

THE
LEGISLATIVE ASSEMBLY DEBATES
(Official Report)

VOLUME II

SECOND SESSION

OF THE

LEGISLATIVE ASSEMBLY, 1921



SIMLA
SUPERINTENDENT, GOVERNMENT CENTRAL PRESS
1921

CONTENTS

	Page
THURSDAY, 1ST SEPTEMBER, 1921	1—6
Caths.	
President's Speech.	
SATURDAY, 3RD SEPTEMBER, 1921	7—17
Inauguration of the Second Session of the Council of State and Legislative Assembly.	
MONDAY, 5TH SEPTEMBER, 1921	19—155
Statements laid on the Table.	
Questions and Answers.	
Procedure in regard to Question and Answer.	
Motion for Adjustment to consider Moplah Outbreaks.	
Arrangement of business of the Assembly.	
Resolution <i>re</i> : Addressed of Welcome to H. R. H. the Prince of Wales.	
Resolution <i>re</i> : Welcome to H. E. Lord Reading.	
Demand for Supplementary Grant.	
The Indian Factories (Amendment) Bill.	
The Indian Electricity (Amendment) Bill.	
The Indian Penal Code (Amendment) Bill.	
The Maintenance Orders Enforcement Bill.	
The Code of Civil Procedure (Amendment) Bill.	
The Indian Emigration Bill.	
The Negotiable Instruments (Amendment) Bill.	
The Carriers (Amendment) Bill.	
The Indian Post Office (Amendment) Bill.	
The Indian Marine (Amendment) Bill.	
The Indian Works of Defence (Amendment) Bill.	
The Indian War Relief Trust Bill.	
The Moplah Outbreaks.	
TUESDAY, 10TH SEPTEMBER, 1921	157—243
Oath.	
Questions and Answers.	
Message from the Council of State.	
Point of Procedure.	
The Exclusion from Inheritance Bill.	
The adoption (Registration) Bill.	
Resolution <i>re</i> : Repeal of Workmen's Breach of Contract Act.	
Postponement of the Discussion on Mr. Samarth's Resolution.	
Procedure for taking Divisions.	
Legislative Business.	

	PAGE
THURSDAY, 15TH SEPTEMBER, 1921	215-379
Questions and Answers.	
Statement of Government Business.	
The Maintenance Orders Enforcement Bill.	
The Indian Penal Code (Amendment) Bill.	
The Negotiable Instruments (Amendment) Bill.	
The Indian Post Office (Amendment) Bill.	
The Indian Marine (Amendment) Bill.	
The Indian Works of Defence (Amendment) Bill.	
The Indian Lac Cess Bill.	
The Land Acquisition (Amendment) Bill.	
The Press Law Repeal and Amendment Bill.	
Resolution <i>re</i> : the Distinctions between Indians and Non-Indians and the Removal of their Mode of Trial.	
MONDAY, 19TH SEPTEMBER, 1921	381-483
Oaths.	
Questions and Answers.	
Allotted Days for Voting on Supplementary Grants.	
Statement of Government Business.	
Election of Deputy President.	
The Indian Electricity (Amendment) Bill.	
The Carriers (Amendment) Bill.	
The Indian Lac Cess Bill.	
The Indian Income-tax Bill.	
The Indian Contract (Amendment) Bill.	
Message from the Council of State.	
TUESDAY, 20TH SEPTEMBER, 1921	485-638
Death of Raja Sivanandan Prasad Singh	
Questions and Answers.	
Motion for adjournment.	
Bills passed by the Council of State.	
The Transfer of Property (Amendment) Bill.	
The Adoption (Registration) Bill.	
Resolution <i>re</i> : the Purity of Administration in the various Depart- ments of the Government of India.	
Resolution <i>re</i> : the Separation of Judicial and Executive Functions.	
Precedence of Notices of Bills and Resolutions.	
WEDNESDAY, 21ST SEPTEMBER, 1921	637a-671
Oath.	
Questions and Answers.	
Election of Deputy President.	
Resolution <i>re</i> : Reconstitution of the Provinces of India.	
Resolution <i>re</i> : Transfer of Judicial Administration of the North- West Frontier Province.	

THURSDAY, 22ND SEPTEMBER, 1921	673-903 -
Questions and Answers.	
Unstarred Questions and Answers.	
Notice of Questions.	
Distribution of Blue Books	
Election of the Deputy President.	
Demands for Supplementary Grants.	
FRIDAY, 23RD SEPTEMBER, 1921	909-975
The Maintenance Orders Enforcement Bill.	
The Indian Penal Code (Amendment) Bill.	
The Indian Limitation (Amendment) Bill.	
The Indian Income-tax Bill.	
Resolution <i>re</i> : Purchase of Stores by the High Commissioner for India.	
Resolution <i>re</i> . the Construction of the Sukkur Barrage.	
Resolution <i>re</i> : Indian Autonomy.	
Programme of Government Business for the Rest of the Session.	
Use of the Chamber Precincts for a Non-Parliamentary Purpose.	
MONDAY, 26TH SEPTEMBER, 1921	977-1064
Statement laid on the Table.	
Questions and Answers.	
Unstarred Questions and Answers.	
Message from His Excellency the Viceroy.	
Programme of Government Business for the Rest of the Session.	
The Indian Factory (Amendment) Bill.	
The Code of Criminal Procedure (Amendment) Bill.	
The Exclusion from Inheritance Bill.	
The Press Law Repeal and Amendment Bill.	
The Code of Criminal Procedure (Amendment) Bill.	
The Cattle Trespass (Amendment) Bill.	
The Land Acquisition (Amendment) Bill.	
The Musalman Waqfs Registration Bill.	
Resolution <i>re</i> : Limitation of Hours of Work in the Fishing Industry.	
Resolution <i>re</i> : Establishment of National Seamen's Code.	
Resolution <i>re</i> : Unemployment Insurance for Seamen.	
Resolution <i>re</i> : Minimum Age for Admission of Children to Employment at Sea.	
Resolution <i>re</i> : Unemployment Indemnity Case of Loss or Foundering of a Ship.	
Resolution <i>re</i> : Facilities for finding Employment for Seamen.	
Message from the Council of State.	
Resolution <i>re</i> : Enhancement of Pensions of Civil Pensioners.	
Last Day of the Session.	

TUESDAY, 27TH SEPTEMBER, 1921	1065—1139
Questions and Answers.	
Unstarred Questions and Answers.	
The Code of Criminal Procedure (Amendment) Bill.	
The Invalidation of Hindu Ceremonial Emoluments Bill.	
Resolution <i>re</i> : the Anti-Drink Movement in India.	
Messages from the Council of State.	
Resolution <i>re</i> : Equalizing the Number of Indians and Europeans in certain Posts.	
Resolution <i>re</i> : Amendment of Indian Evidence Act.	
WEDNESDAY, 28TH SEPTEMBER, 1921	1141—1218
Questions and Answers.	
Unstarred Questions and Answers.	
Election of the Deputy President.	
Resolution <i>re</i> : Medical Diplomas of Indian Universities.	
Resolution <i>re</i> : Permanent Capital of India.	
Resolution <i>re</i> : Reserve Railway Compartments for Different Communities.	
Resolution <i>re</i> : the Postal System in India.	
Resolution <i>re</i> : Reserved Railway Compartments for different Communities.	
THURSDAY, 29TH SEPTEMBER, 1921	1219—1299
Questions and Answers.	
Unstarred Questions and Answers.	
The Indian Income tax Bill.	
The Maintenance Orders Enforcement Bill.	
The Code of Civil Procedure (Amendment) Bill.	
Resolution <i>re</i> : Indian Autonomy.	
Resolution <i>re</i> : Recruitment for All-India Services.	
FRIDAY, 30TH SEPTEMBER, 1921	1291—1331
Statements laid on the Table.	
Questions and Answers.	
Unstarred Questions and Answers.	
Point of Order.	
Resolution <i>re</i> : Recruitment for All-India Services.	
The Code of Criminal Procedure (Amendment) Bill.	
Resolution <i>re</i> : Railway Committee's Report.	
Resolution <i>re</i> : the Contribution to the Governor General in Council by the Government of Bengal.	
Provisional Date of re-assembling.	
INDEX	1—150

ERRATUM.

On page 754 of Vol. II, No. 7 of Legislative Assembly Debates, *delete* the words "Mr. President" before the words "I also know that the Bolsheviks, etc., etc."

ADDENDUM.

On page 112 of Vol. II, No. 2, in the 19th line *after* the word "doubted," the following be inserted:—

"While for want of due development in the various spheres of Indian economic activity, the Indian ryots are not prosperous, it must be admitted that."

LEGISLATIVE ASSEMBLY.

Friday, 23rd September, 1921.

The Assembly met in the Assembly Chamber at Half Past Ten of the Clock. The Honourable the President was in the Chair.

THE MAINTENANCE ORDERS ENFORCEMENT BILL.

The Honourable Sir William Vincent : Sir, I move :

'That the report of the Select Committee on the Bill to facilitate the enforcement in British India of Maintenance Orders made in other parts of His Majesty's Dominions and Protectorates and *vice versa* be taken into consideration.'

This Bill has been before this Assembly on a previous occasion when I explained the objects of the measure. Since then it has been referred to a Select Committee and subjected to a very careful examination. Honourable Members have had for some time the report of the Select Committee before them and I think all points even of minor importance are mentioned therein. I have only received notice of one amendment on the present motion from Sir Sivaswamy Aiyer. That is on a point of detail and I may say at once that I am quite prepared to accept it. There is no other matter to which I need refer at the present stage, I think, but I should be happy to answer any Honourable Member if he seeks information on any point.

Mr. J. N. Mukherjee : Sir, as a Member of the Select Committee which sat over this Bill I have just one or two observations to make with reference to the Bill as it stands at present. The Bill was carefully considered and it may be said that it is almost an exact replica of the English Statute to which it corresponds. But there is one aspect of this Bill which requires consideration ; and it is this,—so far as the English Statutes are concerned, the same courts, so far as trial by summary procedure goes, have both civil and criminal jurisdiction, and that in cases of the kind contemplated by the present Bill, where a sum of money by way of alimony or maintenance is allowed to a party, an appeal lies from a decision of a court of summary jurisdiction in England ; that is to say, there is not any discretion to refuse an appeal in such cases, even when they come within the pecuniary limits of the English courts of summary jurisdiction. But as the law now stands in this country, the question, so far as trial of maintenance cases by summary procedure is concerned, it has been, by the Bill, left to the decision of the Chief Presidency Magistrates in Presidency towns or to the District Magistrates, where the matter has to be adjudicated outside the limits of Presidency towns. But if the trial of maintenance cases under the Bill is once relegated to the jurisdiction of a criminal court, no appeal lies, because the provisions as regards appeals in the Criminal Procedure Code are of a limited character and they do not contemplate any appeal from an order passed in respect of maintenance (*Vide* Section 488 and Chapter XXI, Criminal Procedure Code). Now, the corresponding

[Mr. J. N. Mukherjee.]

English Statute provides for an appeal (*vide* 42 and 43 Vict. Cap. 49), and we are in this predicament, that having this matter left to the consideration of criminal courts, we are left without any right of appeal. Now, the Criminal Procedure Code is under revision, and that is a fact which led me to assent to the Bill as it stands, without there being a Note of Dissent from me,—being given to understand that the whole question will be open to consideration so far as the question of appeal is concerned, in connection with the revision of the Code of Criminal Procedure now under consideration of the Indian Legislature.

There is another matter which also may be considered as germane to the point now before the House. The Indian Penal Code is going to be amended so far as Sections 121 and 122 and correlated matters are concerned and, so far as realisation of fines under the Bill goes, if the amendment proposed by the Bill be accepted by the House, they will be realisable by attachment and sale of immoveable property. At least that is how I understand the proposed amendment of the Penal Code that is now before the House.

There again also fines will have to be realised by the sale and attachment of immoveable property.

Rai J. N. Majumdar Bahadur : That is only a recommendation.

The Honourable Sir William Vincent : If the Honourable Member will look at the report on the amendment of the Indian Penal Code to which he refers, he will find there that it is not proposed that all fines should be realised by the sale and attachment of immoveable property. This is proposed only in the case of the offence of waging war against the King and cognate offences. The proposal has no application in the present case.

Dr. H. S. Gour : Only convictions under Section 120.

Mr. J. N. Mukherjee : I stand corrected. I did not mean that there was going to be a general amendment of the Penal Code. However, so far as the proposed amendment of the Penal Code is concerned, as also under the present Bill, it will be necessary to decide questions of a more or less civil nature; that is to say, if property is attached, it will, in certain circumstances, be necessary to decide whether it belongs to the judgment debtor or the accused person or to a third person. Questions like that will have to be decided as in the Civil Procedure Code. My object in laying these points before the House is, that they will have to be carefully taken into account. Subject to these remarks my submission is that the Bill which is now before the House to facilitate the enforcement in British India of maintenance orders has been very carefully considered by the Select Committee and it ought to be passed, subject, however, to the amendments that may be introduced by this House, with reference to appeals, etc., relating to the matter of the present Bill.

The Honourable Sir William Vincent : May I explain one point, Sir, unless you are going to call on Sir Sivaswamy Aiyer to move his amendment? As to appeals, the Honourable Member is right. There is no appeal at the present time under Section 488 and so we left the law in the same position in relation to orders under this Act. If an appeal is ever allowed under Section 488, and the matter will be considered no doubt when the Criminal Procedure

Code is amended, the question will have to be reconsidered in relation to this measure.

This question of realising fines from immoveable property is irrelevant to the present discussion. There is no intention of realising demands under maintenance orders by means of attachment of immoveable property. Every detail of this Bill was very carefully considered by the Select Committee, and I am glad to find, though the Honourable Member criticises some of the detailed provisions of the Bill, he supports the motion before the Assembly, because he himself was one of the Members who signed the unanimous report recommending that the Bill, as amended, should be passed.

The motion that the report of the Select Committee be taken into consideration was adopted.

The motion that clause 1, as amended, stand part of the Bill, was adopted.

Sir P. S. Sivaswamy Aiyer : Sir, I beg to move :

'That in line (1) in the definition of 'maintenance order' in clause (2) of the Bill the words 'a decree or order' be substituted for the words 'an order.'

My reason for suggesting this Amendment is this. The definition refers to orders passed by Courts in the exercise of civil or criminal jurisdiction. In the case of orders passed by Courts in the exercise of criminal jurisdiction the term 'order' will be quite sufficient. But in the case of Courts which exercise civil jurisdiction orders, for maintenance are very often passed in the form of decrees, and I thought it was the intention of the framers of the Bill to include decrees also passed by the Courts in the exercise of their civil jurisdiction. As the Courts according to the definition in the Code of Civil Procedure have often drawn a distinction between decrees and orders, I thought it would make the definition more precise and complete if the words 'a decree or order' were substituted for the words 'an order.' It is purely a drafting amendment.

The Honourable Sir William Vincent : Sir, I am ready to confess that the amendment which the Honourable Member proposes is a distinct improvement in the Bill. If Honourable Members will look at the English Statute they will find that in the definition the word 'include' is used and the definition is not, therefore, comprehensive. In the Bill the word used is 'means.' It is therefore the more advisable that the words 'decree or order' should be added as proposed by the Honourable Member.

The amendment was adopted.

The motion that clause 2, as amended, stand part of the Bill, was adopted.

The motion that clause 3, as amended, stand part of the Bill, was adopted.

The motion that clause 4, as amended, stand part of the Bill, was adopted.

The motion that clauses 5, 6, 7, 8, 9, 10, 11 and 12, as amended, stand part of the Bill, was adopted.

The motion that this be the Preamble* of the Bill, was adopted.

The Honourable Sir William Vincent : Sir, I now move that the Bill, as amended, be passed.

The motion was adopted.

* Whereas it is expedient to facilitate the enforcement in British India of Maintenance Orders made in other parts of His Majesty's Dominions and Protectorates and vice versa; It is hereby enacted as follows :—

THE INDIAN PENAL CODE (AMENDMENT) BILL.

The Honourable Sir William Vincent : Sir, I move ;

'That the Report of the Select Committee on the Bill further to amend the Indian Penal Code, 1860, be taken into consideration.'

As a matter of fact, I think there is an error in the agenda. The title of the Code is 'The Indian Penal Code' and not 'The Indian Penal Code, 1860, and I must apologise to the Assembly for the mistake.

This Bill was before this Assembly on a previous occasion, and, as explained then, our present intention is to amend the law dealing with the penalty of confiscation of property which is now prescribed for certain offences under the law. The discussion on the last occasion when the Bill was before this House centred chiefly on the question whether this form of penalty should be retained, to be inflicted only at the discretion of the Court and not as an obligatory punishment in the case of certain offences as is the case at present under the law.

The Select Committee have examined this point and they have recommended unanimously that the penalty should be done away with, but that in certain cases under Sections 121, 121-A, and I think 122 of the Indian Penal Code, the Criminal Procedure Code should be so amended as to allow the realisation of fines from immoveable property. That question is not, however, before the Assembly at present and I do not want to raise it. It will have to be discussed in connection with a subsequent Bill on the Criminal Procedure Code. Our present intention is merely to do away with the penalty of confiscation of property. I gathered from the opinions expressed in this Assembly when the Bill was introduced, that many Members thought that this should be done, and I can only hope that the Bill which I now bring before the Assembly will meet with their approval. Our reasons for the action taken are set out in full in the Report of the Select Committee.

The motion that the Report of the Select Committee on the Bill further to amend the Indian Penal Code be taken into consideration was adopted.

The motion that clause 1 do stand part of the Bill was adopted.

The motion that clause 2 do stand part of the Bill was adopted.

The motion that clauses 3 and 4 do stand part of the Bill was adopted.

The motion that this be the Preamble* of the Bill was adopted.

The Honourable Sir William Vincent : I now move that the Bill, as amended, be passed.

The motion was adopted.

THE INDIAN LIMITATION (AMENDMENT) BILL.

The Honourable Sir William Vincent : Sir, I move :—

'That the Bill further to amend the Indian Limitation Act, 1908, be re-committed to Select Committee.'

This Bill was also before the Assembly last Session. We found when the report of the Select Committee was received, that that body had made material alterations in the Bill. These appeared to be of great importance and I know that

* Whereas it is expedient further to amend the Indian Penal Code ; It is hereby enacted as follows :—

some lawyers of this Assembly were apprehensive that the Bill and amendments had not been properly considered. (Hear, hear.) We therefore circulated the Bill to local Governments and to legal authorities for further opinion. I hear one Member say, 'Hear, hear.' I must say, also that I myself was apprehensive of some of the changes made. I felt they had been made perhaps a little precipitately. We now have opinions on this Bill as amended from a number of authorities, and I may say that generally the Bill has met with approval. The Madras Government approve, and the Madras High Court approve. The Bengal High Court approve, as they say, 'on the whole.' So we must take it to be a somewhat qualified approval. The Government of Bihar and Oissa approve the Bill except clause 2. The Assam Government is a little anxious about one or two clauses in the Bill. The Central Provinces Government welcome it, and the United Provinces Government object only to certain clauses. The Government of Burma approves, and the Bombay Government and the Bombay High Court approve in part. Now, in these circumstances, there being a general note of approval, but also some demand for further scrutiny of details, the Government of India thought that it would be wise to re-commit the Bill to Select Committee for further examination of the opinions received.

I notice that one Member has given notice of an amendment to turn down the Bill altogether. He is however on the Select Committee himself, and he will have there an opportunity of putting forward his views on the different clauses: I may say also I have had private notice from him that he does not, in the circumstances, intend to press his amendment. In view of the fact that so many authorities who have been consulted approve of the Bill, I think this Assembly will readily agree with me that it would be wrong for us to turn it down.

Mr. J. N. Mukherjee: Sir, I happen to be the unfortunate Member of this Assembly who raised a note of warning against this Bill as it was at one time presented to this House. Now that it is going to be referred to a Select Committee again, I withdraw my motion for dropping the Bill altogether, because although I was at the time, I put in my motion, apprehensive of very serious consequences resulting from the passing of the Bill as it then stood, such fear does not exist now.

The House will notice that the original object of this amending Bill was to amend Section 29 only of the Indian Limitation Act, but it was stated in the Statement of Objects and Reasons that opportunity was being taken for amending Section 5 also of the Indian Limitation Act,—not because there was any demand from the country that Section 5 of the Limitation Act should be altered, or amended, but on the suggestion that the amendment of Section 5 was being introduced with a view to rectifying an error in drafting. That, I submit, was the avowed object of amending Section 5. The House will see that eminent lawyers in 1908 sat over the amendment of the Indian Limitation Act of 1877, as also of the Civil Procedure Code, and the two were considered practically simultaneously. Eminent men such as the late Sir Rashbehary Ghose, Sir Lawrence Jenkins, the Honourable Sir Erle Richards, and so forth, sat in deliberation over them, and they extended the operation of Section 5 of the Limitation Act of 1877 to the extent to which they thought they could reasonably go. Now what is wanted by the present Bill is that the provision of Section 5 should be made applicable to all applications, and should also modify all provisions as to time limits in all special and local laws, whatever their

[Mr. J. N. Mukherjee.]

nature might be. Now, that is a very dangerous proposition to make. Anybody who is acquainted with the practical operation of the Limitation Act will see that there are various applications even under the third division of the first Schedule of the Limitation Act itself which require prompt decision, a prompt settlement. For instance, an application for setting aside an award has to be filed in court within ten days from the date when the award is submitted to the court, and generally upon an award such as this, a decree is passed by the court. Now, by virtue of Section 5, is such an application to be kept hanging for years, it may be for 20 years? If that was to be the case, nobody could ever be able to get a decree, passed on an award in a short space of time; there will be no finality, and no transaction could reasonably pass over it. On the ground of alleged sufficient cause in that case, a man might come to court after long years, and say, 'I wish to re-open that question.' On such a ground, the decision of the matter should be left to the discretion of the Court. The House will thus readily see to what dangers the administration of justice would be exposed if Section 5 was to be made generally applicable to all cases of applications. One feature of the Limitation Act is, that however important a suit may be, whatever its value may be—it may be worth crores—and it may be of the utmost importance—Section 5 has no application to a suit at all. If that is so, why should the operation of Section 5 be extended to all cases of mere applications? There is the Land Acquisition Act. There is the Registration Act, which requires that within 30 days from an order of refusal to register a document a suit has to be filed by the aggrieved party in the civil court to have the document registered. The proposed amendment of Sections 5 and 29 of the Limitation Act by the present Bill will enable a suitor to override the time limits laid down in the Registration Act.

By the Bill even as it stands, after amendment by the Select Committee,
 11 A.M. limitations as to time as laid down in the Indian Registration Act are to be kept in abeyance, although there are other facilities in the Registration Act itself which make the matter of institution of suits under the Act quite easy for suitors.

I might multiply instances. I might say that in the Indian Companies Act also there are various applications which require prompt decision and which can never, under any circumstances, be kept open for an indefinite period. There would be no finality in cases of that kind if the mischief of the Bill were to come into operation. It would affect the mercantile community also to a very large extent. All these questions therefore require very careful consideration; and I am thankful that the Honourable the Home Member has realised the importance of a thorough consideration of the Bill now before the House. To my mind, the present Bill is a most difficult piece of legislation. One has to pick out the special laws to which the general provisions of the Indian Limitation Act can be applied with benefit to all. Under these circumstances I heartily support the motion which has been put forward, that the Bill be referred to a Select Committee again. Opinion has been taken from different parts of India, and many of these opinions are very valuable. They have pointed out the defects in the Bill as it was circulated to them, and therefore I submit that the House should unanimously pass the Resolution which has been placed before it.

Dr. H. S. Gour : Sir, on the last occasion I was one of those who opposed the drastic changes that were proposed in Section 5 of the Indian

Limitation Act. Honourable Members will remember that the changes that were proposed in the original Section 5 of the Indian Limitation Act were, as I then stated, intended to introduce a degree of elasticity which, if permitted, would have had the result of sweeping away all the provisions of the Indian Limitation Act, and leaving its provisions entirely at the discretion and mercy of the judicial or other executive officer. I shall ask Honourable Members to recall to mind a case, for instance, where property has been sold by auction, or it has been foreclosed, and where a person comes up afterwards under a certain provision of the Code of Civil Procedure or the Transfer of Property Act long long afterwards, and says, 'I have very good reason for delaying it, I am a very poor man, I was going about collecting money, these are very hard times, the country is stricken with plague and famine, and therefore I could not raise the money;' and the Judge—let me assume it is a Subordinate Judge, for instance, sees him in his ragged garments, and on the other side he sees an opulent *bunnia* with a decree in his hand to whom he says: 'Give me back the property,' though it may be after 2, 3 or even 10 years. The whole matter of limitation is then reduced to this, that limitation depends upon the sweet will of the Judicial officer. The mischief would be great as it is, but it is greater now that it has been laid down in a series of rulings of the Indian and English High Courts that where the matter is entirely within the judicial discretion of the court, the High Court will not interfere unless that discretion has been perversely exercised or where it has not been exercised at all. Merely erroneous exercise of discretion is no ground, for interference. Now this is an extremely narrow rule for the interference of the Appellate Court or the High Court, and in the case, that I have assumed, suppose the decree-holder was to go up to the Appellate Court and say: 'Here is my decree, I have improved the estate, constructed a costly building thereon: I have thereby raised the value of the property, and this man, because he is poor and because he has no money—that is no reason whatever why he should come up at this stage of the case and ask that the decree should be ripped open and the property redeemed or re-purchased.' The Appellate Court may conceivably say: The lower court had reasons—bad reasons they may be, but still reasons for exercising discretion, and therefore the Appellate Court has no jurisdiction to revise the decree of the lower court; and the result of that would be that at the time of the auction or at the time of the foreclosure, the decree-holder will never feel that he has that security which the final decree, whether for sale or for foreclosure, gives him, and which, I submit, should be his sole and absolute security.

Honourable Members will agree that that no doubt is an objection, but it is not the only objection. Let me present to Honourable Members another aspect of the case. A valuable estate is for sale. Now the bidders know that what they purchase is likely to be set aside by a court of law, days, months, and even years afterwards. The result would be that what would be an absolute title would be reduced to a speculative title subject to its being set aside by an application which may be made at an indeterminate period, the result of which will be that the auction purchasers would fight shy of making a fair bid for the property, and the judgment debtor would lose the fair value for which he could have otherwise sold the property. It would reduce auction sales to a gamble. Now, therefore, the position is this. Do the Select Committee intend to preserve the original Section 5—now clause 2 of the Bill, both of which, I submit, are far-reaching in their effect, and I submit, that it is in the interests not only of auction purchasers and decree-holders, but of owners of estates that this laxity in the law of limitation should be vigorously

[Dr. H. S. Gour.]

circumscribed. The law as it stands at present leaves but a very narrow door for letting in the discretionary jurisdiction of the court for the purpose of circumventing the ordinary law. If this amendment which the Select Committee were to pass into law, the result, I submit, would be disastrous alike to purchasers and sellers of property, and cases are conceivable where gross and egregious injustice would be done which is irremediable so far as the courts of law are concerned. I therefore submit, Sir, that if the recommitment of this Bill to the Select Committee involves the recognition of the principle embodied in clause 2, as was ruled by you, Sir, the other day, then, I say, before this Bill is re-committed to the Select Committee, this House must pause and consider whether it is prepared to legalise this laxity of procedure on the part of the courts which would be the necessary result of this amendment. And if this House is of opinion that it will drive a coach and four through the law of limitations by relegating all its salutary principles to the discretion of a court, then, I say, it is time for you to turn down clause 2 and re-commit only Section 29 for the consideration of the Select Committee.

As at present advised, we should be doing a great wrong, I submit, to the public outside. If you were to send this Bill back with our benediction written upon clause 2 that we accept the principle of clause 2, it would completely shake all titles, and, as my Honourable friend, Mr. Mukherjee, has rightly pointed out, it would destroy the security and sanctity of titles, even after the efflux of the statutory period of limitation. I therefore move, Sir, that clause 2 of this Bill be deleted and the rest of the Bill be re-committed to the Select Committee.

Mr. E. L. Price: Sir, I have been requested by commercial men on both sides of India to put certain points before this House. I am not trying to put them in a legal way, but I shall put them by citing a very simple instance. At the present time if there is a commercial arbitration filing suit heard in the court of first instance and the decree of the court is given, the period laid down for filing an appeal is 10 days. The consequence is that if an appeal is not filed within 10 days, the winner knows that he has won and the thing is settled. Well, if you once alter that, the winner cannot be certain ever that an appeal ~~may~~ not be made or entered, and on curious grounds it may be allowed by the Appellate Court after a considerable interval of time. Now the whole system of commercial law requires that you should have prompt and final decisions. *Interest civitate ut sit finis litium* and to no section of the public does that maxim apply more than to the merchant. If you are going to extend the time for appeal to an indeterminate period at the discretion of the court, not only will you plunge commercial affairs into uncertainty and loss, but also you will finally have to build up the limitations of the period of appeal by a series of judicial judgments, in other words by case-law, and the House must know perfectly well that all case-law is built up at the expense of litigants, that is, at the expense of the community. I am strongly opposed to any measure that will extend the period for such commercial appeals from the definite period of 10 days now laid down to an indeterminate period at the discretion of the court; in other words, I am opposed to introducing in our law the old equity of the length of the Chancellor's foot.

Mr. President: The amendment moved by the Honourable Member from the Central Provinces is not strictly in order in relation to the motion

before the House. The motion before the House is that the Bill further to amend the Indian Limitation Act, 1908, be re-committed to the Select Committee. That is an instruction to the Select Committee to reconsider the whole Bill from beginning to end. The Honourable Member wishes to expunge clause two from the Bill. That will require a separate proposal. His opportunity will come more appropriately when we get the Bill back from the Select Committee. Then he can bring forward his proposal to expunge clause 2, unless the question is one of principle on which he thinks that the Bill ought not to be re-committed at all.

The Honourable Sir William Vincent : Sir, I agree with many of the criticisms that have been made on this Bill, and they will require very careful examination. They will be considered in the Select Committee, but I do not think it is fair to suggest that because there are certain points in one clause of the Bill which are open to criticism, the Bill itself should not be re-committed. Dr. Gour would however be a very valuable Member of the Committee, and I should be glad if he would consent to have his name added to the Committee in order that we may have an opportunity of considering his views in detail. I do not know if he will consent to serve on the Committee if the Bill is re-committed.....

Dr. H. S. Gour : I have no objection.

The Honourable Sir William Vincent : We have already added to the strength of the Select Committee or I propose to ask the Assembly to do so in the next motion from which it will be seen that the intention is to put on the Committee. Mr. Mukherjee and myself in place of Mr. Eardley Norton and Mr. O'Donnell and also add Mr. Lyle, Mr. Rangachariar and Mr. Krishnaswamy Rao and Dr. Gour, and I think the Council will admit that we have got an array of legal talent quite equal to dealing with this question.

There is one argument in Mr. Price's speech which, I think, is caused by some misapprehension of the contents of the Bill. Section 5 of the Limitation Act already applies to appeals, I think my recollection is right in this matter. So all these statements about prolonging the period for appeals are beside the point. The Bill does not make any difference at all if I am correct, —in the limitation of appeals. The whole of the argument is therefore really, if I may put it with due respect, a little irrelevant to the Bill under discussion. Mr. Mukherjee characterised himself as being the unfortunate Member, to object to the Bill but far from being unfortunate, he has been of the greatest assistance to me, and as he well knows, I share his apprehensions in regard to particular clauses of this Bill, and it is for this reason that I suggest that the Bill should be re-committed to the Select Committee. I do not think really however that the amendment of Section 5 goes quite as far as Dr. Gour suggested, but that is a matter again for the Select Committee to consider, and we are quite prepared to consider the question in Committee. What I now ask the House is not to turn down a Bill, because a particular clause of the Bill is open to objection. Considering that the Bill has the support of such eminent authorities as the Madras High Court, surely it is deserving at least of consideration by a Select Committee and should not be turned down by this Assembly summarily because a particular clause in it is open to criticism.

[Sir William Vincent.]

I do not think, Sir, there are any other remarks I can offer to the Assembly, but I can assure them with confidence, that we have no intention whatever of trying to force this Bill precipitately through. We are examining the Bill with the greatest care ourselves, at the same time if there is a danger in hurried legislation, there is an equal danger in turning down a Bill, many portions of which may be of value to the community.

The motion was adopted.

The Honourable Sir William Vincent : Sir, I move :

'That Mr. Mukherjee and myself be substituted on the Select Committee in place of Mr. Eardley Norton and Mr. S. P. O'Donnell, and that Dr. Gour, Mr. D. R. Lyle, Rao Bahadur Kanganchariar and Rao Bahadur C. Krishnaaswamy Rao be added to the Select Committee.'

I hope that the Council will realise what I said that this Committee will now have sufficient legal talent to deal with the Bill adequately.

The motion was adopted.

THE INDIAN INCOME-TAX BILL.

The Honourable Mr. W. M. Hailey : Sir, I beg to move :

'That this Assembly do recommend to the Council of State that the Bill to consolidate and amend the law relating to Income-tax and Super-tax be referred to a Joint Committee of this Assembly and the Council of State and that the Joint Committee do consist of 16 Members.'

Sir, when I introduced this Bill, I am afraid, that immersed in details which were perhaps not of great political importance but which nevertheless had formed the subject of serious study in my Department for many months, I somewhat exceeded the time limit. Checked by you, Sir, I was obliged to conclude my remarks more briefly than otherwise I should have done; but I did find time to refer to one prominent aspect of this Bill. That was that it was a Bill of definition and of procedure. In other words, it does not itself impose any taxation. Further, it embodies the important constitutional principle that the Assembly should have it in its power year by year to re-impose income-tax at such rates as at the time seems suitable. May I read the relevant clause of the Bill which enforces that principle. It says, in clause 3 :

'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 an assessee, tax at that 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.'

Now, Sir, I am well aware of the feeling of this Assembly—a very strong feeling—that all Bills relating to taxation should be dealt with entirely by this Assembly. It is a feeling to which, within the limits of the law as we now find it, I am bound to bow, and, recognising that feeling as I do, I should not have proposed a Joint Committee of the two Houses on this Bill if it had been a Bill of taxation. I have proposed such a Committee because it is, as I have said before, a Bill of administration and procedure. Now, Sir, I do not intend, in putting this motion forward, to commit the solecism of referring

to the demerits or the merits of another House. Far be it from me to do so. I will not even refer to the fact that that House undoubtedly contains a large number of gentlemen who are equally interested with this Assembly, equally interested, I may say, with ourselves—for we are all assesses—that this Bill should contain the utmost lucidity of expression and should provide for the maximum efficiency of procedure. I will put my case on a ground which may perhaps seem to be a personal one, but nevertheless is one of great practical force. We have circulated this Act, and we hope to receive the opinions of the public on it some time in December. We should like to have a Joint Committee sitting on it immediately before the commencement of the next Session. That would enable us to take the matter up and place it before the Assembly in its final form during the course of that Session which is, I need not remind you, is a Budget Session. If we have to face a Select Committee here and long consideration in another place, then, Sir, our task during the preparation of the budget will be difficult indeed. I may point out to the Assembly that the preparation of the budget in these days is one of continually increasing difficulty. It is not only that we have to consider grave problems in regard to the general finance of the country, but, as the Assembly itself is well aware, we have to take into regard the fact that every single item over a vast range of expenditure will come under the detailed criticism of this Assembly. We shall have therefore to devote far greater care to the preparation of our budget in minor details than we have done in previous years.

Now, Sir, as I have said before, if we have to face an extended procedure of consideration over this Bill while we are preparing the budget, our task will be hard indeed. In truth, Sir, it would add to a burden which is often difficult to support and a burden which we cannot support without the co-operation and good-will from this Assembly. It is on these grounds—narrow they may be, but very practical as far as we are concerned, that I now put forward the proposal that this Bill be referred to a Joint Committee of the two Houses.

Sir P. S. Sivaswamy Aiyer : Sir, I have not been able to make more than a cursory study of the provisions of the Bill which has been introduced by the Honourable Finance Minister. But, so far as I have been able to go through it, I think I may congratulate the Honourable Finance Minister on the many improvements which have been introduced in the Income-tax Act. I am glad that the Government has seen fit to separate the administrative portions of the income-tax law from the fiscal portions, if I may so call them, of the income-tax legislation. It is a move which is entirely in accordance with the new spirit of the reforms, and with the desire of the Government to take the Assembly more and more into its confidence. This Bill brings one of their most important sources of revenue under the control of this Assembly. I wish at this stage to refer to a few points which struck me in the course of my perusal of the Bill, with the object of drawing the attention of the Joint Committee to these points and ensuring a consideration of them by that Committee. I am aware that at this stage it is not open to us to go into any questions of detail and I do not propose to go into any questions of detail. But you will all recognise that where principle ends and detail begins is a matter of degree. I hope I shall not trespass upon questions of detail in the few observations which I wish to make.

(One suggestion which I should like to make, Sir, is this : that, with regard to the language of the enactment, it would be desirable to follow as closely as possible the language of the English enactment on the subject. And

[Sir P. S. Sivaswamy Aiyer.]

my reason is this,—that it is not always possible in any measure of this kind to provide for all the various questions which occur in practice with regard to the interpretation of the Act concerned. If we follow the language of the English enactment on the subject, we shall have the advantage of the numerous decisions of the English courts and English precedents. It is a suggestion which I throw out for the consideration of the Joint Committee. I have not been able myself to examine whether the language of our Bill follows as far as practicable the language of the English enactment.

Another point, to which I wish to refer, is this. With regard to the question of the basis of assessment, I am glad to find that it has been made clear that the liability of a person to income-tax in respect of interest not received actually by him is made to depend upon his own method of keeping accounts.

I understand that mercantile firms have their own special methods of keeping accounts and that interest not received is sometimes brought into the account, but so far as the majority of private individuals in this country are concerned, I believe they do not bring into their accounts interest not actually received by them. It would be a great hardship if a man were called upon to pay tax upon interest not actually received by him. The Bill makes it clear that he would not be liable in future upon interest not received if, according to the method of accounts which he has followed, he does not bring such interest into account.

Then I pass on to a point which I consider to be one of very considerable importance, and that is the question whether a person should or should not be entitled to a deduction in respect of interest paid by him upon debts due by him. So far as I have been able to see from the provisions of the Bill, interest on mortgage debts is allowed to be deducted, but I see no reason why interest payable upon other debts should not be allowed to be equally deducted. At present the income-tax authorities refuse to make any allowance for interest due by the assessee on debts not incurred for the purpose of any trade or business. To illustrate the hardship of the existing practice I have only to put to you this case. Suppose a person has got an income of Rs. 20,000 a year on, say, his investments or Government promissory notes. Suppose also that he has to pay interest upon debts to the extent of Rs. 19,000 a year, the debts not being secured on a mortgage. According to the practice of the income-tax authorities—I speak at any rate of the practice in the Madras Presidency—the man is liable to pay income-tax upon the Rs. 20,000, and the Rs. 19,000 which he has to pay by way of interest on his debts is not allowed for, even though the net financial result to him of the year's operations may be an income of only a thousand rupees. It is quite conceivable that the tax thus assessed may even exceed his net income. That I regard as a great hardship. There is absolutely no distinction in principle between interest due by a person on a mortgage of real property and interest due by a person on a mortgage of Government securities or on personal security. And if a person has to contract debts, irrespective of the question of the purpose for which the debts are incurred, the interest which he has to pay should be deducted from the income which he receives. I shall not, however, elaborate the point further at this stage.

There is another point which I wish to bring to the notice of the Finance Member, and it is this, whether a person who owns house property should be

allowed to deduct municipal taxes paid by him or not. In several municipalities the rate of taxation upon house property has in recent years been very largely raised. In Madras, I believe the maximum is 25 per cent. I do not know what the maximum is in the other Presidency Towns. It is a question for consideration whether the municipal taxes payable by a person on immovable property should not be deducted. Another question again in connection with the municipalities occurs to me as worthy of being brought to the notice of the Finance Member and it is this. In several of our municipalities it has been found necessary to devise various new sources of revenue, and one source of revenue, among others, which has been suggested is the imposition of a sur-tax upon the income-tax. I know that income-tax being a source of Central revenue, the Central Government is apt to look upon its preserve with a very great feeling of jealousy and resist any attempts on the part of other bodies, such as, local authorities, to encroach upon that preserve. But I would point out that sur-tax upon income-tax is a very important source of revenue in continental countries, especially in Germany, and with the difficulties experienced by our municipalities in meeting the requirements of municipal administration I am not at all sure it would not be necessary for them to have recourse to this source of revenue. I would therefore suggest that in clause 57 of the Bill it might be desirable to include a provision that the procedure prescribed for the recovery of income-tax or of super-tax might be applied for the recovery of any sur-tax which, with the previous consent of the Central Government, might be imposed by local authorities.

Another matter which I wish to bring to the notice of the Assembly is this. As I said, it is not possible now to go into any questions of definition or interpretation, but it is worth noticing that some very difficult and delicate questions have arisen with regard to the definition of agricultural income. Is the income made by a tea planter, a coffee planter or a cinchona planter from the manufacture of tea, coffee or quinine liable to tax or not? I believe there has been a diversity of opinion upon this question. It is somewhat difficult to say where agriculture ends and manufacture begins. Different people might be disposed to hold indifferent ways. I myself should be inclined to think that the man who manufactures indigo and exports it is merely carrying on an agricultural operation. What about coffee? Probably I might be disposed to give the same answer. About quinine I should have no doubt that it is a case of a manufacture. But what about tea? There has been very considerable discussion as to whether a tea planter is or is not liable to income-tax upon the profits he makes by the sale of the tea which he manufactures. In this connection, before you attempt a definition of agricultural income, if you do attempt it at all, there are certain considerations which it is worth noting. One reason why agricultural income is exempted is that the agriculturist has to pay a heavy land tax. But with regard to the planters who own tea estates or cinchona estates or coffee estates the amount of assessment which they pay to the Government is ridiculously low. I do not suppose it exceeds one or two rupees an acre,—I am not sure, and I am subject to correction. I had a talk with some of my planter friends on this point, and they pointed out that they incur a lot of expenditure in reclaiming the waste lands on the hills and bringing them under cultivation and manuring them and so on, and that a person who brings any other kind of land under cultivation incurs a smaller expenditure. But, on the other hand, look at the price which a person pays for the waste lands which he brings under cultivation for the purpose of

[Sir P. S. Sivaswamy Aiyer.]

growing trees for profit: it is practically negligible. On the other hand, in the case of ordinary wet hands, the price is comparatively very high.

Mr. President: I agree with the Honourable Member that it is difficult to draw the line in the case of an amending or Bill between principle and detail. The Chair must judge by the criterion whether the speech which is being delivered by the Honourable Member is practically identical with the speech which he could deliver on the question that a clause stand part, or that a given amendment be made. The Honourable Member's speech comes under that category.

Sir P. S. Sivaswamy Aiyer: I am not inviting a discussion on the matter I have just mentioned.

I shall just refer to one or two questions. With regard to the question of procedure, I should just like to draw the attention of the House with regard to certain inconveniences suffered by people from the manner in which the machinery of the Act is being worked. It is open to the income-tax collector to call upon the assessee to produce his documents. Now, I can understand the assessee being called upon to produce any particular documents in support of his case. But what often happens in Madras is that along with the notice of assessment the assessee is called upon to produce all the documents on which he relies in support of his case. Now, in the case of a man having an extensive business, and especially in the case of a merchant, if it means that he has to produce not merely his ledgers or his day-books but the vouchers, the correspondence, and anything and everything which may have a bearing upon anyone of a thousand items, it is really a great hardship. I think there should be some provision for guarding against such abuse—I think I am justified in using that word—by the income-tax collector of the machinery of the Act. A person may justifiably be called upon to produce his ledgers or his day-books, but the other documents he should be called upon to produce only if the assessing authority specifies them, and gives him specific notice. I hope some care will be taken to provide against abuse of this sort, as such abuse causes great hardship especially in the case of persons having several places of business and carrying on business on an extensive scale.

These are all the remarks which have occurred to me at this stage of the Bill.

Dr. H. S. Gour: Sir, the Honourable Mr. Hailey has asked this House to consent to a Joint Committee of both Houses consisting of 16 Members. I think the Honourable Finance Member knows that this House is most willing to co-operate with the other House if it tends to minimise labour and to facilitate the passage of Bills; and as this is not a money Bill, I do not think we shall have the least objection to acting in concert with a Committee of the other House. But, at the same time I think, I am ventilating the general feeling of Members of this House that Rule 101, which lays down that on a Joint Committee equal numbers of each Chamber must be nominated requires reconsideration. As it happens, the other House consists of 60 Members, and we in this Chamber are more than 140. Now it may happen that there is a Bill on which the majority might consist of this House, and it is equally conceivable that in certain other cases it would be more desirable to have a majority of Members from the other House. But to fix a fixed ratio between

the two Houses is, I submit, what leads to friction between the two Houses, because the Members of this House feel that in spite of their numerical strength, they are relegated to a position of numerical equality in each and every case irrespective of the merit of Members or the interest of the case, and that has been the real objection, which I think the Honourable Finance Member will try to remedy.

Now with regard to the general scope of this Bill, Honourable Members will remember that when the original Income-tax Act was enacted, it was a very small tax that was levied, and there was therefore no necessity for discrimination between the different kinds of income. But the income-tax, which was originally intended to be merely a temporary measure, has come to a stage when it is likely to remain on the Statute Book as a permanent measure. In this view, I would ask the Honourable Finance Member to discriminate between the various kinds of income,—as between permanent and precarious incomes, earned and unearned incomes,—and in this connection I would draw the attention of this House to the salutary provisions of the Australian Income-tax Act. The Honourable Finance Member will observe that in Australia different kinds of income are liable to tax in different ways. Take, for instance, the case of an actor. So long as his voice serves him, or the case of a singer who acts and sings; his income is precarious. An actress, for example, has a very short career on the stage, and her income is precarious. So also the income of a barrister or of a solicitor or of a tradesman who only comes and deals in certain kinds of things at a certain time of the year. Now the Australian Act makes a distinction between the various kinds of income and taxes them in various ways. There is also a distinction, if I understood it aright, between earned and unearned income. The distinction is well known even under the English Income-tax Act. I would ask the Honourable Finance Member to consider this question when the Bill goes to the Select Committee.

With reference to agricultural incomes, to which my friend, Sir Sivaswamy Aiyer, has referred, it is a moot question as to where agriculture ends and horticulture begins, and where horticulture ends, and industry begins. He will find a very useful discussion in connection with Section 129 of the Transfer of Property Act, where the exception is made that the whole Chapter dealing with leases shall not apply to agricultural leases, and the High Courts have been sharply divided on the question as to what is an agricultural lease. Take, for instance, a fruit garden, purely an orange garden, or a mango garden. Is it an agricultural lease, or is it a horticultural lease?

And questions about tea, coffee, cinchona, indigo, etc., which my learned friend on the other side has pointed out, are all cases which are dealt with under that Section. I think it would be a hopeless task for the Income-tax Select Committee to go into this question. The Honourable the Law Member told us the other day that the Transfer of Property Act is now on the Legislative anvil, and I hope that it will be in that connection that the whole question will be thrashed out and a workable definition of agricultural, horticultural and industrial tenures framed so that it may be of use to us in connection with the interpretation of the Income-tax Act. While I am in general sympathy with what Sir Sivaswamy Aiyer said, I feel that I cannot go the whole way with him when he says that tea and coffee estates, because they pay a very small land tax or land revenue, therefore they should be made liable to income-tax. If my friend's argument be sound, then I think the Bengali gentlemen here will not thank him, because

[Dr. H. S. Gour.]

under the permanent settlement in Bengal the land-holders of Bengal also pay a very small quit rent in all places where the permanent settlement is in vogue; and by a parity of reasoning, if the tea and coffee plantations are to be assessed to income-tax because they pay a small land tax, it will be an excellent argument to extend it to the land-holders of Bengal. But I am perfectly certain that my friend did not mean his argument to be carried to its extreme logical limit.

Then as regards the protection of accounts. I heartily agree with my learned friend that it has been a source of great public grievance, and the Marwari community throughout the country bitterly complain that their account books are ransacked by the underlings of the Income-tax Department, and a very large measure of discontent in this country is due to the fact that these inquisitorial inquiries carried on from the commencement of the year to the end are being carried on in a manner which cannot admit of secrecy, and which are conducive to the display of the private accounts of parties which they would rather keep secret. What other alternative the Income-tax people have is a question which I need not at the present stage suggest; but I hope the Select Committee will be able to find some remedy some alternative, to substitute a more rational method of conducting inquiries, than by examination of these account books in public or semi-public, and by the subordinate persons who are employed for further purpose.

With reference to the Super-tax, as Honourable Members know, the Super-tax Act was only enacted a few years ago. My remarks with regard to the Income-tax equally apply to the Super-tax, and I hope the Select Committee will consider all these questions, with reference to the fact that incomes of a permanent character should be taxed upon one scale, while incomes of a precarious character should be taxed upon another scale. As regards the mode of inquiry, it should be carried out in the least harassing manner so that assesses may not feel that their private affairs are being publicly overhauled for the purpose of finding out what are their liabilities. A general audit of their private accounts is not necessary for the purpose of arriving at the figure which is assessable to income-tax.

Lastly, I submit that when the question of an income being agricultural or non-agricultural income arises, the question should not be looked at from the standpoint of income-tax but from the general standpoint of substantive law, as to what is an agricultural lease and what is an agricultural holding, and the mere fact that it is described by the income-tax collectors as agricultural land should not suffice: if it is otherwise held to be non-agricultural land, there will be friction between the Revenue and the Civil Department, and that must be obviated so far as possible.

Mr. R. A. Spence : Sir, I understand that the object of speaking on an occasion such as this is to bring one's views before the notice of the Committee to be appointed, and I have to say something therefore with reference to the remarks made by Sir Sivaswamy Aiyer as to the deduction from income assessable to income-tax of municipal taxes on house property. I may say that so far as some landlords in Bombay are concerned, they protect themselves already by deducting from the fixed rent the amount paid in taxes, and they give the tenant two receipts, one for the municipal tax, the other for the rent after deducting the municipal tax

This last receipt is presumably used for income-tax purposes, and also possibly for the assessment of municipal taxes on a smaller basis than would otherwise be the case. The landlord is considered the party who pays the municipal taxes, and the tenant—but I need not go into all that about municipal law. My point is that as several landlords at present protect themselves and secure themselves from paying income-tax on the municipal taxes paid by them, it would surely be for the good of the community that a definite ruling should be given that municipal taxes for purposes of income-tax should be deducted from the income derived from house property.

Dr. Nand Lal: Sir, I congratulate the Honourable Mr. Hailey, the Finance Member, on the improvements which have been introduced in this Bill, as, for instance, the omission of Section 19 of the old Act, namely, the present Act. But I may offer a suggestion that no improvements have been introduced so far as the right of appeal of the assessee is concerned. We find that the assessee, though he may be unlawfully and illegally assessed, has got no right of appeal. He has got a right which is called the right of petition, and as this august Assembly knows, such petition can be disposed of as a petition for Revision. The aggrieved party has not got the right to urge all points: it rests with the Court of Revision to interfere or not.

Another point which has not received due attention is that a form of petition has been proposed in the Bill, as it is in the present Act, and that form narrows down very much the right of the assessee.

He cannot urge all the points which he wishes to urge. He cannot put forward all the contentions which he feels necessary to set forth. Therefore, the attention of the Select Committee should be directed to this point.

So far as the constitution of the Joint Committee is concerned, I beg to differ from my friend, Sir Sivaswamy Aiyer, and Dr. Gour, and I also beg to differ from the Honourable the Finance Member. He says this will be only a defining Act.

Sir P. S. Sivaswamy Aiyer: I said nothing of the sort.

Dr. Nand Lal: To my mind, this Bill, now before us, goes to the very root of taxation; any measure, which concerns income-tax, touches the pockets of the tax-payers, and we should very jealously regard our rights, as Members of this august Assembly. It is our primary right to see and examine whether the taxes are properly assessed or not. Therefore, I emphatically oppose the constitution of a Joint Committee of both Houses. The reasons assigned that the Bill should be sent to a Joint Committee in order to expedite the business are not tenable at all. No case has been made out to show that this Act should be committed to a Joint Committee of both Houses. There are a good many points to be suggested, but I do not like to dilate on them, because those points should be suggested to the Joint Committee. We need not discuss the Bill on its merits, as my two Honourable friends have already discussed it sufficiently. With these few remarks I submit that the constitution of a Joint Committee of both Houses is not desirable so far as the question of income-tax is concerned.

Mr. N. M. Samarth: Sir, in regard to the objection taken by Dr. Nand Lal, it is enough to point to the Statement of Objects and Reasons which states that the Bill deals merely with the basis, the methods and the

[Mr. N. M. Samarth,]

machinery of assessment. The rates at which income-tax and super-tax will be charged will be determined by the annual Finance Bill and the schedules in the present Act have therefore been omitted from this Bill. This Bill is a purely administrative measure, the provisions of which will be set in motion by the passing of the annual Finance Bill, so that when the Finance Bill comes before us, we can, if we so wish, decline to pass the rates, which the Honourable the Finance Member may propose. This is not, therefore, a Bill which imposes any taxation; it is not a money Bill and consequently the objection brought forward by my Honourable friend, Dr. Nand Lal, is untenable. Now, Dr. Gour stated that in his opinion the reference to a Joint Committee was no doubt justifiable, but he contended that a Joint Committee must be a Committee the composition of which must be in accordance with the numerical strength of the two Houses. It staggered me. Any constitutional lawyer knows, that whether in the House of Commons or in the Dominion Legislature, when there are Joint Committees of the two Houses, they are constituted in equal numbers. I have before me the Manual of Procedure of Public Business of the House of Commons. Section 98 of that Manual reads thus :

'A Bill may be committed or any other matter may be referred to a Joint Committee of both Houses consisting of an equal number of Members from each House.'

This is in spite of the fact that the numerical strength of the House of Lords and the House of Commons varies. It is much more as compared with the numerical strength of the Council of State and the Legislative Assembly. It is all the more necessary, therefore, that we too should have an equal number of Members here in the Joint Committee. I, therefore, think that the proposal of the Honourable the Finance Member, which accords with our Rules, should be upheld and the objection of Dr. Gour which is repugnant to constitutional practice should not be considered.

Mr. President : I cannot allow Honourable Members to allude to this matter. The Honourable the Finance Member has no power to do otherwise than what he has proposed, and that is to give an equal number on the Select Committee. I allowed Dr. Gour to refer to it; but since I see that another Member has taken it up, I must take notice of it.

Mr. J. Chaudhuri : Sir, I welcome the statement made by the Honourable the Finance Member that if this Bill had been a money Bill, he would not have proposed its reference to a Joint Select Committee. Sir, you are aware, the Members of this House are very jealous, and I think rightly jealous, that money Bills should not be referred to a Joint Committee but should always be referred to a Committee of this House only. The reason for this is that we have to vote money; we have to meet the public demands; we are the representatives of the common tax-payers, and as such we ought to have the final and supreme voice in the matter of taxation. But since this is merely a measure of procedure or an administrative measure, I hope none of the Members here will object to the proposal made by the Honourable the Finance Member for its reference to a Joint Committee of both Houses. I do not wish to make any observations with regard to the details of the Bill at this stage, but I cannot help making some remarks with regard to the observations made by my Honourable friend, Dr. Gour, about Bengal. He never misses an opportunity of going against Bengal or Calcutta. Yesterday he suggested that the Victoria Memorial should either be demolished or removed to Delhi or Nagpur before he

could vote money for its up-keep. If anything can be called Imperial, a Memorial erected to the memory of Her late Majesty Queen Victoria can most appropriately be called Imperial. But I leave that question alone.

My Honourable friend, Dr. Gour, observed further that the agricultural income and necessarily the Bengal zemindars should be taxed

Dr. H. S. Gour : There is a complete misapprehension of my statement. I never said that the Bengal zemindars should be taxed.

Mr. J. Chaudhuri : He suggested that if agricultural income was taxed, in Bengal, land-income also might be taxed.

Dr. H. S. Gour : I said nothing of the sort. Certainly not.

Mr. President : The Honourable Member from the Central Provinces used it as an illustration. I observe that the Honourable Member wishes to make it a *substantive* part of his argument. That is out of order.

Mr. J. Chaudhuri : With regard to tea, coffee and agricultural income, both my Honourable friends, Sir Sivaswamy Aiyer and Dr. Gour, asked whether these articles should be taxed. Then Dr. Gour referred to the Permanent Settlement. Now Permanent Settlement does not affect Bengal alone. Permanent Settlement affects.....

Mr. President : Order, order. The question of Permanent Settlement is not at issue here.

Mr. J. Chaudhuri : With regard to agricultural income, I should say that if we look to tea, we find that although the income from tea is not taxed, there is a duty on tea to the extent of Rs. 1-8-0 for every 100 lbs. and over and above that, if we look to jute, we pay a duty on it and that brings in more than three crores and a half to the Imperial Exchequer. So although the agricultural income in Bengal may not be directly taxed, these articles are indirectly taxed, and what is raised out of these agricultural products is given to the Imperial Exchequer. So his grievance with regard to Bengal in respect of some of its principal agricultural income or the land revenue of Bengal is altogether unfounded. As regards tea, coffee or other agricultural or horticultural produce, whether they could be properly taxed under the Income-tax Act, there is a great deal of difference of opinion.....

Mr. W. M. Hassanally : Sir, may I rise to a point of order? The measure before us is an entirely administrative one. That question has been repeated more than once and I believe my friend is going out of his way to comment upon the rates of income-tax upon tea and coffee, etc.

Mr. J. Chaudhuri : I am not. I was only replying to my Honourable friend, Dr. Gour's observations and I do not wish to pursue the matter any further at the present moment.

Mr. Manmohandas Ramji : Sir, I rise to congratulate the Finance Member for introducing this measure because great improvements are suggested, and to point out that the measure that is being proposed would do away with the distinction between firms registered and unregistered. Also I notice that some means are suggested to get returns from assesses so that the work may

[Mr. Manmohandas Ramji.]

be reduced and proper amount of tax may be recovered. With regard to one suggestion from my Honourable friend, Mr. Spence, about municipal taxes, I think there should be a general deduction allowed for all municipal taxes wherever they are paid. I know that there is some difficulty as in the big towns only the municipal assessment has to be paid but in small villages and other places they are not paid and therefore this deduction would not be uniform but I say when in a business every outgoing thing or all the expenses are allowed, why should not municipal taxes be allowed in the case of a landlord whose income is solely from his property? However, all these things are matters of detail and I hope the Select Committee will consider all these questions on their merits.

Mr. B. S. Kamat: Sir, like the previous speakers, I also congratulate the Finance Member on this improved Income-tax Act and the various improvements it enacts. There is one point in connection with the examination of accounts to which I wish to refer. I believe at the present day, assesses have to submit their accounts to Income-tax offices; it would be a source of satisfaction if there was an expert staff of examiners in these income-tax offices. Generally the staff who go into the accounts is not an expert staff, knowing any system of public or private accounts. As a rule, the class of people who go through the account books of the merchants' accounts, are ordinary clerks who by experience perhaps know a few rudimentary things about the examination of accounts. What is necessary, if I may venture to point it out, is that in the principal towns and certainly in Presidency towns, in the income-tax office there should be examiners of accounts who are really passed and certificated accountants and a minor clause may be inserted in this Bill that there should be in income-tax offices some body who knows thoroughly the system of accounts as kept by the merchants.

Then again, these examiners of accounts attached to income-tax offices should be given clear instructions in the rules which the Government of India now propose to frame as to the various methods of arriving at an income or profits. At the present time there is a good deal of obscurity or confusion as to how to find the different profits of a merchant. What are the classes of legitimate 'business expenses'? On this point also there is a good deal of obscurity—whether a proprietor can charge certain personal expenses incurred by him in the course of business towards deductions to be from his income: then again, whether a proprietor can deduct and write off bad debts from his profits, that is another point of doubt. Certainly all bad debts are deductions from taxable income from any business. On these points what I suggest is that in the new rules that it is proposed to make there should be clear instructions to the examiner of accounts in the income-tax offices, so that both assesses and examiners should be absolutely clear in finding out what are legitimate 'business expenses' and what are 'legitimate deductions' from the annual profits.

The second point to which I wish to refer is the mode of recovery of assessments. Now, there are assessments and assessments. In the case of certain merchants there are very large assessments and they must find it very difficult to pay the tax in one lump sum. I believe there ought to be inserted in the Act a clause giving a certain latitude in the way of paying assessments by instalments in cases where assessments are very large. This could be done

either by giving instructions in the rules proposed to be framed by the Government of India or by any amendment of one of the Sections regarding the mode of recovery of the assessments.

The third point which I venture to suggest is, that when the Government of India frame their rules for the whole of India as to the manner in which the assessment has to be recovered, I believe all these rules should be translated into the principal vernaculars and every assessee, as a matter of common practice should be furnished with a copy of these rules, so that there may be no doubts or disputes either on the part of the assesseses or the assessors.

Boohar Raghbir Sinha : Sir, as a landholder, I have to endorse the views of Dr. Gour so far as his remarks about the agricultural income and discontent in the country on account of the production of account books are concerned. Agricultural income should not be touched, as has hitherto been the case, in order to avoid further discontent among the agricultural classes in this critical condition of the country. So far as I have heard Dr. Gour, I think he did not mean that any agricultural income ought to be further taxed. But that there should be income-tax on interest on the arrears of rent of these bodies is a question which should be considered by the Government.

Pao Bahadur T. Rangachariar : Sir, there is one satisfactory feature in this Bill which requires more than a passing notice. The other day we passed a Resolution here commending the separation of executive and judicial functions. The machinery now proposed by the new Bill of appointing Commissioners, Assistant Commissioners and a hierarchy of officials independently to deal with income-tax, irrespective of or different from the executive officers who are in charge of the executive administration of the district is a most wholesome feature which all of us ought to welcome. We know executive officers—those who have got charge of the executive functions or administration of districts—use the income-tax as one of the weapons by which they become unpopular. Oftentimes, guided or misguided by zeal in their executive functions, they use the income-tax for purposes which are galling to the people themselves. And, therefore, Sir, I welcome this departure which is now proposed by the new Bill, as a wholesome measure; and even though it may cause the Central Government some more expenditure, I think that the expenditure would be rightly incurred. And, then, though it may cost the Central Government some more expenditure, I think that expenditure is rightly incurred, and income-tax instead of being the unpopular thing that it is now, will become less unpopular by the device of this new machinery which the new Bill has proposed; at any rate, being in the hands of people who are not interested in questions other than rightly assessing the income for the purpose of revenue, the Act is not likely to be abused.

There is one other feature in the Act to which I wish to refer. I have referred to a satisfactory feature. I shall refer to an unsatisfactory feature or rather an omission in the new Bill. I do not know if all of us are aware that for non-payment of income-tax we are liable to imprisonment. I do not think it has come within the experience of any of us that for non-payment of income-tax, or rather the wilful non-payment of income-tax as they call it, the assessee is liable not only to have his property seized and sold, but also he is liable to imprisonment. That is under the provisions, not of this Act, but of the Act relating to recovery of land revenue. This was prominently brought to notice

[Rao Bahadur T. Rangachariar.]

the other day in the Godavari District in our Presidency where a Muhammadan trader was assessed I believe to a sum of Rs. 20,000 on account of income-tax. He did not pay it and a penalty of an equal amount was imposed and for this his property worth several thousands of rupees was seized and sold, and on account of the non-co-operation movement nobody would come to buy that property and the Government bought it for a song. Notwithstanding all his property having been seized, he was also sent to jail, I believe, for a period of twelve months (*A roicc.*—2 years). Whether for non-payment of income-tax a man should be not only liable to have his property seized and sold, but also to imprisonment is a matter which requires to be considered, especially if non-co-operators prevail upon people not to bid for his property and the Government take the property for a song, and notwithstanding all that, the man is sent to prison. That is a very serious question which has to be considered.

With these remarks I commend the motion to the acceptance of the House.

The Honourable Mr. W. M. Hailey : Sir, I feel that I must reply to the remarks which have just been made in the discussion of my proposal. I must reply, if for no other reason because, I think this is the first time, at all events within my experience, that a Finance Member has had the good fortune to be congratulated on an Income-tax Bill. I feel deeply, Sir, [the congratulations I have received ; I feel them indeed so deeply that I am almost apprehensive lest I should have made some mistakes in the interests of the assessee which will be detrimental to the general tax-payer, and I am even doubtful whether I should not ask the House to allow me to withdraw the Bill in order that I may consider whether those mistakes should not be rectified. But I will take heart and proceed ; and will pass on to deal very shortly indeed with the other remarks which have fallen from Honourable Members this morning.

The substantive proposal has been opposed by Dr. Nand Lal only, and he has been subdued so handsomely by Mr. Samarth that I think I need not take up the time of the Assembly in dealing further with the remarks which he has made. With regard to criticisms in matters of detail, I merely wish to allude to them in order that my critics may realize that their advice and their suggestion have not been wasted. The points which they have made will be fully taken into account by the Joint Committee if this House accepts my motion for the appointment of such a body.

Sir Sivaswamy Aiyer asked us to follow as nearly as possible the wording of the English Act. One great purpose of this Bill is to introduce when possible the wording of the English Act, particularly in regard to the definition of income. We have on our staff an expert from England well acquainted with all the problems that arise under the English Act, and he has given us great assistance in the drafting of this Bill. Sir Sivaswamy Aiyer asked that we should take into consideration the case of an assessee who happens to be paying interest on debts due by him. If he will refer to clause 10, sub-clause 3 and sub-clause 9 of the Bill, he will see that we already allow a deduction of interest where that interest is payable on expenditure which has been necessary for the earning of the income. Now, I do not see why we should go further and allow deduction of interest on debts due on other accounts. After all, Sir, what we are taxing is income. We make deductions from current income of the sums which are necessary to earn that income. There

is no reason that I could see why we should allow a deduction on account of other expenditure—even if that expenditure represents what I may call the luxury of paying interest on debts owned by the assessee. He further suggested that we should consider the question of the deduction of municipal taxes; that was a point which was also dealt with by Mr. Spence and Mr. Manmohandas Ramji. When the matter came before the Central Committee which considered the Income-tax Bill, they were not in favour of such a deduction. The municipal authorities are taxing the same sources of income as we are, and we allow that deduction, we are reducing materially our own sources of income. The matter has been much debated at different times. A very considerable variety of opinion has been expressed on the subject: so great have been the differences of opinion that I may mention that one Member at least of the Central Committee who was entirely against the proposal has now supported it in the Assembly to-day. He further dealt with the question of allowing local bodies to raise a sur-tax on income-tax. That, I think, is not a question which arises under this Bill. Whether sur-tax on income-tax is to be allowed to local bodies is a question which arises entirely under the legislation which regulates the taxation of such local bodies. For my own part I may say I am opposed to any such proposal. The proceedings of the Chancellor of the Exchequer, and I may say by implication also of the Finance Member, have frequently been described as robbing the henroost. I think it is his duty to make the defence of that henroost so complete that nobody else can get their hand into it.

Then arises a very controversial question indeed, put by Sir Sivaswamy Aiyer, and referred to by Dr. Gour, Mr. Chaudhuri and Beohar Raghuraj Sinha, the question of taxation of agricultural income. Let me say at once that this Bill does nothing to alter the existing procedure in regard to the taxation of such income. It does not contain any proposal for altering the definition as it now stands. I am well aware of the difficulties which have arisen from the interpretation of the term 'agricultural income.' I am well aware of it. Sir, because I together with some other Members of this House once sat in a meeting of the Legislative Council at Delhi which debated this very point at length; we debated to the best of my recollection until 11 O'clock at night. I have no desire whatever to refer at length to the many difficulties which were then placed before us. The question as regards the taxation of so much agricultural income as is drawn by the tea industry has formed the subject of judgments in the High Court. If the Select Committee can do anything to improve this definition it will undoubtedly give its best attention to the subject, but I feel that for the present all we can hope to do in a matter of such complexity, is to trust the High Courts to give us a correct and working interpretation of the law.

A further point referred to by Sir Sivaswamy Aiyer was the question of the production of accounts. He complained that much hardship was felt by assesses owing to the fact assessing officers sometimes demand the production of all their papers. That matter was also referred to by Mr. Manmohandas Ramji and by Mr. Kamat and Dr. Gour. That is a matter which we ourselves have felt requires attention. We have received complaints of the grave inconvenience that is caused to traders by the necessity of producing practically the whole of their accounts and by the fact that these are, in some cases, retained for some considerable period of time for examination. Mr. Kamat also suggested that that examination was not made by a sufficiently

[Mr. W. M. Hailey.]

expert staff. Now, Sir, that is a disability which I do not think can be cured by legislation. There is one method only, and that is the improvement of our machinery. The House has already voted us considerable sums for the appointment of an expert staff; as that expert staff improves, it will be possible to alleviate this burden on the assessee. It is part of our intention that the assessing officers themselves shall have an examination in the reading of accounts—and the reading of accounts is not a simple matter in this country where they are often kept in an obscure glossary of their own—so that this work shall no longer be left to the interpretation of minor and low-paid subordinates. As we improve this machinery—we can only do so with the assistance of this House as we improve our procedure, so in proportion will the complaints of the assessee be lessened in regard to this matter.

Mr. Kamat also referred to the mode of recovery. He suggested that provision should be made in the Bill for the collection of income-tax by instalments. That, I think, Sir, is largely a matter for the collecting agency, and there, again, as our machinery improves, we shall no doubt be able to lessen the burden on the assessee in this respect. He also made a suggestion that our rules should be translated into the vernacular and distributed. There is a minor point, Sir—and I should not have referred to it if it had not been that I desire to take the opportunity of informing the House what we intend to do in this matter if the House enables us to constitute a central authority. We intend to do everything in our power to make the rules under the Act and the instructions issued under the Act as public as possible. They will be uniform for the whole of India. We shall hope to publish a manual which, if our expectations are justified, will pay for itself. That is to say, the manual will be so complete, will be brought up so continuously up-to-date, that all assessee who are liable for the payment of large sums of income-tax in the country will find it to their advantage to subscribe to our publication. With regard to translation into the vernacular, that is also a question, Sir, which will receive our attention. Dr. Nand Lal suggested that the unfortunate assessee had no right of appeal,—that he had only the right of petition. We can perfectly easily substitute the word 'appeal' for 'petition' without in any way altering the procedure of the Act; but he had surely forgotten that this Bill now goes further, and gives an unrestricted right of reference to the High Court,—a privilege which is not enjoyed by the assessee under the present Act.

Mr. Rangachariar has complained that the income-tax assessee, if he does not pay his tax, is liable to imprisonment; he said, I think, that probably very few people knew of the fact, though he quoted to us the instance of one unfortunate gentleman who certainly has had reason to realize that this provision of the law exists. There is no reason, however, Sir, in my opinion, why a man who does not pay his income-tax should be less liable to imprisonment as a man who does not pay his land revenue. But let me ask Mr. Rangachariar himself to take heart; he can afford to be without anxiety on this point, for the expert at my side assures me that in Madras city itself, you are not liable to imprisonment!

The motion was adopted.

**RESOLUTION RE PURCHASE OF STORES BY THE HIGH
COMMISSIONER FOR INDIA.**

Mr. President : If the Honourable Member is ready to state his position with regard to the proposal made by the Government, we might dispose of this before adjourning.

Sir Vithaldas D. Thackersey : Before moving the motion for which I have given notice, I beg.. ..

Dr. Nand Lal : I rise to a point of order. When I make a reference to the Schedule on page 98, I find there that a certain procedure is laid down which procedure clearly states the manner in which Resolutions and non-official Bills are to be treated.

Mr. President : The Honourable Member must be aware that that point of order was raised before. The procedure in Schedule I, which is an appendix to Standing Order 7, sub-section (2), is a procedure which governs the days allotted for the transaction of non-official business. This is not such an allotted day. It is a day taken by the Government for its own business. Government has chosen to put down three non-official Resolutions for debate to-day, and in doing so they have exercised their proper discretion.

Dr. Nand Lal : I submit this is a violation of the law of ballot. In any case it evades.....

(Cries of 'Chair,' 'Chair.')

Sir Vithaldas D. Thackersey : Mr. President, I was going to say when I was interrupted that I begged leave of the House to allow me to add two words to my Resolution which were only verbal. The first is after the second word in (1) to add 'ordinarily,' and in the second line after the word 'quality' to add the words 'and delivery.'

These are additions which will make my object quite plain. I beg to move that :

'This Assembly recommends to the Governor General in Council that the High Commissioner for India in London should be instructed by the Government of India :

- (1) To buy ordinarily the stores required for India in the cheapest market consistently with quality and delivery, and every case where this rule has not been followed, should be communicated to the Government of India with full reasons for the information of the Legislative Assembly.
- (2) That when placing large orders the High Commissioner should insist that the contracting parties if required shall give every facility for admitting as apprentices in their works Indian students to acquire practical knowledge of the manufactures.'

Mr. President, it is a matter of regret to me that it should be at all necessary to bring forward a Resolution of this character in this Assembly. I think everybody, whether present here or outside, who has the interest of India at heart, expects that the High Commissioner shall purchase stores in the cheapest market. The late Honourable Member for Commerce and Industry, when he met the Indian Merchants' Chamber and Bureau, assured us that the Government of India expected the High Commissioner to buy in the cheapest market, and therefore we have reason to believe that the Government of India also agree that our stores should be purchased in the cheapest market. Now what do we find? Of course we all agree that we have in Sir William

[Sir Vithaldas D. Thackersey.]

Meyer a very able man and a very strong man, a gentleman who has filled the office of Finance Member of the Government of India with great credit and, I must say, fought for the interests of India where those interests were jeopardised.

But from the statements laid on the table in reply to questions both in the Council of State and in the Legislative Assembly, we find that our High Commissioner has not a very easy way. There has been great agitation in England by the manufacturers, both in the House of Commons and outside in the press, that all the stores required for India should be purchased in England from them alone. The agitation has been so strong that we find that when the Secretary of State raised 7½ millions sterling in London at 7 per cent. per annum with the right to the investors of the conversion into double the amount into 3 per cent. bonds, he undertook that the whole of the 7½ million sterling would be spent in England for buying railway stores. We have no objection to buying our stores in England, but the Secretary of State did not even see his way to qualify his statement by saying 'that if obtainable at a reasonable rate.' So that if we follow any longer the principles which Sir William Meyer says he has been following up to now, we shall have not only to pay 7 per cent. to investors, but we shall have also to make sacrifices to the extent of 10 or 20 per cent., as will readily be seen later on, in the purchase of stores to the extent of a minimum of 7½ million sterling undertaken by the Secretary of State. I say, therefore, Sir, that this House must give clear instructions to the High Commissioner in order that the High Commissioner's hands may be strengthened in the purchase of stores in the cheapest market. I will venture to read two or three short quotations from the evidence given by Sir William Meyer before the Railway Committee. I will not take up the time of the Assembly by reading long passages because the report has been circulated and I daresay, many of us know all about it. I will only read short paragraphs. In reply to a question by the Chairman, Sir William Meyer said :

'I cannot say what the companies do'—

that is, other railways managed by private companies—

'but I can tell you as regards my own Department, which includes purchases for State railways. One is rather between Scylla and Charybdis in these matters. You have got Indian opinion demanding—from their point of view quite reasonably—that you should purchase absolutely in the cheapest market. I have a good deal of pressure'

please mark the words—

'put on me from various sides in England to deal with British firms and companies. They say it is very hard that they should be penalised by the abnormal advantage obtained by Germany through the rate of exchange and so on; that they have served India well in the past and that if they have to shut up shop now, things will be worse for us in the future. I have always taken up the position that it is not the business of the Indian taxpayer to subsidise British industry and labour, but that within certain limits one might give a bit of preference especially to people who have dealt formerly with us.'

Later on, I shall read to you a paragraph as to what extent Sir William Meyer proposed to give preference or has given preference, but, in the meantime I will read another short paragraph to show what system he follows when he gets tenders :

'I also adopt the principle on occasion that if the lowest German tender, say, is considerably lower than the lowest British tender, I communicate confidentially the terms of the German tender to the British manufacturer and ask him if he will come down. Sometimes he comes down to an extent that justifies me in giving the business to him, and sometimes he does not.'

Well, this system, Mr. President, of showing the lowest tender to another tenderer does not conduce to get in lowest prices always, and Mr. Purshotamdas Thakurdas, one of our ablest merchants in Bombay, who was a member of the Railway Committee, pointed out or rather in the form of a question asked Sir William Meyer thus. Mr. Purshotamdas Thakurdas asked :

'I should like to put this question arising out of the answer you have just given. If you call for a tender or tenders, and instead of giving the order to the lowest tenderer, you send for the next lowest competitor and tell him you have got a lower tender : does it not discourage the lowest tenderer from tendering again : will he not say, Our tender is only called for in order to get the others to reduce their prices—that is, what I call in ordinary business fair tender facilities should be available to all. Does it not strike you that by adoption of this method, the foreign tenderer may absolutely refuse to tender at all ?'

Well, the reply of Sir William Meyer was as follows :

'Your criticism would be absolutely just in normal times. One would not think of adopting the system in normal times, but we have to face a very abnormal situation in which the Germans thanks to the exchange position and to the necessity of having to pay a huge amount of reparations, are putting up what you may call an artificial price. We did not want to see the British firms ruined by German artificial prices, etc., etc.'

Then about the extra prices, he mentions thus to what extent he proposes or has already given preference to the British manufacturers.

'In the present abnormal circumstances and for the reasons explained in my evidence before the Railway Committee, I am willing to accept a satisfactory British tender in preference to a foreign tender when the gap between the two is not excessive. As a starting point, I have laid down that this gap should not exceed 10 per cent.'

Sir William Meyer further added :

'Each case had to come before him personally and it should be decided on its merits. In some cases no preference of any kind will be found necessary, while in others there may be valid reasons for going beyond 10 per cent. In the case of wheels and axles to which I referred a preference up to 20 per cent. was allowed to a British firm and that for a special reason which is stated in the evidence.'

Then he points out how the tenders are given. In one case he says that the foreign price was £10-10-0, while the British price by public tender was £17-0-0, and after the system he followed of asking the next man to reduce his tender, the British firm reduced their price to £11-10-0. It is now for this House to consider whether a tender for £17 was a fair one, or only because the tenderer knew, or rather the combination of British manufacturers knew that the Indian High Commissioner was sure to approach them and then they would get an opportunity of reducing their tender at a later date that such a ridiculous price was quoted. The Council should remember that the market price was £10-10 and actually the British tenderers had submitted tenders for £17 for the same article. This kind of tender can only be explained by the fact that the man who tenders higher rates knows that the High Commissioner would come to him and that he could then reduce his tender. In one case the foreign price for Wheels and Axles was £45 while the British tender was for £88-15 which is practically double, and subsequently the same British firm reduced its tender to £67. We are not to be led away by what we call the German tender. Naturally when we hear the word 'Germany,' every one of us has disgust against it, but the real point is ignored. We

[Sir Vithaldas D. Thackersey.]

merchants know that Germany is selling cheap, but Belgium and America also sell equally cheap, if not to the same extent as Germany does. Now, as to the argument that Germany has to pay reparation and, therefore, we should not take advantage of it. Well, Germany has to pay reparation for 30 years. Are we going to pay 20 per cent. extra to the British manufacturers for 20 years to come? Reparation is not going to cease next year. It is quite true that Germany, and even Belgium are working hard, and we have got private report to that effect, but if anybody has to compete in this world, he has to work hard and reduce the cost of manufacture.

Well, then, Mr. President, two points stand out most prominently in the quotations that I have read out to the Council. One is that owing to extraordinary conditions we should continue to buy from British manufacturers at a higher rate, and secondly according to the suggestion made, we should pay between 10 and 20 per cent. more to them. I think this House will agree and insist that the time has now come when the prices of materials all over the world are falling, that India should not sacrifice to the extent of 10 or 20 per cent. for buying all stores in future, and that while we are quite prepared to give fair preference to British manufacturers as forming part of our own Empire, they must also see the necessity of reducing their prices and make them equal to the world prices in order to secure our orders.

Then, Sir, when we say 10 per cent., it may seem to be a small amount when we buy small articles. If I am passing in my rickshaw, I buy a match-box for, say, 8 pies, whereas the seller gets it from the wholesale dealer for about two pies and therefore he makes about 33 per cent. profit, but the case is not on all fours with the question before us. We have to look to the fact that we are buying stores to the extent of some millions sterling in England. We were told here recently the cost of railway materials alone would amount to about 14 million sterling. Then the Local Governments are purchasing their stores through this Department. We have also got the Military budget. Then, again, add the orders for constructing New Delhi and for the scheme regarding the Development of Bombay. I understand that a protest was raised by the Bombay Government when the Development Department was asked by the Government of India under the rules, to buy stores required for the Development Department from England through the High Commissioner, when very low offers were made from Belgium. So when we are buying stores to the extent of 15 or 20 million sterling per annum, it means, even on an average of 10 per cent nearly three crores of rupees. Can India afford to pay three crores of rupees more per annum for purchasing stores from British manufacturers so long as Germany has to pay reparation to us or even for a shorter time, or, say, even for a year? We are told that our budget deficit may extend to crores, and this sum of three crores of rupees which we pay to British manufacturers will add to it very considerably unless we insist that all our stores be purchased in the cheapest market. I hope, therefore, this House by adopting this motion will inform the High Commissioner that we expect him to buy at the lowest possible rate. At the same time, I am aware that occasions may arise when the High Commissioner in the interests of India may feel justified in paying a little more for certain stores, and I have provided in my proposition that when he does so he has to make out a case and inform the Government of India about it, and the Government of India should in that case place all the papers before this Assembly so that the

Members may judge for themselves whether this exceptional treatment is justified, or not.

Now, with regard to British manufacturers, I am perfectly sure, that if they are told that India will refuse to pay them higher rates than the world prices, they will be able to sell their goods at the same rates as those prevailing in the world market. The British manufacturers are sufficiently organized, they have the reputation, capital, in fact everything is in their favour, and they can certainly supply stores at the market rate. Of course, I know that they will have to set their house in order. If Germany or Belgium are working hard, I think manufacturers in England will have to tell their labour to work equally hard or accept the wages prevailing in the world. You cannot buy coal at a higher rate than the market rate and pay double wages and at the same time sell cheaper than the market rate, but I think that British manufacturers can sell at a fair rate when they and the labour at Home are convinced that India won't pay 10 or 20 per cent more in future. I read in certain papers that the Indian demand for rails in England is about 40 per cent. of English rail exports, how far it is true I cannot say, but that was the figure published in the newspapers.

There is only one other matter to which I should like to refer. Now, by paying 10 and 20 per cent. more, we are treating the British manufacturers with greater preference than we are treating our indigenous industries in India. The Resolution of the Government of India of 1913 with regard to the purchase of stores from Indian industries, runs thus :

'All articles which are purchased in India in the form of raw materials or are manufactured in India from materials produced in India should by preference be purchased locally provided that the quality is sufficiently good for the purpose and the prices not unfavourable.'

The Member in charge of the Commerce Department told us the other day
 1 P.M. that we buy paper from India to the extent of 90 per cent. if the prices were not unfavourable. There is no question of giving 10 per cent. or 20 per cent. more even for the indigenous article. And we should apply the same rule to the British manufacturers.

Then, with regard to the second part of my Resolution, which is about the admission of students in the factories of manufacturers from whom we buy stores, this part of the Resolution does not require many words from me. And I think we are all agreed that if we place orders for millions of pounds with certain manufacturers that we should, if possible, make a condition that our students should be admitted into their factories as apprentices if there is a demand for this and if we want it. I was in Japan in 1913 and I spent about two and a half months there, because I know that that is a country which by hard work and by several methods has risen from a small beginning. The first thing that Japanese did was, that whenever they placed orders with foreign manufacturers, they made it a condition that their Japanese students should be admitted into the factories and I was told by eminent Japanese people that that system had thoroughly succeeded, succeeded beyond their expectations. They sent out students in hundreds.

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

Mr. C. W. Rhodes : Sir, I have the greatest possible sympathy with the motives underlying this Resolution. In fact, I think it would have my support if it were slightly amended. But I should like at the outset to say a few words on behalf of the British manufacturer. During the war the whole burden of the defence of the Empire—or at least the major portion of it fell on the United Kingdom. Not only has the United Kingdom been burdened with a colossal debt but, what is still more important, its labour conditions have been completely disorganised. Practically the whole of the younger generation were at the war for five years and have become completely unsettled. Manufacturers in the United Kingdom are now finding the greatest possible difficulty in competing with foreign countries owing to high wages and heavy taxation. Now, it may appear to the House, that after all that is England's problem. I do not think that such an argument would be quite fair. India is dependent on England to a very great extent for its defence against foreign aggression. That defence involves high taxes and therefore there would be some reason I think for paying the British manufacturer possibly a little more than his foreign rival. At the same time, I feel here that we are trespassing on the province of the Fiscal Commission which will shortly be appointed and that these matters to some extent may be regarded as *sub judice*. In that connection, I can only say that I hope when the personnel of that Commission is settled that the Honourable Mover will find a place on it, because I feel that with his experience and knowledge his assistance would be invaluable.

But he puts up a criterion of price and quality merely, to which he has since added, I understand, delivery. Now, as a large importer myself I have gone on the lines of the Honourable Mover and always bought from countries where I could get what I considered the best value for my money. Some time before the war, I used to do a very considerable trade with Germany. I found the price right, very much right as compared with British manufacturers. I found the delivery right and I found the samples excellent. When I came to receive delivery, which was generally about 2 or 3 months after that promised, I usually found the quality completely wrong. I put the matter to arbitration. The arbitrators confirmed it. I put in my claim and found that it was practically impossible to get redress. So that two or three years before the war, I stopped my trade with Germany and they still owe me a considerable sum of money. But my experience is not necessarily of universal application. What I would like to suggest is, that my friend does not go quite far enough in his Resolution. The difficulty and the trouble seems to me to be that we put too much in the hands of the High Commissioner. If the Honourable Mover suggests, as I understand, that we should buy in the cheapest markets, why should not we do so direct, why go to London to make our purchases? If we wish to buy from America or Germany, why not buy direct? The commercial community certainly do place a large number of their orders through their London agents but we have found in practice as a general rule that it is much better to buy from the importer in India whatever cannot be made in the country. We have then a man on the spot with a soul to be damned and a body to be kicked. I should like to ask Government for some declaration of their policy in this respect. I know the importer is rather an unpopular individual in many quarters. But I regard him as constituting a first step towards local manufacture. And if he is supported and the orders are placed with him, you can be sure that he goes to the cheapest markets.

The Honourable Finance Member will correct me if I am wrong, but I understand, that when Government consider the placing of orders either with the local importer or with the High Commissioner, they are accustomed to overlook the fact that they have already received or will receive from the importer an import duty whereas if they buy the goods direct through the High Commissioner they import them duty-free. Therefore, when they compare prices, it is up to them to allow for the fact that the imported article is carrying a duty of 2½, 11 or 20 per cent. I just draw their attention to that as I think from things I have heard that it is a matter which the Government sometimes overlooks. But there is another very important aspect of the question. A certain Government Department recently made inquiries as to the amount of stock of a certain article in the country. They told me that they had to carry very large stocks liable to deterioration and at great capital outlay with a considerable loss of interest. Could they be sure of obtaining these supplies locally? My answer was No, not so long as the largest purchaser in the country goes to England for his supplies. If the importer is encouraged by this largest purchaser, the Government stocks will be held, which in case of national emergency can be immediately commandeered. If we ask for returns of the amount of stock held by the Ordnance Department for instance, we shall probably realise that it will pay to encourage the importer to constantly turn over his stocks, and then in times of national emergency we can draw upon that stock and commandeer it if necessary.

As regards the second part of the Resolution respecting apprentices, I have every sympathy with the Honourable Mover, but I think myself that the first and second parts contradict themselves. Are we to buy from manufacturers who take Indian apprentices, or are we to buy in the cheapest market? Personally I think that it would be a great mistake to make this a condition of our orders, though at the same time I think a movement may be made in the way of asking the British manufacturers to do a little more along these lines than they are at present willing to do.

I must thank the Honourable Mover for raising this whole question, because I do think that we want a declaration from the Government as to what its policy is and as to the functions of the High Commissioner. Personally I would rather see his office reduced to a sinecure.

Mr. A. C. Chatterjee : With your permission, Sir, I should like to speak at this stage of the debate in the hope that the statement that I will make may be helpful towards a speedy disposal of this item of business, especially as I am aware that Honourable Members are interested in certain Resolutions that are put down after this one.

The Honourable Mover of the Resolution drew rather an exaggerated picture of the amount of loss that the Government of India and the Indian taxpayer were suffering on account of the preference which Sir William Meyer is alleged to have given to British industries. As a matter of fact, the total purchases of the High Commissioner's Stores Department in England during the last financial year did not amount to as much as 15 millions. It was less than 15 millions sterling, and only in a very small number of cases was any preference given at all. I think it was probably an oversight on the part of the Honourable gentleman. I thank him for the very lucid and clear manner in which he put forward his Resolution. He has also recognised that

[Mr. A. C. Chatterjee.]

there is no substantial difference between the policy which he advocates and which the Government of India have adopted for normal times. From the statement of Sir William Meyer which I laid on the table a few days ago in answer to a question, it is quite clear that before the war the Stores Department of the India Office always bought stores in the cheapest market. Sir William Meyer has also stated that as soon as normal times again return, he will do the same. The Government of India have not the remotest intention of agreeing to any policy which will make India a kind of tied house for the industries of the British Isles. The economic and financial interests of India would always be the guide of the Government of India, and their agents in the matter of purchase of stores either in India or abroad.

We admit that this principle has been departed from in a few isolated cases. I have given a list of the cases regarding which information has so far reached the Government of India, but as pointed out by Sir William Meyer in his evidence before the Railway Committee, the circumstances have been abnormal. There are three special reasons which guided him in this particular matter. In the first place, certain continental countries have just now huge quantities of battle scrap available and dealers are thus able to offer prices which are altogether beyond the capacity of any British firm. Secondly, there is the exchange question, and, thirdly, Germany has got to pay a heavy sum in reparations and is making every possible effort to win back the markets which she had lost during the war. I think the Honourable Member of the Resolution, an eminent business man himself, will fully recognise that even a business firm under such circumstances will give some special consideration. If it finds that an outsider wants to cut in, it will consider whether by giving an order to an outside firm under such circumstances it will not be placing itself in the hands of a monopolist. The Honourable Member from Bengal has adduced other reasons which also I have no doubt will weigh with the Members of this House.

Subject to the limitations which I have mentioned and which were emphasised upon by Sir William Meyer in his evidence before the Railway Committee, the Government of India are quite willing to recognise that the guiding policy should be to buy in the cheapest market. I should, however, like to make it quite clear that the phrase 'cheapest market' as understood by us does not imply that we should buy every individual lot at the smallest price that is offered. Our endeavour should be to make our purchases in the most economical manner possible in the long run. Certain qualifications have necessarily to be added. The Honourable Member of the Resolution has recognised this by adding the word 'ordinarily' and also by the qualifying phrase 'consistently with quality and delivery.' We must have safeguards regarding quality, we must have safeguards regarding the time of delivery. Very often it is impossible to ask for tenders from foreign countries because of the time limit. An important work may be going on and unless certain materials arrive at the right time, the State may be put to a very unnecessary and heavy expense. Similarly, it has to be remembered that there must be facilities for inspection, inspection not only after the work of manufacturing the article has been completed, but inspection during the construction of the article or its manufacture. Honourable Members are aware that for the purchase of articles for our railways in India we have an establishment of inspectors in India, for instance, at the Tata Works in Jamshedpur. We have a test house in Calcutta, and it

is possible we may require a test house in Bombay. This is extremely important, specially in the case of articles required for the railways, where the safety of millions of human beings who travel over the railways is involved. It is quite possible that we may get very low tenders from a very remote town in the United States, but it is quite impossible at the same time to ensure that there would be competent and honest supervision over the manufacture that may be carried on in such a town. Then, again, there must be a certain amount of continuity in our orders. The firms get to know our exact requirements and adapt their own machinery and their labour accordingly. I have mentioned the safeguards that would be needed. The Honourable Mr. Rhodes has referred to the question of employing the High Commissioner at all in making purchases from abroad. He has asked for a declaration of the policy of the Government in that respect. Certain provisional views of the Government of India have already been communicated to Local Governments in connection with the Report of the Stores Purchase Committee.

The whole question will come up before this House when we ask for funds for the Stores Department, and no doubt the House will then have an opportunity of expressing their views on the subject. For the present, I should like the House to remember that the stores purchase organization in London is directly under the control of the High Commissioner, who is an agent of the Government of India. Neither the Secretary of State nor the India Office have anything to do with the High Commissioner except to the extent that the Secretary of State has, under the constitution, powers of superintendence, direction and control over the acts of the Government of India. I need hardly remind the House of the long and devoted services of Sir William Meyer in India, or of the skill and care with which he conserved and safeguarded the financial interests of India during the war. (Hear, hear.) I think the House may rest assured that the interests of the Indian Government and of the Indian tax-payer will be safe in the hands of Sir William Meyer, and he can be trusted with discretion in this matter.

With regard to the latter portion of the first part of this Resolution, the Honourable Mover wants that whenever an article has not been bought in the cheapest market, the High Commissioner should communicate the full reasons to the Government of India for the information of the Legislative Assembly.

I think it would be extremely difficult to ask the High Commissioner to report every case as it occurs, but the Government of India do not see any special difficulty in asking him to furnish an annual or a half yearly statement for the information of the House. If, therefore, it is clearly understood that the cheapest market does not necessarily mean the acceptance of the lowest tender for individual items, that abnormal circumstances have to be allowed for, that questions regarding quality, time of delivery, facility for inspection and similar conditions are fully allowed for, then the Government of India will be prepared to accept the first part of the Resolution.

With regard to the second part of the Resolution, like Mr. Rhodes I am in full sympathy,—we are in full sympathy with the object of the Honourable Member. We all realize the difficulties with regard to the training of Indian students at large works. The method suggested by the Honourable Mover has already been followed in many instances by the High Commissioner, and very successfully followed. It should be remembered that the High Commissioner is also in charge of the Indian Students' Department. At the same

[Mr. A. C. Chatterjee.]

time I do not think it would be right always to insist on these terms, because, as soon as we do so, it is clear that we lose the advantage of the cheapest market. Moreover, Honourable Members are aware that the question of finding facilities for the training of Indian students not only in ordinary educational subjects but also in the technical arts and industries is at present under investigation by a special committee presided over by the Under Secretary of State for India. I think it is therefore reasonable to ask that the Honourable Member will withdraw, for the time being, this part of the Resolution, pending the receipt of the report of this committee. Meanwhile we shall be quite willing to communicate the Honourable Member's suggestion to the High Commissioner.

Mr. President: If the Honourable Member is ready to state his position with regard to the statement made by the Government Member, we might dispose of this before adjourning.

Sir Vithaldas D. Thackersey: Mr. President, I understand that I have to say something about the proposal of the Honourable Member about the second part of my Resolution, and, with regard to that, if the Honourable Member will undertake to communicate the wish of this House, that as far as possible, the High Commissioner should endeavour to get our students admitted into the works of the manufacturers with whom large orders are placed, I am quite prepared to withdraw the second part for the present, on the understanding that when Lord Lytton's Committee's report is out, and if we are not satisfied, I can bring forward this part of my Resolution again.

Mr. A. C. Chatterjee: I have already given that undertaking, Sir.

Mr Jamnadas Dwarkadas: I rise to a point of order. This question is a question of considerable importance, especially to those of us who are business men. I am afraid, the statement made by the Honourable Member for Government has not been found to be entirely satisfactory so far as the views of some of us are concerned. We are glad that the first part of the Resolution is being accepted, but if our views are also listened to by the House and if they are communicated to the High Commissioner and to the Secretary of State, it will be to the advantage of India, Sir.

Mr. President: The question is that:

'This Assembly recommends to the Governor General in Council that the High Commissioner for India in London should be instructed by the Government of India to buy ordinarily the stores required for India in the cheapest market consistently with quality and delivery, and every case, where this rule has not been followed, should be communicated to the Government of India with full reasons for the information of the Legislative Assembly.'

The motion was adopted.

Clause (2) of the Resolution was, by leave of the Assembly, withdrawn.

Mr. President: I may point out to Honourable Members that those who wish to see a given Resolution carried, once having cried 'Aye' need not cry 'Aye' again, unless it is challenged; otherwise there is a danger that if a Division is called, they may find that they have defeated their own purpose.

The Assembly then adjourned for Lunch till Fifteen Minutes to Three of the Clock.

RESOLUTION *RE* : THE CONSTRUCTION OF THE SUKKUR BARRAGE.

The Assembly re-assembled after Lunch at Fifteen Minutes to Three of the Clock. The Honourable the President was in the Chair.

Mr. S. C. Shahani : I rise to move the following Resolution :

'This Assembly recommends to the Governor General in Council that the capital needed for the construction of the Sukkur Barrage be raised without any further delay.'

I must, Sir, in the first instance thank the Government for their kindly giving this most important subject a place in their agenda for two of their official days, the 22nd and 23rd. In India not only the people and the press, I am afraid, but even the Government often concern themselves with "political platitudes, and look upon the actual agricultural progress of the land, the subduing of the vast resources of nature as a departmental detail. As it has been rightly said, 'the wonderful stories of human skill and industry are packed away in *blue-books*, as being only remotely related to life, labour and the pursuit of happiness'. But thank God, the leader of our House, with his usual astuteness evidently recognises that this colossal scheme of the Sukkur Barrage, if taken up and completed, will be fitted to capture the popular imagination which, from the stress of certain circumstances, run amock, and to employ it in its legitimate work, *viz.*, the understanding of the laws of nature with a view to their conversion to the dominion and happiness of mankind.

The scheme of the Sukkur is really not a scheme of provincial concern. If enforced, it will benefit Sind and India, nay the whole of the British Empire. Sind just now is stricken by its barrenness. It keeps its inhabitants on the borderland of poverty for want of proper water supply. Its rainfall does not average more than 5 to 6 inches. But that should not matter. It depends for its irrigation on the river Indus, one of the mightiest rivers, if not the mightiest in the world. But what a sad pity that hitherto the waters of this river have been allowed to run to waste. A minimum, it has been calculated, of over 20,000 cubic feet of water per second runs waste to the sea, and Sind has had to content itself with inundation canals from the Indus, the supply of which canals, Sir, fluctuates, as has been rightly remarked by Sir Sydney Crookshank in his able note on the subject, daily with the rise and fall of the water level in the river, there being no means of regulating this level artificially as is done in the case of most of the other great canals of India. When the Indus is in flood, the inundation canals obtain a full supply, when it falls in the cold weather, only the most fortunately situated obtain any supply at all. The majority of the channels commence to flow, in an average season, at about the beginning of June and cease to flow early in October, that is to say they obtain water, and that only in fluctuating quantities, for some 4 months during the monsoon. The Punjab again is at enormous outlays rapidly converting its inundation canals into perennial ones, and deriving more and more water from the river, the prejudicial effects of which withdrawals on the river at Sukkur at the beginning and end of the *Khariif* irrigation season can no longer be doubted. By the construction of the Sukkur Barrage Sind's rightful share of the wealth of the world, which lies in the products of the earth, now lying dormant in the wastes of the province, would be brought, I submit, Sir, to the door of every villager in Sind. But, Sir, Sind alone will not benefit by the construction. The soil of Sind, which I have known pretty intimately, is some of the richest in the world. On it I have found it possible to grow some of the best varieties of cotton, wheat, fruits and flowers on my lands. I have grown on the Sind soil two of the best varieties of Egyptian cotton—*mutaffi* and *abasi*—over fairly large areas, and secured an

[Mr. S. C. Shahani.]

average yield of 15 maunds an acre. But I have had to give up the cultivation of Egyptian cotton, because water for the cultivation of it is required towards the end of February, and it takes something over seven months to mature. The dewes in Sind set in October, before which the pods of the Egyptian varieties must mature, or else they suffer from the boll-worm. The Honourable Mr. Bhurgri, I and some others are trying one variety of the American cotton—the Trophy—on a small scale even now, and can make an acre of it yield over 20 maunds. But for the American cotton too water is required towards the end of March. An assured supply of water throughout the year is a vital necessity for Sind. If it could be secured, an area of over 5 million acres of culturable land in Sind will be put under cultivation; which will mean directly increase in the province of agricultural activity, rapid expansion of population and farm yard stock, a vast growth of trade giving rise to new railway lines, and still greater activity at the busy port of Karachi, and indirectly a rich harvest of wealth in the shape of enormous supplies of the necessities of life—foodstuffs, cotton, timber, etc., for India and the Empire. The Cotton Association will be well advised in turning their attention to the desirability of growing longer-stapled cotton in Sind. The present world's supply of cotton will be greatly increased if in the case of Sind in these days of awakening prosperity a truly enlightened policy in the matter of its irrigation is pursued.

I must cordially thank my Honourable friend, Mr. Wali Mahomed Hussanally, for having proposed a question regarding the Sukkur Barrage and Canal Project, which elicited an answer from Sir Sydney Crookshank whose attitude in the matter seems to be one of great benevolence, sympathy and knowledge. The answer made was to the following effect :

'The Sukkur Barrage and Canals Project has been approved by the Secretary of State both administratively and technically, but final sanction has been withheld, pending receipt of the detailed proposals of the Government of Bombay as to how the scheme will be financed.'

It is a matter of real congratulation that the project has after all been approved by the Secretary of State.

The project was first mooted in 1847 by Colonel Walter Scott (Richard Burton's revered chief) and again in 1855 by Lieutenant Fife. Three years later, the rough project was submitted to Sir Bartle Frier's Government, but even more definite steps were taken by Mr. Joyner in 1889. In 1892, the Government definitely turned the scheme down. In 1894, Mr. Thomson, the then Superintending Engineer in Sind, said, the scheme was bad. From 1904 to 1910, Dr. Summers kept the Barrage in view, but, in the end, the Secretary of State rejected it. After the year 1918, the Bombay Government has been earnestly pushing it forward. We have every reason to be thankful that it is now half-way through. We were frightened in the extreme by a brief message from Reuter in which we were told in August last that a leading article in the *Times* had issued a word of warning to Mr. Montagu to the effect that 'in view of the long standing and hotly contested controversy he would be well-advised to note the suggestions made at the East India Association on July 25th by Sir Lionel Jacob, Sir Walter Hughes, Dr. Summers and some others, and that if he decided to appoint an independent Committee, its report should be the final arbiter in the matter which clearly requires the most expert decision available.' But Mr. Montagu has, in his usual wisdom, disregarded the advice of the *Times*, and said in the House of Commons that he did not intend

to appoint a further Committee of technical experts. The scheme has doubtless been designed and approved by some of the greatest Engineering experts. I may here mention that the schemes regarding the said irrigation formulated by Mr. Joyner, who was with us in Sind for some years, and who afterwards rendered invaluable service in the Hydraulic Installations of Messrs. Tata and Company have yet to be surpassed. After careful consideration, a site of about 3 miles below the Landsdown Bridge has been selected and a barrage at this point will have no tendency to obstruct or alter the natural conditions of the river above the gorge during floods, and there will be no danger of the deflection of the river above the gorge.

The position of the right and left bank canal heads at this site will be about three miles near their commanded areas and the new heads for Rohri and Khairpur canals will avoid the heavy rock cutting through Rohri. The barrage floor will not interfere in any way with the scouring out of the gorge. On the contrary, at the beginning of the floods the water will have an easier channel at the barrage site, and by manipulating the gates at any point desired in the width of the stream, it will be possible to induce scour at that point, and to train the river streams accordingly. Since the present river banks have remained practically unchanged for at least 40 years for which records are available, the barrage will have no tendency to make its action less steady. On the contrary, it will tend to make it more steady by giving a constant level bed throughout the floods; and there is no reason to fear that the banks between Sukkur and the barrage will tend to change. Sind rejoices that the Secretary of State has recognised the excellent work done in connection with the project by the Public Works Department, and has approved of the project both administratively and technically.

But now remains the financial part of the project. Final sanction has been withheld, pending receipt of the detailed proposals of the Government of Bombay as to how the scheme will be financed. And here in the matter of finance I take it that we are in very safe hands. A detailed report has to be submitted by His Excellency the Governor of Bombay. The Governor of Bombay has been the fairest Governor to Sind we ever had, and has taken a very keen interest in the progress and prosperity of Sind. In his reply to the address that was presented to him by the Karachi Port Trust on February 8th, 1919, he said that the interests of Sind would be most dear to his heart and that he would take every possible care to see that the Province was helped towards business and progress. Now the time has arrived when he is called upon to find funds for this most important project. And we expect he will do it. But Bombay has to serve other interests too. We all know that His Excellency has a pet child, namely, the development scheme of Bombay. And this scheme is to cost about 30 to 40 crores of rupees. (*Voice*.—25 crores). Thank you very much for the correction, if it be a correction, 25 crores. Of these 25 crores, 9 crores were found last year. Bombay is a rich place, it has many fat merchants who can be securely relied upon for loans. His Excellency knew how to raise last year the loan required for the Bombay Development scheme. 6½ per cent. free of income-tax which was at that time a very favourable rate and his loan was, I understand, over-subscribed. This year the Bombay Government has not been allowed to raise any further loan for the scheme. I am here open to correction. I am informed that the Government of India do not like that such favourable rates should be offered to investors because they have themselves to keep in view the raising of loans required for the repayment of their maturing loans. And this was why they have offered about 6½ crores of rupees

[Mr. S. C. Shahani.]

to His Excellency the Governor of Bombay from the Imperial Exchequer, which amount will it is estimated suffice for the Development Scheme work that has to be done during the year. Now, if His Excellency has also to find money for the Sukkur Barrage which is to cost about 14 crores of rupees, His Excellency will have to find an additional two crores a year. I do not know whether he will find it easy to do so. I discussed the matter with my friend, Sir Vithaldas Thackersey, the other day. I hope what he told me was not private. He told me that out of the 9 crores of rupees that were borrowed by the Bombay Government last year, about 4 to 5 crores were contributed by the mill-owners because they wanted quarters for their own mill-hands and that only about 5 crores were raised in the market. Now, if there was some difficulty in getting together the money last year for the Development Scheme, I suppose more difficulty will be experienced when the additional two crores will have to be found for the Sukkur Barrage Scheme. We in Sind have been neglected. It is not only my conviction but the conviction of most Sindhis that a greater part of the revenue which is contributed by us is being applied to the purposes of the Presidency. On higher education, I might state by way of analogy, I think no more than about Rs. 27,000 are being spent per year, which to my mind is comparatively a very small sum. Exactly the same thing is being done in the matter of roads, which are so urgently required in Sind for agricultural development, and which nevertheless are not looked after. Besides some very great schemes of irrigation have been undertaken in the Bombay Presidency. The Nira canals, the Godaveri and the Pavari canals and the irrigation works at Bhatgar and at a place, I think Bhandardara, the name of which one cannot easily pronounce. So if in the Presidency itself large irrigation schemes have been completed or have been in progress and if large sums have been spent upon them, we in our turn might reasonably urge that we are entitled to some share of the revenue and more particularly when the application of this money is calculated to do good not only to Sind but to the whole of India, not only to the whole of India but to the whole of the British Empire. Still, however good and sound our title may come to be recognised, we feel that His Excellency the Governor of Bombay may find it difficult to come to our help. I have not the requisite facilities for expounding the financial details which should undoubtedly be placed before the House if the House is to accept the Resolution. I would leave the work of financial exposition to the Honourable Sir Sydney Crookshank, which, I am sure, he will do willingly because he sympathises with us and feels disposed to render us all the help that he can render. Lest for any reasons the Bombay Government should find it difficult to raise more money, the money required for the Barrage should, in my opinion, be forthcoming from the Imperial Exchequer. No doubt the Imperial Exchequer is saddled with several other charges and has got to mind several other duties, but the Sukkur Barrage should be recognised a paramount duty. Some of you may find it difficult to adequately realize the urgency of the scheme, because you will not be affected in the first instance by the shelving of the scheme. With all the earnestness and deference that I can command I would request your pondering the suggestions that I have made, and your adding your voice to mine in requesting the Finance Member to kindly arrange to give the help that we request. The help requested will, I feel, have been most rightly given; and in the long run it will have done a lot of good to the Imperial Exchequer of India. I have learnt from Sir Sydney Crookshank that after some time the scheme could pay at the rate of about

10½ per cent. In the estimates of the scheme its yield has been calculated at 6½ per cent., which, I think, is not a correct calculation.

I might here say just one word with regard to the present condition of Sind. The Punjab is taking away a lot of water from the river, most of its inundation canals have been already converted into perennial ones. The river in Sind often is low ; and whenever the rain fails too, the condition of the Sind peasant or zemindar is one of extreme wretchedness. Yesterday I was stranded a bit over a representation regarding the Staff Selection Board. I was supposed to have made specific allegations. My object then was, and now is merely to acquaint the House with the actual condition of things obtaining outside. I think that I would be doing some little service to my country in this way. I have always felt that some of the trouble that arises in India is due to want of knowledge of the existing condition of things. Not only my statement regarding the Staff Selection Board but Sir Sivaswamy Aiyer's statement with regard to the imperfect condition of the judicial work done in the North-West Frontier Province was controverted the other day, when we know that separate judicial arrangements are provided for European subjects in the North-West Frontier Province, which I suppose should be a conclusive reply to the arguments advanced against Sir Sivaswamy's statement. To-day I want to inform the House that only about 700 cusecs of water are distributed in the Jamrao Tract when 7,000 are due. There is a scramble for water and very high prices are paid for the water supply that is received by the zemindars. Discharges are sold, probably for no fault of the Executive Engineer, the stress of circumstances being such. I would not hesitate here to state a rumour that I suppose might have reached the ears of every one in Sind, that in the vicinity of the Jamrao Tract in one season, the last season, a clerk, or a set of clerks, made about a lakh of rupees by clever manipulations. Under these circumstances, I earnestly request the Finance Minister and the Government of India to come to our help and advance the requisite money, if need be, for the execution of this most valuable project.

Mr. E. L. Price : It is very difficult following Professor Shahani not to follow him in some of the points which he has raised. I would like to make it quite clear to this House, that whatever racial, political and religious divisions there may be in Sind, on this one point Sind is absolutely united. Engineers who go up the line on their duties and hear everywhere from the peasants from the poorest of the poor, inquiries made about what they call the Su kur 'Berridge' if they are asked, will confirm that statement. The feeling about the thing is so intense through the whole Province that even non-co-operators forgetting their impossible principles are joining in the cry that Government should give us the Sukkur Barrage. In the Punjab all the canals are now made perennial, but in the Punjab they do have rain. In Sind, our canals remain mere inundation canals entirely dependent on the river, and there is practically no rain. Even if you take our average rainfall of 7 inches, it is notorious, if it rains at all it is as likely as not that it falls at the wrong time and causes more harm than good. Cultivation from rainfall in Sind is impossible. The cultivators are therefore thrown back on the water supplied by inundation canals which do not flow. The catastrophe is that they do not flow. They have flowed this year. If the canals have flowed this year, it is because by a happy chance we have had lately about 12 inches of rain. Canals in Sind this year had not got a drop of water from the river. It was only with rain water that they were full.

[Mr. E. L. Price.]

Inundation canals are useless. They grow more and more useless because as the Punjab takes off from the river as it rises in the spring, so far as the river rises in Sind it rises later and later. Unfortunately the ambitions of Sind to become a progressive country have been checked for many years. If I were simply to start recrimination against the Bombay Government for generations of neglect, believe me, I could rouse this House to deep feeling with the details, but I prefer, Sir, to put behind me things that may well be left behind and rather to look forward to brighter days only ahead. I will, therefore, not say a word of recrimination or anything that may further embitter what has really become a very deep grievance in Sind. Unfortunately, the question has been obscured by the intervention of an ex-Sind Engineer, Dr. Thomas Summers. I think I am perfectly in order when I say that on a certain occasion when Egypt had great disputes about irrigation problems, she asked India to lend her an engineer to act as Chairman of the Committee to look into the matter, and it is with some pride, I think, we can say that India found her a fine Chairman in Mr. Gebbie, our Inspector General of Irrigation, and Mr. Gebbie took charge of that Committee, went into the subject thoroughly and settled it. I read a précis of the report in the *Times* and the thing that struck me reading between the lines was this, that the trouble in Egypt had all been caused by the wilful and ignorant interference of superannuated servants of Egypt. There comes a time in a man's life when he retires, his work is done, he goes and draws his pension. Does he suppose that the world is going to stand still because he is no longer working? Cannot he leave us alone? If these things, if these matters are within the cognisance of the Government of India, as it stands at present, constitutionally within its cognisance and the cognisance of the Provincial Government, are we to be plagued eternally with the interference of people who by the efflux of time have become outsiders? How is Dr. Summers in a position to know how things have gone in the ten years since he left India and drew his pension? Dr. Summers performed good service to India, to Sind during his residence here. There is no reason why he should vitiate his record by interfering in things with which he is not concerned and which, as a matter of fact, I do not think he could possibly understand in the developments of the last ten years. If he would take a hint from what happened in Egypt and leave us alone we shall all be thankful.

From an answer given by Sir Sydney Crookshank the other day I understand that the technical side of the question is settled, and all that remains is a matter of finance. Finance is a big thing. It may make or wreck anything, but is it purely a question of finance? Here you have in Sind a population dependent on irrigation canals, inundation canals that do not inundate, and what is the consequence? In an average of five years, there are two years of plenty, two years of scarcity and one year of famine. And what must be the effect of that on men? They can never be certain 'to reap where they have sown.' It has a most devastating effect on the *morale* of the people, and if anybody abuses Sindhi cultivators and compares them unfavourably with their brethren in the Punjab, well, all I can say is, in my opinion, the humble Sindhi peasant considering the disadvantages under which he labours, the uncertainties under which he works, I think he is a marvel of patience, and industry. And I believe with anything like half the chance that this scheme will give him, he will show himself as good as his best brethren in the Punjab and a second sword-arm to India.

It is the fashion in these days to go industrially mad. I regret to say that my own country, England, only so far back as a generation or two, went mad and owing to the neglect of agriculture, wrong systems of land-laws, and of taxation on the land, they have destroyed English agriculture, with the result that in my own country, I admit it with regret and with shame, they cannot feed their people for more than 17 weeks in the year, and for the rest of it they are dependent on such food as they can buy in the world outside. Is your industrial propaganda going to land India in the same plight? Will you not first of all make sure of India's greatest and oldest industry? Will you not make sure that agriculture flourishes first and foremost, so that whatever your industrial developments may be, India can at least feed her own people and beg at no other country's door for bread? The United States, Sir, more fortunately for her countrymen, have developed their industries on a different basis. I remember ten years ago it was said that owing to the growth of population in the United States the supply of food grains from that country to the rest of the world might be rendered negligible. Well, the American farmer, setting aside the croakings of economists who told him that it was useless to spend money in agricultural developments, bought better machinery, ploughed deeper and wider, and the consequence is that in spite of the enormous increase in the population of America, it is well-known that her exports of wheat and other foodstuffs have absolutely grown, and not diminished. The high prices in the world her farmers have been able to take advantage of. Her industries are firmly settled on that basis, that the country feeds itself. That is the sure foundation that has put America as much as anything else in the splendidly strong financial and prosperous position which she occupies at the present moment.

The foundation is that her industries are all based on a country that feeds itself and has not got to look abroad for its bread; and for the development of India, its industrial development, I urge the same course. Develop your industries as you will, fill your towns, fill your factories, as you may, but grow your food within your own borders, and do not look abroad for bread. Sir, all these points, I take it, are a matter not merely of provincial concern. However technically you may say that irrigation and land revenue are provincial subjects, they are matters of national concern, and as such, I put them before this Assembly in the hope of bringing them before the Government of India. And I hope I have shown that it is not merely a matter of finance but a matter of National policy for India. But, coming to the finance question, the Sukkur Barrage and its dependent canals will perennially inundate and irrigate 12,000 square miles. Allowing for roads and the necessary facilities, it means 65 lakhs of acres. Allowing for fallow, you can reduce it to 50 lakhs. Now I am told that people who know agriculture and know the richness of the land in Sind say, that taking the lowest yield of agriculture and the poorest crops, from a money point of view you will get at least Rs. 40 an acre from those 50 lakhs of acres. Multiply 50 lakhs by Rs. 40, and the result is Rs. 20 crores! So that one year's crops on the lowest figure will pay for the dam and the canals and leave a bit over. I have urged this, Sir, as being a national question, and therefore fit for discussion by this Assembly, and for recommendation by this Assembly to the Government of India,—and the Assembly will realize that the production of 20 crores of practically new crops every year is going to be a very great advantage to the whole State and to the Central Government. The population will be richer, its wants will be satisfied, there will be no

[Mr. E. L. Price.]

famines but a general rise in prosperity, increased returns from income-tax, increased returns from Customs, a very great increase in railway returns: and I suggest to Government, in view of all these things, it is impossible to regard a question of this magnitude, involving the finding of food for millions, the finding of employment also for millions it is impossible to put it by and say 'a provincial subject, we won't touch it.' It is a great, central, national subject.

Mr. Harchandrai Vishindas : Sir, I do not propose to take up the time of the House because we are all anxious that the next question should come up to-day and should be finished to-day. But it is very necessary for me, who has taken an interest in this matter for 10 or 12 years, being a Sindhi myself, and being personally interested in the advancement of the scheme, that I should offer a few supplementary observations. I daresay, the House has been convinced by the vigorous and able speeches of the Honourable Mover and Mr. Price that this is a subject of national importance which affects the whole of India, and that the advancement of the scheme will add to the revenues of India. It will add also Railways, customs, excise, *etcetera*. Not only will it add to the revenues of India, but also to the prestige of India, for one point has been not so strongly emphasised as it deserves to be, namely, that this will greatly add to the production of long staple cotton, and thus India will be able to find its proper rank amongst the cotton growing nations of the world. There was recently appointed a Cotton Committee. I think that Committee went on taking evidence all over India. The one great thing for India it recommended was the Sukkur Barrage scheme, because, when it is completed, the prospects of having long staple cotton will be very much brighter than they are at present. Then, another thing I want to bring to the notice of the House, is that the population of Sind is 35 lakhs. Now $\frac{7}{10}$ ths of that population is agricultural, and therefore the $\frac{7}{10}$ ths of 35 lakhs will be benefited by this scheme. I need not dilate upon the point which has already been taken by the Honourable Mover and Mr. Price. For a number of years, our people and our peasants are suffering from drought and famine. I can only say that I corroborate what has already been said, from personal experience, and personal knowledge, being myself an agriculturist. Supplementing the remarks of Mr. Price, I should like to quote from Goldsmith :

' A prosperous peasantry is a country's pride,
And once destroyed, it can never be supplied.'

In this connection, I might also say, that Sir Sydney Crookshank can give the House facts and figures—and I specially thank him for having taken such great pains in writing out his note, which, in spite of my being a Sindhi myself, has supplied me with facts which I previously did not know. I would ask him to get up and would specially request him to give figures to the House convincing them of what has been shown by his note, which has been printed in the newspapers also—I only say that Sir Sydney Crookshank will be able to satisfy the House that this project can earn 10½ per cent. But supposing there is no return, at all, that it is only zero, it will still benefit lakhs of people, and therefore it is worth Government's while financing the scheme.

I might also say that I can endorse what has fallen from Mr. Shahani that His Excellency Sir George Lloyd, the present Governor of Bombay, has

taken a very great interest in the matter, and has taken very very great pains in convincing the Secretary of State of the utility and soundness of the scheme. Recently for the last two or three years, for the want of a dredger, which was taken away during the war to Mesopotamia, several of the inundation canals in Sind have run dry because the Nara supply channel from which they all take off has silted, and there is no dredger to dredge the mouth. When I approached the Government of Bombay, especially Sir George Lloyd, he said, 'yes, I am doing my level best to get a new dredger, but your best salvation is the Sukkur Barrage, the Sukkur Barrage, the Sukkur Barrage.' So, Sir, I appeal to this House and add my note of earnestness to that of my friends, Mr. Shahani and Mr. Price, in asking this House to be very good enough to support this scheme and recommend it to the Governor General in Council that they should finance it. I heartily support the proposition and commend it to the House.

Mr. W. M. Hussanally: Sir, I heartily support the proposition and commend it to the House.

Colonel Sir S. D'A. Crookshank: Sir, there is a technical side to true *swadeshi* just as much as there is a political side. This House has recently in its debates clearly demonstrated both outside and here that this Honourable Assembly, in the short space of half an hour or so, can achieve as much advancement of India on the political side as could non-co-operation attain in half a century. I would like to point out, that on the technical side, that is to say on the side of those who carry out the work which produces the revenues for the people far more can be done for this country in a few minutes by giving support to a project of this nature, and projects like those which were referred to the other day by my Honourable and able friend from the Punjab, than can be done by burning miscellaneous cast-off garments throughout the length and breadth of the country side.

If Mr. Gandhi will not co-operate with us, all I can say is, that in this respect let us at any rate co-ordinate with him. That is to say, let him produce a million 'charkas' and let us give him in return a matter of 5 or 6 million acres of irrigated land under cotton.

I feel that I can not really add very much on the technical side to what my learned friend, Dr. Shahani, has placed before this House. The Sukkur Barrage is probably the biggest irrigation work the whole world has ever seen. It covers a commanded area of 7½ million acres as compared with only 5 million acres commanded by the great Assouan Dam in Egypt. The cost, as already pointed out, is 18½ crores, of which the Barrage itself will cost 5½ crores; and the direct net revenue from this immense undertaking will on completion of the work and the wiping off of the outstanding charges, bring in no less than 194 lakhs of rupees per annum. This, added to the 568 lakhs which my Department—which, as you remember, the day before yesterday was called the Public Waste Department—has during the year 1920 presented to Government, will, as you will see, add very materially to the revenues of the Indian Empire. Indirectly, that is to say, from advantages obtained, as pointed out by Mr. Price, on account of railway, income-tax, stamps and other receipts the revenues which this scheme will bring in will amount to about 29 crores per annum. The whole idea of the Barrage is to replace the existing highly unsatisfactory and very unreliable inundation canals by perennial irrigation and thereby to substitute rice and crops of that nature by cotton and 'rabi' crops. I may point

[Sir S. D'A. Crookshank.]

out in connection with these inundation canals of Sind that their failure in the year 1918 caused the loss of no less than 10 crores of rupees. This year there has also been a very heavy loss, as referred to by my vehement friend, Mr. Price, to the extent of nearly 6 crores of rupees, so that the loss in the current year alone would counterbalance the actual cost of the whole Barrage itself on which the whole scheme relies. As it is, there are perhaps a couple of million acres of land under this fitful inundation irrigation, and this will now be increased to a matter of about 6½ million acres and more, if possible. I will not burden the House with further detail.

Mr. Price has drawn attention to the attacks in the press and in Parliament on this scheme. It is a matter of very great regret indeed that a valuable and beneficial undertaking of this nature should have been so adversely criticised by those who have long ceased their connection with India and are out of touch with events. But I may perhaps point out in explanation that every engineer, whether he is in the service at the time or has retired, considers that he is the one and only engineering star in the professional firmament, so you will have to excuse these gentlemen for offering their criticisms which, we do not value, I think, have been thoroughly discounted. The project itself has been very carefully scrutinised by the leading expert engineers of India and, for the matter of that, of the world. That is to say, by the late Sir Michael Nethersole, whose name is a household-word in engineering circles throughout India; by Sir Thomas Ward, our late Inspector-General of Irrigation, one of the greatest engineers of irrigation that India has ever seen; and lastly and lately by Mr. Gebbie, our present Director-General of Irrigation who has international experience. Lastly, I would remark that not only have these eminent officers lent their services to this project, but also a number of expert Indian engineers, among whom I would pick out Mr. Gokhale, who not only has the advantage of his illustrious name but also that of a very high standard of engineering qualifications. The groundwork has of course been entirely done by Indian subordinates. Sir, I can confidently recommend to the Honourable gentlemen of this House the project which has been referred to in this Resolution; and I think it is up to the Members of this Honourable Assembly to leave it as a legacy to future generations thus to establish even more firmly than is the case at present India's position as the premier irrigation country.

The Honourable Mr. W. M. Hailey: Sir, Mr. Shahani said, if I heard him aright, that he was afraid that big irrigation projects of this kind were sometimes apt to be treated as merely departmental matters in the Government of India. I wonder, Sir, where he gained that impression? It was last year, Sir, that I was visited by a very important personage from the United States—not, I may say, that interesting visitor who graced our gallery this morning and whose mission appears to be directed towards improving our morals at the cost of our finances; but a leading American financier. He came to preach to me the necessity for the material improvement of India. Well, Sir, I know how much the inhabitants of the United States are impressed by what they call big figures, and I asked him if he had any idea what was the irrigation of India. He had none. I told him it was 52 million acres, of which 25 million acres consisted of irrigation under State canals, 14 under other systems of irrigation, largely State systems, such as tanks, and the remainder under wells. Sir, he at once hung his diminished

head, abashed at the realization of what the despised Indian Government had already achieved—an achievement, I may say, which entirely eclipses that of Egypt, and makes the efforts of America and Australia look insignificant. Now, does Mr. Shahani suppose that the Government of India at any time could have been so blind as to treat these important projects as merely of departmental importance? Sir, if you will allow a personal reference, may I add that I am perhaps the last person in India to imagine these matters to be of anything less than cardinal importance. I spent an early part of my career in what is called the Sind-Sagar Doab in obtaining from the inhabitants of those vast wastes agreements which, we hoped, would enable us to undertake the early execution of the Sind-Sagar Canal. This canal should add at least a million acres to the irrigation of the Punjab. I was for some time in the Lower Chenab Canal Colony. I remember the time when the area now under irrigation by the Lower Chenab Canal was inhabited by nomads and graziers; it has now annually a matured area of 2 million acres. For 5 years I was myself Colonisation Officer in the Lower Jhelum Canal Colony. I saw there in what a brief space of time an arid waste could be converted by the gift of perennial irrigation into a vast and fertile garden; I saw there at the same time, — and I shall never forget it, — the magnificent industry and enterprise of the Punjab Colonists in availing themselves of the new sources of wealth opened to them by the efforts of the Punjab Irrigation Department. I should be, Sir, the last of all to depreciate the value of undertakings of this nature.

Now, Sir, let me cease to be discursive and come a little nearer to the proposition before the House. The main reason why it has been brought before the Assembly is, I understand, because the Mover and his friends take it to be a matter of Imperial importance. It is no doubt a matter of Imperial importance. But nevertheless under our present system of finance, dependent on rules framed under the Government of India Act, it is undoubtedly an undertaking which must be financed by the Bombay Government. That is a position, Sir, from which we cannot escape. No desire on our part to recognise the importance of this project as one highly beneficent to India can alter in any way the fact that under the rules as framed by Parliament this is a project which must be constructed, administered and financed by the Local Government. It is further that Government which will reap all those magnificent returns of revenue which are to be realized when the work is completed. If we were to accept the proposition that has been put forward to-day and take upon ourselves the burden of financing this undertaking, what answer, Sir, should we give to the Punjab which has further large irrigation schemes under consideration? What answer should we give to the United Provinces which has a great irrigation scheme under immediate execution? What answer should we give to Bengal which has the Grand Canal scheme under contemplation? The same is the case with regard to many other provinces, who are appealing for finance to carry important projects which will turn to the benefit of their own areas.

Now, it may be said—surely Bombay should be able to finance without difficulty this scheme which, great as it is, will not absorb more than two crores of rupees a year? Well, as Members of this House have pointed out, Bombay, rich as she is, and able as she is to raise great sums of money, has other interests at issue. She has an important Development scheme which will cost in all not Rs. 25 crores as the House was informed by Mr. Shahani, but between 36 and 37 crores. 9½ crores have already been raised in the open market,

[Mr. W. M. Hailey.]

and an advance of something over 5½ crores has been obtained from the Government of India, though of course that advance will have to be repaid from future loans. It is therefore a question for the Bombay Government to decide, how far they will be able to carry on their important Development scheme and at the same time finance the Sukkur Barrage scheme. I am not going to enter into what seemed to be developing at one time into a demonstration of something like a family dispute between Bombay and Sind. I have given the facts as they stand. Bombay is able to raise large sums of money, but Bombay itself must decide between the conflicting claims of the various projects which she is now undertaking. It is no doubt partly for that reason that the Secretary of State has directed that this scheme, before it is finally approved, must be brought before the Bombay Legislative Council and that that Council must be given an opportunity of approving the scheme as a whole before its execution is undertaken by the Local Government.

That leads me, Sir, to a somewhat wider question. Mr. Shahani suggests that if there is any difficulty in Bombay finding the money, we ourselves ought to provide it. But we ourselves have large commitments in regard to raising capital money. When we are told, somewhat light-heartedly I think, that we should come to the assistance of Bombay in executing this scheme, it has to be remembered,—and I must impress that fact on the Assembly,—that our own path in the future is not too easy. May I very briefly give the House some idea of what those commitments are. We have in the first place outstanding a very large amount of Treasury Bills—over 40 crores at present. Now, Sir, it is generally felt that those Treasury Bills are a great deal more than this country can safely carry. Let us suppose that in ten years we can reduce them to 20 crores ; that would mean that in ten years we must realize for the purpose 20 crores of rupees. Then again we have a large number of unbacked paper currency notes. I shall not lay any great stress on that point at present, because we have an automatic scheme for the reduction of those unbacked notes, the result, as the House will remember, of the passing of our Paper Currency Act over a year ago. But, Sir, we have maturing loans which up to and including the financial year 1931-32 total altogether 116 crores in India and further liabilities during the same period to the extent of 15 crores in sterling obligations. For these liabilities either cash has to be found within the next ten years by budgeting for a surplus, or we have to fund them into long term debt.

Then, Sir, let me take further liabilities of a capital nature on central expenditure. There is New Delhi, which we are told will cost us something like eight crores of rupees. Then there are the requirements of Railways. Now, I am not able to estimate exactly what those requirements are likely to be, but the House knows as well as I do what urgent demands are being made upon us for increased capital expenditure. It knows as well as I do, that the Railway Commission's report is likely to demand that we should provide, if we are to keep our railways up to the mark, very large sums of capital money in the next ten years.

The House is well aware that commercial opinion throughout the country has been insistent that it is being hampered in every direction, by lack of traffic facilities. It may be possible that I shall have to come subsequently before this House and ask for a definite railway programme

extending over 5 or 10 years. That remains for the future ; but for the present I can only say that it is quite certain that demands will be heavy and must be met.

Such, Sir, are our own commitments ; we shall have to finance them from the Indian money market with such assistance as we can raise from sterling loans. In addition to that, you have the demands of the provinces, which must come from the same source. I have already referred to the Bombay development requirements. A United Provinces loan has just been advertised ; we anticipate that other provinces will shortly put loans on the market. We hope that India will be able to answer these large demands on the money resources of the country ; the danger, however, is that if they are not managed carefully, they may result in raising interest rates, or at least prevent our getting back to that lower level of rates which we all desire to render practicable. If provinces are allowed to raise money at high rates of interest, the process will certainly re-act on our own position in the money market. The one-policy which we are pursuing at present (Mr. Shahani has alluded to it), the one policy we must pursue in the future is to keep down general interest rates, while attempting to satisfy the requirements not only of our own loans but those of the provinces also. The investor does not discriminate between the provincial loan and the Imperial loan. We thought at one time that if we allowed the provinces to raise money on a slightly higher rate than the Imperial Government, it would not harm in any way our Imperial position. But, Sir, experience shows that the amount of money that can be raised by purely local patriotism is not very large ; a great deal of the money that finds its way into provincial loans really constitutes a reduction of sums which would otherwise be available for our own Imperial loans. We have no desire to place obstacles in the way of the provinces raising loans for the various beneficent schemes they may have in contemplation ; but it is necessary to see that they do not injure the position of central finance by so doing.

Well, Sir, these are matters of no little importance in themselves and bearing I think directly on the proposal that has been put before the House. I have explained that we cannot, as the financial system approved by Parliament now stands, treat this project as an Imperial one. It is a Bombay project, and it must be financed by Bombay. Nor, Sir, am I perfectly certain of the exact meaning of the terms of this Resolution. It proposes that ' money needed for the construction of the Sukkur Barrage be raised without further delay.' It is only now that we understand that the meaning of the Resolution—a meaning by no means clear from the wording—is that it should be raised by the Government of India. To begin with, this project will only require some two crores of rupees a year. Therefore, I myself could not support any proposition which would suggest that the whole of the money should be raised immediately. Further I cannot agree to the proposition that it should be raised by the Government of India. If all the Resolution means, Sir, is this, that we should do nothing to hamper the scheme, but that as far as lies in the power of our departments we should do everything to assist its early completion, if it means that, then I am perfectly willing to support it. If the demand is that we should provide the money from Central finance, then, Sir, I oppose it.

Mr. S. C. Shahani : I would accept the interpretation that the Honourable Finance Member would like to put upon the terms which I have

[Mr. S. C. Shahani.]

used in my Resolution. If it is not possible to induce the Government of India to raise a loan for the Barrage, we must content ourselves with the Government of Bombay doing so. The Finance Member has referred to my having said that this matter of the Barrage had been treated as a departmental detail. I of course referred to the British Government, to the Secretary of State, more than to the Finance Member of the Government of India. I should make no doubt that the Finance Member will do his best to see that we are helped in the matter of this project. I must, however, point out that the scheme was begun long long ago and that it has been subjected to a game of shuttlecock and battledore between the Secretary of State and the Local Government. I do not think I am wrong in saying that the matter needs more consideration than has been devoted to it. As for the commitments of the Government of India, which the Finance Minister has spoken of, I think, Sir, you will allow me to say that the Government of India would be better able to mind these commitments if it went in, exercising their imagination boldly, for the required loan, and helped in a whole-hearted manner in the execution of the scheme. If, however, that is not done and the requisite money is not supplied, then no doubt we shall have to fall back upon the sole help of the Government of Bombay.

I think, Sir, that some little answer is due to us on one other point, namely, that the Government of India, despite all their commitments, have consented to advance 5½ crores of rupees to the Government of Bombay for their development scheme—to be repaid of course. In the matter of the Barrage too, we propose that the money that is to be advanced by the Government of India should eventually be repaid. If the Government of India could manage to pay the Government of Bombay for the Development scheme, why could they not do so for the Barrage? We should be better able to repay any loan that is given us for the Barrage.

Just one word more with regard to the interpretation to be put upon my Resolution. I do not wish that the Resolution should be knocked on the head. I would agree to the interpretation that the Finance Minister has put upon it, and with this acceptance of mine I make a strong appeal to the House to very kindly accept the Resolution.

The Resolution was adopted.

RESOLUTION *RE*: INDIAN AUTONOMY.

Rai J. N. Majumdar Bahadur: Sir, the Resolution which stands against my name runs as follows:

This Assembly recommends to the Governor General in Council that he may be pleased to move the Secretary of State for India in Council for taking necessary steps for ensuring:

- (1) the transfer, from the beginning of the next term of the Legislative Councils of all provincial subjects to the administration of the Governor acting with Ministers;
- (2) the transfer, from the beginning of the next term of the Legislative Assembly from among the Central subjects of all subjects except Army, Navy Foreign and Political Departments to the administration of the Governor General acting with Ministers, provision being made for such constitutional changes as may be necessary in that behalf, on the lines of the provision for administration of transferred subjects of the Local Governments; and
- (3) conferment from the beginning of the fourth term of the Legislative Assembly, of full Dominion Self-Government in India.

The first part of the Resolution may be effected merely by a change of the rules as I shall show presently, but the second and third part will necessitate legislation. I myself am not enamoured of the system of dyarchy as it now prevails in the Local Governments, nor do I think that the conferment of full responsibility after eight years hence, that is, in the beginning of the year 1930, will make the situation any the better, but remembering what Sir James Meston said as the representative of the Government of India before the Select Committee I have tried to proceed as cautiously as possible. Sir James Meston, now Lord Meston, said :

'The second refers to the proposal that there should be some form of diarchy in the Central Government. The Government of India are not very clear naturally, because they have not heard the whole discussion what form of diarchy is definitely proposed. It seems to them that some of those who have pressed for the measure speak as if they wanted a Minister attached to the Government of India a Member of the Government of India whose duty it would be specially to supervise the development of transferred subjects and the administration of transferred subjects in the Provinces. They would deprecate this very strongly, because they feel that this task is essentially the task of the Governor and he is the man who has to watch and to guide this very important constitutional change. Others seem to suggest that the diarchy sought is this, that in some way the Indian Members of the Executive Council are to have special powers, in conjunction with the Legislature, for what have been called the more domestic or popular subjects. They would, of course, regard this as quite irreconcilable with the position of the Members of the Council as jointly responsible for the deliberations of the whole Executive body. However, whatever may be the precise form of diarchy which finds most favour, the Government of India do not like it. They do not know and they do not profess to say what is to be the future of the Central Government. It may be that diarchy will have to come there in some form or another in time, or the line of development may take quite another course and it may never be necessary to have diarchy.'

So the House will see that dyarchy is not the only alternative. Lord Meston did not think that dyarchy was the only alternative. Even he seems to have anticipated therein that full responsible government might come in the Central Government without the intermediate intervention of dyarchy. Now, Sir, the question is, does the country demand this responsible government in the provincial as well as Central subjects? Any one who has noticed what is passing outside must admit that there is a general demand. Of course, this demand, so far as this House is concerned, will always come in the form of a petition of rights, but it is coming from outside this House in a much stronger form. What I say is, that there is a perfect unanimity in the country as to the demand of responsible government both in the Central and the provincial Governments, and I can say without fear of contradiction, that the people of India, be they Hindus, Mussulmans, or Christians, and I include Sikhs, Jains, Buddhists, or Parsis in the word 'Hindus,' are all sincerely anxious and desirous of attaining responsible government within a very reasonable time in order to make ourselves worthy of the position that has been assigned to us in the League of Nations.

Our friends, whether British or Indo-British, I am happy to say, whether official or non-official, are also cheerfully co-operating with us in attaining this goal of our ambition, whether they be in this House or outside it. Those of my friends who, acting according to their own light, are not co-operating with us at the present moment have also the same object in view, and I hope that from the beginning of the next year they will act with us side by side for putting constitutional pressure upon the other side to attain the goal of our ambition. We perhaps do not see in the poverty of our intellect how some of their methods can lead to Swaraj. All that we can see is that it

[Mr. J. N. Majumdar.]

will lead to dissensions and disturbances, which are likely to prolong and not shorten the period of our political bondage.

The British Parliament, as representing the British people, are also friendly to our aspirations, I should say, though some of the Members of Parliament are inclined to be a little over-cautious and have not been able to get rid of that suspicion, that should we ever attain responsible government, we perhaps shall demand a complete separation from Great Britain, and that suspicion is natural for any one admitting a new partner. Some among ourselves do not often strengthen that suspicion by unguarded and unrestrained expressions.

The Royal House has been always sympathetic to our aspirations. We all remember the great Queen's Proclamation which is still considered as the *Magna Charta* of Indian constitutional liberty. We all remember the Proclamation issued by King Edward when he ascended the Throne. We all remember the Proclamation issued by King George when he ascended the Throne, and we all remember the Proclamation made when our present King-Emperor gave assent to the Government of India Act, and last but not least, the Royal Message which this House and the other Chamber had through His Royal Highness the Duke of Connaught. All this shows that the Royal House of Windsor is very friendly to our aspirations, and we know what Royalty even in England can achieve.

It could not be otherwise, for it is indeed difficult to imagine, a prosperous British Commonwealth without a free and contented India, or a free and prosperous India with the rest of the Commonwealth arrayed against her and her aspirations.

Therefore the golden medium of a free partnership for India in the Empire is the result of far-sighted statesmanship of both countries not only for our mutual good but also for the good of the world. For are we not really coming to a Federation of Nations, the dream of poets, sages and prophets of all countries in which India is to take her proper place and give to the world her ancient spiritual treasures which the world does not know at present and thinks her too poor to have anything of her own to give to the world?

Agreeing in our object, we are not always agreed in our means and ways. Though we are in the same boat, British and Indian, we are not all pulling in the same direction and there is now and then not a little apprehension of the boat not at all reaching the port of its destination.

Why should this be? The reason is not far to seek. Though we who are in this House are convinced of the sincerity of the intention of the British nation to grant us Swaraj, as His Majesty the King-Emperor has been pleased to designate 'dominion self-government,' there are others, and the masses, I am sorry to say, are at present under their lead, who could not see eye to eye with us in this matter. They point out that the Government of India Act, 1919, is silent as to when India is going to be given Swaraj or full dominion self-government.

Hope deferred make the heart sick, and 'many patriotic and loyal Indians who are dreaming of Swaraj for their motherland,' to use the feeling language of the Royal House, do not feel quite free, even when enjoying security of life and property due to Pax Britannica, from a sub-conscious anxiety as to the

future of their motherland, for the psychologist of the human mind knows that man feels more concern for the future than for the present and that he will patiently bear present ills if he is assured of a remedy within a reasonable time. The present is momentary, always vanishing either into the past or into the future, and the future is the only thing that man cares for.

Such being the case, neither the Imperial Message which only holds out 'the widest scope and ample opportunity for progress to liberty which the Dominions enjoy,' and not the liberty itself enjoyed by the Dominions, after a certain number of years, nor the preamble of the Parliament Act which proclaims 'the declared policy of Parliament for an increasing association of Indians in every branch of administration for the gradual development of self-governing institutions with a view to the progressive realisation of responsible government in British India as an integral part of the British Empire', but does not definitely promise responsible government in British India after the lapse of a definite period within which certain preparatory stages may be included, has not evoked that enthusiasm and confidence in the minds of loyal and patriotic Indians which they would have done if they had been more definite. Is there anything to wonder at this immediate demand on the part of the people of India? Man infers the future always from the past. Do we not all know that an eminent Viceroy did his best to undermine the very foundations of loyalty in this country by his endeavour to minimise the Queen's Proclamation by laying too much stress on the words 'so far as may be.' Do we not know that a Liberal statesman whose accession to the throne of the India Office was greeted with acclamation in this country and who was previously considered as the political *guru* of all Indian nationalists could not imagine to himself that India would ever get a Parliamentary system of Government and rise to the position of a partnership in the British Empire?

Do we not also know that before 1861 little or nothing was done towards admitting India as a partner and even in the following years how slow and little that progress has been towards that direction? True, we are now being told that the angle of vision has undergone a complete change. /Our late Viceroy in opening the new Indian Legislature told us in February last :

'The principle of autocracy which had not been wholly discarded in all earlier reforms was definitely abandoned; the conception of the British Government as a benevolent despotism was finally renounced; and in its place was substituted that of a guiding authority whose role it would be to assist the steps of India along the road that in the fulness of time would lead to complete self-government within the Empire.'

Noble words, no doubt. But would it not have been more assuring if the 'fulness of time' had not been left vague and uncertain, and clearly indicated by a definite period of time in the Act? His Lordship continued :

'In the interval required for the accomplishment of this task, certain powers of supervision, and if need be of intervention, would be retained and substantial steps towards redeeming the pledges of the Government were to be taken at the earliest moment possible,'

but would it not have been more assuring if the interval had been marked out in the Act by definite stages leading to the goal within a definite period?

It was not done; and we are now face to face with a great political situation which is likely to tax to the utmost the energy and intellect of one of the most tactful and experienced statesmen of the Empire, now at the head of the Indian administration.

I say to the British people :

[Mr. J. N. Majumdar.]

"Brethren, we have made up our minds to get Swaraj, as a right, and it is your glory and privilege to help us in winning it, and if you have really made up your minds to help us, please do no longer stand between us and the goal of our ambition."

'Why are you so impatient, you will get it at the end of 10 years.'

To such a query, my answer is that the provision for a statutory Commission at the expiration of ten years from 1919 for the purpose of 'inquiring into the system of government, the growth of education and the development of representative institutions in British India, and matters connected therewith, and for reporting as to whether and to what extent, it is desirable to establish the principle of responsible government or to extend, modify or restrict—mark the word 'restrict'—the degree of responsible government,' does not remove the sub-consciousness of distrust under which we are all more or less labouring at present. Indeed, we ought to hope for the best, but the prospect of a Commission, which may even restrict the degree of responsible government was not only not flattering to our national self-respect, but was calculated to raise discontent in the public mind. It has been verified by subsequent events. Who knows that some accident may not dash our cherished hopes to the ground, or that a breeze may not disturb the calm Parliamentary atmosphere and scatter all our aspirations to the winds? What guarantee is there that this Commission is going to be the last of its kind, and not a mere fore-runner of Commissions *ad infinitum*? Who knows that we, the people of India, and Swaraj shall never meet each other like the asymptotes of hyperbola, though always approach each other? Who knows that we shall not share the fate of Tantalus in the Greek mythology, who was always burning with thirst for water, even with water under his chin?

It is necessary therefore to give a *definite* assurance of autonomy in the Central and Provincial subjects within a definite period in order to assure the public mind of the sincere desire of the British nation to treat India as a partner in the British Commonwealth. Is not our position in the League of Nations, which is meant for self-governing States, Dominions or Colonies only, an anomaly, nay a mockery and delusion, with the brand of subjection still on our forehead? And is not our annual contribution of 25 units out of a total of 478 units, or more than 1-20th of the entire cost of more than 20 million of gold francs in the nature of a penalty, only for the shadow and not for the substance of Liberty?

Why should the Colonies, with whom we have direct dealings, treat us as equals when they know what we are? Why should Manchester treat our fiscal arrangement seriously when they know what we are?

Our position in this transition is a peculiar one. We are neither in the Heaven nor on the Earth below, but somewhere in the middle region as an object of pity, if not of scorn, to the whole world. Did not the rebellious South Africa get Swaraj all at once by a Proclamation, and should it be withheld from loyal India,—India ever loyal to the British Government?

The situation can never last long. Our consolation, however, is that our European friends, official and non-official, are with us, and they are helping us with a single-minded devotion to attain the goal of our ambition without further delay.

The Resolution, which I am going to move, is therefore extremely cautious and moderate in its scope, as I have already said.

I propose, not immediately but from the beginning of 1924, for the transfer of all provincial subjects to the administration of the Governor acting with Ministers.

The transferred subjects—and they include all nation-making ones, such as education, sanitation, commerce, industry, and agriculture—are already in the hands of the Ministers, and a portion of the most important reserved subjects is also in the hands of Indian Members.

It will not be revolutionising the administration to transfer the whole of the reserved subjects to the Governors acting with Ministers and to make them responsible to the Councils, the Governors exercising the powers of supervision and, if need be, of interference as now.

The present Indian Members in charge of many ordinary departments whether in the Central or Provincial Governments, are not chosen from among the Members of the Civil Service with administrative experience. The Members of Cabinets in England and the Colonies are neither chosen on the strength of administrative experience as such unless they happen to be Members of one or the other House. The plea of want of administrative experience has absolutely no legs to stand on.

When we get responsible government, the Councils which will be responsible for the safety and tranquillity of the country will at once realise, weighed down with responsibility, that it is not so easy to act as to criticise. A sense of joint responsibility will be ensured in the Cabinets and the task of the Governors and the Governor General acting with Ministers will be much more smooth than at present. The unpleasantness of allocation of moneys and revenues to reserved and transferred subjects will be removed. The Ministers being all elected, the Councils will be in a position to exercise economy and make the administrations less topheavy than at present. It is not necessary for me to go into details. The necessary changes, so far as the Provincial Governments are concerned, can be accomplished without fresh legislation by Section 1 and Section 44 of the Government of India Act.

The Act, however, makes no provision for the transfer, partial or complete, of any Central subject to the Governor General acting with his Ministers, but this may also be done by Proclamation or Ordinance, subsequently ratified by legislation. As I have already said, I am not enamoured of dyarchy, which is contemplated in the second part of the Resolution, and in submitting it I am only submitting it as a prudential measure along the line of least resistance. It may be argued that Parliament is not inclined to legislate so soon after having passed the Government of India Act of 1919. If I have studied the mentality of the British public and the British Parliament correctly, I have no such misgiving in my mind, provided the facts are correctly put before them, and as for that, I can place full reliance on His Excellency the Governor General and his colleagues, one and all of whom, Indian and British, are as devoted to our cause as we ourselves are. Proceeding cautiously on the line of least resistance, I have proposed to introduce partial responsibility in the Central Government from the beginning of 1924, and full responsibility from the beginning of 1930, while the Act only proposes a Commission in that year. And my remarks in regard to provincial subjects apply equally to all the Central subjects. I have proceeded cautiously.

[Mr. J. N. Majumdar.]

but if I have erred too much on the side of caution I stand subject to correction and will accept any amendment in consonance with the spirit of the Resolution. India is wide enough for us as well as our British friends, be they permanent residents or temporary sojourners in this country, and with a few regrettable exceptions, we can always count even from among the latter our strongest supporters in our struggle for freedom. And may I assure them that if occasion should arise—which God forbid—we shall not fail to be by their side—soldiers and labourers, surgeons and stretcher-bearers, as we did not fail in the last war, though we were still looked upon as a subject race. We can assure them that in future we shall not fail to do our little bit even when we are assured of full responsible self-government.

The Governor General in Council, the Secretary of State in Council, the British Cabinet, and the British Parliament, as representing the British people, may or may not accept our recommendations, though the latter alternative seems impossible, for their eyes and ears must have been kept open to what is happening in this country.

From one end of the country to the other they are demanding Swaraj in the clearest terms possible. Though we are not yet responsible for the safety and tranquillity of this country, we, in this House, have our duty towards the Empire as well as our country, and it is our privilege to advise them and those with whom the responsibility lies at present. We shall be false to ourselves, false to our country, if we fail to do our duty at this present moment. A disorganised and discontented India with its 32 crores of people cannot but be a menace to the peace and progress of the whole world, and cannot but be a thousand times more unpleasant than a discontented Ireland.

That we came under the British rule is no argument of our unfitnes for self-government. Even more civilised races have from time immemorial come under the sway of less civilised peoples. Our culture goes centuries back into the dim past. One of our kings, King Asopati, who used to rule over the country now known as Afghanistan and the Punjab and then known as Kekaya, could say with pride :

'Na me stena janapade na kadarya.

Na madhyapa na avidvan.

Na svaira, svairini kutah.'

'There is no thief in my kingdom, no doer of dirty deeds....., there is no drunkard in my kingdom, there is no illiterate man in my kingdom, there is no adulterer, how can there be an adulteress in my kingdom?'

This may seem an ideal picture of India, but, Sir, if we come to Megasthenes, we find him corroborating this ideal picture in giving an account of India during King Chandra Gupta's reign, attributing the highest moral and spiritual worth to the people of India. Then if one reads *Artha Shastra* by Kautilya, the Minister of Emperor Chandra Gupta, who was a contemporary of Alexander the Great, it will be evident to him how proficient we were in the practical art of administration, and I would request all our official friends here to study—if they have not done so already—the *Artha Shastra* as edited by Sarma Sastri of Mysore, from which they will find that we excelled the whole world not only in our science and mathematics, philosophy and literature, music and medicine, in our arts of painting, architecture and sculpture, but

also in the art of practical administration. Our forefathers could say with pride :

*'Elat desaprastasya sakashad agra janmanah swam swam charitram
shiksheran prithivyam sarra manavah.'*

'That from the first-birth of this country, the whole of mankind on the surface of earth has learnt the responsible rules of good conduct.'

That was our day. I know we have now fallen on evil days, but we hope that with the help of our British brethren, we shall again recover that position, and it is to their glory and our glory that it should be so.

Even in the darkest period of our existence, the condition of Murshidabad as described by Lord Clive was more typical of the whole of India. Murshidabad, when he entered the former capital of Bengal after the battle of Plassey, was according to him as populous as London and ten times as rich.

I shall not recall to our memory the sins of commission and omission on the part of British in the past, for I am convinced that since 1857 the British Government is steadily marching forward towards progress and liberty, although in the midst of periodical aberrations, and that we are here to-day is ample proof that we wish to co-operate with our British brothers and exert the whole of our soul force upon them and appeal to their sense of justice and even of generosity in order to attain the goal of our ambition. The birds are singing, the trees are blooming, the fields are green with vegetation: and lo! the Spring of Swaraj will soon smile on this land after a long and tedious winter.

The soul of India cries to the soul of Great Britain: 'You freed the slaves of the world; you gave a free independent Republic in Liberia: to the freed Negro slaves of America. Should you withhold freedom from me?' The soul of India cries to the soul of Great Britain: 'You waged the last War of Independence and restored not only Belgium to freedom, but also made Finland, Esthonia, Latvia, Luthuania, Poland, Czecho-Slovakia, Ukraina, Georgia, Armenia, Palestine, Arabia, Azerbaijan and Mesopotamia free. Should you, the Mother of Freedom, withhold it from me, who have stood by you faithfully for all these years and have shared your joys and sorrows, and have contributed not a little towards your present position in the Comity of Nations?' The soul of India cries to the soul of Great Britain: 'I shall never forget your services, and whatever other defects I may have, I have never been ungrateful.' Does it require a poet's imagination to anticipate the response to such an appeal?

Great Britain who found India, disorganised and has given her an organization, who found her disunited and has united her, who found her void of self-consciousness and has made her self-conscious, cannot but rend asunder the last fetter of bondage and make India free, for her good, for the good of the commonwealth and the good of the world unless she is false to all her past traditions and commits a moral, spiritual and political suicide.

*'Tis Liberty that crowns Britannia's Isle,
And makes her barren rocks and bleak mountains smile;
Let Liberty also make India smile,
Side by side with Britannia's Isle.'*

Sir, with these words, I beg to move the Resolution.

Mr. T. V. Seshagiri Ayyar: Sir, if I have intervened early in this debate, it is because, as has been intimated to me by the Honourable Sir William Vincent, if this debate is adjourned, I may not be able to take part in it, as I am leaving Simla on the 26th instant. Therefore, Sir, I ask the

[Mr. T. V. Seshagiri Ayyar.]

permission of the House to permit me to say a few words at once on the subject to which I have given some attention.

Sir, the Honourable Mover of the Resolution has spoken very eloquently about the duties of Indians and about the co-operation which is expected from Britishers in the work which lies before them. I shall not travel over the same ground. You will find, Sir, in the amendment of which I have given notice, I have avoided the use of the expression 'Dyarchy,' because in my humble opinion dyarchy as understood by the authors of the Montford Scheme existed nowhere in India, and certainly it would be particularly inapplicable to the conditions that exist in the Central Government. It is for that reason that I have asked that early steps be taken for introducing responsible Government in the Central administration. Sir, it may be asked whether the powers which we now possess are not sufficient for forcing the hands of the Government and for carrying out our wishes. To a certain extent, Sir, we have the right of *post mortem* examination; we may submit our recommendations, but these recommendations are not binding on the Government, and what is more important than all these is, that if responsible Government is introduced and Ministers are chosen from the Assembly they will have a great advantage, as the chosen representatives of the people. (At this stage the President vacated the Chair and the Deputy President occupied it.) It would have a great educative value upon the House and upon the country. Ministers will feel that they owe a duty to us; and they would consult us; and we shall go to the country and enunciate our policy. Thereby the country will be educated and in course of time it will be in a position to attain the status of Dominion Self-government promised to us by the British Government. Now, Sir, it is not necessary to debate this point any further; I shall now try to meet some of the objections which have been advanced for bringing in this scheme at this stage. It has been asked whether it is not premature to ask for responsible government now, and, in the language of the Head of the Government, His Excellency the Viceroy, the question has been put whether the machine has been sufficiently tested; Sir, it is my duty now to proceed to answer these questions. My answer is this, that before the introduction of the Reforms Scheme everybody who had given any attention to the subject asked the Viceroy, the Secretary of State, and the British Parliament to introduce responsible government in the Central administration. They based their claim upon the fact that Indian Executive Councillors in the Central Government and elsewhere had done exceedingly good work; they based their claim on the fact that Members in the Provincial Legislatures had done exceedingly good work; they based their claim on the fact that Members of the Central Legislative Assembly had acquitted themselves very well and they based it further on the fact that Indians as administrators in Native States and persons employed in the highest offices of the State had proved themselves as efficient as Englishmen. On those facts they based their claim that responsible government should be introduced in the Central administration. The Government was apprehensive; they were over-cautious. Now, Sir, the question I put is this. During the last Session, have we not conducted ourselves in such a manner as to remove your misapprehension and make you less suspicious than you were before?

It is not a question of proving capacity. It is a question whether you have found us deteriorating during the last Session. Lord Chelmsford has paid a

glowing tribute to the work which we did in the last Session, and one who is very conversant with our work (I am sorry not to find him in the Chair) has spoken in high terms of the work we have done.

Journalists, both Englishmen and Indians, have testified to the good work we have done. And I put you the question once again whether these are not confirmations of what has been urged before, namely, that we are capable of managing our own affairs and that responsible government should be given to us immediately. And I put it to you further whether after all that you saw of us in the last Session you are satisfied that we are incapable of discharging the duties which we seek. That is the real question. It is not a question of proving capacity, it is a question whether you have found us wanting, it is a question whether you think that we cannot be given more responsibility.

Sir, there is no doubt there is a demand for responsible government, in the Central Government, throughout the country. One large representative body composed of Liberals has put the matter plainly before His Excellency the Viceroy and, as we all know, the Government has great faith in the wisdom of the Liberal League, and if they do not pay any attention to their demand, it would be regarded as an indication that they do not consider that anybody in this country can be trusted to offer them advice and suggestions.

Sir, the real question which will be asked of me and which I think I should answer, is how are you going to introduce dyarchy at once or as early as possible in the Central administration. That is a difficult question, no doubt, and it is a very important matter which must be dealt with. There are two or three solutions possible. One solution is that this Assembly should be dissolved and a new Assembly elected which would choose its own Ministers. I have given up that idea in deference to the wishes of a large number of Members whom I have consulted. They say that they should not be asked to face another election after having undergone a great deal of trouble; I think I would not be justified in the circumstances in pressing that scheme before this Assembly. The second alternative is this. As vacancies occur from time to time, Government should fill them up by conferring them on responsible Ministers. There should be no difficulty in carrying this out. Whenever you find a vacancy, entrust it to a Minister who would be responsible to the House. And a third suggestion which I make in all humility is this,—that my Indian friends who are Executive Councillors should themselves forego their privileges and should be content to be responsible to the House, that they should go to the country and get themselves elected. This is a bold suggestion that I make and it may not be acceptable to my friends. But there has been a demand in that direction and I do not wish to ignore that demand. It may be, Sir, that this suggestion may be regarded as going too far, but I put it before you for what it is worth. I am quite sure that if my Honourable friend, Dr. Sapru, goes to a constituency, he will find no difficulty in getting into the Council through that constituency, and when he and Mr. Sarma come back to this House they will find that their hands are strengthened and their burdens lightened, because they will share the burden with the representatives sitting in this Assembly. I am sorry Mr. Shafi is not here, otherwise I should have put the same suggestion to him also.

Sir, my time is very short and I shall have to wind up my remarks. Now, Sir, I may be permitted to say, that I am under no illusion that this will be entirely acceptable to the people of this land. There are two classes of people who have to be considered. The extremists on the one hand and the

[Mr. T. V. Seshagiri Ayyar.]

reactionaries in England and here on the other. As regards the extremists in this country, I make bold to say, that if the Government make a serious and earnest attempt to introduce responsible government and to grapple with some of the problems which have been urged upon them, a large number of people who are practically undecided as to their attitude and who are watching the events, would come over to the side of the Government.

Mr. N. M. Samarth : They are not extremists.

Mr. T. V. Seshagiri Ayyar : Well, my friend may have some idea of what an extremist is. These people are at present called extremists because they are not co-operating with Government. But if the Government is really serious and earnest in their endeavour to introduce responsible government in the Central administration and if they grapple with some of the questions that are agitating the public mind, I am quite sure that most of them will join the ranks of the co-operators. Sir, I take it that it should be the endeavour of everyone in this House to make it possible for non-co-operators to come in and I request the Government therefore to make a serious attempt to grapple with this problem; in the result many of the non-co-operators would come in to help the Government in the administration of the country. It may be that my friend, Mr. Samarth, thinks that he alone is capable of conducting the administration of this country, but my endeavour, so long as I am in this Assembly, would be to make it possible for the non-co-operators to come in.

Now, Sir, I come to the reactionaries in England. To them I would apply the words which Mr. Price used this morning in regard to the Barrage question, when he referred to one of the retired engineers and said that he has been ten years away from the country and does not know the developments which this country has undergone, and is therefore not in a position to speak with authority upon the affairs of this country. The same thing can be said about a large number of reactionaries who are urging the British Government not to give in. I would make an offer to them, namely, that if these people come in and witness what is going on in this country and if the Finance Member would be good enough to provide them with free passages to come here, they will find that the country has undergone such a great constitutional development that it is impossible any longer to withhold the privileges claimed by its people. Sir, we are going to invite the Parliamentary Committee to come here, and I believe the Finance Member can give the same facilities for these men to come here and witness what is going on. And if they come here, I promise that they will go away as much satisfied as my friends who went to the North-West Frontier on the invitation of the Commander-in-Chief.

(President resumes his seat.)

Sir, one word more and I have done. It has been said by a well-known writer in England that the words 'too late' are inscribed on the portals of Downing Street. Sir John Simon, speaking on the Irish situation, used the same expression. I hope it will not be said of British statesmen who have to deal with India that the words 'too late' are also written on the doors of Whitehall. England has to face very difficult problems. Unless official and non-official Europeans in this country agree with the people of the country in urging upon the Government at Home to face the situation

at once and to take the people into their confidence, the situation here will become very difficult. I hope that this lesson—the lesson which is being learned in Ireland will not be lost upon European gentlemen in this country. That lesson is, that unless you take steps in time, the situation may become unmanageable. Sir, I have hitherto spoken on the general Resolution; I now move with your permission that my amendment of which I have given notice may be considered. I do not want to make another speech in moving my amendment. I have said all that I need say upon the general question. If you will permit me, Sir, I will move my amendment at once.

Mr. President: I think it would be preferable to take the amendment which raises a really different issue from that raised by the Mover of the Resolution. I propose to take one of those which asks for the appointment of a Committee, and to call Mr. Agnihotri.

I think it desirable to have a discussion on the general proposition first before we embark upon a discussion of the suggested amendment.

Munshi Iswar Saran: Sir, I venture to think that there is no Member, official or non-official, Indian or European, of this House who will not approach this question with a due sense of responsibility, and I wish to assure the House that in rising to give my support to the main idea underlying the Resolution moved by my Honourable friend, I am fully conscious of my own responsibility. I wish it to be clearly understood at the very outset that I do not want this House to be committed to the principle of dyarchy. I venture to think that the principle of dyarchy is not the last word in politics. I leave it to the wisdom of this Honourable House and to the wisdom of others interested in this question to devise some system which may be better, which may be more feasible, and might I add, quicker than the system of dyarchy. I wish also to state at the very outset that I am fully conscious of the difficulties, constitutional as well as administrative, that are involved in the solution of this question, and one of those difficulties is the temperamental difficulty.

We know that when the Government of India Act was before the House of Lords, Lord Macdonnell, from his place in the House of Lords, observed:

‘I believe you cannot find any individual native gentleman who is enjoying general confidence, who would be able to give advice and assistance to the Governor General in Council.’

This was before Lord Sinha was appointed Law Member of the Government of India. That speech was in 1909, and in 1921, instead of one native gentleman, to use his words, we have three native (Cries of ‘Indian’) gentlemen,—these are the words of Lord Macdonnell and I am repeating his words, I am not using them myself. Please have patience before you interrupt. Now I put it to this House and I put it to the gentlemen who are occupying the Treasury Benches whether the presence of these three men in the Executive Council is a menace to the stability of the Empire. In that debate, it was said that if there were Indian gentlemen in the Executive Council, the discussion would not be free and frank. Might I ask the European Members of the Executive Council who happen to be present in this Assembly to say whether Lord Macdonnell’s fears or the fears of other noble Lords have come to be true? Or is it or is it not a fact that these gentlemen are giving their best to the service of the British Government and to the service of their country. I,

[Munshi Iswar Saran.]

therefore, say that the first difficulty is temperamental. There are some people who are averse to change. Then, there is another. I can understand the feeling of an Englishman, with the average Englishman's knowledge of India, with the average Englishman's interest in India distracted by the difficulties in England and nearer home who may be inclined to say, 'Look at these people. They got these reforms only a year ago, and here they are pressing for more. These people must be a curious set of people indeed,'—I can quite sympathise with this point of view. But, Sir, let me quote the words of General Gordon :

'To government, there is but one way and it is eternal truth. Get into their sins. Try to realise their feelings, that is the true secret of Government.'

I submit with great humility that if those Englishmen who take that view or are likely to take that view, will make a sincere and honest attempt to 'get into the skins' of Indians, they will find that there is a general, might I say, universal demand for Self-government in India, a demand which is gaining in strength and volume as one day succeeds another. I shall say with great humility that this demand should not be dismissed as the work of some pestilential agitators who have brought about this state of affairs in this country. There is one thing which our critics should remember. I may say without any feeling of boastfulness that India is not a barbarous country which is now emerging from darkness into light and which is now being civilised by the British Government. India, as everybody who knows history is fully aware, has a civilisation the like of which has not been seen as yet and which even to-day excites the wonder and admiration of the world. What is the feeling in India? That is, I submit, the real crux of the case. It is no good saying, 'reforms were introduced in 1920, they have been in operation only one year and you press for more.' I say there is no estoppel in politics.

True wisdom, I submit with great respect, lies in so adapting the political machinery to the changed conditions that the result may be satisfactory, that trouble may be avoided, and progress may be achieved. If that be so, I have not the slightest hesitation in submitting with confidence to this House that time has come when the authorities in England and the Government of India should seriously tackle with this question. Sir, we know non-co-operators. Many people here are fond of using the most choice epithets in regard to non-co-operators, but I do not wish to follow their example. Look at the deputation which waited on his Excellency the Viceroy on behalf of the Moderates. What did they say? Look at the nationalists. What do they say? Look at the non-co-operators too. What are they asking for? Take the facts as you find them and I submit with respect that is a mistake to go into their causes. Causes do not matter. Here you have a solid incontrovertible, indisputable fact that in India there is a demand, loud and insistent and persistent that India should soon have Self-government within the Empire. If that be so, then I ask, is it not wisdom to take account of that feeling and try to do what is possible under the circumstances.

Sir, then, there is another circumstance which should receive serious consideration. If you look at the constitution of the Indian Legislature to-day, what do you find? A majority with power and the representatives of Government relying on them for support to have their money bills and other measures passed, this, I say, is not a very satisfactory position for the Members of Government to occupy. How, I ask in all seriousness, can they under the

present conditions have any majority at their back? I do not mean to offer a threat because I feel I have got the sense to understand and realise that nothing could be more silly than to offer a threat to the mighty British Government. I am only stating a fact. Suppose that this Legislative Assembly or the Council of State, being influenced by the feeling outside turns down proposal after proposal, refuses to grant money bills. What will happen then? I submit, Sir, this is a very unsatisfactory condition. This is a most unhappy state of affairs, and the sooner we get rid of it the better.

There are only a few more observations which I wish to make before I sit down. I do not wish at this stage to invite your attention to this amendment, or that amendment, to this technicality or to that. I only wish to invite the attention of the House to the consideration, as I have said, of the main issue that you have got before you. There is one thing which we have to remember, that, in spite of the storm and strife, the vastly over-whelming majority of our people are in favour of the connection between India and England being retained. And, Sir, I have great faith in that connection. And let me make a personal remark: I do not say this because I wish to please the officials; I have never worshipped at the official shrine, and I hope I never will, but I say so, because I am a patriotic Indian, because I feel that the interest of my country demands that India and England should remain together. And I shall be very sorry indeed if any delay, if any oscillation,—may I say any procrastination,—puts a serious strain on this feeling which you have got in the country to-day. Even to-day people may say the bitterest of things, but the vast majority of them would like to remain within the Commonwealth. I beg the Government, I beg the authorities, I beg all those who may be interested in this problem, to take note of this feeling, and to do something solid and substantial so that our desire, our anxiety, our eagerness to remain within the Commonwealth may not be shaken, but may become firmer and firmer. Sir, I shall beg the Government—and I think the Honourable the Home Member will reply to this debate—I shall earnestly beg him, I shall entreat him to give a reply which will be hope-inspiring. It will be easy for him to say, 'Here are these difficulties. Here is the Montford Report. Just look at that Parliamentary Joint Committee's Report. We must pause and not rush forward.' But let me remind the Honourable Home Member that the whole country will watch with interest and anxiety the reply which he will give to-day: and I shall beg him earnestly to give a reply which may be soothing and satisfactory, inspiring and heartening.

Sir, before I sit down, let me make one observation, and it is this. Let it be thoroughly realised, not only in this Assembly, not only in this country, but even in countries outside India—I wish my words would travel to them—that we and the Government have our differences, and that we have acute differences, but, as far as any foreign power is concerned, we are united, we have been united and we will remain united behind the Throne. India desires to remain within the Commonwealth and is loyal to the British connection. Sir, I have made these few observations in the hope that they will receive the sympathetic consideration of this House, the Government and of the authorities in England.

Prince A. M. M. Akram Hussain: Sir, I rise to oppose this motion. While I am in perfect sympathy with the object of the Honourable Mover, I am afraid sufficient time has not elapsed to convince our adverse critics that the appointment of Ministers has passed the experimental stage, and that the time

[Prince A. M. M. Akram Hussain.]

is ripe to transfer all provincial subjects to the care of Ministers. The Executive Members of the Provincial Governments have by no means shown inefficiency to deal with the subjects which are entrusted to their care at present. In my humble opinion, a pound of modesty is worth more than a ton of brass. We ought to wait for some little time yet till our ability to govern ourselves is established beyond all possibility of doubt. We ought to have sufficient time to gain confidence in ourselves, and to be perfectly certain, that in our anxiety to saddle ourselves with increasing responsibilities, we do not bring on disgrace upon ourselves, and we do not undermine the efficiency of good government, bringing in its train, as it must, in justice to the poor dumb masses and a chaotic condition which must be carefully guarded against. I hope I shall not be taken by my countrymen to be a reactionary when I say that we cannot be too careful in a matter like this. Our progress may be slow, but it must be sure. I shall therefore ask this Honourable House not to be impatient and meanwhile we ought to try our best to prove ourselves fully deserving of what we so earnestly desire. In the spirit, therefore, of the remarks I have made, I am constrained to oppose this Resolution.

Mr. Sarfaras Hussain Khan: Sir, had I had time, I should have moved an amendment similar to the one to be moved by Mr. Jamnadas Dwarkadas. I now rise to support the amendment.....

Mr. President: There is no amendment yet before the House. We are still discussing the main question.

Mr. Sarfaras Hussain Khan: Sir, I am second to none in my desire to have our country raised to the status of Self-governing Dominions within as short a time as possible. I am not one who would tolerate for a single minute being looked down upon as an inferior or a subject nation. Indian self-respect demands social and political equality with all the other Self-governing nations, and India will have it sooner or later. But, Sir, time there was when I thought that the British Government had done us a great injustice and wrong by withholding full responsible Self-government from us. I have, however, painfully to admit, after my experience of the methods of the non-co-operation movement and of its effects on not only the masses but on a portion of the educated class, that my former views have undergone a change. I have seen people led to commit most objectionable acts at the dictation of a single dictator, without exercising their own judgment. Sir, had the question at issue been an ordinary one, it would not have mattered much. But the question becomes very serious indeed when it concerns the happiness and unhappiness, the lives and properties not only of thousands but of millions of the people of this vast country. Under the circumstances, although I am in sympathy with the principle underlying the Resolution moved by my Honourable friend, Mr. Majumdar, I am the last person to propose a time-limit for another instalment of the reforms without having the matter threshed out in a Committee of officials and non-officials, including Members of the Indian Legislature. That is all I have to say.

Mr. Bai Bahadur Pandit J. L. Bhargava: Sir, there can be no subject of greater importance than the one embodied in the Resolution under discussion. The present times invest the subject with a significance all its own. The whole country is astirred with agitation, and the atmosphere is surcharged with the desire for the attainment of Swaraj as early as possible. There is a great political awakening throughout the count and things are moving so fast that

they elude the calculations and foresight of ordinary times. Great waves of political thought are surging the people's minds, and the entire population is in a state of political ferment. Whatever one might think of the merits or demerits of the non-co-operation movement, one fact is indisputable, that the whole country has been thoroughly convulsed, and the springs of human thought and action have been so deeply stirred that an unprecedented upheaval in political thought has taken place.

It is literally true that the whole country is gasping for political progress and development and awaiting full autonomy with bated breath. The demand of the country for provincial autonomy is very insistent and every evil or mishap is in the popular imagination ascribed to the absence of full responsible Self-government. It is high time, therefore, that Government should take the necessary steps for the granting of full autonomy in the provinces and the introduction of responsibility in the Central Government as soon as possible. Further postponement of these overdue measures will not allay the vigorous agitation that is going on in the country and is bound to increase and foster the discontent and unrest which are now prevailing everywhere. The Resolution of the Honourable Mover proposes a march too slow in the present temper and condition of the country. To my mind, the proposal contained in the Resolution about the fixation of time for full Dominion Self-government in India does not express truly the genuine feeling of the country and errs, as he himself admits, on the side of over cautiousness. Early steps in my opinion should be taken to confer full Dominion Self-government at a date earlier than the one proposed in the Resolution.

Mr. President : The words which have fallen from the Honourable Member prompt me to ask the Mover of the Resolution in what precise sense he used the word ' term,' because it affects half a dozen different amendments.

Rai J. N. Majumdar Bahadur : By ' term ' I mean three years.

Mr. K. B. L. Agnihotri : Sir, I beg to move an amendment to the Resolution moved by my Honourable friend, Rai Bahadur Jadunath Majumdar. My amendment, Sir, runs thus :

' With a view to very early conferment of full Dominion Self-government on this country, this Assembly recommends to the Governor General in Council to appoint a Joint Committee of both the Houses of the Indian Legislature to frame proposals for :

- (a) The transference of all provincial subjects to the administration of the Governor acting with Ministers responsible to the Provincial Legislature ;
- (b) The transference from among the Central subjects of all subjects except Army, Navy, Political and Foreign Departments to the administration of the Governor General acting with Ministers responsible to the Indian Legislature ; or conferment of increased powers and control on the Indian Legislature over all the departments of the Central Government.'

Sir, in spite of the note of opposition sounded by one of my Honourable friends, I will venture to say that there is not one person in this august Assembly who does not desire or who does not believe in the ideal of full Dominion Self-government for this country. The majority of Indians also hold the same view. Many Indians fret at the political position of India at the present time. Sir, even the so-called inarticulate and voiceless millions have come to realise and express in no unmistakeable terms that they want the attainment of full Swaraj within no unreasonable time. Sir, it would be a sad lack of statesmanship on the part of those who are responsible for the governance of this

[Mr. K. B. L. Agnihotri.]

country, not to feel the pulse that has been throbbing in the hearts of millions of my countrymen, for the attainment of full Swaraj in this country. It is not the result of the speeches or the incitements of political agitators, as some of my Honourable friends may think. If it had been so, how is it that the people who have led them so far, who have brought them to this position have been cast into oblivion and their leadership is now only a matter of past history. The millions of the masses now begin to follow those who they believe—either rightly or wrongly—will carry them to their goal sooner.

Now we Indians are all agreed that we must have Dominion Self-government. If there be any difference of opinion at all, the difference is about the time and the method of its attainment. Some say that the progressive realisation of responsible Self-government is the proper course for this country, and that the steps of that progress are to be decided by a Parliamentary Committee that should visit periodically this country to find out how far we have gained a knowledge in the art of Self-government. Sir, the principles for which the great German War was fought, the principles safeguarding the rights of small nations and the right of all peoples to work out and rule their own destiny. Britain also fought on the side of liberty and cannot now deny that liberty to India. Sir, the hopes that have been entertained by my countrymen that the same principles for which Great Britain fought in the Great War would be extended to us after the termination of the war, have been dashed to the ground. The hopes we entertained, may have been the fond hopes of ambitious people, but hopes there were and it was a rude shock to them to find that the much cherished reforms which they were to get, were to be given only in instalments, and not in full. There are many of my Honourable friends who cannot agree about the period of time within which we should get the full reforms, and therefore I shall later on suggest one of the remedies for that.

The announcement of the policy of progressive realisation of full responsible Self-government after periodical inquiries by a Parliamentary Committee caused much disappointment to my countrymen, as well as resentment and discontent. This policy implied that the Indians were not fit for the exercise of responsible Self-government in their own country, and inquiry by a Parliamentary Committee was regarded as an examination of school children to see whether they are fit for Self-government and whether they have properly learnt their lessons. May I ask whether this charge of unfitness that has been laid at our door is true? If Persia, China, Armenia, Poland, many of the Balkan States and the Phillipine Islands can have the right to govern themselves, why cannot India? If India could produce men who have brought glory and credit to themselves and their country, men who could be capable Governors, Members of the League of Nations, Members of Parliament and Executive Councils, mathematicians and scientists of world repute, poets of world-wide renown and fame, surely the same India could also produce competent and thoughtful representatives to govern their own country.

The result is that Indians as a whole resent the charge of incapacity laid against them and feel that because they are not free and are a subject nation, they are required periodically to justify their capacity and claims for further dolcs of reforms.

Sir, the present motion is also to draw the attention of the English statesmen that nothing short of full responsible Self-government immediately

will satisfy the Indians in general, and the further postponement will be injurious to the interests of all, the governors and the governed. They should take lessons from the history of the past and not make India another and far bigger Ireland. They should take the opportunity before it is too late. So far no responsibility has been introduced in any of the Governments, Central or Provincial. There is nothing which is good in them and nothing good that is new in them. 'Responsibility,' as Mr. Montagu has said, 'is a savour of popular government and that savour the present Councils solely lack.' Naturally, therefore, the present form of government is not popular. Many have absolutely rejected it and those who have accepted it, have accepted with a belief that by co-operation they will bring round the English statesmen to do their duty by us and get our ideal realised at no distant date. Sir, this fact along with the growing desire of the people, with their ideas rapidly changing and with the growth of nationalist feeling, it has become necessary to revise the system granted so recently. The late Mr. Gokhale's memorandum of 1915 and the 19 Members' demand of 1916 were found inadequate in 1919 and it is quite natural that the Reforms which were granted in 1919 are found to be much more inadequate in 1921. The people could only be satisfied now by the immediate grant of full provincial autonomy, responsible to the people and of full and complete responsible government in the Central Government as in the Dominions, but if the full immediate transfer be not possible, then at least the responsibility should immediately be introduced in the Central Government in respect of all subjects except Army and Navy and Political and Foreign Departments and the full responsible Self-government should be conceded to us at a very early date. All the settlement of these proposals I leave to the Committee which I propose. I therefore propose a Committee because there are still people to be found who are not enamoured of the system of dyarchy as is clear from the speeches of some of the Honourable Members in this House to-day. They still desire to have immediate control over all the departments and be not only confined to a few subjects. The Committee will easily settle it. It will settle the period within which we should get the full Dominion Responsible Self-government. It will also settle the constitutional changes involved; it will settle the question of the Ministers acting jointly and being jointly responsible to the Legislature; and lastly, it will also settle the procedure of these changes and put a definite and final proposal for the introduction within a definite period of full responsibility in the Central and Provincial Governments and the relation between these two.

In conclusion, Sir, I may be permitted to draw the attention of English statesmen to the great necessity of granting full responsible government immediately and not to give an opportunity to Indians in a mood of disappointment, to join Lecky in saying: 'The deliberate selfishness of English statesmanship is digging a chasm between England and India which must inevitably lead to separation.'

The Honourable Sir William Vincent: May I inquire, Sir, when you propose to adjourn the proceedings to-day. I am quite prepared to put this Resolution on the agenda for the 29th and I hope it may be possible for us to rise at a reasonable time to-day. Members of Government have been sitting in this Assembly every day, and every day after the Assembly rises we have to go back to our offices and deal with urgent work. In fact, the burden of these late sittings has become almost intolerable to us.

Dr. H. S. Gour: I move, Sir, that we might sit to-morrow.

The Honourable Sir William Vincent: I am afraid, Sir, we cannot adjourn till to-morrow, because we have already a meeting of the Executive Council fixed for that date. The Assembly will understand that Members of Government have important work to do outside the Legislative Assembly. I would have put down the Resolution for a day before the 29th, say, the 26th, but I really see no prospect whatever of our being able to reach it on that day: the 27th and 28th are of course non-official days, and if any of the Members withdraw their Resolutions on the 27th or 28th, then this debate can be carried on then. If not, I think that I can safely say that we shall have time on the 29th.

Mr. President: Before accepting the motion for the adjournment of the debate, I should like to find out from Honourable Members their wishes. Whether the debate on this Resolution can be resumed on the 29th depends upon the transaction of the business which precedes it.

The Honourable Sir William Vincent: I am afraid, Sir, I cannot say what the business on the 29th will be, and under the rules I think legislative business must always be given precedence.

Mr. President: I may draw the attention of the Assembly that it all depends upon the programme of legislation which Government wishes to pass on the 29th which seems likely to be the last day of this Simla Session.

Mr. Jammadas Dwarkadas: Sir, with regard to the question raised by the Honourable the Home Member that the debate should be adjourned now, I think the House will be prepared to accede to this suggestion only on a definite undertaking that the debate will be continued on the 29th. Unless a definite undertaking is given by the Honourable the Home Member to that effect, I do not think the House will be prepared to adjourn the debate.

The Honourable Sir William Vincent: I cannot say what the legislative work on the 29th will be, but I will give an undertaking that we will finish this debate this Session.

5-25 P.M.

Mr. Jammadas Dwarkadas: In view of the undertaking given by the Honourable the Home Member that the debate will be continued on the 29th, I move that this debate be adjourned till the 29th instant.

Dr. H. S. Gour: I move, Sir, that this debate do stand adjourned till to-morrow, and I give my reasons for it. On the 29th, Sir William Vincent has already told us that first of all we shall go through the Government business and what time remains over after the disposal of the Government work will be devoted to the discussion of this Resolution. How much time we shall have on the 29th, the last day of the Session, to spare for this most important Resolution we cannot say. And to-morrow is a vacant day and you can finish it from 10-30 to 2-30 p.m. I hope, in view of the importance of the subject, the Honourable Member will consent to this motion for adjournment.

Mr. President: The prior consent of the Chair is required. I may point out that the House might carry a motion to sit on any day which they choose, and yet, if the Chair does not choose, the House will not sit.

I may point out further to the Honourable Member and the House that in view of the firm offer from the Honourable the Home Member that this debate will be concluded this Session, it seems rather ungracious not to accept it.

[Mr. President.]

As far as the power of the Chair is concerned, I am prepared to sit till it is finished.

I accept the motion of the Honourable Member from Bombay that this debate be adjourned till the 29th instant.

The motion was adopted.

PROGRAMME OF GOVERNMENT BUSINESS FOR THE REST OF THE SESSION.

Mr. President : I should like to ask the Home Member if he will be in a position on Monday to state definitely whether the programme of Government business will enable us to adjourn next week so that we need not sit on any day in the week following.

The Honourable Sir William Vincent : I hope to be in a position to make a statement on Monday, but I wish first to consult His Excellency the Viceroy and other Members of the Council.

May I point out, with reference to what Dr. Gour said about continuing this debate to-morrow and postponing the Executive Council, that the Home Member does not fix Executive Council meetings but His Excellency the Governor General, and that if the debate had been continued tomorrow, none of the Members of the Government would have been able to attend at all.

USE OF THE CHAMBER PRECINCTS FOR A NON-PARLIAMENTARY PURPOSE.

Mr. President : I have received notice from the Secretary that an invitation has been issued, without his authority or that of the President, to a meeting in one of the rooms of this building to-morrow. Neither this Chamber, nor any of the rooms in this building, can be used for any purpose beyond those for which they were designed without the permission of the President. It is improper to summon meetings of this kind without the express consent of the Chair. I have no intention of using my powers to stand in the way of the meeting which it is proposed to hold to-morrow but I wish it to be clearly understood that there is no discretion in the matter for Honourable Members to ask or not to ask anyone outside this House to enjoy the hospitality of this building without the previous sanction of the President.

This House now stands adjourned till Monday, 10-30 A.M.
