passed, because until the Finance Bill was passed there was no acceptance in principle by both Houses of the extra taxation on petrol. Therefore the delay in making the motion is due, if I may say so, to no fault of ours. I quite recognize the difficulty in obtaining the consent of Honourable Members to serve, and the only suggestion I can make is that either this Committee of 6 should be constituted from Members who are here present or that you, Sir, may be willing to allow nominations without requiring the consent of the Members concerned. I know that many Honourable Members who are not here are interested in the subject and probably they would be agreeable to their nomination.

THE HONOURABLE SARDAR BAHADUR SHIVDEV SINGH UBEROI (Punjab: Sikh): May I know the term of office of this Committee?

THE HONOURABLE MR. A. C. McWATTERS: All these Committees function for one year. So that it will be quite possible to have a new Committee of a different constitution in the following year. This is after all a preliminary stage in this road development question and we are groping in the dark to some extent. I think if a preliminary Committee were appointed, even if somewhat limited in choice of personnel, it would be better than not having any Committee at all.

THE HONOURABLE THE PRESIDENT: In view of the fact that the term of office of the Committee is one year only and also of the urgency spoken of by the Honourable Mr. McWatters, I think I shall have to ask the Council

[The Honourable the President.]

to proceed to the election this Session if possible. At the same time it will be impossible for me to insist that every nominee should have given his consent beforehand. Several of the Members of the Council are already on the high seas on their way to England and others are at some considerable distance from Delhi. I fix 11 o'clock on Wednesday morning, the day after to-morrow, for the receipt of nominations by the Secretary.

ELECTION OF A MEMBER TO THE GOVERNING BODY OF THE CENTRAL COUNCIL OF AGRICULTURAL RESEARCH.

THE HONOURABLE THE PRESIDENT: Honourable Members will now proceed to elect a Member to the Governing Body of the Central Council of Agricultural Research. One Member only is to be elected. Up till a few minutes ago there were three candidates, the Honourable Colonel Nawab Sir Umar Hayat Khan, the Honourable Mr. V. Ramadas Pantulu and the Honourable Mr. Mahmood Suhrawardy, but the last named, the Honourable Mr. Mahmood Suhrawardy, has just now withdrawn his nomination. There will therefore be a straight ballot between the Honourable Colonel Nawab Sir Umar Hayat Khan and the Honourable Mr. V. Ramadas Pantulu. Ballot papers will be handed to Honourable Members in their seats. All they have to do is to place a cross in the second column against the Honourable Member for whom they vote. They will not sign the ballot papers.

(Ballot papers were then distributed to Members and when duly filled in and returned were counted by the Secretary of the Council.)

THE HONOURABLE THE PRESIDENT: The number of votes for the Honourable Colonel Nawab Sir Umar Hayat Khan is four.

The number of votes for the Honourable Mr. V. Ramadas Pantulu is 21.

I therefore declare the Honourable Mr. V. Ramadas Pantulu duly elected.

THE HONOURABLE THE PRESIDENT: It only remains for me to adjourn the Council. When I called a meeting for to-day, I did so in full confidence that by this morning there would be some legislation disposed of in another place to be laid on the table here. My forecast, however, has been falsified and I can only do, as I have done before, adjourn the House to an indefinite date. It will be notified to Honourable Members as soon as we are in a position to fix the date of meeting. The Council will now adjourn.

The Council then adjourned to a date to be notified* later.

*Subsequently the date of the next meeting was fixed for Tuesday, the 9th April, 1929.

COUNCIL OF STATE

Tuesday, 9th April, 1929.

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. SHAMALDHARI LALL (Department of Industries and Labour: Nominated Official).

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 to make provision for the investigation and settlement of trade disputes and for certain other purposes, which was passed by the Legislative Assembly at its meeting held on the 8th April, 1929.

TRADE DISPUTES BILL.

THE HONOURABLE MR. SHAMALDHARI LALL (Department of Industries and Labour: Nominated Official): Sir, I have in my hand a notice, which I propose to hand over to the Secretary, of a motion that the Bill which has just been laid on the table of this House be taken into consideration, and if that motion be carried, that the Bill be passed. I am aware, Sir, that in accordance with the normal procedure of this House these motions would ordinarily be set down on the list of business not earlier than the 12th April, that is, three clear days after the notice has been given. In view, however, of the lateness of the season and of the uncertainty of the programme of Government business, the reasons for which have been explained to the Council, it would best suit Government and, I suggest, be also for the convenience of Honourable Members if you, Sir, would direct under rule 27 that the motion be set down on the list of business at some earlier date.

THE HONOURABLE THE PRESIDENT: There seems to be no opposition to that proposal and I do not think the House would desire me to insist in this case on the full three days' notice. I am therefore directing that there shall be a meeting on Thursday next and for that meeting it will be open to the Government to put Mr. Lall's motion on the list of business.

The Council will now adjourn till Thursday, the 11th April, at 11 o'clock in the morning.

The Council then adjourned till Eleven of the Clock on Thursday, the 11th April, 1929.

COUNCIL OF STATE.

Thursday, 11th April, 1929.

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

RECENT BOMB OUTRAGE IN THE LEGISLATIVE ASSEMBLY.

THE HONOURABLE THE PRESIDENT: I desire to claim the attention of the Council for a moment this morning while I make a brief reference to the events which happened in the Chamber of the Legislative Assembly on Monday morning. The Council will realise that for obvious reasons the occurrence of that morning cannot at this time be a subject for discussion here, but I feel convinced that all Honourable Members would like to join with me in placing on record our condemnation and deep abhorrence of the dastardly outrage committed in the other Chamber. The House, I am sure, will desire to associate themselves with me in an expression of our profound sympathy with the Honourable the President and the Members of the Legislative Assembly; with the Government; and particularly with those persons, Members of the Legislature and others, who received injuries; of our prayer for their speedy recovery; and finally of our heartfelt thankfulness that the casualties which resulted were slight compared with what they might have been; that we have been spared from what might so easily have been a tragedy of the first magnitude, and that by the grace of Providence the lives of our Colleagues in the other House have been miraculously spared.

TRADE DISPUTES BILL.

THE HONOURABLE MR. SHAMALDHARI LALL (Department of Industries and Labour: Nominated Official): Sir, I rise to move that the Bill to make provision for the investigation and settlement of trade disputes, and for certain other purposes, as passed by the Legislative Assembly, be taken into consideration.

Sir, the Bill which is now before the House is a measure of some importance, and in making this motion I am painfully conscious of the heavy responsibility which has fallen somewhat unexpectedly on my inexperienced shoulders. The nervousness and hesitation which is only natural on such an occasion is, however, in my case largely overcome by the belief that the sympathy and kindness of this House will overlook all my faults and shortcomings. I shall endeavour to be as brief as possible, and I know that owing to the lateness of the season, a short speech would be most welcome. But I will be failing in my duty if, in view of the importance of this measure and the public interest which it has aroused, I do not to the best of my ability explain in some detail its main principles and the objects underlying them. I will begin, Sir, with a brief retrospect of the circumstances leading to the introduction of this measure. This will, I hope, enable me to dispose of a charge which has been made against Government that it is acting with indecent haste in rushing this measure through the Legislature. The question of legislation was first taken up in 1919, in which

[Mr. Shamaldhari Lall.]

year the British Industrial Courts Act was passed. Most of the Local Governments who were then addressed expressed the opinion that, in view of the lack of organisation among the workers, legislation of the kind was unlikely to be effective. The matter was therefore dropped. But in 1924, at the instance of the Government of Bombay, the Government of India again took up the subject. Their proposals, which were embodied in a draft Bill and circulated to Local Governments for opinion, met with a somewhat mixed reception and it was soon apparent that legislation of the kind would present many difficulties until the workers were able to organise themselves into strong and responsible trade unions. The Government of India therefore concentrated their energies on the Trade Unions Bill which was passed by both Houses of the Legislature early in 1926. In the meantime, however, there was no diminution in the loss occasioned by industrial disputes and the seriousness of the situation was brought home forcibly last year when a wave of industrial unrest swept through the country and very nearly paralysed two of its most important industries, namely, the textile industry in Bombay and the steel industry in Jamshedpur. I do not wish to bore the House with detailed statistics, but I will give just a few figures which will illustrate the necessity as well as the urgency of this measure. In 1928 the total number of working days lost as a result of industrial disputes reached the record figure of 31½ millions, which was even greater than the total number of working days lost in the five preceding years taken together. The general strike in the Bombay textile mills involved a loss of about 21 million working days and of nearly 3½ crores of rupees in wages alone. I do not for a moment wish to suggest that this Bill, if passed into law, will put an end to all industrial disputes. No legislation can do that and all we can hope is that the legislation we propose to set up will, as in other countries, make some contribution towards the movement for industrial peace. Co-operation between capital and labour cannot be promoted by legislation alone, and we must continue to rely on the good sense of both parties for the achievement of the object which we all desire and which is so necessary in their own interests. There is another point to which I would like to invite attention. There is no finality about this measure. It is of a somewhat experimental nature. Honourable Members will observe from sub-clause (*4*) of clause 1 that the Bill will come up for reconsideration by the Legislature, if it is still considered necessary, after it has been in force for a period of five years. This sub-clause did not exist in the original Bill as introduced in the Legislative Assembly, but Government agreed to its insertion as it was all along intended that the provisions of the Bill would be reconsidered after some experience had been gained of its working.

The Bill may for convenience be divided into three parts. The first part, consisting of clauses 3 to 14, deals with the establishment of tribunals for the investigation and settlement of trade disputes. The second part, clause 15, relates to public utility services which are defined in clause 2 (*g*) of the Bill. The third and last part of the Bill, consisting of clauses 16 to 18, contains certain special provisions relating to illegal strikes and lockouts which are based on recent legislation in Great Britain. The criticism has been made that the Bill jumbles together provisions which are in no way connected with each other. This criticism, I submit, is not justified as there is one fundamental principle underlying all three parts of the Bill, namely, that disputes between employers and workmen do not concern employers and workmen alone, but also the community as a whole and involve an obligation upon Government. The soundness of this proposition has not been challenged and experience has also shown that neither of the two contending parties can hope for success if it

provokes the third party, namely, the community as a whole which is also vitally concerned, though indirectly. The principles underlying each of the three parts of the Bill are in harmony with the general principles which I have just stated, and in my opinion the Bill contains nothing which can in any way retard the growth of legitimate trade unionism in this country.

As regards the first part of the Bill, the intention is to set up two types of machinery, namely, Boards of Conciliation and Courts of Inquiry. The former is intended to secure compulsory conciliation and the latter compulsory investigation. The appointing authority in both cases is the Local Government or the Governor General in Council where the employer is the head of a Department under the control of the Governor General in Council. After a careful consideration of the circumstances obtaining in India the Government of India came to the conclusion that for successful working it would be necessary to leave it to the discretion of the appointing authority to decide when and which particular type of machinery is to be set in motion. It also considered that the discretion of the appointing authority should not be fettered in any way with regard to the constitution of both the Boards of Conciliation and the Courts of Inquiry. The only restriction imposed was that in the case of a Board of Conciliation the parties to the dispute were to be represented in equal numbers unless the appointing authority thought it necessary to appoint only a single independent person. It was for this reason that the panel system, which was a feature of the original proposal of the Government of India, was abandoned as being impracticable. Two minor modifications were made in the Bill as introduced in the other place. In the first place, a proviso was added to clause 3 which made it compulsory for Government to appoint a Court or a Board when it was assured that both parties were agreed as to the necessity of a reference as well as to the form which that reference should take. Secondly, it was considered that a Court should not include any person having an interest in the dispute or concerned in an industry which was affected by the dispute. It will be observed that the findings of either a Board of Conciliation or a Court of Inquiry are not in any way binding on the parties. But we hope to be able to mobilise public opinion in order to bring about the speedy settlement of industrial troubles. As stated by the Honourable Mr. McWatters in another place, " it is the public and the press who are to be our High Courts of Appeal ". It has been urged in some quarters that the Bill is a one-sided measure directed against the workers in India. I do not however remember to have seen any criticism of labour representatives on the principles underlying the first part of this Bill, which in my opinion should prove to be very useful in helping the workers of the country to obtain their legitimate rights. The public and the press are on the whole sympathetic towards the working classes, particularly if they have any substantial grievance, and if the Bill passes into law, the employers will have to be more careful in their dealings with their illiterate work people, because they will now run the risk that whatever they may do in secret is liable to be proclaimed from the house-tops.

I now turn to clause 15 of the Bill which contains special provisions regarding public utility services. The principle underlying this part of the Bill is that public utility services are in a category by themselves because any sudden dislocation of them inflicts a great inconvenience and hardship upon the whole community. The workers in these industries are in a particularly strong strategic position by reason of the essential services they perform, and there is therefore no injustice in curtailing to a limited extent their right to strike. The principle has been recognised in the legislation of most industrial countries. Substantial changes have been made in this clause as passed by the Legislative Assembly but the principle underlying it remains

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unaffected. As originally drafted it would have been a penal offence for workers employed on monthly wages in public utility services to withdraw from their duties without giving a month's previous notice. Heavier penalties were also provided for persons abetting such an offence. This clause came in for a good deal of criticism, both from Local Governments and from labour associations. For example, it was pointed out that it would penalise the abstention from work on the part of a particular individual, and that it was one-sided as it inflicted no penalty upon an employer who locks out his workmen. It was therefore decided to substitute in its place the existing clause which is based on the corresponding provision in the New Zealand Industrial Conciliation and Arbitration (Amendment) Act of 1908. It will be observed that the clause as now drafted requires 14 days' previous notice instead of one month as provided in the original Bill. It makes it clear that a cessation of work must be in the nature of a strike as defined in clause 2 (*i*) of the Bill, and that in order to render it a penal offence, the strike must be in breach of a definite contract between the employer and the workmen. Further the clause is now bilateral, as it deals with a lock-out in a public utility service in the same way as a strike. The provisions of clause 15 must be read in connection with the definition of "public utility service" in sub-clause (*g*) of clause 2 of the Bill. There have been two and opposite lines of criticism against the definition of the term "public utility service". It is maintained by some that the definition is unduly wide and that only the services which supply light and water to the community should be treated as "public utility services". On the other hand it is argued that the definition is much too narrow as it leaves out two important services, such as tramways and inland steam vessels. The Government of India have throughout proceeded on the policy that it would be desirable to move cautiously in this matter, and although the scope of sub-clause (*g*) of clause 2 is somewhat restricted, it does secure substantial protection to the community against the hardship caused by lightning strikes. Originally this clause contained a provision enabling the Government of India to declare any industry, business or undertaking to be a "public utility service". This was, however, omitted in the Bill as finally passed in the other place. It will thus be seen that the scope of the term "public utility service" has been considerably restricted and it may safely be assumed that, if the employees in the limited number of essential services which are now included in clause 2(*g*) decide to violate the provisions of clause 15, they will be alienating the sympathy of the community as a whole and will thus be minimising their chances of gaining any concessions from their employers.

I turn now to the third part of the Bill which contains certain special provisions relating to illegal strikes and lock outs. The provisions of this part of the Bill have been subjected to severe criticism, and it has even been suggested that it is the counterpart of the Public Safety Bill which is under consideration in another place. I submit, however, that there is nothing political in this or in any other part of the Bill and the provisions of clauses 16, 17 and 18, which follow closely the provisions of the British Trade Disputes and Trade Unions Act, 1927, are based entirely on economic considerations. A strike to be "illegal" under clause 16 must satisfy both of two conditions. First of all, it has to be a strike which is not purely industrial, and secondly, it has to be a strike which is directed not against the individual employer but against the very vitals of the community. It has been argued that the provisions of clause 16 would penalise a sympathetic strike. This, however, is not the case. The clause does not touch a sympathetic strike any more than it touches any other strike unless it satisfied both of the two conditions

which I have just mentioned. Thus the strike which took place in the Bombay textile mills last year was a sympathetic strike on a very large scale, but it would clearly not come within the scope of this clause, as the first of the two conditions was not fulfilled. The clause is directed against a general strike such as occurred in Great Britain in 1926. A similar strike has not yet taken place in India and I may be asked why the Government of India have thought it necessary to provide for a contingency which has not yet arisen. I would, in reply, point out that in India the methods of industrial warfare have been closely copied from Great Britain and there is sufficient evidence to show that the ground is being prepared for a general strike. I could refer to speeches made by the extremist labour leaders and also to resolutions of important labour organisations which contain the threat of a general strike. Such threats, I may be told, should not be taken seriously. They may be straws, but they indicate unmistakably which way the wind is blowing. Great Britain had a bitter experience of the general strike of 1926. Apart from the inconvenience caused to the public, it meant a serious set-back to almost every form of industrial activity of the country. Great Britain was able to recover after a long time and with great difficulty, but would industrial India be able to survive the shock of such an upheaval in the labour world ? One has only to picture the effects of a general strike to turn away from it. No responsible labour leader can claim that such a strike is likely to help the cause of the workers in the country. Indeed it is very like a boomerang which after injuring others will revert at last to the person who threw it.

Sir, I realise that the Bill which is now before the House has evoked a good deal of hostility throughout the country. Such has been the fate of similar legislation in other countries. In India, however, the hostility is due to the fact that the Bill has unfortunately been engulfed in the whirlpool of politics. That it has emerged in the form in which it is now before the House is, if I may say so with respect, due largely to the tact and energy of the Honourable Member in charge of the Bill in the other place. I have endeavoured to show that this is an economic measure pure and simple and that its provisions are conceived in the best interests of the country as a whole and also of the working classes. I have no doubt that the suspicions which genuinely exist in the minds of some of the trade union organisers in the country will soon be dispelled when it is realised—if indeed there is still any doubt on this point—that it was never the intention of Government to forge a weapon to cripple the growth of the trade union movement of the country, which it has itself tried to encourage, or to penalise the workers for the sake of any section of the community.

Sir, I move. (Applause).

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY (East Bengal : Non-Muhammadan) : Sir, I rise to oppose the motion now before the House on two grounds : firstly, because of its main policy being to coerce labour and, secondly, on account of the futility of all efforts on my part to modify the Bill so as to make it acceptable to the people. The history of labour legislation in England, Sir, until 1871 has uniformly been against the interests of the labouring class. It began with the Ordinance of Labourers in 1349 addressed to the Sheriff of Kent in the following words :

" Because a great part of the people, and specially of the workmen and servants has now died in this plague, some, seeing the necessity of laws and the scarcity of servants, will not serve unless they receive excessive wages, and others preferring to beg in idleness rather than to seek their livelihood by labour. We, by the unanimous counsel of our prelates and nobles have thought fit to ordain that every man and woman of our realm..... shall be bound to serve and receive wages as in the 20th year of our reign."

[Mr. Kumar Sankar Ray Chaudhury.]

These ideas found expression in Acts of Parliament in 1349-50 and Justice Finchden in the 40th year of Edward III said :

"The statute was made to advantage the Lords that they should not lack servants. Persons who came within the statute were compelled to work at a rate to be fixed by the justices instead of by reference to the earlier wages paid ; and anyone who asked for more or refused to serve was to be imprisoned and pay double as penalty."

By the time of Edward VI all combinations of workmen or labourers "not to make or do their work but at a certain price or rate" were forbidden.

The system of the statutory fixing of wages by Justices of the Peace was abolished during Elizabeth's reign and gradually, by the close of the 18th century, State control had become superseded by individual bargaining. Workmen who had formerly resisted the State regulation of labour now began to petition Parliament for State regulation, but Parliament made no response to it. The failure of these petitions caused workmen to take the law into their own hands and trade combinations as such started. As soon as this happened, Parliament again intervened and from 1720 to 1795 various Statutes were passed for regulating wages in various trades. Withholding of labour as a means of raising wages was decided as early as the reign of Henry V as civilly unlawful at common law as being in restraint of trade. From early times combinations in restraint of trade were also made illegal conspiracies by Statute and by the Combination Act of 1800 every combination for obtaining an advance in wages, altering the hours of work or decreasing the amount of work or preventing any person employing whomsoever he might think fit to employ or for preventing workmen hiring themselves, or attempting to induce workmen to leave their work was declared illegal, so also attending any meeting called to advance any of these objects.

This Act was repealed in 1825, but new offences of "molestation, intimidation, threats and obstruction" to force or prevent a person accepting or giving employment or joining any association were specifically created and a number of cases were decided on the ground that conspiracies in restraint of trade were offences at common law. At last the Trade Union Act and another Act were passed in 1871 which, with some amendments passed from time to time, have brought the law in England somewhat into line with the law sought to be introduced now in this country. But I venture to submit the conditions in India are not the same as those in England and therefore the state of the law in England, against which loud complaints are being made even in that country, is far less applicable to the circumstances in which India is now placed. In England, Sir, the sovereignty of the people has been established by the adoption of universal franchise. Labour unions are highly organised and labour is possessed of much political power. Trial by jury prevails in England. But in India, Sir, the people have no power and the labourers are depressed, uneducated and oppressed. Much depends also upon who administer the laws, and so long as the judiciary are controlled by the executive, the administration of law is bound to be more rigorous. That, Sir, is the reason why the piece of legislation now before the House will be particularly injurious to the interests of labour.

I shall deal now generally with the provisions of the Bill. Clauses 3 to 7 deal with the reference of disputes to Courts and Boards, but no binding effect is to be given to the decisions arrived at by them. Unless this is done, it will, I venture to submit, tend to bring the differences more acutely to the surface without affording any means of solving them. Whatever might be said about the decisions arrived at by Courts, certainly when a matter is referred to a

Board of Conciliation by both sides means ought to be adopted to penalise the party who would not abide by the decision of such Boards, even if such decisions cannot be specifically enforced on account of their being contracts in the nature of continuous personal service. Strikes and lock-outs are being penalised in various ways and I fail to understand why parties failing to act up to the decision of a Board of their own choice should not be similarly penalised, as has been done successfully in Australia and some other countries.

I now come to the clauses relating to the public utility services. Reserving my remarks about the details of the various clauses, I may for the present say that so long as the public do not intervene in trade disputes and enforce upon the disputing parties what they think to be just and proper, they have no right to penalise the disputants in any way for unwittingly causing any inconvenience to them. It is an elementary principle of jurisprudence, Sir, that every man has a right to act in any way he likes, so long as he does not interfere with similar rights of other people, no matter how other people may indirectly be prejudiced thereby. Clause 16 also, Sir, seems to me to be quite illogical and unreasonable. You can declare certain objects to be illegal, but when you go on to say that every other object beyond these is illegal, all that I can say with due respect, Sir, is that you exceed the bounds of reason. Take as an illustration the case of the operatives of a certain highly technical branch of the Tata Iron Works. They go out in a body and join some other firm who offer them better pay and conditions of service ; that is likely to inflict severe general and prolonged hardship upon the community and may compel the Government to take a particular course of action, howsoever vague and indefinite or insignificant it may be. Will their conduct be illegal ?

THE HONOURABLE MR. SHAMALDHARI LALL : No.

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY : Clause 18 also in my opinion violates the elementary principles of the rule of majority and freedom of association, and as long as the rule of majority is guiding the destinies of nations I fail to understand why it should fail to do so in case of a certain section only in the society. I need not however dwell on these clauses at any great length as our position with regard to them has been made perfectly clear by our leaders in the other House. The main object of these clauses seems to me to be to prevent labour using strikes as a means of attaining political power. The inclusion of the word " lock-out " is a mere eye-wash and can deceive nobody but the Government. I may here warn the Government in the words of Lord Bryce that

" democracy has no more persistent or insidious foe than the money power, to which it may say as Dante said when he reached, in his journey through Hell, the dwelling of the God of Riches : ' Here we found Wealth, the great Enemy'. That enemy is formidable because he works secretly, by persuasion, or by deceit rather than by force, and so takes men unawares."

If democracy therefore needs protection it is not from labour but the capitalists, and if restrictions are to be put they should be put on them in order to prevent them from exploiting not only labour, but the whole society politically and economically to their advantage.

THE HONOURABLE MR. SHAMALDHARI LALL : I have listened, Sir, with great interest to the speech of my friend the Honourable Mr. Kumar Sankar Ray Chaudhury. I do not think that he is altogether correct in saying that clauses 15 and 16 are directed against the political activities of labourers.

[Mr. Shamaldhari Lall.]

I will remind my Honourable friend of the provisions of the Trade Unions Act in which special provision is made for a political fund. If Government were prepared to agree to a special provision for a political fund, I do not think Government would now try to take away the right of workers to indulge in any form of political activity which is not injurious to the country as a whole. He said, I think, that strikes in Tata's Iron and Steel Works come within the mischief of clause 16 because they would inflict severe general and prolonged hardship upon the community and thereby compel the Government to take or abstain from taking any particular course of action. This, Sir, is not correct because a strike to be illegal under clause 16 must comply with both the conditions which are laid down in that clause ; that is, a strike or a lock-out cannot be illegal unless it has any object other than the furtherance of a trade dispute within the trade or industry in which the strikers or employers locking out are engaged and is designed or calculated to inflict severe general and prolonged hardship upon the community and thereby to compel the Government to take or abstain from taking any particular course of action.

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY: They all go out in a body and therefore they fall within the purview of the clause.

THE HONOURABLE MR. SHAMALDHARI LALL: Not unless both the conditions are fulfilled. The first condition would not be fulfilled.

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY: It says " any other object than ".

THE HONOURABLE MR. SHAMALDHARI LALL: My friend also said that labour was in an oppressed and depressed condition in India and that we could not introduce similar legislation in India as has been done in Great Britain. He will, however, admit that in India the forms of strike action are somewhat similar to the forms of strike action which have been used in the West, and I do not therefore think that there is anything wrong in adopting legislation which has been adopted in England and other countries.

Then, as regards the first part of the Bill, my friend raised the objection that there is no use in having compulsory conciliation or compulsory investigation if the decision of the Courts of Inquiry or the Boards of Conciliation are not binding on the parties. In other words, he was advocating compulsory arbitration. He also said that compulsory arbitration was very successful in Australia. I am not so sure that he is quite correct in this statement, because I think in Australia it has not been such a success as my Honourable friend imagines. The principle of compulsory arbitration is not one which would commend itself to many, and I do not think it would be acceptable either to the employers in the country or to the working classes as a whole. It is much better to get the parties to come to an agreement than to force an agreement on them against their will.

Then again, my friend said that some of the clauses of the Bill are against the principle of freedom of association. This was a point which was raised in another place and I may assure my Honourable friend that this is not correct. The question of freedom of association was very carefully considered by the International Office at Geneva and there is nothing in this Bill which is contrary to any of the principles suggested by the International Labour Office, Geneva, as desirable and necessary for the rights of the workers.

THE HONOURABLE THE PRESIDENT: The question is:

"That the Bill to make provision for the investigation and settlement of trade disputes, and for certain other 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 MR. KUMAR SANKAR RAY CHAUDHURY: Sir, I beg to move:

"That in sub-clause (*g*) (*i*) of clause 2 of the Bill, after the words 'railway service' the words 'or any branch thereof' be added."

My object in moving this amendment is this. The Governor General in Council may not find it necessary to declare the whole of a railway service to be a public utility service. So, option should be given to the Governor General in Council to declare certain branches of it only as falling within the public utility service clause of this Bill. Take for instance the case of railway traffic. That is the department which ought to fall properly within the definition of "public utility service". Other departments may be left out. I submit that the Governor General in Council ought to be given powers to specify certain branches of the railway service only as falling within a public utility service.

I therefore move, Sir.

THE HONOURABLE MR. SHAMALDHARI LALL: Sir, this amendment is a purely drafting one and I think that it is not really necessary because "any railway service" in clause 2 (*g*) (*i*) would obviously include any branch thereof, and I do not therefore think I can accept the amendment.

THE HONOURABLE THE PRESIDENT: The original question was:

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

Since which.

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY: I have got other amendments.

THE HONOURABLE THE PRESIDENT: I am putting this amendment first. Since which an amendment has been moved:

"That in sub-clause (*g*) (*i*), after the words 'railway service' the words 'or any branch thereof' be added."

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

The motion was negatived.

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY: Sir, I beg to move:

"That in sub-clause (*i*) of clause 2 of the Bill, the words 'with a view to compelling the employer to accept their terms or conditions of or affecting their employment' be added at the end."

[Mr. Kumar Sankar Ray Chaudhury.]

My object in moving this amendment is this. In the definition of "lock-out" provided in sub-clause (*e*) of clause 2 there are these words at the end, so that if a lock-out takes place not for the purpose of compelling persons employed by him to accept terms or conditions of, or affecting, employment, the lock-out does not come within the operation of this Act. But that distinction is not observed in the case of the definition of the word "strike", so that a strike with whatever object it may be, if it is a concerted walking out, falls within the operation of this Act. I therefore submit that the two definitions ought to be brought into line and a strike, in order to come within the operation of this Act, ought to have as its object the compelling of the employer to accept their terms or conditions of employment.

I therefore move, Sir.

THE HONOURABLE MR. SHAMALDHARI LALL: Sir, I regret I am unable to accept the amendment moved by my Honourable friend. The words which he would like to insert in the definition of "strike" would strike at the very root of clause 16 of the Bill because in some cases a strike is directed not against the employer but against the community as a whole. If these words are inserted, clause 16 would not be of any use, and, as I consider clause 16 necessary, I regret I am unable to accept this 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 at the end of sub-clause (*i*) of clause 2 of the Bill the following words be added:

'with a view to compelling the employer to accept their terms or conditions of or affecting their employment'."

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

The motion was negatived.

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY: Sir, I beg to move:

"That in sub-clause (*j*) of clause 2 of the Bill, after the words 'between employers and workmen' the words 'or between employers and employers' be inserted."

The object of this amendment is, as I already gave an illustration in my speech on the general discussion, to prevent one employer seducing the workmen of another employer and disputes arising on account of that, and I therefore submit that these words ought to be added to this clause.

THE HONOURABLE SIR BROJENDRA MITTER (Law Member): Sir, this amendment in the definition of "trade dispute" would be meaningless. The Honourable Member says he contemplates a case in whch an employer seduces the employees of another employer and thereby a dispute arises between employer and employer. In the first place, such a contingency is not conceivable within the bounds of reason, and secondly, if an employer seduces the employees of another employer, that employer has the ordinary means of getting redress in damages against the seducer. That being so, it does not come strictly within the meaning of "trade dispute". It is not a trade dispute. It becomes an ordinary act of seduction for which the law has already provided.

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY: The general law provides for all these cases, I submit.

THE HONOURABLE SIR BROJENDRA MITTER: This Bill is intended to settle disputes arising in a trade. That is the fundamental basis of this Bill, and if one employer seduces the workmen of another employer, the ordinary law of seduction comes in; it is not a trade dispute. That dispute does not arise within the trade.

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 sub-clause (*j*) of clause 2 of the Bill, after the words 'between employers and workmen' the words 'or between employers and employers' be inserted."

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

The motion was negatived.

THE HONOURABLE THE PRESIDENT: The question then is:

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

The motion was adopted.

Clause 2 was added to the Bill.

THE HONOURABLE THE PRESIDENT: Clause 3.

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY: Sir, I do not move my first two amendments* to clause 3 (Nos. 5 and 6), but I move the 7th on the list, part (*a*). It runs:

"That in the proviso to clause 3 of the Bill, after the words 'separately or conjointly', wherever they occur, the words 'or in the case of the Government being the employer a majority of the workmen employed by it apply' be inserted."

The object of this amendment, Sir, is to provide for the redress of grievances of the employees of Government. Most of the public utility services and other services in this country are run by Government and, if the employees under Government do not have any chance of bringing out their grievances to have them redressed, a large amount of trouble will remain in the country. I therefore propose that provision ought to be made giving an opportunity for Government employees to bring up their grievances to the Courts and Boards.

THE HONOURABLE MR. SHAMALDHARI LALL: Sir, I regret I cannot also accept this amendment moved by the Honourable Mr. Kumar Sankar

*No. 5.—That in clause 3 (*a*) of the Bill, for the words "the Local Government or the Governor General in Council, as the case may be" the words "such High Court" be substituted.

No. 6.—That in clause 3 (*b*) of the Bill, for the words "the Local Government or the Governor General in Council, as the case may be" the words "such High Court" be substituted.

[Mr. Shamaldhari Lall.]

Ray Chaudhury. In the first place, owing to the unorganised condition of labour there is the difficulty of knowing whether the majority of the workers do or do not demand a Court or a Board. In the second place, disputes are sometimes of a very frivolous nature which it would not be desirable to submit to a Court of Inquiry or a Board of Conciliation. I regret therefore that I must oppose this amendment.

THE HONOURABLE THE PRESIDENT: The original question was:

"That clause 3 do stand part of the Bill."

Since which an amendment has been moved:

"That in the proviso to clause 3 of the Bill, after the words 'separately or conjointly', wherever they occur, the words 'or in the case of the Government being the employer a majority of the workmen employed by it apply' be inserted."

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

The motion was negatived.

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY: I do not move the second part of my amendment* No. 7 to clause 3, as the first part upon which it depends has been rejected.

THE HONOURABLE THE PRESIDENT: The question then is:

"That clause 3 do stand part of the Bill."

The motion was adopted.

Clause 3 was added to the Bill.

THE HONOURABLE THE PRESIDENT: Clause 4.

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY: Sir, I beg to move:

"That in sub-clause (*1*) of clause 4 of the Bill, the words 'or may, if such authority thinks fit, consist of one independent person' be omitted."

My object in bringing this motion is not to place the decision of these disputes in the hands of one person. It ought to be in the hands of more than one.

THE HONOURABLE MR. SHAMALDHARI LALL: I do not think, Sir, that it would be desirable, as proposed by my Honourable friend, to fetter the discretion of the appointing authority in these matters. It is conceivable, and I think that there was an instance in Ahmedabad, where the parties to a dispute may desire to have the matter decided by only one independent person. If the parties desire only one independent person, I do not see why we should by legislation prevent this. I therefore regret I have to oppose this amendment.

THE HONOURABLE THE PRESIDENT: The original question was:

"That clause 4 do stand part of the Bill."

*That after the word "each" the words "or such" be inserted.

since which an amendment has been moved :

"That in sub-clause (*1*) of clause 4 of the Bill, the words 'or may, if such authority thinks fit, consist of one independent person' be omitted."

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

The motion was negatived.

THE HONOURABLE THE PRESIDENT : The question then is :

"That clause 4 do stand part of the Bill."

The motion was adopted.

Clause 4 was added to the Bill.

Clause 5 was added to the Bill.

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY: Sir, in view of the decision with regard to clause 4, I do not propose to move my amendments* to clause 6.

Clauses 6 and 7 were added to the Bill.

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY : I do not want to move my amendment† to clause 8.

Clauses 8 and 9 were added to the Bill.

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY : I do not move my amendments‡ to clause 10.

Clauses 10 and 11 were added to the Bill.

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY : I do not move my amendments§ to clause 12 of the Bill.

Clauses 12, 13 and 14 were added to the Bill.

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*That in sub-clause (*1*) of clause 6 of the Bill, the words "or may, if such authority thinks fit, consist of one independent person" be omitted.

That in sub-clause (*2*) of clause 6 of the Bill, the words "Where the Board consists of more than one person" at the beginning be omitted.

That in sub-clause (*2*) of clause 6 of the Bill, after the words "the other members shall be" the words "either independent persons or" be omitted.

†That in clause 8 of the Bill, for the words "the Governor General in Council or of a Local Government" the words "the High Court aforesaid" be substituted.

‡That in sub-clause (*1*) of clause 10 of the Bill, the word "independent", wherever it occurs, be omitted.

That sub-clause (*2*) of clause 10 of the Bill, be omitted.

§That to clause 12 of the Bill the following sub-clause be added, namely :—

"(3) If the employer who is a party to the dispute fails to comply with the conclusions arrived at by the Court or the Board he shall be punishable with fine extending to Rs. 1,000 or in default with simple imprisonment which may extend to three months."

That to clause 12 of the Bill the following further sub-clause be added, namely :—

"(4) If the workmen who are parties to the dispute fail to comply with the conclusions arrived at by the Court or the Board they shall be punishable with fine extending to Rs. 10 or in default with simple imprisonment which may extend to three weeks."

THE HONOURABLE THE PRESIDENT: Clause 15.

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY: I beg to move:

"That in sub-clause (*1*) of clause 15 of the Bill, after the words 'in a public utility service' the words 'wilfully and maliciously' be added."

My object in moving this amendment is to bring it into line with the law in England where these words occur. I have taken them from the English Statute. The object of the amendment is this. When a strike takes place there are some persons who foment the strike and there are others who simply avoid going out for fear of being molested or otherwise insulted. I want to protect the second class of people. That is perhaps the reason why those words occur in the English law.

THE HONOURABLE MR. SHAMALDHARI LALL: Sir, if the words suggested in the amendment are inserted, it will make this clause rather difficult to apply. What is penalised is the action of workers in going on a lightning strike in a public utility service and the question of malice does not arise. I therefore do not think I can accept this amendment.

12 NOON.

THE HONOURABLE THE PRESIDENT: The original question was:

"That clause 15 do stand part of the Bill."

Since which an amendment has been moved:

"That in sub-clause (*1*) of clause 15 of the Bill, after the words 'in a public utility service' the words 'wilfully and maliciously' be added."

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

The motion was negatived.

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY: Sir, I beg to move:

"That in sub-clause (*1*) of clause 15 of the Bill, after the words 'goes on strike in breach of' the words 'the terms of a written' be inserted."

The clause when amended would read thus:

"Any person who, being employed in a public utility service, goes on strike in breach of the terms of a written contract without having given to his employer, etc."

The object of this amendment also is to bring it into line with the English law. The English law provides that the terms of such contracts should be published in a prominent place and there are provisions for penalising the non-compliance of such requirements. My amendment therefore wants to give some protection to the labourers by providing that the contracts should at least be written contracts.

THE HONOURABLE SIR BHUPENDRA NATH MITRA (Industries and Labour Member): Sir, the Honourable Mr. Ray Chaudhury has been quoting what he thinks to be provisions of the English law. Apparently he has been referred to section 6 (*1*) of the Trade Disputes and Trade Unions Act, 1927. That section runs as follows:

"If any person employed by a local or other public authority wilfully breaks a contract of service", etc.

There is nothing there about a written contract of service, nor is there anything about notices and things of that sort. We tried to introduce a provision in this Bill which would be more in consonance with Indian conditions. There are not many—in fact there are very few—written contracts of service in India for the simple reason that many of the workmen are illiterate. That being so, we framed a provision which would meet present day conditions in India and to simplify matters we put in a period of notice to be given by the employee before going on a lightning strike and no such period of notice is prescribed in the English law. That being the position, Sir, it would be impossible for Government to accept Mr. Ray Chaudhury's amendment.

THE HONOURABLE THE PRESIDENT: The original question was:

"That clause 15 do stand part of the Bill."

Since which an amendment has been moved:

"That in sub-clause (*1*) of clause 15 of the Bill, after the words 'goes on strike in breach of' the words 'the terms of a written' be inserted."

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

The motion was negatived.

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY: Sir, I beg to move:

"That in sub-clause (*1*) of clause 15 of the Bill, for the word 'fourteen' the word 'seven' be substituted."

I propose, Sir, that seven days' notice should be required and not 14 days', so that the labourers may get a somewhat shorter period of notice.

THE HONOURABLE MR. SHAMALDHARI LALL: Sir, as I said in my speech in moving for the consideration of this Bill, this clause originally provided for a period of notice of one full month. It was reduced in another place to fourteen days and I think it would defeat the object of this clause if it is now further reduced to seven days, as proposed by my Honourable friend Mr. Ray Chaudhury. The object of this clause is to enable the machinery which is set up in the first part to be put in motion so as to avoid a strike or a lock-out. I think it will be agreed that a period of seven days is much too short to enable the appointing authority to set up the machinery to settle the dispute. I must therefore oppose this amendment.

THE HONOURABLE THE PRESIDENT: The original question was:

"That clause 15 do stand part of the Bill."

Since which an amendment has been moved:

"That in sub-clause (*1*) of clause 15 of the Bill, for the word 'fourteen' the word 'seven' be substituted."

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

The motion was negatived.

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY: Sir, I beg to move:

"That in sub-clause (*1*) of clause 15 of the Bill, for the words 'with imprisonment which may extend to one month, or with fine which may extend to fifty rupees, or with both' the following words be substituted, namely:

'with fine which may extend to ten rupees or in default with simple imprisonment which may extend to ten days'."

[Mr. Kumar Sankar Ray Chaudhury.]

The object of my amendment is this. It is for the first time that you are going to make these breaches of contract penal. (*An Honourable Member*: "No".) At least in India you are for the first time going to make these breaches of contract penal, and my submission therefore is that you should introduce this new proposal gradually and instead of making imprisonment the primary punishment to make it a secondary punishment and to impose a fine in the first instance, and if one fails to pay that, then you should make him suffer imprisonment, which at any rate ought to be simple instead of rigorous.

THE HONOURABLE MR. SHAMALDHARI LALL: Sir, my Honourable friend Mr. Ray Chaudhury was not quite correct when he said that breaches of contract were being penalised for the first time in India. The Municipal Acts of most provinces provide a penalty for breaches of contract, and this provision is certainly not new to India. As regards the argument that we should first have a light fine, and then imprisonment, I do not think that the amount of fine which has been suggested by my Honourable friend would be sufficiently deterrent. I do not think that the penalty provided in this clause is excessive and I regret therefore that I cannot accept this amendment.

THE HONOURABLE THE PRESIDENT: The original question was:

"That clause 15 do stand part of the Bill."

Since which an amendment has been moved:

"That in sub-clause (*1*) of clause 15 of the Bill, for the words 'with imprisonment which may extend to one month, or with fine which may extend to fifty rupees, or with both' the following words be substituted, namely:

'with fine which may extend to ten rupees or in default with simple imprisonment which may extend to ten days'."

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

The motion was negatived.

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY: Sir, I beg to move:

"That in sub-clause (*2*) of clause 15 of the Bill—

(*a*) after the words 'locks out' the words 'any of' be inserted."

THE HONOURABLE THE PRESIDENT: Will the Honourable Member move 21 (*c*) with 21 (*a*)? They are connected, and I can put both to the Council together.

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY: And the other amendment is this:

"(*c*) for the word 'them' wherever it occurs the word 'him' be substituted."

The object of this amendment is to provide for cases of lock-out of workmen, not in a body, but individually. The clause says:

"Any employer carrying on any public utility service who locks out his workmen in breach of contract without having given them", etc.

My submission is that if individuals are locked out, the employer cannot come within the operation of this section, strictly speaking, and I therefore propose to bring in an individual lock-out.

THE HONOURABLE MR. SHAMALDHARI LALL : Sir, this amendment would be contrary to the definition of " lock-out " in sub-slause (*c*) of clause 2 of the Bill. It is not the intention of this clause to penalise either an employer who does not give employment to one or two of his workmen nor is it the intention to penalise the workmen if they leave work individually. It is a strike and a lock-out which is penalised here and we must accept the definition of " lock-out " in sub-clause (*c*).

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY : Then the definition ought to be amended.

THE HONOURABLE THE PRESIDENT : That clause already stands part of the Bill. The original question was :

" That clause 15 do stand part of the Bill."

Since which amendments have been moved :

" That in sub-clause (2) after the words ' locks out ' the words ' any of ' be inserted and for the word ' them ' wherever it occurs the word ' him ' be substituted."

The question I have to put is that those amendments be made.

The motion was negatived.

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY : Sir, in view of the fate of other similar amendments with regard to clause 15, sub-clause (*1*), I do not propose to move amendment No. 21 (*b*) proposing the insertion of the words " of the terms of a written " after the words " in breach of ".

THE HONOURABLE THE PRESIDENT : Is the Honourable Member moving 21 (*d*) ?

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY : Nor 21 (*d*)* in view of the fate of other amendments previously introduced.

THE HONOURABLE THE PRESIDENT : Is the Honourable Member moving amendment No. 22 ?

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY : Yes, Sir, I want to move that amendment. I move :

" That after sub-clause (*5*) of clause 15 of the Bill the following proviso be added, namely : ' Provided that no person shall be deemed to have committed an offence under this section by reason only of his having ceased work or refused to continue to work or to accept employment '."

The object of this amendment is to bring clauses 15 and 17 into line. Clause 17 in providing for an illegal strike provides that no person shall be deemed to have committed an offence under this section by reason only of his having ceased work or refused to continue to work or to accept employment. If such a clause is necessary in the case of clauses 16 and 17, I do not see why it should not be inserted in clause 15 also. The object of my amendment is to prevent those persons who simply keep out through fear of being molested

[Mr. Kumar Sankar Ray Chaudhury.]

from being hauled up under these sections. I therefore submit that these two clauses should be made similar by the introduction of this proviso at the end of clause 15.

THE HONOURABLE SIR BHUPENDRA NATH MITRA: Sir, the Honourable Mr. Kumar Sankar Ray Chaudhury has misapprehended the purport of clause 15 and clause 17 and out of that misapprehension he has attempted to draw an analogy between the two clauses. The object of clause 15 is to prevent certain strikes and lock-outs in utility services. It therefore prescribes that persons employed in public utility services are not to go out on strike in breach of contract without giving a prescribed notice to their employer. Now anybody who goes on strike, that is, who stops his work, comes within the mischief of that provision. The mischief of clauses 16 and 17 is quite different. That being the position, Sir, it is not possible for Government to accept the amendment moved by the Honourable Mr. Kumar Sankar Ray Chaudhury.

THE HONOURABLE THE PRESIDENT: The original question was:

"That clause 15 do stand part of the Bill."

Since which an amendment has been moved:

"That after sub-clause (5) of clause 15 of the Bill the following proviso be added, namely: 'Provided that no person shall be deemed to have committed an offence under this section by reason only of his having ceased work or refused to continue to work or to accept employment'."

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

The motion was negatived.

THE HONOURABLE THE PRESIDENT: The question then is:

"That clause 15 do stand part of the Bill."

The motion was adopted.

Clause 15 was added to the Bill.

THE HONOURABLE THE PRESIDENT: Clause 16.

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY: Sir, I beg to move:

"That in sub-clause (*1*) of clause 16 of the Bill, the letters '*a*' and '*b*' and the brackets enclosing them be omitted."

My object in moving this amendment is to make the position clear that, unless a strike comes within the apprehension of both these sections, it cannot fall within the operation of clause 17. The separation of the two paragraphs, although they are coupled with the conjunction "and", leaves some doubt in the mind of a layman that perhaps they are separate and if you come within any one of these you are liable to be hauled up. My object is to make it perfectly clear by making these two clauses one and the same so that a strike in order to come within the operation of this section must be within the comprehension of both the clauses.

THE HONOURABLE SIR BROJENDRA MITTER: Sir, the amendment proposed is a drafting amendment. The Honourable Member says that if the

two were jumbled together in one paragraph that would make the position clear. On the contrary, Sir, as every draftsman knows, if there are different elements to constitute one situation, it is very much better that these different elements should be kept separate and should be added by a conjunction, as has been done here. If they are to be jumbled together, then it would be difficult of interpretation and confusion would arise, and therefore from a drafting point of view what has been done in the Bill is the proper thing.

THE HONOURABLE THE PRESIDENT: The original question was:

"That clause 16 do stand part of the Bill."

Since which an amendment has been moved:

"That in sub-clause (*1*) of clause 16 of the Bill, the letters '*a*' and '*b*' and the brackets enclosing them be omitted."

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

The motion was negatived.

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY: Sir, I beg to move:

"That in sub-clause (*1*) of clause 16 of the Bill, for the word 'compel' the word 'coerce' be substituted."

I also move the other two amendments which are of a similar nature:

"That in sub-clause (*4*) of clause 16, for the word 'compel' the word 'coerce' be substituted."

"That in sub-clause (*4*) of clause 16, for the word 'compulsion' the word 'coercion' be substituted."

Also

"That in sub-clause (*1*) of clause 16, for the word 'might' the word 'ought' be substituted."

These are words that figure in the English Statute and I submit that the word "compelled" is more metaphysical than the word "coerced", and therefore the word "coerced" ought to be substituted as it finds a place in the English Statute. I want a physical coercion, not a metaphysical compulsion.

THE HONOURABLE SIR BROJENDRA MITTER: Sir, this again is a drafting amendment. In the Select Committee these two words were considered very carefully. The Honourable Member has said his object is to bring in physical coercion. Well, it is very difficult to conceive how you can physically coerce the Government unless it be by an armed revolution. How can you physically coerce Government by means of a strike? The word "compel" connotes moral pressure, which is conceivable as the result of a strike. That is why the word "compel" was preferred in Select Committee and in these circumstances the amendment is not acceptable.

THE HONOURABLE THE PRESIDENT: The original question was:

"That clause 16 do stand part of the Bill."

Since which amendments have been moved:

"That in sub-clauses (*1*) and (*4*) for the word 'compel' the word 'coerce' be substituted."

"That in sub-clause (*1*) for the word 'compulsion' the word 'coercion' be substituted, and for the word 'might' the word 'ought' be substituted."

[The Honourable the President.]

The question I have to put is that those amendments be made.

The motion was negatived.

THE HONOURABLE THE PRESIDENT: The question then is:

"That clause 16 do stand part of the Bill."

The motion was adopted.

Clause 16 was added to the Bill.

THE HONOURABLE THE PRESIDENT: Clause 17.

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY: Sir, I beg to move:

"That in sub clause (*1*) of clause 17 of the Bill, after the words 'three months or' the words 'in default' be inserted."

The object of this amendment is similar to the one which I moved with regard to the other penal clause, namely, to provide a pecuniary punishment in the first instance and personal coercion only in the next instance.

I therefore move, Sir.

THE HONOURABLE SIR BHUPENDRA NATH MITRA: Sir, it is not possible for Government to accept the amendment. This is a matter in which discretion must be left to the Magistrate. If the offence is a first offence, possibly the Magistrate will punish the culprit with only a fine; but if it is a second offence or a third offence, naturally the Magistrate may think it desirable that the punishment should be one of simple imprisonment. That being so, Sir, it seems only reasonable that the Magistrate should have full discretion in the matter.

THE HONOURABLE THE PRESIDENT: The original question was:

"That clause 17 do stand part of the Bill."

Since which an amendment has been moved:

"That in sub-clause (*1*), after the words 'three months or' the words 'in default' be inserted."

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

The motion was negatived.

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY: I do not propose to move the other amendment,* Sir.

THE HONOURABLE THE PRESIDENT: The question then is:

"That clause 17 do stand part of the Bill."

The motion was adopted.

Clause 17 was added to the Bill.

THE HONOURABLE THE PRESIDENT: The question is:

"That clause 18 do stand part of the Bill."

The motion was adopted.

Clause 18 was added to the Bill.

* That at the end of the sub-clause the words "or with both" be omitted.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab: Non-Muhammadan): Sir, I rise to move the following amendment:

'That after clause 18 of the Bill the following new clause be added and the subsequent clauses be renumbered accordingly:

'19. Where any trade dispute is under enquiry or investigation by a Court or Board, any person, who with a view to compel any workman employed by an employer who is a party to the dispute to abstain from doing or to do any act which such workman has a legal right to do or abstain from doing wrongfully and without legal authority—

(*a*) persistently follows such workman from place to place; or

(*b*) watches or besets the house or other place where such workman resides or works or carries on business or happens to be or the approach to such house or place, shall be punishable with simple imprisonment which may extend to three months, or with fine which may extend to two hundred rupees'."

In support of my amendment, Sir, I want to be very brief. The Trade Disputes Bill cannot be complete without a clause on picketing inserted in it. Picketing is a harassment for honest and willing workers and its provision should find a legitimate place in this Bill. The whole object of this Bill will not be served if picketing is allowed when any trade dispute is under inquiry or investigation by a Court or Board. My proposal therefore is that picketing should be rendered illegal. The Honourable Sir Bhupendra Nath Mitra in another place gave a quotation from a publication of the International Labour Office. I cite that quotation:

"The right to strike implied that those willing to work should be protected by making picketing illegal."

I do not want to dwell long on my amendment. I have seen in many places that picketing is done to force willing people to refrain from going to work, and the absence of any adequate law stopping picketing has sometimes resulted in serious fights and riots. With these observations, Sir, I commend the amendment to the House.

THE HONOURABLE SIR BHUPENDRA NATH MITRA: Sir, the Honourable Rai Bahadur Lala Ram Saran Das was perfectly correct when he said that it is reasonable to provide against picketing in a Bill of the nature now before the House. At the same time, picketing with the object of intimidating people is already penalised in the Indian Penal Code. A further provision directed against what may be called peaceful picketing did not form part of the original Bill as introduced by Government in another place. Certain suggestions in this connection were placed before the Select Committee at a late stage in their proceedings owing to a supplementary opinion which came from the Bombay Government. Now, Sir, it is difficult to say whether this particular amendment will meet the requirements of the Bombay Government. In any case the matter is one which requires careful consideration and there has been no opportunity for giving it that careful consideration which it requires. It has not been possible, for example, to obtain the opinions of other Local Governments. In these circumstances it has been considered most suitable that this particular matter should not be proceeded with at the present stage but that it should be further explored and any necessary provision should be brought in in the first amending Bill. I hope that explanation will satisfy the Honourable Rai Bahadur Lala Ram Saran Das and he will be kind enough not to press his amendment at this stage.

THE HONOURABLE THE PRESIDENT: The question is:

"That after clause 18 of the Bill the following clause be inserted:

'19. Where any trade dispute is under enquiry or investigation by a Court or Board, any person, who with a view to compel any workman employed by an employer who is a party to the dispute to abstain from doing or to do any act which such workman has a legal right to do or abstain from doing wrongfully and without legal authority--

(*a*) persistently follows such workman from place to place: or

(*b*) watches or besets the house or other place where such workman resides or works or carries on business or happens to be or the approach to such house or place, shall be punishable with simple imprisonment which may extend to three months, or with fine which may extend to two hundred rupees'."

The motion was negatived.

Clause 19 was added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. SHAMALDHARI LALL: Sir, I move that the Bill be passed.

It is not necessary to make another speech on this occasion and I would therefore only put this motion to the House.

THE HONOURABLE THE PRESIDENT: The question is:

"That the Bill to make provision for the investigation and settlement of trade disputes and for certain other purposes, as passed by the Legislative Assembly, be passed."

The motion was adopted.

ELECTIONS TO THE PANEL FOR THE STANDING COMMITTEE ON ROADS.

THE HONOURABLE THE PRESIDENT: For the panel to the Standing Committee on Roads the following nominations have been received:

The Honourable Mr. Mahmood Suhrawardy.

The Honourable Shah Muhammad Zubair.

The Honourable Sardar Charanjit Singh.

The Honourable Mian Ali Baksh Muhammad Hussain.

The Honourable Rai Bahadur Lala Ram Saran Das.

The Honourable Srijut Rama Prasad Mookerjee.

As there are six vacancies on the panel, I have to declare those six Honourable Members to be duly elected.

MESSAGE FROM HIS EXCELLENCY THE VICEROY.

THE HONOURABLE THE PRESIDENT : I have a Message for the Council from His Excellency the Viceroy and Governor General :

"In pursuance of sub-section (3) of section 63A of the Government of India Act, I, Edward Frederick Lindley, Baron Irwin, hereby require the attendance of the Members of the Council of State in the Legislative Assembly Chamber at 11 o'clock on Friday, the 12th April, 1929.

(Signed) IRWIN,

Viceroy and Governor General."

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

THE HONOURABLE THE PRESIDENT : As I understand that Government has no further business to put before the Council, the Council will now stand adjourned *sine die*.

The Council then adjourned *sine die*.

COUNCIL OF STATE.

Friday, 12th April, 1929.

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

HIS EXCELLENCY THE VICEROY: Gentlemen, I have exercised my privilege of requiring the attendance of the Members of both Chambers of the Indian Legislature this morning for two purposes. The first is that I might have the opportunity of associating myself, by what is at once the most personal and the most formal means open to me, with what I know will have been their immediate and universal feeling of resentment at the outrage which four days ago was perpetrated in this building.

It is not necessary for me to dwell upon the actual events which took place before the eyes of many here. We must thank the merciful protection of an overruling Providence that the designs of wicked men should have been, as it seems, so unaccountably and miraculously frustrated, while to Sir Pomanji Dalal we tender our sincere sympathy, mingled as it may happily be with gratitude that he and others were spared even graver injury. With the acts committed the law can be left to deal, but there are certain general reflections that may perhaps rightly find expression at such a time as this. Throughout history, men have been tempted to seek the promotion of political purposes by resort to crime. Though they may result in the destruction of a few individual lives, such efforts are foredoomed to failure because there is a fundamental and instinctive reason which leads ordinary men everywhere to revolt against such attempted terrorism. For they realise that society itself depends upon the quality of protection that it can guarantee to the humblest of its constituent members, and that if this guarantee were to be lightly violated and trodden under foot, society would rapidly revert to the order of the jungle, where strength and stealth are the only abiding sources of security.

And if this be true of attempts to challenge the sanctity of individual life, of how much more grave import is not an attempt, such as that which is, in all our minds, directed against a body which, with its sister Chamber, is not only a collection of individuals but stands in a collective capacity for something more significant and comprehensive than even the sum of all the interests represented in it? Here we come face to face with a naked conflict of two contradictory philosophies. This Assembly exists as an outward symbol of that supremacy of reason, argument and persuasion which man through the ages has been, and is still, concerned to establish over the elemental passions of his kind. The bomb stands as a cruel and hideous expression of the gospel of physical violence which, repudiating reason, would recoil from no atrocity in the achievement of its sinister designs. It is indeed partly because, through the corporate person of this Assembly, a direct threat has thus been levelled at the whole constitutional life of India, and everything which that life includes, that I have thought fit to summon the two Houses together here to-day.

[His Excellency the Viceroy.]

On more than one occasion it has been the duty of Government to call public attention to the subversive and revolutionary schemes of which India is in certain quarters the professed objective. I have never concealed my view of the gravity of the danger which, if vigilance were for a moment relaxed, would menace Indian society, and I would urge Honourable Members to ponder long and seriously upon what lies behind the recent incident. Deeds of violence, such as that of which this Chamber has recently been the scene, can never be completely disentangled from the setting in which the idea behind them has been nurtured. In such matters some men have thought and spoken before other men resort to the extremity of action. And dangerous words, written or spoken by one man, are only too frequently the poisonous seed falling upon the soil of another man's perverted imagination. From such root in due course springs the impulse which drives human beings to ruthless and shameless crime, and invests it with the false halo of self-sacrifice. And so, to go no further back than the last few months, India is disgraced by the murder in Lahore of that young and most promising Police Officer, Mr. Saunders, and the gallant head constable Chanan Singh, still more recently of a highly respected Indian Police Officer in Barisal and, lastly, by the outrage here which many Honourable Members were compelled to witness.

I do not doubt that all right-thinking persons, with such an object-lesson fresh in their memory, will be of one mind and speak with one voice in reprobation of such conduct. But if there be reprobation, let it be unqualified. To condemn a crime in one breath, and in the next to seek excuse for it by laying blame on those against whom it is directed is no true condemnation.

Speaking here as head of the Government of India, it behoves me to make it abundantly plain that my Government will not be deterred by any such futile and insensate acts from the discharge of its evident duty to take whatever measures may seem to it right and necessary for the protection of law-abiding citizens. In one respect, and it is vital, the task of Government and of the Legislature is the same. That task is to secure the conditions under which alone the things that make for India's welfare and happiness may grow. Apart from all other considerations such an event as that of last Monday cannot possibly accelerate, any more than it should be allowed to retard, the development of Indian institutions and the orderly pursuit of Indian aspirations, which the true friends of India desire.

It is not by resort to force or by belief in force that the future can be assured, and those who inspire and take part in such outrages are indeed the greatest enemies of India's progress. For let no man stand aside and delude himself with the belief that the State's security is not the affair of the individual citizen. Once the gospel of force is admitted as a suitable means for the attempted coercion of Government, there is no conflict of interest, religious, racial, or economic, which it may not be sought to resolve by appeal to the same tribunal.

The second reason for which I have required your attendance this morning was to acquaint Honourable Members with the decisions reached by my Government in view of the situation created by the ruling given yesterday by the President of the Legislative Assembly. The result of that ruling, which it is not my purpose here to discuss, is twofold. In the first place, it propounds an interpretation of the rules, which I am satisfied is not in conformity with their original intention.

In the second place, the practical effect of the President's ruling as it stands is to debar Government from asking the Legislature to give it the additional powers of which it conceives itself to stand in need, and to make it impossible

for either Chamber of the Legislature to record any decision upon Government's proposals, or to form its own judgment upon the question whether or not it could usefully conduct its debates on these proposals within the rules of order.

I desire to state clearly the position of myself and my Government on both these issues. Entertaining as it does no doubt as to the intention of the rules in question, my Government is none the less constrained to recognise that the only appropriate person to interpret within either House of the Legislature the rules under which it works is the President of the House himself. If, therefore, the interpretation of the rules by the President of either House gives rise as now to a situation in which Government for grave reasons is unable to acquiesce, the only effective remedy is that early measures should be taken to secure by due authority such amendment of the rules as may be necessary to prevent any recurrence in future of a similar interruption in the normal legislative procedure. That course we propose to follow without delay, and in order that there may be no misunderstanding, I will add that the broad purpose of the amendment in the rules which we propose to seek will be to secure that the progress of legislation, which it is within the power of the Indian Legislature to pass, shall not be prevented by the President of either House, except in virtue of express powers to do so conferred upon him by the Rules and Standing Orders.

Meanwhile, and pending the possibility of further action in the Legislature, the primary responsibility for protecting the foundations of the ordered State rests and must rest upon the Executive Government, of which I am head. Neither I nor my Government can neglect that responsibility even though the technical difficulty created by the ruling to which I have already referred has made it impossible to share it with the Legislature. We cannot ignore the fact that the men behind the revolutionary movements against which the Bill is directed, will not stay their hands because the enactment by the Indian Legislature of preventive legislation is postponed. With this danger in view, and speaking with a full knowledge of much that can necessarily not now be publicly disclosed, I conceive that it has become imperative for Government to obtain the powers proposed in the Public Safety Bill without further delay. I have accordingly decided, after careful review of all the facts, to avail myself of the authority conferred upon the Governor General under section 72 of the Government of India Act, in order to issue an Ordinance giving to the Governor General in Council the powers in question. The purpose of those powers as the Legislature is aware is preventive, they will affect none who are content to employ their liberty in this country for legitimate ends by legitimate means, and the conditions under which they will be exercised have been the subject of very full and careful consideration.

I am fully conscious of the serious character of the personal decision which I have thought it right to take, but though the responsibility in this particular matter rests upon the Governor General alone, I have no fear that my action will not command the approval of that vast majority of India's people, who have faith in India's future, and whose first desire is to see their country prosperous, contented and secure.

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