

Saturday, 30th March, 1929

THE  
COUNCIL OF STATE DEBATES

VOLUME I, 1929

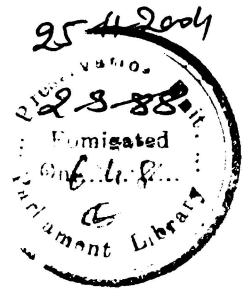
(12th February to 12th April 1929.)

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SIXTH SESSION

OF THE

SECOND COUNCIL OF STATE, 1929



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GOVERNMENT OF INDIA PRESS  
1929

# CONTENTS.

Pages.

## Tuesday, 12th February, 1929—

Members Sworn	1
Recent Illness of His Majesty the King-Emperor	1-2
Questions and Answers	2-11
Deaths of Mr. S. R. Das and Sir Muhammad Rafique	11-13
Messages from His Excellency the Viceroy	13-14
Committee on Petitions	14
Governor General's Assent to Bills	15
Message from the Legislative Assembly	15
Motion for the Election of a Panel for the Standing Advisory Committee for the Department of Education, Health and Lands—Adopted	15
Motion for the Election of a Panel for the Standing Advisory Committee for the Department of Industries and Labour—Adopted	16
Motion for the Election of a Panel for the Central Advisory Council for Railways—Adopted	16
Presidency-towns Insolvency (Amendment) Bill—Introduced	17

## Wednesday, 13th February, 1929—

Resolution <i>re</i> Development of Waterways—Negatived	19-28
Resolution <i>re</i> Establishment of Steamer Services in conjunction with State Railways—Negatived	29-32
Election of two Members to represent the Council of State on the Court of the Delhi University	32

## Monday, 18th February, 1929—

Member Sworn	33
Message from the Legislative Assembly	33
Election to the Panel for the Standing Advisory Committee for the Department of Education, Health and Lands	33
Election to the Panel for the Standing Committee for the Department of Industries and Labour	34
Election to the Panel for the Central Advisory Committee on Railways	34
Resolution <i>re</i> Repeal of the Indian Arms Act—Negatived	34-42
Resolution <i>re</i> Return Tickets on State Railways for Third Class Passengers—Withdrawn	43-48
Resolution <i>re</i> Betting at Races—Negatived	49-55
Statement of Business	55

## Tuesday, 19th February, 1929—

Member Sworn	57
Elections to the Panel for the Standing Advisory Committee for the Department of Education, Health and Lands	57
The Railway Budget for 1929-30	57-65
Presidency-towns Insolvency (Amendment) Bill—Passed	65-66

	Page.
<b>Friday, 22nd February, 1929—</b>	
General Discussion of the Railway Budget	67-91
Statement of Business	91
<b>Monday, 25th February, 1929—</b>	
Member Sworn	93
Questions and Answers	93-96
Resolution <i>re</i> Separate Karnataka Province—Negatived	97-102
Resolution <i>re</i> Slaughter of Milch Cows for the Supply of Beef to the Army—Negatived	103-137
Resolution <i>re</i> Extension of Banking Facilities—Withdrawn	113-18
<b>Wednesday, 27th February, 1929—</b>	
Resolution <i>re</i> Import of Vegetable Oil, etc—Adopted	119-33
Resolution <i>re</i> Reconstitution of the Central Advisory Council for Railways—Withdrawn	134-38
<b>Thursday, 28th February, 1929—</b>	
The General Budget for 1929-30	139-53
Statement of Business	153
<b>Monday, 4th March, 1929—</b>	
Member Sworn	155
Message from Her Majesty the Queen-Empress	155
Questions and Answers	155-80
Congratulations to the Honourable Colonel Nawab Sir Umar Hayat Khan and the Honourable Sir Annamalai Chetty on the Honours conferred on them	180-81
Resolution <i>re</i> Reduction of the Price of Postcards—Negatived	181-93
Resolution <i>re</i> Assessment of Income-tax on the Annual value of Residential Property—Withdrawn	193-203
<b>Wednesday, 6th March, 1929—</b>	
Questions and Answers	205-10
General Discussion of the General Budget	210-55
Statement of Business	256
<b>Tuesday, 12th March, 1929—</b>	
Questions and Answers	257-66
Bill passed by the Legislative Assembly laid on the Table	266
Resolution <i>re</i> Deductions when determining Income-tax of Losses incurred by Persons who stand Surety or lend Money	266-75
Statement of Business	276

	Pages.
<b>Monday, 18th March, 1929—</b>	
Questions and Answers ... ..	277-85
Bill passed by the Legislative Assembly laid on the Table ...	286
Message from the Legislative Assembly ... ..	286
Resolution <i>re</i> Jury Trials in cases of Sedition—Negatived ...	286-94
Resolution <i>re</i> Leader of the Indian Delegation to the League of Nations—Withdrawn by leave of the Council ...	294-305
Resolution <i>re</i> Distribution of Spinning Wheels to the Famine-stricken people of the Northern Districts of the Central Provinces—Negatived ... ..	305-11
<b>Tuesday, 19th March, 1929—</b>	
Questions and Answers ... ..	313-20
Statement laid on the Table ... ..	320
Motion for the Election of the Panel for the Standing Committee on Emigration—Adopted ... ..	320-21
Indian Tariff (Amendment) Bill—Passed ... ..	321-23
<b>Wednesday, 20th March, 1929—</b>	
Questions and Answers ... ..	325-30
Date for the Receipt of Nominations to the Panel for the Standing Committee on Emigration ... ..	330
Resolution <i>re</i> Investigation into the Systems of Land Revenue in the Different Provinces—Negatived ... ..	331-57
Statement of Business ... ..	357
<b>Saturday, 23rd March, 1929—</b>	
Member Sworn ... ..	359
Questions and Answers ... ..	359-63
Elections to the Panel for the Standing Committee on Emigration ... ..	363
Workmen's Compensation (Amendment) Bill—Passed ... ..	364-65
Alleged delay in the Disposal of Government Business in the Legislative Assembly ... ..	365-68
<b>Saturday, 30th March, 1929—</b>	
Questions and Answers ... ..	369-75
Bill passed by the Legislative Assembly laid on the Table ...	375
Election of a Member to the Governing Body of the Central Council of Agricultural Research ... ..	376-77
Indian Finance Bill—Considered and Passed ... ..	377-400
<b>Monday, 8th April, and Tuesday, 9th April, 1929—</b>	
<b>Monday, 8th April, 1929—</b>	
Questions and Answers ... ..	401-02
Election of the Panel for the Standing Committee on Roads ...	402-05
Election of a Member to the Governing Body of the Central Council of Agricultural Research ... ..	405
<b>Tuesday, 9th April, 1929—</b>	
Member Sworn ... ..	407
Bill passed by the Legislative Assembly laid on the Table ...	407
Trade Disputes Bill—Date for consideration ... ..	407

	Pages.
<b>Thursday, 11th April, 1929—</b>	
Recent Bomb Outrage in the Legislative Assembly ...	409
Trade Disputes Bill—Considered and Passed ...	409-30
Elections to the Panel for the Standing Committee on Roads	430
Message from His Excellency the Viceroy ...	431
<b>Friday, 12th April, 1929—</b>	
Address by His Excellency the Viceroy to the Members of the Council of State and the Legislative Assembly ...	433-35

# COUNCIL OF STATE.

*Saturday, 30th March, 1929.*

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

## QUESTIONS AND ANSWERS.

### REVISION OF THE PAY AND PROSPECTS OF THE MINISTERIAL STAFF OF THE CALCUTTA CUSTOM HOUSE.

196. THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY (on behalf of the Honourable Srijut Lokenath Mukherjee): (a) Is it a fact that the initial pay of the clerical staff serving in the Calcutta Custom House is Rs. 45 whereas the initial pay of all other clerical establishments under the Government of India serving in Calcutta is from Rs. 50 to Rs. 60 ?

(b) Is it a fact that since the last revision of pay introduced in the Calcutta Customs in 1922 as the result of the findings of the McAlpin Committee, the ministerial employees of the Calcutta Customs have memorialised the Government as many as three times for a revision of the findings of the McAlpin Committee as regards their pay and prospects and for fixing their pay on a more equitable basis ?

(c) If so, will the Government kindly state what orders were passed on those memorials each time ?

(d) Is it a fact that all their prayers as embodied in the said memorials were negatived without any proper enquiry having been made into their grievances ?

(e) If so, why ?

(f) Is it a fact that at the same time that the clerks of the lower ranks memorialised the Government, the Superintendents of the Calcutta Customs also made a representation for an improvement in their rates of pay also fixed following the principle laid down by the McAlpin Committee, and that though the prayers of the lower grade clerks were rejected yet the Government favourably considered the prayers of the Superintendents and actually modified the findings of the said Committee ?

(g) Is it a fact that two Collectors of the Calcutta Customs, Messrs. G. S. Hardy and W. W. Nind, strongly supported the clerks' successive memorials and that the latter (Mr. Nind) went so far as to point out to the Government that an improvement of the clerks' pay in modification of what had been fixed under the McAlpin Committee Report was essentially necessary in that it would besides bringing the working efficiency of the staff to the desired level, which is at present wanting, prove a strong prophylactic against bribery and corruption ?

(h) Is it a fact that since 1922 the Central Government have been pleased to revise more than once the rates of pay of their other clerical establishments located in Calcutta and that the same benefit was not extended to the Customs establishment ?

(i) If the answers to (a), (f) and (h) are in the affirmative, will the Government kindly state the reasons in each case ?

(j) Do Government propose to consider the desirability of revising the pay and prospects of the ministerial establishment of the Calcutta Custom House for effecting improvements thereto ?

(k) If not, why not ?

THE HONOURABLE MR. E. BURDON : (a) The Honourable Member's statement is substantially correct. There are, however, certain other Central Government establishments at Calcutta, viz., Income-tax and Printing and Stationery establishments, in which the initial pay of the clerical staff is Rs. 45 per mensem.

(b) and (c). The ministerial staff of the Calcutta Custom House have sent up four groups of memorials since 1924—one to the Central Board of Revenue, two to the Government of India and one to the Secretary of State. The orders passed on the group of memorials received in 1924 were that the rates of pay of stenographers and of typists should be slightly raised and that the pay of Superintendents should be re-arranged. The next two groups of memorials addressed respectively to the Central Board of Revenue and to the Government of India were rejected because they contained no new facts or arguments. The last group, which was addressed to the Secretary of State, was withheld.

(d) and (e). Save as regards the points referred to in the answer to (b) and (c) above, the memorials were negatived ; but not without proper enquiry.

(f) The revision of pay of Superintendents consisted merely of the substitution of a single scale of pay of Rs. 300—550 for two continuing scales of Rs. 300—500 and Rs. 500—650 which existed formerly, and involved no increase of cost to Government on the whole.

(g) The Government of India are not prepared to disclose the observations made by officers subordinate to them when forwarding memorials for consideration.

(h) It is the case that certain clerical establishments of the Central Government located in Calcutta have had their pay revised more than once since 1922. The position as regards the Customs establishment has already been explained.

(i), (j) and (k). The position is that the Government of India have held in the past and hold now that the pay of ministerial establishments in Custom Houses may appropriately be regulated to a very considerable extent by the pay given by the Local Governments to similar establishments under them.

PRINCIPLES OBSERVED IN DETERMINING THE SENIORITY OF THE STAFF IN THE VARIOUS DEPARTMENTS OF THE GOVERNMENT OF INDIA SECRETARIAT.

197. THE HONOURABLE MUNSHI NARAYAN PRASAD ASTHANA :

(a) Will Government state if they have laid down any general principles for determining the seniority of the staff employed in the various Departments of the Government of India Secretariat ?

(b) If so, what are they ?

(c) If not, what is the usual practice in the Departments regarding the same ?

(d) Are promotions to upper time scale appointments or superintendships made strictly on the basis of the seniority list ?

(e) Have Government issued any instructions for promotions to such selection appointments ?

(f) If so, what are they ?

THE HONOURABLE MR. H. G. HAIG : (a) No. Each Department decides the relative position of its employees on the seniority list.

(b) Does not arise.

(c) Seniority is ordinarily determined by the date of permanent appointment to the particular grade or division to which the employee belongs.

(d) No. Promotion is made according to merit though seniority is taken into account if other things are equal.

(e) and (f). Yes. A Resolution issued on 27th May 1920 lays it down that promotion to the upper time scale of the first division will be strictly by the selection of assistants who are considered fit for Superintendentship.

NUMBER OF PERSONS DRAWING A SALARY OF RS. 100 AND OVER ON THE  
BENGAL AND NORTH-WESTERN RAILWAY.

198. THE HONOURABLE MR. ANUGRAHA NARAYAN SINHA : (a) Will Government be pleased to lay a statement on the table showing the number of persons drawing a salary of Rs. 100 and over on the Bengal and North-Western Railway specifying the departments in which they are employed ?

(b) Will Government be pleased to state separately how many of them are :

(i) Indians ; (ii) Europeans ; (iii) Anglo-Indians ; (iv) others ?

(c) Will Government be pleased to make a similar statement with regard to employees on the Bengal and North-Western Railway drawing a salary of Rs. 500 and upwards ?

THE HONOURABLE MR. J. A. WOODHEAD : I would refer the Honourable Member to Appendix " F " in Volume I, and Appendix " C " in Volume II of the Railway Board's Report on Indian Railways for 1927-28, which give the only statistics of communal representation that are collected. The form in which these statistics are collected was settled with the advice and concurrence of the Central Advisory Council for Railways, and Government regret that they are not prepared to call upon railway administrations to supplement these with figures for other limits of pay.

TERMS ON WHICH THE TIRHOOT STATE RAILWAY IS WORKED BY THE BENGAL  
AND NORTH-WESTERN RAILWAY.

199. THE HONOURABLE MR. ANUGRAHA NARAYAN SINHA : (a) Will Government be pleased to state the terms on which the Tirhoot State Railway is worked by the Bengal and North-Western Railway ?

(b) Will Government be pleased to state whether they will have to pay any compensation to the Bengal and North-Western Railway, if they take over immediate charge of the Tirhoot State Railway ?

THE HONOURABLE MR. J. A. WOODHEAD : The information required by the Honourable Member is given on pages 12 and 13 of the History of Indian Railways for 1926-27, a copy of which is in the Library.



**NUMBER OF GOODS WAGONS AND THIRD AND INTERMEDIATE CLASS CARRIAGES ADDED TO THE STOCK OF THE BENGAL AND NORTH-WESTERN RAILWAY DURING THE LAST SIX YEARS.**

200. THE HONOURABLE MR. ANUGRAHA NARAYAN SINHA : Will Government be pleased to state the number of (a) goods wagons, (b) third class carriages, and (c) intermediate class carriages which have been added to the stock of the Bengal and North-Western Railway annually during the last six years ?

THE HONOURABLE MR. J. A. WOODHEAD : A statement giving the required information is laid on the table.

*Statement showing goods wagons and third and intermediate carriages added to the stock of the Bengal and North-Western Railway during the years 1922-23 to 1927-28.*

	1922-23.	1923-24.	1924-25.	1925-26.	1926-27.	1927-28.
General Service Goods Wagons.	<i>Nil</i>	22	157	293	294	125
Bogie Thirds	28	30	12	32	33	4
Bogie Intermediates and Thirds.	4	<i>Nil</i>	3	2	2	<i>Nil</i>

**MILEAGE OF THE TIRHOOT STATE RAILWAY.**

201. THE HONOURABLE MR. ANUGRAHA NARAYAN SINHA : What is the extent of the Tirhoot State Railway and the mileage covered by it ?

THE HONOURABLE MR. J. A. WOODHEAD : The sections comprising the Tirhoot Railway and the mileage covered by each section, are detailed on pages 14 and 15 of the "History of Railways (constructed and in progress) corrected up to 31st March 1927", a copy of which is in the Library. The total mileage is 809.26. "

**DIVIDEND PAID BY COMPANIES MANAGING STATE-OWNED RAILWAYS.**

202. THE HONOURABLE MR. ANUGRAHA NARAYAN SINHA : Will Government be pleased to lay on the table a statement showing the rate of dividend paid by various systems of Railways worked or managed by private companies ?

THE HONOURABLE MR. J. A. WOODHEAD : A statement is laid on the table showing the dividend paid by the Companies managing State-owned Railways in India for the year 1927-28.

*Statement showing the dividend paid by the Companies managing State-owned Railways in India for the year 1927-28.*

<i>Name.</i>	<i>Dividend (per cent.).</i>
Assam Bengal Railway . . . . .	5
Bengal and North Western Railway . . . . .	19*
Bengal Nagpur Railway . . . . .	5
Bombay, Baroda and Central India Railway . . . . .	6
Madras and Southern Mahratta Railway . . . . .	11
Rohilkund and Kumaon Railway . . . . .	18
South Indian Railway . . . . .	8

\* For year ended 30th September 1928.

THE SHRI MAHAJAN ASSOCIATION, LIMITED.

203. THE HONOURABLE MR. ANUGRAHA NARAYAN SINHA : Will Government be pleased to state :

- (a) Whether the companies registered under the Indian Companies Act by way of limited liability guarantee companies have to file a statement in lieu of prospectus and make a declaration under section 103 of the Indian Companies Act ?
- (b) Was any company registered with the Registrar of Companies, Bombay, required to file such a statement or called upon by the Registrar to do so up to August, 1925 ?
- (c) Did the Registrar of Companies call upon the Shri Mahajan Association, Limited, to make and file a statement in lieu of prospectus and procure a trading certificate ?
- (d) If so, whether the Registrar's requisitions were complied with ?
- (e) Has he withheld the certificate ?
- (f) If so, under whose orders ?

THE HONOURABLE MR. J. A. WOODHEAD : (a) The Honourable Member's question raises a point of legal interpretation in regard to which I must leave the Honourable Member to form his own opinion.

(b) to (f). The Government of Bombay have been asked to report.

ARTICLES OF ASSOCIATION OF REGISTERED COMPANIES.

204. THE HONOURABLE MR. ANUGRAHA NARAYAN SINHA : Will Government be pleased to state what steps, if any, they propose to take to ensure that the articles of association of registered companies shall strictly conform to the Indian Companies Act ?

THE HONOURABLE MR. J. A. WOODHEAD : The Government do not propose to take any special steps for the purpose mentioned.

EXTENSION OF THE DURATION OF THE BOMBAY COTTON CONTRACTS ACT, 1922.

205. THE HONOURABLE MR. ANUGRAHA NARAYAN SINHA : (a) Was the Bombay Cotton Contracts Act, 1922 (XIV of 1922), passed with a duration of three years only ?

(b) If so, has the period of the said Act been extended by the Bombay Government for a further period of five years ?

- (c) Was the extension brought before the Legislature ?  
 (d) Were the Government of India consulted ?  
 (e) If so, how long before the extension ?  
 (f) How and when was the consent of the Government of India given ?  
 (g) Will Government be pleased to lay the papers on the table of the House ?

THE HONOURABLE MR. J. A. WOODHEAD: (a) Sub-section (2) of section 1 of the Bombay Cotton Contracts Act, 1922, provides that the Act shall remain in force for three years and for such period thereafter as the Governor in Council may by notification direct.

(b) Yes.

(c) The information desired by the Honourable Member is not in the possession of the Government of India.

(d) No.

(e) to (g). Do not arise.

INCREASED TRAFFIC IN PASSENGERS CARRIED ON EACH OF THE STATE RAILWAYS FROM 1ST APRIL TO 31ST DECEMBER, 1928.

206. THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN (on behalf of the Honourable Rai Bahadur Lala Ram Saran Das): Will the Government kindly state what increased traffic in passengers has resulted on each of the State Railways during 1st April to 31st December, 1928, as compared to the same period a year before, and what is the normal increase per year ?

THE HONOURABLE MR. J. A. WOODHEAD: A statement giving the information required is placed on the table.

*Statement showing number of passengers carried over State Railways from 1st April to 31st December, 1928, as compared with the corresponding period in 1927, and the average annual increase.*

Railway.	Numbers of passengers carried from 1st April to December 31st.		Difference (Increase or Decrease) over 1927.		Percentage Average annual increase.*
	1927.	1928.	No.	Percentage.	
1	2	3	4	5	6
E. B. . . .	37,848,398	38,451,636	+ 603,238	+ 1.59	+ 4.02
E. I. . . .	57,778,801	54,396,088	-3,382,713	-6.22	+ 2.87
G. I. P. . .	47,730,844	47,436,017	-294,827	-0.62	+ 4.66
N. W. . . .	66,375,752	67,770,494	+ 1,399,742	+ 2.11	+ 6.31

\*Based on the figures from 1919-20 to 1927-28.

**DEBARRING OF MR. EBRAHIM GOOLAM ALI FROM TENDERING FOR SUPPLIES TO THE INDIAN ARMY SERVICE CORPS.**

207. THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN (on behalf of the Honourable Sir Ebrahim Haroon Jaffer): Has the firm of Mr. Ebrahim Goolam Ali been officially debarred from tendering for supplies to the I. A. S. C.?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: Yes.

**CONDONING OF PLATFORMS IN THE FRONT OF HOUSES IN AMBALA CANTONMENT:**

208. THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN (on behalf of the Honourable Sir Ebrahim Haroon Jaffer): (a) Is it a fact that under the Government of India Circular No. 31622-1 (A. D.), dated 19th February, 1926, all platforms in the front of houses, between the houses and the drain, even if encroachments, have been condoned and treated as a part of the site under the house?

(b) Has the Special Land Officer, Ambala, imposed certain restrictions upon the application of this Circular? If so, will the Government state the same?

(c) Is it a fact that in 1926, the Cantonment Board, Ambala, prepared a list of platforms condoned by it under the above Circular?

(d) Is it a fact that many of the platforms so condoned are now being rejected by the Special Land Officer?

(e) Will the Government state how many have been rejected and on what grounds?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: (a) Yes, but only those encroachments were condoned which were in existence before the date of the letter.

(b) to (e). I am making enquiries and will let the Honourable Member know the result in due course.

**BILL PASSED BY THE LEGISLATIVE ASSEMBLY LAID ON THE TABLE.**

SECRETARY OF THE COUNCIL: Sir, in accordance with rule 25 of the Indian Legislative Rules I lay on the table copies of a Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to fix rates of postage under the Indian Post Office Act, 1898, further to amend the Indian Paper Currency Act, 1923, to fix rates of income-tax and to raise the import and excise duties on motor spirit, which was passed by the Legislative Assembly at its meeting held on the 28th March, 1929.

## ELECTION OF A MEMBER TO THE GOVERNING BODY OF THE CENTRAL COUNCIL OF AGRICULTURAL RESEARCH.

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH.  
(Education, Health and Lands Member): Sir, I move :

“ That this Council do proceed to elect, in such manner as the Honourable the President may direct, one Member to sit on the Governing Body of the Central Council of Agricultural Research.”

As this, Sir, is the first motion of its kind, I think I owe it to the House that I should explain as briefly as possible the reasons which have led to this motion.

Honourable Members will remember that the Royal Commission on Agriculture in India have held in Chapter III of their Report that agricultural research is still in its infancy in India ; that without research, organisation for demonstration and propaganda cannot achieve full measure of success ; that lack of co-ordination in agricultural research has prejudicially affected progress ; and that the Government of India ought to undertake to promote, guide and co-ordinate agricultural research throughout India and link it with agricultural research in other parts of the world. To this end, they recommend that the Government of India should establish an Imperial Council of Agricultural Research. According to the Commission, this was to consist of a main body of 39 members, which would include—

- (a) three whole-time members appointed by the Government of India and
- (b) thirty-six members, of whom one will be an unofficial elected Member of the Council of State and two unofficial elected Members of the Legislative Assembly.

The Government of India examined the Commission's scheme with the utmost care. In their view, the scheme was on the whole admirably designed to ensure the objects for the attainment of which the setting up of such an organisation was recommended. But they felt that criticism would probably develop in regard to the Commission's proposals on two points, one of them being the composition of the Council. They anticipated that the proposed composition of the Council was open to criticism on the ground that the body proposed was too large, and gave inadequate representation to the Central Legislature. To meet this criticism the Government of India decided to effect a material change in the structural part of the scheme by dividing the central organisation into two parts, one executive and the other advisory. The executive part, which might be called the Governing Body, would hold the funds placed at the disposal of the proposed organisation, consider all proposals for research, and sanction expenditure. This body would consist of the administrator among the three whole-time experts referred to above, two Members of the Indian Legislative Assembly, one Member of the Council of State, one representative each of the European and Indian commercial communities chosen by their recognised associations, one representative nominated by the Government of each major province, and two representatives of the Advisory Council selected from among its members. The scheme outlined above was submitted to the Conference of Provincial Ministers and other representatives last October, and was approved by them. The Provincial Ministers of Agriculture, however, expressed the view that the provincial representatives should be the Ministers of Agriculture, and that the Member of the Governor General's Executive Council in charge of Agriculture should be the Chairman of this body. These

suggestions have been accepted by the Government of India. I am now, therefore, asking this Council to proceed to elect, in such manner as you, Sir, may direct, one Member to sit on the Governing Body of the Central Council of Agricultural Research.

**THE HONOURABLE THE PRESIDENT :** The question is :

“ That this Council do proceed to elect, in such manner as the Honourable the President may direct, one Member to sit on the Governing Body of the Central Council of Agricultural Research.”

The motion was adopted.

**THE HONOURABLE THE PRESIDENT :** In connection with that motion adopted by the House, I direct that nominations shall be received by the Secretary up to 11 o'clock in the morning on Thursday, the 4th of April.

### INDIAN FINANCE BILL.

**THE HONOURABLE MR. E. BURDON (Finance Secretary) :** Sir, I have given notice of my intention to move that the Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to fix maximum rates of postage under the Indian Post Office Act, 1898, further to amend the Indian Paper Currency Act, 1923, to fix rates of income-tax, and to raise the import and excise duties on motor spirit, as passed by the Legislative Assembly, be taken into consideration.

I desire further, Sir, to move that the Bill be taken into consideration forthwith. Having regard to the provisions of rule 27 of the Indian Legislative Rules, I am well aware, Sir, that the motion cannot be made without your permission, and my first step must therefore be to seek that permission. I do so for public reasons of a very compelling nature which, if you will allow me, Sir, I will now explain to the House.

I am sure that Honourable Members of this Council have followed closely the course, the very unusual course, which events have taken in regard to the passage of the Finance Bill in the Legislative Assembly. Without making any comments on the proceedings in another place, I may be permitted to say that there has been very great and unusual delay ; and because of this I am compelled to ask the Council, in the public interest, to agree to an unusual procedure being adopted in the final stages of our annual financial legislation. To put the situation as briefly as possible, Sir, the Finance Act of 1928 ceases to be operative on the 31st of March, 1929. To-day is the 30th of March 1929, and if the Finance Bill of 1929 is not passed into law to-day, then in ordinary course the result will be that Government will lack the necessary statutory authority for the collection of taxes, the proceeds of which are required to meet the cost of carrying on the every day administration of the country. That would be a very serious situation, not merely for the Government, but for the general community also ; and I feel confident that this Council would be ready to make very considerable sacrifices to avert such a situation.

Fortunately, Sir, there is nothing unusual in the material propositions which the Finance Bill contains. Apart from the additional petrol tax, a measure which originated in a recommendation made by this Council itself, the Bill merely provides for the continuance of taxation on the existing basis. Further, the Bill has been in the hands of Honourable Members, and the Budget proposals in general have been known to the Council for nearly a month, and

[Mr. E. Burdon,]

in the general discussion on the Budget there was no indication that this Council was not prepared to accept in general the Honourable the Finance Member's proposals for 1929-30. These, Sir, I say, are fortunate circumstances. Otherwise I should have felt much greater reluctance in asking the Council to agree to a course of action which I recognise cannot be wholly convenient to Honourable Members and which denies to them the full measure of consideration which Government at all times desire to give this Council when it is humanly possible and consistent with the public interest to do so.

It goes without saying that Government will be prepared to accept notices of amendments on the floor of the House and to discuss them. But I ask the Council to co-operate to this extent that they will do their utmost to enable the Bill to be disposed of to-day and so to relieve Government and the general community from the very serious and undesirable consequences which would follow from any other course.

**THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN** (Punjab : Nominated Non-Official) : Sir, about the same time last year when the salt tax was reduced and also the postage, this House rose to the occasion and brought in amendments to restore the money. Well, Sir, when we had done that, the same Bill went back to another place and they passed it. That shows the mentality of people in various places.

**THE HONOURABLE THE PRESIDENT** : I understood the Honourable Member was going to speak on the question whether the Honourable Mr. Ernest Burdon should be allowed to make his motion to-day or not. The references to the other House are entirely beside the point.

**THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN** : I rise, Sir, to support this : the Council should rise to the occasion and Mr. Burdon should be allowed to bring in this Bill which will be convenient not only, I think, for this House, but for the whole country.

**THE HONOURABLE MAJOR NAWAB MAHOMED AKBAR KHAN** (North-West Frontier Province : Nominated Non-Official) :

**THE HONOURABLE MR. G. S. KHAPARDE** (Berar Representative) :

**THE HONOURABLE SARDAR BAHADUR SHIVDEV SINGH UBEROI** (Punjab : Sikh) :

**THE HONOURABLE SIR SANKARAN NAIR** (Madras : Non-Muhammadan) :

**THE HONOURABLE SARDAR CHARANJIT SINGH** (Punjab : Nominated Non-Official) :

**THE HONOURABLE NAWAB SIR MUHAMMAD MUZAMMIL-ULLAH KHAN** (United Provinces West : Muhammadan) :

**THE HONOURABLE RAJA SIR HARNAM SINGH** (Nominated : Indian Christians) :

**THE HONOURABLE NAWAB SAHIBZADA SAIYAD MOHAMAD MEHR SHAH** (East and West Punjab : Muhammadan) :

I also support the motion.

**THE HONOURABLE SIR ARTHUR FROOM** (Bombay Chamber of Commerce) : Sir, it is with a certain sense of loneliness on this Bench that I rise to extend

my entire commiseration to the Honourable the Finance Secretary on the unenviable position in which he finds himself, for I feel it possible that if the control of affairs had been in the Honourable the Finance Secretary's own hands his unenviable position, to which I have referred, would not be existing to-day. We are not satisfied, Sir, that the Government of India could not have taken steps to prevent what I am afraid I must refer to as a deplorable situation which has happened before in this House and which on each occasion has aroused the greatest opposition—the situation of a Bill being rushed through without mature consideration. The Honourable the Finance Secretary has pointed out that the Bill, except in one particular, is identical with the existing Act of 1928-29. That is true, but at the same time I do not think that there is much consideration shown to this Honourable Council when we are asked to take up a Bill on the same day as that on which it is laid on the table. However, Sir, as I said at the beginning of my few remarks, the Honourable the Finance Secretary has my entire commiseration. I also recognise that the House must again rise to the occasion and support Government. It is inconceivable that, owing to the tactics of a certain Party in another place, the country should be without a statutory means of carrying on the administration of the country by reason of its loss of power to tax. But I should like to take this opportunity of suggesting most earnestly to the Government of India whether they cannot devise some means of preventing any future treatment of this Council in—what I think I am not wrong in describing as—a manner which lacks any semblance of the consideration due to it. I cannot help thinking that the Government should be able to foresee a situation such as has arisen on this occasion. Whether or not the closure should have been moved in another place I do not propose to debate on the floor of this House, but I do think that some action should have been taken to avoid the most important Bill of the whole year being thrown at us on the last day of the year and the Members of the Council asked to support it and pass it. As I have said, I am prepared to support my Honourable friend the Finance Secretary. I am very sorry that he has been obliged to get up and make this apology which I know must be as distasteful to him as it is to us.

THE HONOURABLE MR. K. B. HARPER (Burma Chamber of Commerce): Sir, I would like to support the request made by the Honourable the Finance Secretary. We have been kept idle for some time and most of us, I feel sure, are anxious to get to work. I feel that the present situation has been created through no fault of this House and it seems unnecessary to have to employ extraordinary measures to carry on the government of the country when it is open to the Council, with your permission, to avoid them.

I support the motion.

THE HONOURABLE THE PRESIDENT: So far as I remember, this is the first occasion on which I have been asked to suspend a Standing Order to enable a Bill of first importance to be taken up in this House on the same day on which it has been laid, and the House will realise that, in dealing with a request of this kind, I should not lightly give a decision. One of my duties sitting here is, so far as in me lies, to give every facility for the disposal of business, whether it be Government business or non-official business; and, in view of the very cogent reasons adduced by the Honourable the Finance Secretary for an early hearing of this Bill, and in view of the fact that the House seems to be of one mind in this matter, I allow the motion which has been placed tentatively on the paper to-day to be made.



**THE HONOURABLE MR. E. BURDON :** Sir, I move that the Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to fix maximum rates of postage under the Indian Post Office Act, 1898, further to amend the Indian Paper Currency Act, 1923, to fix rates of income-tax, and to raise the import and excise duties on motor spirit, as passed by the Legislative Assembly, be taken into consideration.

Sir, there is really very little that I need say at this stage in support of my motion. Actually, such observations as are pertinent to a motion to take the Finance Bill into consideration have already been made in my speech presenting the Budget statement to this Council and in the Honourable the Finance Member's Budget speech made in another place, which I am sure every Honourable Member of this Council has studied very carefully. I will, however, add a few words. The Budget for 1929-30, as has already been carefully explained, does not pretend to do more than tide us over a critical period, a period of some difficulty which we hope will be transitory, a period when we are compelled to mark time, to consolidate our position and cannot presume to advance. It has been a matter of some difficulty, as I have already explained in detail, to square the revenue and expenditure account. Nevertheless, in the result we hope by the exercise of continuing care and vigilance and without increasing taxation to cover our existing liabilities and also to provide some money—not a very large sum of money, I am afraid—for certain new purposes of an admittedly beneficial character. As the Council is aware, the Government were forced, in considering their proposals for next year, to contemplate at one time the possibility of having to impose fresh taxation. Fortunately, Sir, Government have found it possible to avoid this in the year 1929-30 at any rate, and I am sure that the Council will regard this feature of our proposals with some considerable satisfaction. It only remains to add, Sir, that the Legislative Assembly have voted the whole of the votable supply with certain minor exceptions. Altogether six reductions of votes were made. Four of these were nominal and remain undisturbed and the two major cuts have been restored by the Governor General in Council. In any event, the variation resulting from the action of the Legislative Assembly, if that had stood fast, did not amount to more than Rs. 6 lakhs, all told, and consequently, nothing has occurred since I presented the Budget statement which need disturb our proposals for 1929-30. The immediate consequence is that the whole of the resources provided for under the Finance Bill continue to be required for the expenditure of the Government.

I do not think, Sir, that I need say anything more save to express my gratitude to the Council for having worthily risen to the occasion and for having once more proved true to the good tradition which this Council has created for itself.

Sir, I move.

**THE HONOURABLE MAJOR NAWAB MAHOMED AKBAR KHAN :** I should like to say, Sir, a few words about the increase in import and excise duties on petroleum from four annas to six annas as laid down in the Statement of Objects and Reasons attached to this Bill. The increase of two annas per gallon is expected to yield an additional revenue.....

**THE HONOURABLE THE PRESIDENT :** Order, order. I would suggest to the Honourable Member that he should reserve these remarks until the clause which imposes the duties of which he speaks comes for consideration before the Council. At this stage it is merely the principles of the Bill which should be discussed.

\*THE HONOURABLE SARDAR BAHADUR SHIVDEV SINGH UBEROI : Sir, when I rise to make a few observations about the Finance Bill, my sympathies go to the left as well as to the right. I quite sympathise with the position in which my Honourable friend the Finance Secretary has been placed by the treatment which has been accorded to this Bill in the other House. But I also cannot withhold my sympathy from the view that this House should not have been treated like this, and means should be found whereby this House should have been put in possession of such an important measure as the Finance Bill in time so that Members may express their views on it. Of course, at this late stage, when one goes into the practical side of this question, one cannot withhold one's support to the consideration of this measure now. At the same time, it must be pointed out that this is the occasion when the Members of each House have the opportunity of saying something which materially affects the people at large as regards taxation. As you, Sir, have remarked, this is the first occasion when this has taken place when you have been asked to give your permission to the consideration of a Bill on the same day as it has been laid on the table. This must be taken as an exceptional case. But I wish to add to what has been said by my Honourable friend Sir Arthur Froom that the Government should consider such contingencies seriously and not ask the House immediately to consider such an important measure as the Finance Bill in future. I give my whole-hearted support to the consideration and the passing of this measure now.

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY (East Bengal : Non-Muhammadan) : I think it my duty, Sir, to rise to oppose the motion both on political as well as financial grounds.

Howsoever much the British people might say that they are not to be bullied into submission, they are, I venture to submit, not much famed for their valour and be it said to their credit, they know when to yield, although they never do so at the right moment and that with good grace. Look at the present occasion. I mean the appointment of the Simon Commission. They vaunted that they were the sole arbiters of India's destiny and as such did not include any Indian in the personnel of the Commission. When they met with the opposition they have done in this country, they came down lately to announce that anything that they do must, in order to be successful, meet with acceptance from the generality of the people and that they are therefore going to propose some sort of a round table conference with the coming Joint Committee of the next Parliament.

But this offer, under the present circumstances, I venture to submit, has not much of business in it, as Mr. Srinivasa Iyengar, our Deputy Leader, said in the other House, because the Government in England that has made this offer is soon going to be dissolved, and one does not know what the next Government in power is going to be and what line of action its proposed Joint Committee is going to adopt ; and even if the proposed method be adopted, what the ultimate upshot of all these negotiations is going to be. Circumstanced as England is, a country small in size, not rich in material resources, she is bound in self-interest to exploit the untapped resources of India so long as she can, unless she is obliged to give up the attempt by the force of our endeavours or by the international situation. The prospect then of our getting any measure of real self-government from them easily and at an early date is in my opinion very remote, howsoever much they may profess their good intentions about it. We cannot therefore relax our campaign of opposition in the country. We can do so only when we find that the measure of reform, if any, that is going to be granted meets with our approval, and not before

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\* Speech not corrected by the Honourable Member.

[Mr. Kumar Sankar Ray Chaudhury.]

then. And I might say that the informed opinion of the country is unanimous that nothing short of Dominion status complete and absolute in the sense which it at present bears, of the British Empire being a Commonwealth of free nations, will satisfy the people of India. There has been I submit some misconception, in the minds of the Europeans residing in India, about the meaning of the words "Dominion status". They do not, as General Smuts points out, "realize the new situation, that the British Empire instead of being one Central Government consists of a League of free States, free, equal, and working together for the great ideals of human government". Sir Robert Borden was equally insistent upon the complete recognition of the Dominions as autonomous nations in the Imperial Commonwealth, with a voice in foreign policy and in foreign relations. This misapprehension on the part of the Britishers in India was the cause in the other House of Colonel Crawford asking for a guarantee that granted Dominion status the Indians would not treat it as a ladder for attaining independence. For after all, if real Dominion status, in the sense in which it is at present used, were granted to India, the question would be not whether India would try to break off from the Empire, but whether the far-flung portions of the Empire would remain content to be treated as mere appendages to the main structure and to live under the shade of the "central dome" of the Empire, as Lord Curzon once called India, inhabited by 330 millions of people who are more thrifty, more intelligent and hard working upon terms of equal scope and competition. Even now in these days of most unequal treatment, when Indians are being kept backward and uneducated and are exploited and impoverished, doors are being shut against them in the different Colonies. So long as this state of things continues, it does not lie in the mouth of the gallant Colonel to ask from us any guarantee about the integrity of the Empire.

I shall now deal with the appeal of the Honourable the Finance Member for co-operation from us for the conduct of the Government of India pending further reforms. He says the British Parliament has given its pledge and has made further assurances that it is going to stick to that pledge in spite of utterances to the contrary made by individual politicians. But pledges given so long as they are unfulfilled in action, and are often broken, have rendered us somewhat sceptic about them, and when they are contradicted by men like Lloyd George and Lord Curzon holding high offices in the British Government, they cease to have any value whatsoever in the eyes of the people in India. Moreover, as I have already stated before, we cannot believe in the *bonâ fides* of these pledges given in such vague terms, nor do we accept the position that the British people should be the judges of our fitness for self-government, because we hold that it is not to the interest of England to grant us freedom and she will try to keep us under her control as long as she can by holding false hopes before our eyes. Here no doubt I admit the truth of Sir George's observations that there are some benevolent exceptions among Englishmen. But that England taken as a whole means to keep us under control is amply borne out by the policy pursued by her in India. The finances of India must be controlled by an officer brought from England without any Indian experience, and cannot be placed in charge of any Indian of experience. The Foreign and Political Department must entirely be controlled by Europeans. India must maintain a British army to overawe and checkmate the Indian army, and even her Indian army must be officered by Europeans at a huge cost. The sons of India can only serve as cannon fodder in the defence of the country, without being able to wield a single cannon. The Air Force, new to India, is closed to Indians. Her railway policy must be

conducted to facilitate the export of raw materials and the import of finished goods, which the Honourable the Finance Member objects to being called the exploitation of India. And Sir Victor Sassoon feels no hesitation in urging the Government to borrow more and more from foreign countries and construct more and more railways in India and leave them under foreign management, while her water communications are neglected and left to the ravages of foreign steamer companies to the detriment of the health of the people and the choking of her means of internal communication. Her industries are crippled and crushed by the currency and exchange policy adopted by Government, and when the cotton industry of India is in its last throes, the Finance Member twits it with having made some profits during previous years, and Lancashire, backed by the resources of the Bank of England, is bent upon crushing it by taking up the weaving of coarse cloth, and what may still survive such onslaught will perhaps be crushed by the well meant efforts of the Labour Commission. The salt industry in India must suffer for want of facility of railway transport because European merchants find it convenient to bring salt in the holds of ships by way of ballast, although wagons travel back to Bengal from Madras in an empty condition, and blame is laid at the doors of Bengal and Burma that they prefer foreign salt which is proved to be of inferior quality simply because it is more white. When we challenge the Government about it, the answer the Commerce Member gives is that they are not bringing it any longer from England in large quantities but from Egypt, Spain and Arabia, as if that can in any way satisfy the grievance of India. Although the industrial advance of the country is spoken of by the Finance Member as being one of the objects of the banking inquiry, the personnel of the Committee that is proposed to be constituted does not contain a single industrialist, far less an Indian industrialist. Only the Chambers of Commerce and banking interests are to be represented on the Committee. The Finance Member in presenting his Budget the other day appealed to us for goodwill, but goodwill, Sir, cannot be expected to flow from one direction only, and unlike good milk will not bear the adulteration of sophistical arguments in any quantity to ensure an unstinted supply. Nor will it flow long unless it is followed by good actions. That, Sir, is impossible to come from the British bureaucracy, so long as they are here, to serve British interests more than Indian, and the attainment of Indian freedom requires that that bureaucracy should be the first to be assailed and brought down and divested of its vested interests and the finances of this poor country should be delivered from the costliest system of administration in the world.

I now come to the financial objections to the Bill. Though the Finance Member admits that the general condition of the country is bad in patches, he still has doubts whether viewed as a whole it gives ground for serious pessimism, for he holds that the trade statistics so far available are on the whole encouraging. He cites as illustrations of the prosperity of the country the fact that the balance of trade including private imports of treasure is in favour of India by about  $6\frac{1}{2}$  crores, but he does not say whether the private import of treasure is increasing, nor does he realise that the external trade of the country is entirely in the hands of foreigners and it is they who reap most of the benefits derived from this favourable balance. The industries of India have already been neglected and well nigh killed in the interests of the British industries by manipulations of currency and exchange, and the country has been converted under their sway almost into a purely agricultural country, and even in this respect we find her activities are now being curtailed by foreign competition with the consequence that her export of rice has gone down by 7 crores and that of wheat by  $2\frac{1}{2}$  crores, whereas her import of grains

[Mr. Kumar Sankar Ray Chaudhury.]

has increased to a large extent. Due to the exchange policy of the Government, the mill-owners of Bombay have suffered a lot, and one should have expected that cotton yarn and manufactures imported from outside should consequently be largely increased and still there is a large drop in cotton and cotton yarn and manufactures. This shows that the people of the country are not at all prospering and they have not the means even wherewith to purchase their proverbially scanty clothing, and it is due greatly to the exchange policy of the Government. While the people have not enough food in the country and cannot supply themselves with proper clothing, the Government have been fostering and gloating over the growth of the motor traffic in the country by about 38 per cent. and the increase of 29 lakhs in the excise duty on motor spirit. The sugar industry of the country, once the largest producer of the commodity, is dying inch by inch and the import of sugar is increasing every year. So also is the case with kerosene, the excise duty on which is gradually diminishing. Although the export of coal shows no falling off, we have heard from the Railway Member's speech that the internal traffic in coal and kerosene, two of the necessities of life with the people, have also fallen off. The policy of wagon supply on the rake system favouring export by bigger concerns has led to this state of things. Nor do we find any mention in the Honourable Member's speech of the condition of the tea trade. Jute no doubt is a monopoly of India, and export records an improvement of 5 crores, but this industry is entirely controlled by foreigners, and almost all its profits go to them instead of going to the actual cultivators who produce it out of waist-deep water. Coming to Income-tax also, we find a drop of 5 lakhs, although there was a large collection of arrears of super-tax in Bihar and Orissa. The fact that this is largely due to a drop of 21 lakhs mainly from Bengal and Burma shows that conditions of jute, tea and the petroleum industry are not satisfactory. The working of the Indian Posts and Telegraphs Department has been admitted to be very disappointing, yet the Government could afford to create the following extra posts during the course of the last year, although there was no provision for them in the Budget, namely, 1 Deputy Director General costing Rs. 47,800 a year, 2 Deputy Directors General costing Rs. 45,800 a year, 5 Assistant Directors General costing Rs. 71,900 a year and 1 Chief Superintendent costing Rs. 5,400 a year under the head Direction and General Charges, and one Deputy Chief Engineer, Telephones, costing Rs. 27,900, one Deputy Director General, Telegraph Traffic, costing Rs. 27,900 and 1 Controller of Traffic costing Rs. 15,700 a year under the head Joint Charges, Telegraphs and Telephones. In all a sum of Rs. 2,42,400 has been added to the annual cost of the Department by these appointments and are being continued in the next Budget. The accommodation of some of the offices of the Department in costly buildings like the Eastern Hostel at Delhi has also involved the Department in an expenditure of Rs. 88,000 for the rent, water and current charges, etc., of the buildings occupied by the office of the Director General, Posts and Telegraphs, at New Delhi and Simla and of Rs. 20,000 for rent, water and current charges, etc., of buildings occupied by the Deputy Accountant General, Posts and Telegraphs, Delhi, and a similar sum of Rs. 6,400 for the Central Office. Besides these items, leave provision for an officer on special duty has been made in the Budget for the next year to the extent of Rs. 10,500, though no provision for any such actual duty has been made in the Budget. Perhaps the special duty for which he has been engaged is to be on leave, otherwise I fail to understand how, if there is any special duty which occasions the employment, a man employed in such duty can remain on leave throughout the whole year. While fat berths are readily

being created for highly paid officials, the grievances of the ill-paid subordinate staff in some cases, as for example the Railway Mail sorters and the runners in respect of their boat hire, are being left unredressed.

Coming now to the General Budget for the next year, we find it extremely top-heavy and a great part of the revenue is thus swallowed up by the administration charges. Take, for instance, the Industries Department. The administration charges for this Department, Item No. 39 in the Budget, apart from the salary of the Member in charge, is Rs. 6,03,010, while the money spent by it, which consists of a few grants and can be easily administered is only Rs. 2,21,000, as per Item No. 60 of the Budget, but of this small sum even it is curious to note that Rs. 4,000 is spent on scholarships for art studies. Take again the Department of Education, Health and Lands. The cost of administration of the Education Department, Item No. 34, independently of the salary of the Member in charge, is Rs. 7,73,000, while the amount spent on education, mostly grants, is Rs. 7,92,000; that on Medical Service, Item No. 56, is Rs. 11,34,000, out of which only Rs. 16,100, as far as I could gather, is spent on the purchase of medicine, clothing, bedding, diet and stores. The rest of the huge sum is spent on administering that paltry quantity of goods. Take again Public Health. The total cost of this Department, Item No. 57, is Rs. 15,83,000, and I could find no item of expenditure for the purchase of medicine out of this huge sum. I come next to Agriculture. The total cost of administration of this Department, Item No. 58, is, apart from the salary of the Member in charge, Rs. 35,28,000. Out of it only Rs. 16,300 are spent on agricultural and veterinary publications and Rs. 15,000 at the Pusa Central Bureau of animal husbandry and Rs. 8,000 at the Karnal cattle breeding farm and Rs. 10,000 at the Bangalore animal husbandry and Rs. 5,000 at the Wellington farm for cattle, while a sum of Rs. 22,200 only is spent on sugarcane station working expense at the Coimbatore Sugarcane station and Rs. 13,000 are spent on the purchase of dairy produce at the Anand Creamery. The rest of the entire huge sum is spent on administering these small amounts. The total cost of the administration of the Veterinary Department again is, by Item No. 59, Rs. 6,68,000. Out of this only a sum of Rs. 80,000 is spent on the purchase of grain, Rs. 30,000 on the purchase of grass and Rs. 44,000 on the purchase of chemicals and apparatus.

Let me now, Sir, deal with the income-tax policy of the Government. Here also we find another instance of a great and invidious distinction made between Indian and British interests. Though the Finance Bill on the face of it looks quite harmless, in actual practice, however, on a close scrutiny, it will appear, Sir, to operate as a great hardship to Indian and to confer great benefits to British interests. Look at Schedule II of the Bill and you will find that while income-tax is levied on companies and registered firms at the maximum rate of one anna and six pies in the rupee, whatever their total income might be, super-tax is levied on companies, whatever their income might be, only at the minimum rate of one anna in the rupee, whereas in the case of individuals, etc., it goes up to six annas in the rupee. This special treatment in the matter of super-tax is not even extended to registered firms, so that companies paying super-tax, the great majority of whom are in the hands of Europeans, get off with a light tax, whereas it falls heavily on the Indians. Last year, Sir, I brought in amendments to the Finance Bill to remedy this defect, and I was opposed from the Government Benches on the ground that the occasion was not suitable for bringing in such amendments inasmuch as the matter was too important and had great bearing on the finances of the country, to be introduced at this stage. But I venture to submit, Sir, as the Schedule is now before us and my proposed amendment related only to the

[Mr. Kumar Sankar Ray Chaudhury.]

Schedule this is a proper moment when the matter could be taken up, as at any other time such an amendment coming from a private Member is bound to be rejected on the ground of its being a money Bill.

Year in and year out we are crying, Sir, for the reduction of the salt tax and postal rates which fall heavily upon the poor and are met by Government with a reply as to how to make up the consequent deficit in revenue. But here, Sir, is a source which is capable of yielding a large amount and without pressing heavily upon people who cannot bear it. The Finance Member, in his

12 noon. reply to some Member in the other House about the increase in motor and petrol duties, retorted that they were tapping the richer classes more and more. Why do they not tap this the most proper source of revenue from the richest class as well in the country without making any racial distinction? I wanted to ascertain from Government how much revenue can be obtained in this way by putting some questions during the Simla Session. But you, Sir, rejected those questions on the ground of their being hypothetical. As it is useless to bring again similar amendments before this House, I, however, refrain from doing it this year.

I shall now close my speech by dealing with the Indian Army. From the very creation of the Indian Legislature, Sir, we have been crying for the reduction of the Army Budget, and the Incheape Committee recommended that it should be brought down to 50 crores. Yet the late Finance Member and His Excellency the Commander-in-Chief informed us on more than one occasion that there was no prospect of military expenditure being reduced in the near future, but that there was a prospect of its being increased. Yet how is it that means have been found of spending a sum of about 2½ crores out of it for purposes of mechanisation? The Honourable the Army Secretary in the other House gives credit for it to the further control now being exercised by the military authorities. Credit no doubt is due to them for this belated performance of their legitimate duty, but in spite of the umbrage taken by the Army Secretary for doing so, we are bound still to contend that the Army bag, or shall I say the Army bog, where the finances of India are sunk from year to year, is still elastic and wide-gaping enough to put some more charges into it, if it cannot bear a little shearing by way of Indianisation. And well might the portfolio of Law and Order, the sole function of the Government of the country, be thrown into it, so that deadly peace may reign in the country to the eternal glory of the British lion. Coming to this subject of Indianisation, we are bound to say that we are involved in a vicious circle out of which there is no escape unless we get political freedom. We are told that we cannot get self-government unless and until we are fit to defend ourselves, a proposition which is not at all warranted by the development of self-government in the other Dominions; and then opportunities being very tardily given to us to fit ourselves for the defence of our mother country, the Army Secretary begins immediately to complain loudly that the response made by us has been very poor. Sir, so long as self-government is not given to us, I venture to state that such response is bound to be poor. The life of a soldier is a life full of risks and dangers. That is why recruitment in all civilised countries has become an art that requires much tactful and sympathetic handling. We all know marriage had been raging in an epidemic form in England during the war when bachelors were being forcibly recruited as soldiers. Apathy towards enlistment therefore is bound to exist in a country dominated by foreigners where the soldiers are recruited, not for defending their hearth and homes so much, as for keeping their kith and kin under subjugation, and to fight

unholy wars not to advance the cause of their motherland, but that of the rulers who thereby tighten their grip upon the country. So long therefore as self-government is not obtained, there is no use in our having anything to do with the Bill now before the House except opposing it in all stages.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN: Sir, but for the preceding speaker, perhaps I would not have got up. When he has painted everything in India so black, I think not only should the Government Benches defend themselves but we, who are his countrymen and know perhaps just as much as he does, if not better, should come out and say something about the matter. Sir, I have been 8½ years on active service during various wars, and I think I have got more experience of the Army than the speaker who has preceded me. It has been seen that if the British officers of a unit were killed, the other soldiers did not proceed any further. In the same way, Sir, there is a mercenary army in India where we do not find yet that there is a nation and that therefore the national idea is not with the Indian soldiers. So there ought to be some soldiers who have got the national idea like British soldiers to stiffen the Army. This is most essential. If you want an army which will in time of need act as an army, you ought to have this element. What is the use of an army which my friend suggests, which will not even be considered to be sent to the front line because there would be a danger that the line would be broken at that spot? So, Sir, coming from the Punjab, which is the home of soldiers, I would like to have the Army as it is.

Then, Sir, of course, my friend comes from a place which is not afraid of any trouble. Supposing as there is trouble now in Afghanistan, another Power came in and invaded neutral territory? And, if India did not move a finger, of course, they would bring their army to our border. So if we were to fight with some big nation like that, if the Army was less than what it is at present or less efficient than it is, then there would be danger first to the Punjab which is on the way. Our friend would not care a bit if the whole country was sacked up to Delhi because he would be absolutely safe. So we, Sir, who stand the danger, would always like the Army not only to be as efficient as it is but increased in number so that we will always be safe.

Then, Sir, last time I said sufficient about agriculturists. I thought that it was only the agriculturists who had something to complain of. But I find to-day that everybody else who is well off and moneyed people also are complaining—I do not know why. This class, Sir, did not help us much and would not even in future help us much to defend our country. Now, as to the present attitude that our House has taken up, when the Commission is here, I think we have done a real service to our country. When they see how people behave in the other place, they will perhaps come to know that all India is like that and is not fit for further advance, but I think our House to-day have shown that there are other Indians who can come up to the mark and that may neutralise what has been done elsewhere. This is all I would like to say on the occasion.

THE HONOURABLE THE PRESIDENT: The question is :.

“That the Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to fix maximum rates of postage under the Indian Post Office Act, 1898, further to amend the Indian Paper Currency Act, 1923, to fix rates of income-tax, and to raise the import and excise duties on motor spirit, as passed by the Legislative Assembly, be taken into consideration.”

The motion was adopted.



**THE HONOURABLE THE PRESIDENT :** In view of the procedure adopted to-day, I shall, of course, have to permit amendments to be moved without notice. I would merely suggest this to Honourable Members that, if any Honourable Member rises with the intention of moving an amendment to any particular clause, he should make that clear as early as possible in his speech so as to give as much notice as possible to the Chair and to the member of the Government who will have to deal with it.

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

**THE HONOURABLE THE PRESIDENT :** The question is :

“ That clause 6 do stand part of the Bill.”

**THE HONOURABLE MR. K. B. HARPER :** Sir, at various times during the past two weeks I have been listening to the discussions on the Finance Bill in another place and I have come away deeply conscious that I am not a politician. I hope, however, that this Honourable Council at any rate will not think me unduly eccentric if I take up a question which is raised by this clause of the Finance Bill and try to make some constructive suggestions on it. I have felt driven to break my silence in this Honourable Council to welcome the Report of the Indian Road Development Committee, a report which must, I think, fire the imagination of every one who studies it and especially of any one who like myself comes from Burma and knows something of the vast potentialities of that country in agriculture, forests, minerals and all manner of wealth and the backwardness of communications which is preventing the people of the province from taking advantage of that latent prosperity. It needs no exceptional degree of imagination to read in the statistical statements which make up Appendix III to the Report, the story of Burma's struggle for the improvement of her communications. Her record during the last ten years in this matter, as in so many others, is unbeaten by any other province, and yet even now, there are only two provinces, the smaller areas of Assam and the Central Provinces, which cannot boast of nearly and in some cases more than twice Burma's total mileage of roads. The area covered by Burma's cultivation and forests is greater than the whole of Assam, while Burma is still left with an uncultivated area which is greater than the total area of any other province of India. But much of this uncultivated area only awaits some means of communications to make its development possible.

Sir, it would be easy to dilate for an almost unlimited time, though I will refrain from doing so, on the possibilities to India and Burma generally of a really adequate system of road communication, and whatever may be the reason for the apathy with which the proposed increase in the motor spirit excise duty for this purpose seems to have been received, I consider that the thanks of the country are due to the Indian Road Development Committee for opening the door to the achievement of enormous possibilities, even though I cannot altogether agree with the steps which the Committee recommend should be taken to achieve them. Their conception is bold, but the execution they recommend seems to me to be timid to a degree which threatens to deprive their labours of all their value. Let us examine their proposals for a moment and see what they mean. They recommend an increase of two annas in the motor spirit duty, all of which is to be earmarked for the purposes of a special Road Development Fund. So far I agree. The Honourable the Finance Secretary has told us that this should bring in a sum of 83 lakhs of rupees in the current year, and the Committee has proposed that one-sixth of this sum should be retained by the Government of India for certain purposes and the balance, that is, 69 lakhs of rupees, divided amongst the provinces and the Indian States in the proportion of their share in the payment of it. The

Sub-Committee in Part II of their report give a table showing the proportions in which the excise is paid by the provinces—their figure is not strictly correct, as it leaves out of account the Indian States which, according to my information, take about 6 per cent. of the total petrol consumption of India. For the purposes of the present calculation, however, we may take the Sub-Committee's figures which show the provinces in rather a better light than they would actually be in, and calculating the average cost of road construction as also given in the report, we can arrive at the total mileage of new roads which each province could construct with the funds proposed by the Committee. Naturally I look at Burma first and find that her share of the first year's grant amounts to enough to construct 24 miles of new road—the equivalent of one journey from Old Delhi to the Qutub and back! The Punjab get the same. The Central Provinces would have to be content with 16 miles and Assam with 8 miles! Assam's 8 miles would represent an increase over her present total mileage of less than one-tenth of 1 per cent. and to achieve an increase of 10 per cent. over her existing mileage would at this rate take over 100 years! Rather an anti-climax, Sir, I suggest, to the bold conception which the Committee held up to us. I fully appreciate that a really adequate system of road development is going to cost a vast sum of money just as I realise that every scheme must have a beginning, but I would earnestly ask the Honourable the Finance Secretary whether it is really necessary that the beginning in this case should be so very small and so very timid, and whether a great deal better use cannot be made of the sums of money which are going to be available. The House will have noticed when reading the report of the Sub-Committee so ably presided over by my Honourable friend Sir Arthur Froom that they found an almost universal demand that the proceeds of the additional two annas excise duty should be made available to provide for interest and sinking funds for loans, a course which the Sub-Committee themselves favoured. The full Committee, however, rejected the suggestion on the grounds of the impermanency of the security for a Provincial loan. I would ask the Honourable the Finance Secretary to reconsider this suggestion and see if he cannot find some way of getting over this difficulty of impermanent security. I suggest, for instance, that a loan might be taken by the Government of India and not by Provincial Governments and the capital divided amongst the provinces. I need hardly say that I do not for a moment suggest any departure from the sound businesslike principles with which we know the Honourable the Finance Member to be imbued, to our great advantage, but I do suggest that if the object itself is desirable, as I consider adequate financing of India's road development most certainly is, the means of achieving it are worthy of closer investigation than the full Committee seem to have given to this question of loans. As the Sub-Committee pointed out, good roads are not the result of a country's prosperity, but a country's prosperity immediately reacts to the construction of good roads, and it follows that the sooner more good roads are built in India, the sooner will the country begin to enjoy the increased prosperity they will bring. A loan on the basis suggested by the Sub-Committee will enable us to launch out immediately on a programme about 15 times more ambitious than we could attempt on the Committee's recommendations as they stand at present, and though this will only be a beginning it will be a substantial beginning and it would help to convert the Road Committee's report from being the expression of a pious hope to becoming the beginning of a practical achievement. I therefore commend this question of loans to the Finance Member's earnest consideration.

There is another point which comes prominently to one's notice when one enters into calculation of the provinces' shares of the Road Development Fund,

[Mr. K. B. Harper.]

and that is the variation in the cost of road construction in different provinces; This I imagine is not so much a question for the Honourable the Finance Member as for the Standing Committee which is to be set up. But the variation is so wide that it makes the Committee's present proposals for dividing up the fund unsatisfactory and I think inequitable. After all, what we are after is not money, not rupees, but mileage, and I raise this point here in the hope that it will be possible in due course to amend the Committee's proposals in this connection with this point in mind.

Then, Sir, there is another source from which the Road Development Fund might be augmented, again proposed by the Sub-Committee in more vigorous terms than it has been reproduced by the full Committee, and that is the existing motor spirit excise duty of four annas and the import duty at the same figure. I will not take up the time of the House by discussing the rather disingenuous case put forward in the report for withholding any portion of the excise duty from the provinces. I would merely point to the phenomenal rate at which the proceeds of this duty have expanded in recent years. They have climbed gradually from a very small amount in 1917 to nearly 80 lakhs in 1925. Since then the proceeds have more than doubled themselves, and the Honourable the Finance Secretary tells us that he expects to collect 166 lakhs for the general revenues from this source in the current year in spite of the proposed increase of two annas for road development. I would suggest to the Honourable Member that the time has come to consider whether he is not asking motor transport to pay rather more than its due share towards the general revenues of the country, and I would seriously ask him to consider whether he could not indicate a maximum figure, if necessary, for a specified period of years, at which he would be prepared to limit the appropriation of excise duty and import duty for general expenditure, any surplus receipts over that figure being credited to the Road Development Fund. That would, I think, be in keeping with the Committee's own recommendation. Then there are two respects in which the fund should be protected. One is the Sub-Committee's proviso, which is not, I think, adequately stressed by the full Committee, that the fund is intended to be for expenditure in addition to, and not in place of, the normal expenditure by provinces on roads; and the other is that the fund must be tied up in such a way that it cannot be raided for the benefit of general expenditure after the example set by England's versatile Chancellor of the Exchequer.

Then, Sir, there is a further point which particularly concerns Burma. It is to be regretted that the Sub-Committee was not able to visit Burma, but the Committee are to be congratulated on arriving by a short cut at the only practicable conclusion with regard to Burma's participation in the Road Development Fund. Their conclusion is recorded in paragraph 78 of their report, which, with your permission, I will read to the House :

"It has been represented by the Government of Burma that the province of Burma is separated from the rest of India by a wide stretch of hills and forests which is entirely roadless and its road system is not likely to be connected with the Indian road system within any calculable time. It follows that road development in Burma is a self-contained problem and has no all-India aspects. Recognizing the special circumstances we consider that for the present the amount apportioned to Burma might be spent on any scheme of road development approved by the local Government and the local Legislature. But if at any future time the question of road connection with India becomes a live issue the position should be reconsidered."

Honourable Members will recollect that the Committee recommended that one-sixth of the annual grant to the Road Development Fund should be retained by the Government of India for projects which are of all-India importance

or which concern more than one province or State, and for expenditure on intelligence and research. Now, Sir, the whole ground on which Burma is to be treated separately is that road development in Burma has no all-India aspects, from which it follows that except in intelligence and research Burma cannot benefit from the one-sixth which the Government of India are to retain. I ask, therefore, that Burma should, in addition to her share of the five-sixths of the grant, receive a full share on the same basis of the one-sixth which the Government of India are to retain, less only a deduction for her fair share of the expenditure on intelligence and research. Burma has so often suffered on purely technical objections from measures designed for the benefit of India, such as the steel protective duty, that I hope this opportunity, which can be open to no technical objection, will be taken to show Burma that India is willing that she should enjoy the advantages as well as suffer the disadvantages of her geographical position. At the same time I would suggest that it be made quite clear to Burma that a condition of this special treatment is that the grant is to be used in addition to and not in place of her normal expenditure on roads. In India presumably this provision will be the care of the Standing Committee and I think it only right that Burma should observe such similar provisions where they apply.

Lastly, Sir, there is the question of aviation spirit. The Committee in their report referred to the objection to asking consumers of petrol in aeroplanes to contribute to a fund for road development, and I understand that Government have accepted this objection in principle but consider there are grave administrative difficulties in overcoming it. I would ask the Finance Department to reconsider this opinion, and before deciding that these difficulties are insuperable to get into touch with the principal users of the spirit—there are not many of them if we except the Air Force which is not affected—and see whether they cannot come to some mutually satisfactory and workable scheme. The amount of money involved is not important to the Government of India, but it means a good deal to civil aviation companies and clubs, especially at this early stage.

I fear, Sir, that I have taken up more than my share of the time of the House, but I wished to take this opportunity to raise what I consider to be important questions, so that they may be reconsidered and Government's views be ready by the time the proposed conference sits in the summer. I would therefore ask Government to give their earnest attention to the points I have made :

- Firstly*, to consider the feasibility of financing the Road Fund from loans ;
- Secondly*, to reconsider the Committee's proposals for apportioning the Road Fund so as to obtain a more equitable division of mileage ;
- Thirdly*, to consider putting a maximum limit to the appropriation of the motor spirit excise and import duties for general expenditure ;
- Fourthly*, to ensure that the Road Fund is employed as additional expenditure and not to replace normal provincial expenditure on roads ;
- Fifthly*, to ensure that the Road Fund cannot be raided for the benefit of general revenues ;
- Sixthly*, to give Burma her full share of the portion of the grant which the Government of India are to retain for all-India projects ; and

[Mr. K. B. Harper.]

*Lastly*, to get into touch with the consumers of petrol in aeroplanes with a view to arriving at a satisfactory system by which aviation spirit properly used may be exempted from the excise duty

I cannot help feeling, Sir, that if the opportunity now offered by the Road Committee's report is wisely and boldly followed up the acceptance of this clause in the Finance Bill to-day may well mark the beginning of a new era of prosperity in India.

THE HONOURABLE SIR ARTHUR FROMM: Sir, it is with a certain amount of relief that we have arrived at clause 6 of this Bill as it has helped to dispel the gloomy cloud under which I fell after listening to the wail from the Honourable gentleman behind me, in comparison with which I should think the lamentations of Job were nothing. The wail was partly relieved by a comic interlude in the extraordinary interpretation he put upon the Income-tax Act of this country. Now, Sir, we sometimes—not unreasonably I hope—have occasion to criticise the actions of the other House. But here I am glad to find myself able to congratulate most heartily the Members of the other House in passing clause 6 of this year's Finance Bill. Clause 6, as we all know, provides for an increase of 2 annas in the petrol excise, this 2 annas to be devoted to roads in India and to roads only. I cannot help thinking that the Honourable Sir George Schuster, our new Finance Member, must experience a considerable degree of satisfaction that in the first Finance Bill which has passed through his hands the only portion which provides for increased taxation is one the proceeds of which are to be at once devoted to a benevolent undertaking in this country. I use the word "benevolent", because I feel most sincerely that the future happiness of India, the future progress of this great country, the further prosperity of India is wrapped up in trying to help the agriculturist; and the best way in which you can reach the agriculturist, the best way in which you can secure for him a better price for his labour, is by developing the roads of India. I will not go over the ground which has been set forth clearly in the Road Committee's Report, but I think that if Honourable Members will again read that portion of it, they will see how completely the development of India's roads will benefit the agriculturist. It will educate him; his outlook at present is limited perhaps by a diameter of 10 or 15 or 20 miles or thereabouts. As the little motor buses spring up, he moves about, his mind is broadened; also roads help him to bring his produce to the market without employing the middleman; and in fact, to sum up, the development of roads in this great country will benefit the agriculturist more than anybody else.

Now, Sir, I listened with great attention to the remarks of the Honourable Mr. Harper, and I was very glad to hear him approve of this extra 2 annas excise and that he supported this small beginning in the direction of the development of roads in India. It is a small beginning. If Honourable Members will see the figure in the Statement of Objects and Reasons, they may think the amount is very small. I would like to point out that the figures "6 lakhs" should be "60 lakhs" for the year 1928-29. I presume it was printed rather hastily. But, Sir, it is a small beginning.....

• THE HONOURABLE MR. A. C. MCWATTERS (Industries and Labour Secretary): On a point of explanation, Sir, the figure of Rs. 6 lakhs represents the figure for March only of the current year.

THE HONOURABLE SIR ARTHUR FROMM: Leaving that anyhow, Sir,—though it is curious that Rs. 60 lakhs is the half revenue for the current year—

as I said, this 2 annas is only a small beginning and we hope, as the Honourable Mr. Harper pointed out, that as time goes on, the Honourable the Finance Member will be able to give up some of the existing 4 annas excise also to go towards a Roads Fund. The Honourable Member's predecessor expressed the hope—I will not say in the immediate future—but hoped that the Government of India would at no distance of time be able to act in this manner. I fancy that my friend the Honourable Mr. Harper suggested that the Road Committee had left out of their calculations altogether the Indian States. Is that what he said ?

**THE HONOURABLE MR. K. B. HARPER :** No. I was referring to the figures taken by the Sub-Committee for the division of a grant of Rs. 50 lakhs, which I used as a rough basis for calculation.

**THE HONOURABLE SIR ARTHUR FROOM :** The sooner the Government can give up this 4 annas, this revenue is bound to grow even quicker than it does now. It has been the case with other countries, and there is no reason why it should not be the case with this country.

Now by a fortuitous circumstance the prosperity of the oil companies, I take it, will grow with the development of roads in India, and I hope that at some time or other we may have some suggestion coming forward from the oil companies to help the road transport of India.

**THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY :** May I ask the Honourable Member how many motor transport services have been established up till now for the transport of goods from the interior to help the villagers ?

**THE HONOURABLE SIR ARTHUR FROOM :** I am afraid I cannot give the numbers. The Honourable Member may ask someone else that question. When you travel through India, if any road is put in good condition, you will see a very large number of little motor buses plying on the road at once.

**THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY :** That relates to passenger traffic. So far as my experience of Bengal is concerned, not a single service for the transport of goods has been established.

**THE HONOURABLE SIR ARTHUR FROOM :** That is not the experience of all provinces.

**THE HONOURABLE NAWAB SIR MUHAMMAD MUZAMMIL-ULLAH KHAN :** In the United Provinces also all the motor buses are for passengers only.

**THE HONOURABLE SIR ARTHUR FROOM :** I hope the United Provinces will wake up and begin to use them for carrying goods. It is not the fault of the roads ; it is the fault of the people. If you give them facilities they should use them.

I have not got very much more to say except that I also hope with the Honourable Mr. Harper that the Government of India will examine the possibility of the loans. The revenue which is estimated to accrue from this extra 2 annas is not a very big one, especially when it is divided up, but it is a small start and it has also the advantage of creating an awakening in India and calling

[ Sir Arthur Froom. ]

the attention of the people to this very great movement, the business of developing their roads. As you know, Sir, I and the Honourable Mr. Suhrawardy, behind me, and one of the Honourable Members of the Legislative Assembly made a long and exhaustive tour of India last year in a very short time, but in that short time we found that those who had not up to then bothered their heads about roads were ready and willing to take up this question of the development of roads in the provinces, with a little help. Chairmen of District Boards told us: "Our roads are bad; we have no money; nobody pays attention to them, not even the Provincial Governments who look after certain roads." Although we cannot at present provide all the money required, we have awakened interest in this very important subject of the development of roads.

Sir, I support whole-heartedly clause 6 of this Bill.

THE HONOURABLE MAJOR NAWAB MAHOMED AKBAR KHAN: Sir, I should like to say a few words. Nawab Sir Malik Umar Hayat Khan has satisfactorily replied to my friend Mr. Kumar Sankar Ray Chaudhury. I would, however, like to give him concrete examples to show why British forces are necessary in India. The first is that of Kohat. In Kohat I was a witness myself. I put the proposition to him. We had a brigade there. When trouble took place between Hindus and Mussalmans, the question got further, and at a certain time.....

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY: On a point of order, Sir, are we now discussing the Finance Bill?

THE HONOURABLE MAJOR NAWAB MAHOMED AKBAR KHAN: I am just replying to your point. I will come to that. You were a long time speaking. I want to have my argument now.

THE HONOURABLE THE PRESIDENT: I shall not allow the Honourable Member to argue with any other Honourable Member.

THE HONOURABLE MAJOR NAWAB MAHOMED AKBAR KHAN: Sir, the question is this, that to my mind the presence of British troops is most essential in India because in the Kohat trouble the Indian troops could not be relied on, either the Muhammadans or the Hindus, because there was a fear that they would take sides; and again I will impress the point on him that, if there had not been Englishmen looking after the place, Indian subjects would not have got out of Kabul as easily as they did. Then, there are occasions when my friend sitting in Bengal always asks for his case to be tried by an Englishman. Well, for his case work, when he wants the disinterested person, so in the Army we want disinterested people to be here to keep the balance between the Hindu and the Mussulman.

Then, the other thing, Sir, that I wanted to say was something with regard to this petrol duty. Sir, to my mind the increase of two annas is fully justified because it has been explained by the Honourable the Finance Member in the other House that the increase in the duty on petrol is not only for the advantage of the general revenues of the Central Government, but for the specific purpose which has been unanimously recommended by a committee appointed in consequence of a Resolution passed in this House. It goes without saying that the increase in the petrol duty is sure to be beneficial to Government as well as to the public. It will bring additional revenue to Government, while for the public it will make provision for more facilities in the matter of road journeys, because

the traffic will run more smoothly and quickly with less danger than at present and if roads were in better condition than they are at present it would surely result in causing less wear and tear of tyres and tubes and thereby making road journeys more economical and comfortable. No doubt, the taxis will have to pay more for their petrol consumption, but they can compensate themselves by increasing their charges per seat, but undoubtedly the taxis will have less breakdowns than they have at present. I think the Honourable the Finance Member has done his level best to make both ends meet this year by recommending this increase of two annas per gallon. I hope the Honourable the Finance Member will not resort to any fresh taxation but will economise and retrench existing expenditure and will do his best by developing the existing resources and try to explore all the possible means of avoiding any fresh taxation. I think the banking inquiry which he has promised to institute is a real effort to increase the prosperity of India.

**THE HONOURABLE THE PRESIDENT :** The Honourable Member is now not relevant at all. If he has finished with his highly inflammable subject, I think he had better sit down.

**THE HONOURABLE MAJOR NAWAB MAHOMED AKBAR KHAN :** With these remarks, Sir, I will now close my speech.

**THE HONOURABLE MR. E. BURDON :** Sir, I am sure that the Council have listened with the same interest as myself to the very thoughtful commentary on the Road Development scheme which has been given by my Honourable friend Mr. Harper, and to the suggestions—suggestions, if I may say so, containing a great deal of substance—which he has made. I can assure him that those suggestions will receive the very careful consideration of the Departments of the Government of India concerned. I understand that my Honourable friend does not expect that Government would on the present occasion be able to state their own conclusions in regard to any of these suggestions, and naturally the suggestions will require some considerable time for the careful study which they deserve. My Honourable friend suggested, however, that the first thing that the Government of India should do should be to formulate their own ideas on the various points which he has brought to notice and have their conclusions ready for presentation to the conference which is to be held in the coming summer. I am not sure, Sir, that in regard to certain of the Honourable Member's suggestions this process may not have to be reversed. But before continuing on this particular point, I think I should explain to the Council exactly what is intended in regard to the conference which is to be held. The intention of the Government of India is that a Standing Committee of the Indian Legislature should be appointed to deal with road development. If that Committee is appointed, a meeting will be convened in Simla in the coming summer, and it is proposed to invite to attend the meeting representatives from the provinces, and these I understand will be the Ministers who have in their charge, amongst other things, the subject of Roads. Now, Sir, when this conference meets, I think it will be for them, in the first instance, to take up certain of the suggestions which my Honourable friend has made, to examine them, to find out whether there is unanimity among the provinces in regard to them, and then, if there is, to put some definite proposal to the Government of India. For example, my Honourable friend's first point is that Government should reconsider the feasibility of financing the Road Development scheme from loans to be raised, if necessary, by the Government of India. Now, Sir, I feel sure that it will be very desirable in the first instance to find out what the general sense



[Mr. E. Burdon.]

of the provincial representatives may be in regard to this matter, and I think this is certainly a suggestion which should be considered by the conference in the first instance. Even at this stage, however, I think it would be wrong if I were to seem to hold out any suggestion that this expedient which my Honourable friend has proposed will be a simple one for the Government of India to adopt. It has been recognised that there is a difficulty in the way of Local Governments raising loans on the security of the annual grants which they may hope to receive from the Road Fund. A difficulty, similar in kind, would stand in the way of the Government of India raising loans on the security of the annual proceeds of the additional petrol tax, because that is not a certain or secured asset. This objection will, of course, be obvious to anyone who considers the matter at all closely. I do not say it is a conclusive objection, but I think it right to mention it now.

Then, Sir, the second of my Honourable friend's points is that the Committee's proposals for apportioning the Road Fund should be reconsidered so as to obtain a more equitable division. That again is certainly a matter for consideration, in the first instance, by the Standing Committee and representatives of provinces.

The third suggestion is that a maximum limit be set to the appropriation of motor spirit excise and import duties for general expenditure, any surplus being devoted to the Road Fund. Well, Sir, when I gave evidence before the Road Development Committee, a very similar point was put to me by my Honourable friend Sir Arthur Froom, and I said to him—and I am afraid I must say again now—that this is hardly an appropriate time, hardly a propitious time, to ask the Government of India to promise to sacrifice revenue.

My Honourable friend's fourth point is to ensure that the Road Fund is employed to provide for additional expenditure and not to replace normal provincial expenditure on roads. I am not quite sure what exactly my Honourable friend means by this. There are two methods in which it might be said that the Road Fund was raided. By one method the accumulations in the Fund would be diverted to some other purpose. By another method the annual proceeds of the Fund would be devoted to purposes ordinarily financed from general revenues instead of being transferred to the Road Fund. I do not think either of these raids could be carried out except with the consent of the Legislature itself, and I cannot conceive it to be likely that the Legislature would ever do such a thing. But if the Legislature were set upon it, I am afraid there is no absolute means of preventing them from doing so. I find, Sir, that I have omitted something. I have just dealt with the question of raiding the Road Fund. The other point I have to deal with is the question of ensuring that the Road Fund is employed to provide for additional expenditure and not to replace normal provincial expenditure. As regards this, I have always understood it to be the intention that the special machinery that has been devised should have this for one of its objects, namely, to ensure that the additional money which is raised through the additional petrol tax results in additional expenditure on the development of roads. The machinery consists essentially in the Standing Committee which is to be appointed and in the annual vote of the Legislature. I assume that one of the functions of the Committee would be to see that the grants which it makes are expended on the purposes for which the grants are given, and that if this is not done, further grants will not be given in future. Similarly, I imagine that the Legislature will be interested in seeing that the additional tax which it has voted goes in the proper direction and on the occasion on which it votes the tax annually will endeavour

to satisfy itself by examining the reports, returns and statistics which will be furnished by the Standing Committee, that actually matters are taking their proper course.

My Honourable friend's sixth point is that Burma should be given her full share of the portion of the grant which is to be retained by the Government of India for all-India projects. That is essentially a matter which should be considered first by the Standing Committee and the provincial representatives who, I imagine, will inquire first of all what the Government of Burma themselves have to say on this particular subject.

The last point is that the Government of India should get into touch with the consumers of petrol in aeroplanes with a view to arriving at a satisfactory system by which aviation spirit properly used may be exempted from the excise duty. That, Sir, I am afraid is quite a new point to me, but I think I may say that we will undertake to consider this particular proposition directly with as little delay as possible.

**THE HONOURABLE THE PRESIDENT :** The question is :

“ That clause 6 do stand part of the Bill.”

The motion was adopted.

Clause 6 was added to the Bill.

Schedule I and Schedule II were added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

**THE HONOURABLE MR. E. BURDON :** Sir, before making my final motion, I wish to make a very few observations with reference to what was said at an early stage of our proceedings to-day by the Honourable Sir Arthur Froom and one or two other Honourable Members. I wish to say this that, I think the Honourable Members who have expressed that view are entirely justified in taking exception to the necessity which has been placed upon this Council of having to take the Finance Bill into consideration and pass it on the same day as the Bill was laid on the table. I think, as I say, they are entirely justified in the views that they hold and these views have my entire sympathy. Indeed, in my opening remarks, I was careful to say that Government themselves very much regret the necessity, because, in particular, the unusual procedure which we have had to adopt denies to the Honourable Members of this Council the full measure of consideration which Government at all times desire to accord to them. On the other hand, Sir, when my Honourable friend said that in his opinion Government ought to have foreseen this possibility and taken steps to prevent the emergency arising, then, Sir, I do not feel that I am able to go the whole way with him. The ordinary arrangements, the ordinary precautions, which Government take have sufficed in previous years, and it would have been difficult, if not presumptuous, for Government to conceive beforehand that a situation such as has actually arisen could or would be induced. Further, even if they had done so, I cannot at the moment see what steps the Government could have taken which would have been sufficient absolutely to prevent this undesirable situation from arising. The matter, however, is naturally one which will have to receive very careful consideration from the Government. It is essential that any steps that may be possible should be taken to prevent a similar situation arising again, and I wish to give the Council an assurance that we would do our best to this end.

Sir, I move that the Bill, as passed by the Legislative Assembly, be passed.

THE HONOURABLE MR. NARAYAN PRASAD ASHTHANA (United Provinces Northern : Non-Muhammadan) : Sir, in rising to

1 P.M.

speak on the motion now before the House, I may at once say that it is not my intention to oppose the motion. But the Finance Bill has not my sympathies altogether, except in one particular which has been referred to by the Honourable Sir Arthur Froom. I cannot welcome it because there has been no relief in the burden of taxation to the tax-payer of the country. It is the constitutional right of this House only on this occasion to give vent to the grievances which remain unredressed. Although this House has got no right to make cuts in Demands or to keep an eye upon expenditure, it surely can, when the Finance Bill comes before it, go into the sources of income and thus try to control the expenditure. The mere general discussion on the Budget which takes place is in my opinion a barren procedure, because it only abounds in suggestions without any effective control on the expenditure. As we go into the sources of the income upon which this Finance Bill is based, and note the high level of taxation that it maintains, the question must surely emerge that this is necessitated because of the heavy expenditure. If the Army expenditure had not risen to 58 crores gross or 55 crores net, from about 22 or 23 crores in 1913-14, if the Lee Concessions and other numerous concessions had not come into force during this period, if other expenditure had not increased, of course the Finance Bill would not have been in this shape to-day. But then the question remains, what is the Government to do and what is our duty under present circumstances? No doubt there have been suggestions for effecting economies. There have been suggestions for cutting down expenditure. One of the most effective suggestions was that of Indianising the services, military as well as civil. We all know that Indian labour is cheaper than British labour, that if Indians are more and more employed in high civil offices as well as in the military the expenditure will surely go down. But the military policy of the Government has been one of distrust of the Indians. What has been done to give effect to even the moderate recommendation of the Skeen Committee? My friend the gallant Colonel Sir Umar Hayat Khan Tiwana has come to the rescue of the British army and has pleaded its cause, but I think the gallant Colonel will himself admit that he is not a bit inferior to any Colonel in the British army, and if he thinks that Indians cannot be good soldiers or that Indians are not fit even to defend their own country, then I think the Colonel has a very poor opinion of himself and of his countrymen. The fact therefore is that if the British Government had only trusted Indians and had not gone on in this way, keeping the country under military subjection for the purposes of exploitation, then surely the history of the past 150 years would have been written quite otherwise, and to-day we would have found Indians altogether sufficient and efficient to defend their own country and we would not have found the mentality which exists among some of our countrymen that we are unfit to defend ourselves. Sir, have not high civil offices been given to Indians and have they not proved their capacity? Have not those few Indians who have been appointed to high offices under the Crown proved this beyond doubt? I think that so far as retrenchment is concerned, this could have been done even under the present constitution. I say under the present constitution because I think that, unless the constitution of the Government is changed, no reforms and no Finance Bills can ever be acceptable to the average Indian. However, even under the present constitution economies could have been effected by using more and more Indian agency in the civil and military services. Sir, the constitutional changes which have been demanded by Indians and are being demanded are not such as after 150 years of British rule could not be granted to them. I hope

[Mr. Narayan Prasad Ashtana.]

that British statesmanship would rise to the occasion and would grant that which the Indians demand with a glad heart and willing generosity before it is too late. I wish that the British Parliament would after all give the Indians the right to be masters in their own house and make India an equal partner in the Commonwealth of British nations.

Now, Sir, so far as the particular provisions of the Finance Bill are concerned, we find that the postal rates which were doubled for emergency purposes have been maintained since then; the high level of taxation on such a common necessity as salt has also been maintained over a long period of years. I may say that these are taxes on the poorest of the poor, and if we could have had any relaxation in that burden, it would have been received with delight and the Finance Member would have been congratulated upon it. Sir, representing as I do the landed and the moneyed classes (being a Member of the Council of State) I have to say something on their behalf also. The moneyed classes are no doubt suffering from the hardship of the income-tax and super-tax and also from a good deal of harassment in its administration. I wish that the income-tax could have been graded in such a way as to work lesser hardships and also to avoid that inquisition which precedes the assessment. Such being, Sir, our grievances I would have urged this Council to refuse the supplies and to reject the Bill, but as I understand that our Finance Member is new to the labours of his office and that he must begin with a *status quo* let us wait for a year and see what he does. Sir George Schuster comes to us with an international reputation, and we hope and trust that under his fostering care and constant watchfulness the finances of India will improve, that suitable economies will be effected and that the material well-being of the Indians will be effected. Our Finance Member has given a promise to us that he will serve the country in its best interests. Let us hope that when he lays down his office, it may be said of him that he has fulfilled his promise and that he has given his best to the service of India.

Sir, with your permission, may I say only one word more, and that is to add our tribute of praise to the Honourable Mr. E. Burdon, who will handle for the last time the Finance Bill in this Council. (Applause). Our Finance Secretary has been so very popular in this Council that it is not a little tribute to him that he persuaded this Council this morning to come to a unanimous conclusion that the Finance Bill may be considered without being laid on the table for three days. He has been so popular, so efficient and so helpful to the Members of this Council that we cannot but add our tribute to him before he lays down the office of Finance Secretary in October next. (Applause).

THE HONOURABLE THE PRESIDENT :      The question is :

“That the Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to fix maximum rates of postage under the Indian Post Office Act, 1898, further to amend the Indian Paper Currency Act, 1923, to fix rates of income-tax, and to raise the import and excise duties on motor spirit, as passed by the Legislative Assembly, be passed.”

The motion was adopted. (Applause).

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH :  
Sir, for the reasons already given by me when I made my last statement, it is

[Khan Bahadur Sir Muhammad Habibullah.]

again impossible to state definitely when it will be necessary for this House to meet again for the disposal of Government business. It will not in any case be before Wednesday, the 3rd April. I therefore again propose, Sir, with your concurrence, that the date of our next meeting be left open. Honourable Members will be circularised as soon as the date can be fixed. When that will be depends, as Honourable Members are aware, on the progress of Government business in another place.

**THE HONOURABLE THE PRESIDENT:** The Council will adjourn. The date of the next meeting will be notified to Honourable Members.

The Council then adjourned to a date to be notified later. ●