

19th August 1926

LEGISLATIVE ASSEMBLY DEBATES

(Official Report)

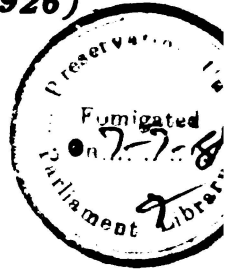
VOLUME VIII

(17th August to 2nd September 1926)

FIFTH SESSION

OF THE

SECOND LEGISLATIVE ASSEMBLY,
1926



Legislative Assembly.

The President :

THE HONOURABLE MR. V. J. PATEL.

Deputy President :

DIWAN BAHADUR T. RANGACHARIAR, M.L.A.

Panel of Chairmen :

MR. K. C. NEOGY, M.L.A.

SIR DARCY LINDSAY, M.L.A.

LALA LAJPAT RAI, M.L.A., AND

MR. ABDUL HAYE, M.L.A.

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Assistants of the Secretary :

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MR. S. C. GUPTA, BAR-AT-LAW.

MR. K. G. HARPER, I.C.S.

Marshal :

CAPTAIN SURAJ SINGH, BAHADUR, I.O.M.

Committee on Public Petitions :

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COLONEL J. D. CRAWFORD, M.L.A.

MR. JAMNADAS M. MEHTA, M.L.A.

MR. ABDUL HAYE, M.L.A.

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LEGISLATIVE ASSEMBLY.

Thursday, 19th August, 1926.

The Assembly met in the Assembly Chamber at Eleven of the Clock, Mr. President in the Chair.

MEMBER SWORN :

Maulvi Abdul Matin Chaudhury (Assam : Muhammadan).

QUESTIONS AND ANSWERS.

ARRANGEMENTS FOR HAJ PILGRIMS AT KARACHI.

65. *Khan Bahadur W. M. Hussanally : (a) Is it a fact that during the Haj season just brought to a close, there were many complaints in the local press at Karachi in regard to the inconveniences suffered by Hajis while in the Haji camp in that city ? If there were any complaints what were they ? Were any of them found to be true on inquiry ? Which of the grievances, if any, were removed ?

(b) Is it a fact that one of the complaints was that some of the members of the Haj Committee were too old or too busy to look into the grievances of Hajis and bring them to the notice of the authorities with a view to have them removed ? If so, what steps have been taken in the matter ?

Mr. J. W. Bhore : (a) The Honourable Member has not specified the nature of these complaints, and I am not sure, therefore, whether the information which Government have been able to obtain from the local authorities covers all the points that he may have in mind. But a comprehensive statement has been prepared, which deals with all the complaints that came to the notice of the authorities concerned at Karachi, and the action taken to meet such of them as were found on investigation to be true. As the statement is a somewhat lengthy one, I do not propose to read it out, but have had copies placed in the Library of the House for the information of Honourable Members.

(b) The Honourable Member probably refers to some comments which appeared in the *Al-wahid* and which he appears to have toned down. The Government of India understand that the local Haj Committee consists of intelligent and influential gentlemen who do all that lies in their power to help the pilgrims, and they see no reason to differ from the judgment of the local authorities in this matter.

Maulvi Muhammad Yakub : Have any alterations been made in the seating accommodation of the Hajis at Karachi and the manner in which they were stamped when they were inspected by the doctor, about which I made a complaint last year ?

Mr. J. W. Bhore : Well, Sir, last year a sum of about Rs. 47,000, if my memory is correct, was sanctioned for additional accommodation for Hajis ; additional sheds were built, additional water supply facilities and many other conveniences were provided.

Maulvi Muhammad Yakub : As regards the stamping of Hajis after they had been inspected by the doctors and like the goats which were taken to the slaughter house, have you made any alterations about that ?

Mr. J. W. Bhore : We have referred the matter to Local Governments.

Maulvi Muhammad Yakub : Have you received any reply ?

Mr. J. W. Bhore : Yes, we have received replies, I think, from some Local Governments, and the whole matter is under consideration.

Khan Bahadur W. M. Hussanally : May I enquire if the accommodation was found short this time even after the expenditure of the Rs. 47,000 of which the Honourable Member spoke ?

Mr. J. W. Bhore : I have no information on that point, Sir, but I shall make enquiry.

ARRANGEMENTS FOR HAJ PILGRIMS AT KARACHI AND BOMBAY.

66. ***Khan Bahadur W. M. Hussanally :** 1. (a) Is it a fact that the Haji camp at Karachi has been built about six miles from the place of embarkation in an out of the way place and that this adds to the inconveniences and expense of the poor Hajis ?

(b) Do Government propose to build a new Camp for Hajis somewhere within easy reach of the Port and to ask the North-Western Railway to construct a siding into the new camp with a view to carry the Hajis by train direct into the camp and *vice versa* ?

(c) If Government have no land of their own in the vicinity of the Port do they propose to buy or rent the same from the Port Trust in the vicinity of the new West Wharf or elsewhere ?

2. (a) Is it a fact that during the Haj season just closed there were similar complaints at Bombay and more particularly in regard to the ill-treatment of the Hajis there by Port Trust and Police employees ?

(b) If so, what steps have been taken to remove the grievances, if any, in future and to give more humane treatment to Hajis ?

Mr. J. W. Bhore : 1. (a) No. The Pilgrim Camp is only about 3½ miles from the place of embarkation, and there is a tramway covering almost the whole distance between the two places. The Government of India are not aware that any inconvenience or unnecessary expense is caused to pilgrims under existing conditions.

1. (b) and (c) No.

2. (a) and (b) No complaints were received from pilgrims in Bombay on account of the distance between the Musafirhanas and the place of embarkation, or as to any ill-treatment by officials. The Pilgrim Department under the Protector of Pilgrims, Bombay, is always ready to do everything possible for the comfort of the Hajis.

CONTRACTS FOR THE SUPPLY OF ICE AND SODA WATER ON THE NORTH-WESTERN RAILWAY.

67. ***Khan Bahadur W. M. Hussanally :** 1. (a) Into how many sections is the North-Western Railway divided for the purposes of the ice and soda water contracts ?

- (b) What is the extent of each division ?
- 2. (a) Who are the contractors on each of these sections ?
- (b) For how long have these contractors held the contracts ?
- 3. (a) Are any tenders invited for these contracts ? Is any royalty paid by these contractors, and if so, what ?
- (b) If no royalty is paid, what is the basis upon which these contracts are given out ?
- 4. Is it a fact that one of these contractors is an individual or a firm residing in Europe, who sublets these contracts, takes a large profit and has nothing more to do with the business ?
- 5. Are these contractors required to invest any capital in the business connected with their contracts, and if so, what ?

Mr. A. A. L. Parsons : I propose to reply to questions Nos. 67 and 68 together. I have asked the Agent to let me know whether there is any general complaint regarding the arrangements for the sale of ice and soda water at railway stations and on trains on the North-Western Railway, and if so, whether he proposes to take any action to alter the system in order to remedy the complaints. I will communicate the substance of the Agent's reply to the Honourable Member on receipt.

ICE AND SODA WATER CONTRACTORS ON THE NORTH-WESTERN RAILWAY.

†68. ***Khan Bahadur W. M. Hussanally :** 1. Are the ice and soda water contractors of the North-Western Railway required to have their own manufactories ? If so, do they all possess one ? If not, are they at liberty to buy supplies from the Bazaar ?

2. Is it a fact that in the hot weather there is generally a complaint even on main lines of shortage of ice and aerated waters ?

3. Is it a fact that the charges fixed are far in excess of the market rates and leave huge profits to the contractors ? If not, what is the average profit per year by each contractor ?

4. Do Government propose to break up the contract divisions into smaller circles with the object of breaking up monopolies and introducing more competition ?

ACCEPTANCE BY THE GOVERNMENT OF INDIA OF COMMISSION OR REBATE FROM STEAMSHIP COMPANIES ON PASSAGES GRANTED TO GOVERNMENT SERVANTS UNDER THE LEE COMMISSION REPORT.

69. ***Mr. J. Sheepsbanks :** Will the Government be pleased to state :

- (a) whether it is a fact that the Government of India accept commission or rebate from the Steamship Companies or their Agents on passages granted to Government servants under the Lee Commission Report ?
- (b) whether Government is aware, that it is alleged to be due to the above, that certain Steamship Companies have increased their fares by 5 per cent., thus increasing the price of the passages to the general public, and further that this increase will materially add to the amount, which Government has to

†For answer—see answer to Q. No. 67.

pay on all Government passages, granted under the Lee Commission Report ?

(c) whether Government in view of this propose to take any action ?

The Honourable Sir Basil Blackett : (a) The arrangements with the steamship companies are confidential.

(b) This is the first I have heard of such an allegation ; it seems to me very far-fetched.

(c) In view of the reply to (b) this does not arise.

APPOINTMENT OF PLEADERS OR VAKILS AS PERMANENT CHIEF JUSTICES OF HIGH COURTS.

70. ***Diwan Bahadur T. Rangachariar :** (a) With reference to the following statement of the then Home Member on the discussion on my Resolution regarding the constitution of the High Courts, will the Government be pleased to state what steps have been taken to amend section 101 of the Government of India Act, so as to enable a pleader or vakil of the High Court to be appointed to the position of permanent Chief Justice ?

“ On one point I am certainly at one with him (the mover), namely, that since the reading of the section does, as he says, appear to exclude the possibility of appointing a pleader as permanent Chief Justice of the High Court, that distinction ought to be removed, and the Act ought to be amended in order that it may be possible to appoint a pleader to the position of permanent Chief Justice of a High Court, just as it is possible for him under section 105 to be appointed as officiating Chief Justice. (Vide page 789, Vol. IV of the Assembly Debates). ”

(b) Are the Government aware that great discontent exists amongst the Indian public in that deserving and capable men have had to be passed over in view of that legal disability ?

(c) When do the Government propose to take up the question of getting the necessary legislation passed ?

(d) What has been the cause of the delay so far ?

The Honourable Sir Alexander Muddiman : (a) The Secretary of State has been addressed on the question of the amendment of the Government of India Act in the sense indicated.

(b) The Government of India are not aware of any widespread discontent though persons who are subject to the disability involved by the existing law would no doubt like to see that disability removed.

(c) Does not arise in view of my answer to (a) above.

(d) There has been no undue delay.

Diwan Bahadur T. Rangachariar : Are the Government aware that in the matter of the recruitment to the Judicial Committee of the Privy Council, the Statute was amended so as to allow of Vakils being made also eligible ?

The Honourable Sir Alexander Muddiman : I am aware of that, Sir.

Diwan Bahadur T. Rangachariar : What is the reason of this long delay ?

The Honourable Sir Alexander Muddiman : My Honourable friend is as well aware as I am that it is not possible for the Secretary of State to take up immediately the amendment of the Government of India Act with regard to every small matter we report to him. These minor matters have to wait till a certain amount of stuff has accumulated.

Diwan Bahadur T. Rangachariar : I am sure the Honourable Member is aware that the Bar Committee made a recommendation to this effect.

The Honourable Sir Alexander Muddiman : That, Sir, is one of the causes of the delay because the recommendation had to be referred to Local Governments.

REMOVAL OF THE OFFICE OF THE DEPUTY POSTMASTER GENERAL, SIND AND AND BALUCHISTAN, TO THE CIVIL LINES, KARACHI.

71. ***Mr. Harchandrai Vishindas :** (a) Has the attention of Government been drawn to the complaints appearing in the Karachi newspapers against the removal of the office of the Deputy Postmaster-General, Sind and Baluchistan, from business quarters to the Civil Lines, a quarter distant from business centres as well as from the General Post Office, to the great inconvenience of the public ?

(b) What was the reason for this removal ?

(c) What was the rent paid for the old premises and for the new ? If the latter is higher what was the gain to Government in making the sacrifice ?

(d) Do Government contemplate erecting their own building in some central locality for housing this office, and if so, when ?

(e) Is it a fact that the public inconvenience, which the separation of this office from the Bombay Presidency was calculated to relieve, still persists ?

(f) Will Government be pleased to state what advantage has accrued from the separation of this office from the Bombay Presidency ?

(g) Will Government be pleased to state the cost of maintaining this office ?

Sir Ganendra Roy : (a) Although the removal was carried out in December, 1924, no complaints have been received from individual members of the public. It was only on the 31st July, 1926, that I received a copy of a resolution, passed by the Karachi Indian Merchants' Association, protesting against the office having been shifted to the Civil Lines.

(b) The reasons for the removal were that the accommodation in the old building at Beaumont Road was insufficient and that on administrative grounds it was considered desirable to rent a building large enough to accommodate under a single roof the office of the Deputy Postmaster-General, Sind and Baluchistan, the Postal Stock Depot and the office of the Superintendent of Post Offices, Lower Sind Division.

(c) Rs. 225 per mensem for the Deputy Postmaster General's office, Rs. 75 for the Superintendent's office and an approximate assessment of Rs. 107 for the Stock Depot, making a total of Rs. 407, as against Rs. 500 for all three offices. At a cost therefore of Rs. 93 Government has gained increased accommodation and administrative convenience.

(d) The question of erecting a suitable building for the accommodation of the offices of the Deputy Postmaster-General, Sind and Baluchistan, has been deferred for the present.

(e) No.

(f) The advantages gained are that the Deputy Postmaster General, Sind and Baluchistan Circle, is in direct touch with the Karachi Chamber of Commerce and other important bodies in Sind and Baluchistan and can deal with matters on the spot without a reference being necessary to the Postmaster General at Bombay.

(g) Rs. 4,070 per mensem.

COMPLAINTS AGAINST LIEUTENANT WREDDON, MEDICAL OFFICER, KHANPUR, NORTH WESTERN RAILWAY.

72. *Mr. Harchandrai Vishindas : 1. Will Government be pleased to state if it is a fact :

- (a) that Lieutenant Wredden, Medical Officer now at Khanpur, North-Western Railway, Bahawalpur State, certified Mr. A. Jobe, a railway employee, to be of unsound mind and therefore unfit for service ?
- (b) that the Medical Board disagreed with this certificate and certified Mr. Jobe to be of sound mind ?
- (c) that owing to Lieutenant Wredden's damaging certificate Mr. Jobe suffered considerable pecuniary loss for which he has not been compensated ?

2. (a) Is it a fact that this same Medical Officer caused to be removed from Khanpur to the Sukkur Civil Hospital by a midday train, Driver Jennings who was suffering from pneumonia and who died on the way ?

(b) What was the necessity of transporting Driver Jennings in a mid-day train and thus jeopardising his life when cases of pneumonia used to be treated at Khanpur ?

3. Is it a fact that the Khanpur railway staff made complaints against Lieutenant Wredden ?

4. If the above facts be true, do Government contemplate any punitive action against Lieutenant Wredden ?

The Honourable Sir Charles Innes : As regards the first case, Mr. Jobe while employed as a guard at Jind was certified to be in a bad state of health by Lieutenant Wredden. In a brief statement of the case which was attached to the certificate, Lieutenant Wredden explained that he had had Mr. Jobe under observation for some time for unsoundness of mind. Mr. Jobe was examined by the Standing Medical Board at Lahore, who were unable to find any signs of mental derangement, but in view of his history, they recommended that he should be transferred to a bigger station such as Lahore where he could be further observed by other medical attendants. Mr. Jobe has made no representation that he suffered pecuniary loss either to the Government or to the Railway Administration.

2. As regards the second case, the facts are that Mrs. Jennings, against the wish of Lieutenant Wredden, insisted that driver Jennings should be taken from Khanpur to the Civil Hospital at Sukkur. He was

accordingly taken on 5th February, 1926, and as the journey was being performed in the cold weather, Lieutenant Wredden considered that the midday passenger train was the best train for Mr. Jennings to travel by. He accompanied Mr. Jennings on the journey. Mr. Jennings died at Sukkur on 5th February and not *en route*. Certain complaints were made by the Khanpur staff, but they were personally investigated by the Administrative Medical Officer and were found to be groundless. In these circumstances, the Government see no reason whatever why any action should be taken against Lieutenant Wredden.

Mr. B. Das : May I inquire if this Lieutenant Wredden is a war-time medical graduate ?

The Honourable Sir Charles Innes : I have no information on that point.

DISCONTENT AMONG CLASS II OFFICERS OF THE SURVEY OF INDIA.

73. *Maulvi Muhammad Yakub : 1. Are Government aware that widespread discontent exists in the Class II Service of the Survey of India, owing to the present methods of selection from it to the Class I Service ?

2. Do Government propose to ascertain the extent of the discontentment, and allay the apprehensions of those concerned ?

Mr. J. W. Bhore : 1. No.

2. Does not arise.

MEMORIAL TO THE SECRETARY OF STATE FOR INDIA BY CLASS II OFFICERS OF THE SURVEY OF INDIA.

74. *Maulvi Muhammad Yakub : 1. Will the Government be pleased to state :

(a) the date on which the memorandum to the Secretary of State, submitted by the Class II officers of the Survey of India in July 1924, was received by the Government ?

(b) the date on which the Government passed orders on the proposals submitted in the memorandum ?

(c) if it is a fact that the reason given to the memorialists for withholding transmission of their memorandum to the Secretary of State is that it contained no facts and arguments not already included in their memorial of 1921 ?

(d) if it is a fact that the memorialists have since been invited to formulate fresh proposals ?

2. If the reply to part 1 (c) is in the affirmative, will the Government of India be pleased to state the reason why it has taken one year and eight months to arrive at such a decision ?

Mr. J. W. Bhore : (a) July 20th, 1925.

(b) December 8th, 1925.

(c) Yes.

(d) The Government of India have asked the Surveyor General to make recommendations, if necessary, after interviewing individual officers of Class II of the Survey of India or the (Class II) Association, regarding measures to be taken to give relief to certain senior officers whose chances of promotion to Class I appear to be scanty owing to uneven recruitment in the past.

2. The Honourable Member will observe from the reply to (a) and (b) of part I of the question that the Government of India did not take a year and 8 months to pass orders.

INDIANIZATION OF THE RAILWAY SERVICES.

75. ***Mr. Harchandrai Vishindas :** (a) Pursuant to the announcement in the last Session of the Assembly, have Government framed any scheme for the Indianization of the Railway Services ?

(b) How many vacancies in the higher grades of the Railway Services have been filled up to date by Indians and how many by Europeans ?

(c) In filling up appointments do Government make any distinction between graduates and others ? If so, what is the starting salary of graduates and of others ?

Mr. Harchandrai Vishindas : Sir, in putting this question I want to exclude part (a) because of the announcement made by Mr. Parsons yesterday that in the Gazette of India of the 17th July a scheme of Indianization has been published. The other parts of the question have to be answered.

The Honourable Sir Charles Innes : (b) Presumably the Honourable Member desires this information from the 1st April 1926. The information is being called for from Railway Administrations and will be furnished to him when received.

(c) It will be seen from the Regulations appended to the Resolution referred to in (a) above that only graduates are eligible to compete at the examinations for the Civil Engineering and Transportation (Traffic) and Commercial Departments. For the Mechanical Engineering and Transportation (Power) Departments young lads of not more than 19 years of age only will be recruited and trained, and on account of the age limit it is not likely that any graduates will be recruited.

CLAIMS OF QUALIFIED VETERINARY SCHOLARS FOR APPOINTMENT IN THE INDIAN CIVIL VETERINARY DEPARTMENT.

76. ***Mr. Harchandrai Vishindas :** 1. (a) Will Government be pleased to state if any scholars were selected in 1921, for visiting the United Kingdom for acquiring veterinary diplomas making them eligible for appointment to the Imperial Branch of the Indian Civil Veterinary Department ?

(b) If so, is it a fact that one of the terms on which the scholars accepted the scholarships was that they would be "*required on qualifying for appointment to the Indian Civil Veterinary Department to sign articles of agreement setting forth the terms and conditions of their appointment*" ?

(c) Is it a fact that the scholars who qualified themselves as required by Government were not given any such articles of agreement for signature ? If so, why not ?

(d) Is it a fact that Government have replied to the scholars, who have returned long since after qualifying themselves by satisfying the requisite test, that the Department having been transferred to the Local Governments, representation may be made to the latter direct ?

(e) Have the Central Government issued the necessary instructions to Local Governments to recognise the claims of the said scholars ? If so, to what effect and with what result ?

(f) Is it a fact that the limit of the appointment by the Local Governments is restricted to Rs. 250 and the starting pay of the scholars in question under the scale provided in the Regulations for the grant of State Scholarships is Rs. 350, and that it is not thus possible for the Local Governments to fill up the appointments in question ? If so, what steps have Government taken or intend taking for the employment of these scholars ?

2. (a) Is it a fact that one of the terms on which the scholars accepted the scholarship was that "on their obtaining the diploma of the Royal College of Veterinary Surgeons and undergoing successfully the prescribed post-graduate course they will be given preferential claim to employment in the Indian Civil Veterinary Department" ?

(b) If so, is it a fact that the Punjab and the Bengal Governments have appointed non-scholars, in spite of the applications of the scholars above-mentioned pending before them, notwithstanding the fact that one of the scholars has passed the B. Sc. Examination in Veterinary Science of the London University ?

(c) If so, will Government be pleased to state what provision they intend to make for those scholars in view of the undertaking of the Government to employ them on their qualifying themselves ?

Mr. J. W. Bhore : 1. (a) Yes, five scholars.

(b) and (c) The Regulations for the grant of State Veterinary Scholarships provide that a scholar will be required on qualifying for appointment, to the Indian Civil Veterinary Department to sign articles of agreement. Obviously this provision was intended to operate after appointment to the Indian Veterinary Service. As a result however of the recommendations of the Lee Commission the Veterinary Service has been provincialised and it is not now within the power of the Government of India to make any further appointments to that Service.

(d) No.

(e) and (f) The Government of India have addressed Local Governments in the matter, some* of whom are prepared to consider the claims of the scholars on the occurrence of vacancies. Their names have also been noted for consideration when vacancies occur in the Imperial Institute of Veterinary Research, Muktesar. Local Governments have now full power to fix the initial rates of pay, etc., of their existing Provincial Service and the Superior Provincial Veterinary Service which they may hereafter constitute.

*Bengal, United Provinces, Punjab, Bihar and Orissa, Central Provinces.

2. (a) Yes.

(b) Government have no information on the point.

(c) The Honourable Member's attention is invited to the replies just given to 1 (e) and (f).

REORGANISATION OF THE MEDICAL DEPARTMENT OF THE NORTH WESTERN RAILWAY.

77. *Khan Bahadur W. M. Hussanally : 1. Will Government be pleased to state :

- (a) if any reorganization of the Railway Medical Department under the independent control of the North Western Railway is under contemplation ;
- (b) if so, whether there is any officer formulating any such scheme for the purpose, and when that officer will be in a position to complete that scheme and put it into execution ;
- (c) the nature and details of the scheme, and if they propose to lay on the table a copy thereof if already matured ;
- (d) whether the Administrative Medical Officer, North Western Railway, Lahore, and the Surgeon General with the Government of Bombay have been consulted in the matter ; if so, whether their views will be laid on the table and if not, why their expert opinion has not been invited ; and
- (e) whether the North Western Railway administration or the Government have found fault with the present working of the Medical Department on that Railway, and if so, what the nature of the defects, if any, are ?

2. If the answer to 1 (a) is in the affirmative, will Government be pleased to state :

- (a) if any estimate of the initial cost of the reorganization of the Railway Medical Department of the North-Western Railway and details of annual expenses have been made out, and if so, what the percentage of increase over the present working of the department is ;
- (b) whether the estimated increase of expenditure has been decided on as absolutely necessary to be undertaken even at this time of financial stringency ; and
- (c) whether the Government propose to bring the entire scheme under the scrutiny of this Assembly, and if so, when ?

3. Are the Government aware that by a separate arrangement, provision of hospital buildings, staff quarters, medical equipment and instruments will have to be made anew involving further expenditure ?

4. Will Government be pleased to state :

- (a) whether in the formation of the new scheme any I. M. S. officers from the Military will be recruited, and if so, what their number will be ;

- (b) what the proportion of such officers to the entire strength of officers appointed under the new scheme will be ; and
- (c) what the total strength of Assistant Surgeons and Subordinate Medical Officers provided under the new scheme will be ?

5. Did the Railway administration consult the Administrative Medical Officers as to how they would absorb the staff so suddenly returned to them, or as to whether they would allow the present Government Sub-Assistant Surgeons to serve under Railway Medical Officers appointed by the Railway Department ?

Mr. A. A. L. Parsons : Early last year Government obtained the services of a senior medical officer of Government to examine the existing arrangements and to suggest means for improving the medical and sanitary arrangements on the North Western Railway. A report has been received and is under consideration at present. The Governments of the Punjab and Bombay have been addressed in the matter and the question will be placed before the Standing Finance Committee for Railways in due course.

RULES GOVERNING THE SENIORITY IN THE ALL-INDIA SERVICES OF PROMOTED PROVINCIAL SERVICE OFFICERS.

78. ***Colonel J. D. Crawford :** 1. Will the Government be pleased to state :

- (a) the number of officers promoted to each of the All-India Services from the Provincial Services during the years 1921, 1922, 1923, 1924, 1925 ; and
- (b) in what cases the officers so promoted have superseded or have been made senior to officers who were in the respective All-India Services at the time promotions were made ?

2. What are the rules governing seniority in the All-India Services, which apply to those officers promoted from the Provincial Services ?

The Honourable Sir Alexander Muddiman : The information is being collected and will be supplied to the Honourable Member in due course.

FAMILY PENSION FUND FOR ALL-INDIA SERVICES.

79. ***Colonel J. D. Crawford :** (a) Have Government accepted the recommendation of the Lee Commission in regard to a Family Pension Fund for All-India Services other than the Indian Civil Service ?

(b) With reference to Earl Winterton's reply to Mr. Pilcher in the House of Commons on the 19th April, has a despatch been received from the Secretary of State outlining a scheme for such a Family Pension Fund for the consideration of the Government of India, Provincial Governments and Service Associations ?

(c) If the answer to (b) above be in the affirmative, do the Government propose to give the various Service Associations an opportunity to consider the scheme, and if so when ?

The Honourable Sir Basil Blackett : (a) The matter is still under consideration.

(b) Yes.

(c) If the scheme is accepted by the Government of India, the Service Associations concerned will be given an opportunity of considering it. It is impossible at this stage to say when a decision on this question will be reached.

Mr. B. Das : May I inquire if Government have got proposals under consideration to give family pensions to Indians of similar status ?

The Honourable Sir Basil Blackett : There is no racial distinction in my answer to this question.

Mr. B. Das : May I inquire if Government are going to give family service pensions to Indians of similar status ? That is all I want to know.

The Honourable Sir Basil Blackett : I have already answered that there is no distinction between Indians and Europeans ; I was speaking of all-India Services.

Colonel J. D. Crawford : Is it fact that this question of family pensions has been under consideration by the Government of India for over twenty years ?

The Honourable Sir Basil Blackett : I can only speak for three and a half.

ELIGIBILITY OF SPECIALIST OFFICERS AND OFFICERS IN PROVINCIAL SERVICES OF EUROPEAN DOMICILE TO THE LEE COMMISSION CONCESSIONS.

80. ***Colonel J. D. Crawford :** Will Government be pleased to state when definite orders will be issued regarding the eligibility of specialist officers, and officers in Provincial Services of European domicile to the benefits recommended by the Lee Commission in paragraph 61 of the Commission's Report ?

The Honourable Sir Alexander Muddiman : Owing to the varying character of the posts held by the officers in question and of the terms of employment in different posts general orders in the matter are not possible. Each case has been considered on its merits by the Local Governments, and in suitable cases recommendations have been made to the Secretary of State that the Lee Commission benefits or part of them should be granted. On some cases the Secretary of State has passed orders, others are under his consideration, while Local Governments will issue orders on others in exercise of the powers recently delegated to them.

Mr. B. Das : Is it not a fact that domiciled Europeans and Anglo-Indians who get into the services as statutory Indians afterwards claim the Lee concessions ?

The Honourable Sir Alexander Muddiman : I would like the Honourable Member to repeat his question since I did not hear a word of what he said.

Mr. B. Das : Is it not a fact, Sir, that Anglo-Indians and domiciled Europeans who claim and get admitted into services as statutory Indians afterwards claim the Lee concessions from Government ?

The Honourable Sir Alexander Muddiman : A great many people claim many things which they never get.

Colonel J. D. Crawford : Am I to understand that any concessions which may be given to these officers will be given with retrospective effect ?

The Honourable Sir Alexander Muddiman : That I am not in a position to answer at the moment. I should like notice.

CONTRACTS FOR THE SUPPLY OF SWEETMEATS TO PASSENGERS ON THE GREAT INDIAN PENINSULA RAILWAY.

81. ***Dr. K. G. Lohokare :** (a) Is it a fact that out of 14 sweetmeat shops on the Great Indian Peninsula Railway given on license to Messrs. Ballabhadras Eswardas of Khandwa 10 have been withdrawn from him without any reasons given therefor ?

(b) Is it a fact that the said contractor, formerly called Jotiprasad Doulatram, has served the Great Indian Peninsula Railway for over 30 years, and that he has won high testimonials of efficiency and good conduct from the railway officers ?

(c) Is it a fact that such a testimonial was recently given him by the District Traffic Manager of Nagpur on the 8th of June 1926 ?

(d) Is it a fact that certain revised orders have been alleged as a reason for cancelling 10 of his shops ?

(e) Is it a fact that Brandon & Co. have been given contracts for refreshment rooms and catering arrangements in the running cars mostly all over the Great Indian Peninsula Railway ?

(f) Is it a fact that the alleged revised orders are not uniformly observed on the line, and that variations have been allowed and authorized in the practical operation of those orders on the Great Indian Peninsula Railway ?

(g) Is it a fact that on the Great Indian Peninsula Railway a number of shops, catering for a number of communities, have been given to one person who does not belong to any of the localities of the shops, and that he is not a professional manufacturer of sweetmeats ? Do the revised orders permit this ?

(h) Is it a fact that complaints are being received from passengers about the sweetmeats, etc., sold by new contractors ?

Mr. A. A. L. Parsons : (a) to (h). Government have no information and do not propose to call for any. The matter is within the competence of the Agent, Great Indian Peninsula Railway, and a copy of the question and this answer will be sent to him.

Dr. K. G. Lohokare : May I know if the person referred to in question No. 30 and the fact that he is a relation of the Chief Food Inspector have anything to do with this ?

Mr. A. A. L. Parsons : I have no knowledge.

PROHIBITION OF THE EMPLOYMENT OF WOMEN IN FACTORIES, MINES AND OTHER ORGANISED INDUSTRIES FOR SPECIFIED PERIODS BEFORE AND AFTER CONFINEMENT.

82. ***Mr. M. N. Joshi :** (a) Is it a fact that the Honourable Sir Bhupendra Nath Mitra had undertaken in his closing speech during the

discussion on the Maternity Benefits Bill, to inquire into the question of the prohibition of employment of women in factories, mines and other organised industries, some time before and some time after confinement and of the provision of the maternity benefits ?

(b) Will Government be pleased to state what steps they have taken or propose to take to institute such an enquiry ?

The Honourable Sir Bhupendra Nath Mitra : (a) No.

(b) Does not arise.

PROHIBITION OF THE EMPLOYMENT OF WOMEN IN MINES.

83. ***Mr. N. M. Joshi :** (a) Will the Government of India be pleased to state whether they have made rules prohibiting the employment of women in mines ?

(b) If they have made such rules will they be pleased to state when these rules will be published ?

(c) If they have not yet made the rules, will they be pleased to make a statement regarding the present position of the question ?

The Honourable Sir Bhupendra Nath Mitra : (a) No regulations have yet been made.

(b) and (c). As the Honourable Member is aware, the question has been discussed with the Standing Advisory Committee attached to the Department of Industries and Labour. The Government of India are now engaged in the preparation of a draft scheme but I am unable to say when any regulations will be finally made. I would remind the Honourable Member that under section 31 (3) of the Indian Mines Act draft regulations have to be submitted to Mining Boards before they can be published and under section 31 (2) the regulations cannot be taken into consideration until three months have elapsed from the date of their publication.

INTRODUCTION OF THE SYSTEM OF SHIFTS IN MINES.

84. ***Mr. N. M. Joshi :** (a) Will the Government of India be pleased to state whether they propose to introduce legislation in this Session for introducing the system of shifts in Indian mines ?

(b) If they do not propose to introduce legislation in this Session, will they be pleased to make a statement regarding the stage at which the question has arrived, and regarding their proposals for the introduction of the shift system ?

The Honourable Sir Bhupendra Nath Mitra : (a) No.

(b) The question was discussed with the Standing Advisory Committee attached to the Department of Industries and Labour and the views expressed by them and by those who were consulted on the question are now receiving the consideration of Government. I am unable to say when legislation will be introduced but I hope the Government of India will have formulated their provisional conclusions on the subject before the next legislative Session.

DATE OF THE COMING INTO FORCE OF THE INDIAN TRADE UNION ACT.

85. ***Mr. N. M. Joshi :** Will the Government of India be pleased to state when the Trade Unions Act will come into force ?

The Honourable Sir Bhupendra Nath Mitra : The Act will come into force after the necessary regulations have been framed and published by Local Governments. It is hoped that it will be possible to bring it into force on 1st April 1927.

INDIANIZATION OF THE SUPERIOR RAILWAY SERVICES.

86. ***Mr. M. N. Joshi :** (a) Is it a fact that the Honourable Sir Charles Innes had undertaken during the discussion on the Railway Budget, to consider the question of making an annual report regarding the Indianization of superior Railway Services ?

(b) Will the Government of India be pleased to state what their decision is in this matter ?

The Honourable Sir Charles Innes : (a) Yes.

(b) A paragraph will be put in the Administration Report each year showing how many vacancies have occurred during the year in the different departments of the several Railways and how these vacancies have been filled.

ISSUE OF AN ANNUAL REPORT ON THE WORKING OF THE WORKMEN'S COMPENSATION ACT.

87. ***Mr. N. M. Joshi :** (a) Will the Government of India be pleased to state whether they have so far issued any report on the working of the Workmen's Compensation Act ?

(b) If they have not, are they prepared to issue an annual report on the working of this Act ?

The Honourable Sir Bhupendra Nath Mitra : The answer to the first part of the question is in the negative and to the second in the affirmative.

PUBLICATION OF AUTHENTIC INFORMATION ON THE LABOUR CONDITIONS IN JAPAN.

88. ***Mr. N. M. Joshi :** Is it a fact that the labour conditions in Japan adversely affect the position of certain industries in India, and if so, do the Government propose to take steps to secure and publish authentic information regarding the labour conditions in that country ?

The Honourable Sir Bhupendra Nath Mitra : The Government of India are not in possession of precise information relating to the first part of the question. The answer to the second part is in the negative.

INQUIRY INTO THE QUESTION OF FORCED OR COMPULSORY LABOUR.

89. ***Mr. N. M. Joshi :** (a) Is it a fact that the question of forced or compulsory labour has been discussed at the meeting or meetings of the League of Nations or of its Committees or of its subsidiary organisations ?

(b) Is it a fact that contradictory statements have been made on this question by delegates representing different interests at one or more of these meetings ?

(c) Are the Government of India prepared to make an authoritative inquiry into this question and publish the results ?

The Honourable Sir Bhupendra Nath Mitra : (a) Yes. The question of forced labour was discussed by a Committee of the Sixth Assembly of the League of Nations in 1925 and came up at the Seventh and Eighth International Labour Conferences in 1925 and 1926.

(b) I presume that the Honourable Member is referring to the fact that, at the Seventh International Labour Conference, Sir Atul Chatterjee stigmatized his description of the system of forced labour in India as "a distorted version of the actual facts". The same question was raised at the Eighth International Labour Conference when Sir Atul Chatterjee and Lala Lajpat Rai presented opposing views.

(c) The answer is in the negative.

Mr. N. M. Joshi : May I ask why Government are not prepared to make this inquiry when there is this difference of opinion ?

The Honourable Sir Bhupendra Nath Mitra : Because in the opinion of the Government of India no useful purpose will be served by undertaking any inquiry at present.

Mr. N. M. Joshi : Do the Government of India mean to say that, if they find on inquiry that the system of forced or compulsory labour exists in India, there will be no useful purpose served by stopping it ?

The Honourable Sir Bhupendra Nath Mitra : That implication does not arise out of the answer which I have just given to the Honourable Member.

GRANT OF INCREASED REPRESENTATION TO LABOUR IN THE INDIAN LEGISLATURES.

90. ***Mr. N. M. Joshi :** (a) Are the Government of India prepared to make a statement as to their proposals for granting increased labour representation in the Indian Legislatures ?

(b) Do they propose to give an opportunity to the labour organisations in British India to consider these proposals before they are finally adopted ?

The Honourable Sir Alexander Muddiman : I have nothing to add to the reply I have given to Mr. Venkatapatiraju's question No. 32, dated the 18th August 1926.

Mr. N. M. Joshi : May I ask, Sir, whether the communiqué contains information in regard to the proposals of the Government of India for labour legislation in all the Provinces ?

The Honourable Sir Alexander Muddiman : I would ask the Honourable Member to read the question and my answer.

Mr. N. M. Joshi : May I ask, Sir, what they propose to do as regards labour legislation in Bengal, in Madras, in the United Provinces, and in Bihar and Orissa ?

The Honourable Sir Alexander Muddiman : We do not propose to do anything more at present.

Mr. N. M. Joshi : May I ask, Sir, what they proposed to do as regards labour legislation so far as the Legislative Assembly is concerned ?

The Honourable Sir Alexander Muddiman : I have already answered that question.

Mr. N. M. Joshi : The communiqué does not contain the answer at all.

The Honourable Sir Alexander Muddiman : I answered that yesterday. The Honourable Member has not read my answer.

INTRODUCTION OF SPECIAL LEGISLATION TO PROTECT LABOURERS AGAINST ATTACKS BY EUROPEANS.

91. ***Mr. N. M. Joshi :** (a) Will the Government of India be pleased to state whether their attention has been drawn to any recent cases of deaths of labourers alleged to have been due to kicks or blows given by Europeans ?

(b) Will the Government of India be pleased to state whether they propose to undertake special legislation for the protection of labourers in India against physical attacks by Europeans ?

The Honourable Sir Alexander Muddiman : (a) Such cases are reported to the Government of India.

(b) The answer is in the negative. The Government of India have no reason to suppose that the provisions of the Indian Penal Code are inadequate.

Mr. B. Das : May I just inquire if Government will institute a family pension fund to relieve the families of labourers when they die of kicks from Europeans ?

The Honourable Sir Alexander Muddiman : Does the Honourable Member propose to subscribe to it ?

PRIVILEGES OF INDIAN DRIVERS ON THE NORTH-WESTERN RAILWAY AS REGARDS LEAVE AND FOREIGN RAILWAY PASSES.

92. ***Mr. N. M. Joshi :** (a) Is it a fact that Indian drivers on the North-Western Railway do not possess all privileges which are possessed by European drivers as regards leave and foreign railway passes ?

(b) If so, do Government propose to remove these inequalities ?

Mr. A. A. L. Parsons : (a) and (b). Drivers of Indian domicile whether they are Europeans, Anglo-Indians or Indians come under the same leave rules. Those whose domicile is non-Asiatic are subject to special leave rules. The different sets of leave rules for officers of Asiatic and non-Asiatic domicile have been introduced after full consideration and the Government do not propose to modify them.

As regards foreign railway passes so far as Government are aware there is no distinction. A copy of the question and answer will, however, be sent to the Agent, North-Western Railway.

EMPLOYMENT ON MONTHLY SALARIES OF INDIAN SHUNTERS AND FIREMEN ON THE NORTH-WESTERN RAILWAY.

93. ***Mr. N. M. Joshi** : (a) Is it a fact that on the North-Western Railway a large number of Indian shunters and firemen are on daily rates of pay ?

(b) If so, do the Government of India propose to put them on the monthly rates ?

The Honourable Sir Charles Innes : (a) Firemen and shunters on the North-Western Railway are divided into four classes, Classes I and II for illiterate and partly literate employees and Classes III and IV for literate employees. Classes I and II are on daily rates of pay and Classes III and IV on monthly rates.

(b) Government do not propose to bring the men in Classes I and II on monthly rates of pay.

EYESIGHT TEST OF EMPLOYEES OF THE NORTH WESTERN RAILWAY.

94. ***Mr. N. M. Joshi** : (a) Is it a fact that the North-Western Railway employees were once allowed to pass the Night Vision Examination with glasses ?

(b) Is it a fact that this has now been disallowed ?

(c) Are the Government of India prepared to restore to them the privilege of passing the said examination with glasses ?

The Honourable Sir Charles Innes : (a), (b) and (c). The Government of India understand that the rules for testing eyesight on the North-Western Railway differ for different classes of employees. For instance, the test is more severe for staff actively employed in connection with the working of trains than for staff whose duty is entirely unconnected with the movement of trains. The Government of India do not know to which class of employees the Honourable Member's question relates. In any case, the rules have been drawn up in consultation with competent medical advice and there can be no question of restoring a privilege in defiance of that advice.

TREATMENT OF THE FRONTIER ALLOWANCE AS PART OF PAY FOR GRATUITY AND FREE PASSES BY THE NORTH-WESTERN RAILWAY.

95. ***Mr. N. M. Joshi** : (a) Is it a fact that on the North-Western Railway the frontier allowance is counted as pay for the purpose of the Provident Fund ?

(b) Is it a fact that the said allowance is not counted as pay for gratuity and free passes ?

(c) Are the Government of India prepared to treat the allowance as part of pay for gratuity and free passes also ?

Mr. A. A. L. Parsons : (a) It has recently been decided that frontier allowance is a compensatory allowance which does not count as pay for purposes of the State Railway Provident Fund.

(b) Yes.

(c) No.

EXTENSION TO THE EMPLOYEES OF THE NORTH-WESTERN RAILWAY OF THE PRIVILEGE OF OBTAINING LOANS FROM THE PROVIDENT FUND FOR MARRIAGES AND FOR BUILDING HOUSES.

96. ***Mr. N. M. Joshi** : (a) Is it a fact that on the North-Western Railway subscribers to the Provident Fund are not granted loans out of the Fund for marriage and for building a house ?

(b) Are the Government of India prepared to extend the privilege to their employees on the North-Western Railway ?

Mr. A. A. L. Parsons : The State Railway Provident Fund Rules do not allow advances for the purposes named.

INSTITUTION OF A SYSTEM OF PROVIDENT FUND AND GRATUITY FOR THE WORKERS IN THE CORDITE FACTORY AT ARUVANKADU.

97. ***Mr. N. M. Joshi** : (a) Is it a fact that the workers in the Cordite Factory at Aruvankadu are not given any gratuity or that there is no provision for a Provident Fund for them ?

(b) Has the attention of the Government of India been drawn to the representation made by the Cordite Factory Labour Union to the Master General of Supplies for instituting a system of Provident Fund and gratuity for the workers in the Cordite Factory ?

(c) What steps, if any, do the Government of India propose to take to provide for the old age of the workers in the Cordite Factory and also for making some provision for the dependants after the death of the workers ?

Mr. E. Burdon : (a) The answer to this question, so far as it relates to the " provision of a Provident Fund ", is in the affirmative. Temporary workers on discharge are given gratuities from the Fine Fund of the factory, provided the money is available ; dependents of deceased workers are also given donations from this Fund, at the discretion of the authorities concerned.

The case of permanent workers is governed by the rules in the Civil Service Regulations.

(b) I presume the Honourable Member is referring to the resolution which was passed on this subject on the 29th and 30th August 1925 at the Second Conference of the Cordite Factory Labour Union, Aruvankadu, a copy of which was communicated to the Master General of Supply. This the Government have seen.

(c) The question of instituting a Provident Fund for temporary workers in the Ordnance factories is at present under consideration.

GRIEVANCES OF WORKERS IN THE ARSENAL AT KIRKEE.

98. ***Mr. N. M. Joshi** : (a) Has the attention of the Government of India been drawn to the representation made by the President of the Kirkee Arsenal Workmen's Union to the Quarter Master General ?

(b) Is it a fact that the said representation states :

(i) that the wages of workmen are low, and

(ii) that there are no rules regarding workmen's promotion to higher ranks, annual increment of wages, leave, discharge, gratuity and Provident Fund ?

(c) Is it a fact that workmen in the Factory are discharged without even a month's notice ?

Mr. E. Burdon : (a) I presume the Honourable Member is referring to the representation from the President of the Kirkee Arsenal Workmen's Union, dated the 24th April 1926. This the Government have seen.

(b) (i) and (ii) Yes.

(c) Yes. The workmen are daily paid labourers, and have to be engaged or discharged according as the volume of work increases or decreases. Only men paid by the month are entitled to a month's notice before discharge.

SPECIAL REPRESENTATION FOR BHILS IN THE BOMBAY LEGISLATIVE COUNCIL.

99. ***Mr. N. M. Joshi :** (a) Have the Government of India received through the Government of Bombay a representation made by the President of the Bhil Seva Mandal asking for special representation for the Bhils in the Bombay Legislative Council ?

(b) Will the Government of India be pleased to state what they propose to do in the matter ?

The Honourable Sir Alexander Muddiman : (a) The answer is in the affirmative.

(b) There are now two nominated seats in the Bombay Legislative Council for the representation of depressed classes. The allotment of these seats is a matter for His Excellency the Governor of Bombay.

Mr. N. M. Joshi : May I ask whether the Bhils are considered to be a depressed class ?

The Honourable Sir Alexander Muddiman : I am not personally on familiar terms with the Bhils, but I always understood they were.

Mr. N. M. Joshi : May I ask whether the Government of India will make an inquiry ?

The Honourable Sir Alexander Muddiman : No, Sir. The Government of India will not make an inquiry. That would be a matter for the Government of Bombay.

REGULAR PUBLICATION OF THE POSTAL GRADATION LIST OF THE NILGIRI DIVISION.

100. ***Mr. N. M. Joshi :** (a) Will the Government of India be pleased to state if Superintendents of Post Offices are required by the rules of the Department to supply copies of the divisional gradation list to each official of the clerical grade in their division, and if so, how often are the gradation lists to be published and supplied ?

(b) Was any representation received by the Postmaster General Madras, that the gradation list of the Nilgiri Division was not published for the last half a decade, and that the several letters addressed to the Superintendent of that Division by the Coimbatore Branch of the Madras Circle Postal Association were not even acknowledged or replied to ?

(c) When was the divisional gradation list published last in the Nilgiri Division and what action was taken by the Postmaster-General, Madras, regarding its non-publication in subsequent years ?

(d) Do the Government propose to instruct the Superintendent of Post Offices, Nilgiri Division, to publish the list regularly ?

Sir Ganendra Roy : (a) Yes, once a year.

(b) No.

(c) In 1919. In subsequent years a gradation list was maintained by the Superintendent himself and a copy was sent to the Postmaster-General who was not in a position to know that it had not been supplied to the officials of the Division.

(d) The Superintendent has already taken steps to issue the gradation list annually and to supply a copy regularly to each official in his Division.

DIMENSIONS, MEASUREMENTS AND DESCRIPTION OF THE QUARTERS OF THE INDIAN STATION MASTERS AND ASSISTANT STATION MASTERS OF THE MADRAS AND SOUTHERN MAHRATTA RAILWAY.

101. ***Mr. N. M. Joshi :** (a) What are the dimensions, measurements and description of the quarters of the Indian station masters and assistant station masters of the old Madras Railway now in possession of the Madras and Southern Mahratta Railway ?

(b) What are the dimensions, measurements and description of the quarters of the Indian station masters and assistant station masters of the Madras and Southern Mahratta Railway Company that have been newly constructed and are being constructed ?

The Honourable Sir Charles Innes : (a) and (b) The information asked for is being supplied to the Honourable Member separately.

ARTICLE IN THE "SWARAJYA" REGARDING QUARTERS FOR STATION MASTERS ON THE MADRAS AND SOUTHERN MAHRATTA RAILWAY.

102. ***Mr. N. M. Joshi :** (a) Has the attention of the Government of India been drawn to an article published in the *Swarajya* of the 28th May 1926 under the heading "Station Masters' Quarters" ?

(b) What steps do the Government propose to take in the matter ?

The Honourable Sir Charles Innes : (a) Government have seen the article referred to.

(b) A copy of this question and answer will be sent to the Agent, Madras and Southern Mahratta Railway, for such action as he may consider necessary.

CONSTRUCTION OF AN OVERBRIDGE AT SIMULTALA ON THE EAST INDIAN RAILWAY.

103. ***Mr. N. M. Joshi :** (a) Are the Government aware that no railway overbridge exists at Simultala station at the 217th mile on the main line of the East Indian Railway, and that great inconvenience is thereby caused to the passengers generally and the patients attending the United Church Mission Hospitals at Bamdah in particular, as the latter are mostly sufferers from eye diseases and often almost blind from cataract ?

(b) If the answer to (a) is in the affirmative, will the Government state whether they contemplate constructing an overbridge for the convenience of passengers, and if so, when ?

Mr. A. A. L. Parsons : Government understand that the Agent, East Indian Railway, has already taken steps to provide an overbridge at Simultala.

GRIEVANCES OF PROBATIONERS APPOINTED TO THE SUPERIOR SERVICES ON THE SOUTH INDIAN RAILWAY.

104. ***Mr. K. Rama Aiyangar :** Has the attention of the Government been drawn to the leader in the *Swarajya*, Madras, dated June 10th, 1926, regarding " Indian Railways " ? Will the Government be pleased to state whether the grievances mentioned therein are true, and if so, what steps the Government propose to take to remedy them ?

Mr. A. A. L. Parsons : I understand the Honourable Member to refer to the statement in the article which he mentions that a scheme has been introduced on the South Indian Railway under which Indian candidates for the superior services are on probation for four years, during which period they receive an allowance of Rs. 50 per mensem and are not allowed leave ; and that there is no definite guarantee of appointment at the end of the period of probation.

Government have no information on the subject, but will make enquiries.

RECOMMENDATIONS OF THE ECONOMIC ENQUIRY COMMITTEE AND THE TAXATION ENQUIRY COMMITTEE.

105. ***Mr. K. Rama Aiyangar :** 1. (a) Will the Government be pleased to state what steps have been taken to give effect to the recommendations of the Economic Enquiry Committee ?

(b) Under what heads has action been taken, if any ? Have the Government taken all possible steps to collect the necessary statistics ? If not, what is the reason for the delay ?

(c) Have the Local Governments been addressed to give effect to the recommendations ? What replies, if any, have been received, and will the Government be pleased to lay them on the table ?

2. Do the Government propose to indicate to the Assembly their inclination to abolish any existing taxation, or substitute or add other taxation, in connection with the recommendations of the Taxation Enquiry Committee, before the Report comes up for consideration by the Legislative Assembly ?

The Honourable Sir Basil Blackett : 1. The Honourable Member no doubt realises that it is not possible to give effect to the great majority of the recommendations without securing the co-operation of Provincial Governments which will have to bear much of the additional expenditure involved. I lay on the table a copy of the letter addressed by the Government of India to Provincial Governments on the 23rd October, 1925. The difficulties involved will be apparent from the fact that hitherto only three of the Provincial Governments have found it possible to send replies. When all the replies have been received, they will be printed and copies

laid on the table in due course. Meanwhile, the Government of India are considering the various recommendations in so far as they affect them.

2. As regards part (2) the Honourable Member is no doubt aware that the Report of the Indian Taxation Enquiry Committee will come up for discussion in the Legislature to-day.

No. D. 4299-F.

GOVERNMENT OF INDIA.
FINANCE DEPARTMENT.

FROM

THE HONOURABLE MR. A. C. MCWATTERS, C.I.E., I.C.S.,

TO

ALL PROVINCIAL GOVERNMENTS.

Simla, the 23rd October, 1925.

SUBJECT :—*Report of the Indian Economic Enquiry Committee.*

Sir,

I am directed to invite your attention to the Report of the Indian Economic Enquiry Committee, copies of which have already been forwarded to you. The record of the evidence of witnesses, which is being separately printed, will be forwarded as soon as available. The appointment of the Committee was, as explained in the first chapter of their Report, the result of Resolutions passed in both chambers of the Central Legislature. The reference to the Committee embraced not only an examination of the material at present available for framing an estimate of the economic condition of the various classes of the people of British India and a report on its adequacy but they were asked to make recommendations as to the best means by which the existing material might be supplemented and as to the basis on which a general economic survey should be carried out.

2. The report of the majority of the Committee may be said to fall into two distinct parts. The first deals with general statistics other than production, which, as the Committee admit, are more or less complete. With reference to these they make a number of detailed suggestions with the object of their improvement and extension, most of which are primarily for the consideration of the Central Government. A statement of these recommendations is attached as *Appendix A* to this letter. In addition, however, to their detailed recommendations they make two general recommendations (1) that the further improvement of these general statistics, so as to bring them into line with up-to-date statistical systems abroad, might be effected with the aid of a committee or conference of statistical experts, and (2) that their general recommendation (which will be referred to later) for centralisation of statistics should apply also to the statistics in this class (paragraph 40). The intention of this recommendation is, as shown in paragraph 82, that apart from purely departmental publications, which do not contain any information required for the economic purposes of the Central and Provincial Governments, all publications should come under the technical guidance of a central statistical authority.

On this part of the Committee's report the views of local Governments are invited on such points as concern them in the detailed recommendations and on the general questions mentioned above, the latter of which contemplates a somewhat closer control, than exists at present, over Provincial publications by the Central Department of statistics.

3. The second and more important part of the Committee's Report deals with Statistics relating to (a) production and (b) estimates of income, wealth, cost of living, indebtedness, wages and prices, the object of the Report being to recommend an organisation for the collection and publication of statistics of this class which should constitute a survey of the entire economic fabric of the country. The organisation proposed consists first, of a *Central Bureau* under the Government of India, with a Director of Statistics and 2 Assistants (a third Assistant being employed periodically

for the work of census of population) and necessary clerical staff. The additional cost to the Central Government is estimated at Rs. 75,000 per annum, *plus* Rs. one lakh for initial equipment and Rs. 25,000 quinquennially for periodical surveys. This estimate (which for the work contemplated seems exceedingly low) will be examined separately by the Government of India. Secondly, *Provincial Bureaux* in each Province, with which should be amalgamated existing labour offices where they exist. At the head of each Bureau would be a Provincial Statistician (who might in some provinces combine the duties of the Director of Land Records), one Assistant for Headquarters and a number of Assistants (usually one for each Revenue division) for district work. Under each Assistant would be—

- (1) 20 to 25 inspectors (whose number might be reduced to 10 or 12 after 2 years) for collection of production statistics. These inspectors would, in fact, work under the control of the Revenue Department subject to the guidance of the Assistant Statistician, and their duties would be to collect data regarding forms of production which are not supplied direct by departments. They would work in close association with local agencies, such as Co-operative Credit Societies and Panchayats. (Paragraphs 88 to 91).
- (2) 15 to 18 investigators, who would ordinarily be graduates, under-graduates or retired revenue officers who would be engaged on intensive enquiries into wealth, income, etc. These would form part of the statistical establishment though associated in some degree with the revenue establishment. It is contemplated that each investigator would be able to deal with 12 villages a year in rural tracts and 600 families a year in urban tracts, so that in 5 years data would have been collected for 20 per cent. of the town population and 12½ per cent. of the rural population. (Paragraphs 93 to 96).

A special staff of tahsil-clerks, would also be required for the compilation of statistics of agriculture and other miscellaneous products (Paragraph 92).

Thirdly, *Advisory Boards* of Economic Enquiry are contemplated for each province, while the present Publicity Advisory Committee of the Central Government would be expanded by the addition of two official and two non-official members with statistical experience to form a Central Advisory Board. It is suggested that non-official members of these Boards should be paid a fee for attending the meetings at all events for the first few years (Paragraphs 86 and 87).

The cost of these proposals to Provincial Governments has been worked out by the Committee roughly on a population basis and is estimated for all provinces as Rs. 56.59 lakhs per annum in addition to 30.61 lakhs for initial equipment, which would be spread over the first 2 years.

4. The general object for which this organisation is recommended is, as explained in paragraph 70 of the Report, that the entire economic fabric of the country should be closely sifted by a survey. For the purpose of this survey the Committee accept, with minor modifications, the division into 12 occupational classes adopted at the last population census and for the larger economic zones the provincial natural divisions adopted in the Census Report of 1921. The survey will concern itself with statistics (a) of production and (b) of income, wealth, etc. Statistics of production will be collected under seven main heads :—(1) Agriculture, (2) Pasture and Dairy Farming, (3) Forests, (4) Fisheries, (5) Mines, (6) Large industries, and (7) Cottage industries. For large industries the annual statistics will be supplemented quinquennially by a detailed census of production. For production of all kinds the figures will be obtained through Government departments by means either (a) of the existing agency or (b) of the additional special staff of inspectors already referred to. A summary is attached as *Appendix B* to show in more detail what the Committee contemplate under the various production heads.

Statistics of income and wealth, etc., will be obtained by intensive studies carried out by the special investigators and the results will be included in the summary and published from year to year with the annual provincial statistics. (Paragraphs 76 to 78). Special enquiries will also be undertaken on special subjects by the investigating staff (which may be strengthened for the purpose) on any subject of local importance which may be prescribed by the local Governments from time to time, such as fragmentation of holdings, unemployment among the middle classes, condition of the depressed classes and unemployment in rural areas. The enquiries of the investigators will include estimates of collective private wealth and national wealth. Additional detail as to what the Committee propose in respect of estimates of income and wealth is given in *Appendix C*.

5. It will be clear from the above summary of the organisation proposed and the scope of its activities, that local Governments are most intimately concerned both financially and in regard to the practical working of the proposals. They are further concerned in two general proposals which are made by the Committee (1) that all work in connection with statistics should be co-ordinated and centralised and that the statistics of all the Departments, both of the Central and Provincial Governments, should be brought under the supervision of one central authority who should be the adviser of Government in statistical matters; and (2) that there should be a Census and Statistics Act the main object of which will be to place the whole organisation on a legal basis and to empower officers to demand the supply of information under legal penalties, guarantees being provided against disclosure of information (Paragraphs 82 and 83).

6. The Minority Report by Professor Burnett Hurst while dissenting from some of the principles and most of the details of the Committee's recommendations, contemplates the organisation of a Central Statistical Bureau and of Provincial Bureaux. He would abandon the idea of carrying out enquiries into individual wealth, but recommends (a) a series of intensive enquiries by the collection and analysis of a large number of family budgets under the supervision of Provincial Boards of Economic Enquiry who will employ special investigators, quite distinct from the official statistical establishment and (b) the collection of statistics of production, wages and prices by the extensive method through the agency of the department or branch of administration with which the statistics are associated, under the control of the Central and Provincial Bureaux of statistics; e.g., the statistics of agriculture would be taken over by the Department of Agriculture and statistics of production of small scale industry would be collected by the subordinate staff of the present departments of industries or the Co-operative Departments or by a special staff of investigators working under these Departments. Professor Burnett Hurst supports the proposal for a detailed census of production of large industrial establishments quinquennially and for a quinquennial wage-census. He considers, however, that the necessary powers of compulsion can be granted to the Statistical Bureaux by amending the Factories Act instead of introducing special legislation.

Professor Burnett Hurst estimates that the cost of the Provincial Bureaux, where no labour offices at present exist, would be about one lakh of rupees per annum for each Province, but he attempts no estimate of cost of the intensive and extensive enquiries recommended, which he would leave on an elastic basis depending on the extent of the enquiries which each local Government or which the Provincial Boards of Economic Enquiry decide to undertake.

7. The Government of India feel sure that local Governments will appreciate the underlying object of this Report which is to improve the standard and extend the scope of the statistical material available for an estimate of the economic condition and resources of the country and will share their desire to give effect to any practical proposals which will contribute to this object and which can be undertaken at a reasonable cost. But in view of the financial considerations involved and of the necessity for co-operation, between local Governments and the Central Government in any measures which may be approved, and in view also of the important administrative considerations implied in proposals such as those for the estimate of individual wealth by a staff of investigators and for legislation to make compulsory the supply of information to the Government Statistical Department, they desire in the first instance to invite the views of local Governments upon the proposals of the Committee, both in the Majority and the Minority Reports, before taking any further action and at the present stage they refrain from comment upon the details regarding which the local Governments will in most instances be in the best position to advise. They would be glad if the views of the local Government could be forwarded to the Government of India at their earliest convenience.

I have the honour to be,

SIR,

Your most obedient servant,

(Sd.) A. C. McWATTERS,

Secy. to the Govt. of India.

No. O-4299-F.

Copy forwarded to the

Department of Commerce.	_____
Department of I. and L.	_____
Department of E., H. and L.	_____
Home Department.	_____
Foreign and Political Department.	_____
C. B. R.	_____

By order, etc.,
(Sd.) A. C. McWATTERS,
Secy. to the Govt. of India.

APPENDIX A.

General statistics other than production.

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|---|--|-----------|
| 1. Report of Joint Stock Companies. | Should contain information regarding the dividends declared. | Para. 26. |
| 2. Statistical Abstract .. | Should contain statistics relating to Insurance Cos. for purposes other than Life Insurance. | Para. 26. |
| 3. Internal Trade Returns .. | Should be revived and brought into line with the more up-to-date statistics of countries like the U. S. A. | Para. 30. |
| 4. Sea-Borne Trade and Navigation accounts. | Figures as to the crew employed, especially on ships plying in coastal waters should be published. | Para. 34. |
| | Suggests that in addition to figures for costs which are taken along with the Cattle census, figures of motor and all other forms of transport, including boats should be collected and published. | Para. 35. |
| 5. Roads and Navigable canals .. | Information regarding length of metalled and unmetalled roads and navigable canals, now maintained by Provincial authorities should be put together for the whole of India. | Para. 36. |
| 7. Posts and Telegraphs | Figures relating to wireless messages and broadcasting stations might be published in Annual Reports of Posts and Telegraphs Department. | Para. 37. |
| 8. Education | Information relating to libraries, museums, zoological and botanical gardens and learned societies might be collected and published in the Statistical Abstract. | Para. 38. |

APPENDIX B.

Statistics of Production.

- | | | |
|------------------------------|---|-----------|
| 1. General recommendation .. | That complete statistics of production including the total value of production, should be collected, if it is possible to do so at a reasonable cost. | Para. 41. |
| | The best method would be by improving and amplifying the existing agricultural statistics, and where a subordinate revenue agency exists, no other agency for compiling the information can be usefully substituted for it. | Para. 44. |

- What is necessary is to improve the statistics of yield where necessary and to convert the quantities into values. Para. 45.
2. Condition of crops .. System of ascertaining condition of crops in force in Punjab is recommended and could be further improved. Para. 48.
3. Standard yield and crop experiments. The number of crop experiments, on which standard yield is based, should be considerably increased and should be extended to minor crops as well. It is for each provincial Government to decide what methods its officers should adopt for increasing the number of crop experiments performed from year to year. Para. 50.
4. Fruit and vegetables .. Valuation of fruit and vegetables should be included. Para. 51.
5. Valuation of produce System outlined for making calculation of value, village by village. Para. 52.
6. Review of agricultural production. If above system is employed a periodical census of agricultural production is unnecessary, but a review of agricultural production might be made quinquennially on the basis of the annual returns. Para. 53.
7. Tracts under permanent settlement. The collection of figures of agricultural production presents special difficulties in permanently settled areas (i.e., Bengal, Bihar and Orissa, also 1/3 of Madras and parts of the United Provinces and Assam). No definite suggestion is made, but steps which are already being taken by some Governments should be persisted in until the statistics of agricultural production are placed on a par with those of ryotwari Provinces as regards reliability of the outturn and values of the crops raised. Para. 54.
8. Cattle census and pastoral products. Should if possible be held annually everywhere, as in Burma and the Central Provinces, and should include figures for various animals specified and for production, quantity and value of different pastoral products. Para. 55.
9. Forests .. The methods employed in other provinces for recording forests produce should be applied in Burma. Figures regarding production from private forests should be obtained, so far as possible, through the Revenue Department and published.
10. Fisheries .. Existing statistics are incomplete. Should aim at ascertaining amount and value of total catch in both inland and sea fisheries, and in respect of special fisheries such as chank, pearl and oyster fisheries. Para. 57.

Organisation suggested, in addition to the Fisheries Department where one exists, and collection of data in regard to big cities, is the revenue agency supplemented by the inspectors who may be appointed for ascertaining the production of cottage industries and other forms of miscellaneous production.

11. Minerals

- .. The information at present collected through the Chief Inspector of Mines should be supplemented for all mines which are not dealt with by the Department of Mines including indigenous mining, the statistics being collected by the Revenue Department under instructions from the Chief Inspector of Mines. The information required should be quantity and value of minerals produced, the number of persons employed and value of other material used up, including fuel consumed or power employed. Para. 58.

12. Large-scale industries

- In respect of all large-scale industries statistics should be collected through the Department of Industries and published annually in respect of :— Para. 59.
- (a) Quantity and value of manufactured goods,
 - (b) Quantity and value of raw material used up in production,
 - (c) Added value of manufactures,
 - (d) Value of fuel or power used,
 - (e) Number of employees.

A regular census of production of large industries should be taken quinquennially. Legislation will be necessary for the census of production for large scale industries.

13. Cottage industries

- An estimate of the quantity and value of the total annual production of cottage industries should be ascertained with the estimated value of raw material used up, also number of persons employed wholly or partially in such industries, number and kind of machinery, etc. Para. 60.

APPENDIX C.

Statistics of Income and Wealth, etc.

1. Income tax returns

- .. In the income tax returns greater details of the sources of income, i.e., of the business, profession or occupation from which it is derived, may be given. Para. 62.

2. Investigations as to income

- General investigations as to income should be carried out every year for small typical areas, in both urban and rural tracts, so as to enable eventually estimates of income of classes and administrative units and distribution of income between production and services and between property and services to be worked out. Paras. 62 & 63.

3. Investigation of wealth Estimates of local collective wealth should be prepared from outset by the "inventory method" for villages, towns and cities, by evaluating area of land, number of houses and cattle, rough estimate of *furniture and implements, etc.* Estimates of public wealth should be included. Para. 64.
Whenever possible intensive house to house enquiries should be made by investigators.
4. Cost of living The existing information on the subject should be supplemented by the preparation of cost of living index numbers for working classes in the principal industrial centres and index numbers based on family budgets of typical families of other classes. Para. 65.
5. Indebtedness Intensive studies should be made and results published regarding extent of indebtedness of various classes and tracts, causes of indebtedness, rates of interest and sources of loans. Para. 66.
6. Wage census Suggests a quinquennial wage census and annual wage returns. Para. 67.
See Appendix 7 and Chapters VII, VIII and IX. Para. 69.
7. Prices The collection of prices should be placed on a comprehensive basis.
Wholesale prices should be collected fortnightly in respect of all agricultural products in each district at the principal market towns.
Retail prices should be collected weekly from the principal towns in each province and published as at present.
There should be honorary correspondents for reporting both kinds of prices.
Both wholesale and retail prices should be published collectively for the year, both provincially and centrally.

EXPENDITURE DURING 1925-26 FOR THE SEVERAL MAJOR HEADS.

106. *Mr. K. Rama Aiyangar : (a) Will the Government be pleased to state what the actual expenditure for 1925-26 has been for the several major heads, such as Army, Railways, Posts and Telegraphs, General Administration, and other principal heads of expenditure ?

(b) Will the Government be pleased, if no audited figures are available, to give the approximate figures for the actuals ?

The Honourable Sir Basil Blackett : The Government accounts cover a very large variety of transactions and complicated adjustments which it is not possible to complete before the end of October at the earliest. The Auditor General cannot as a rule give the more important figures of the Finance and Revenue Accounts before January. An attempt is made to get out approximate figures through the Controller of the Currency and a statement containing such figures is published in the *Gazette of India* in

October. I am afraid the Honourable Member like myself will have to wait, at any rate, until then even for approximate figures.

Mr. K. Rama Aiyangar : May I take it that in January, at least two months before the Budget comes up, we will be able to have the exact figures of the past year ?

The Honourable Sir Basil Blackett : I am unable to give an exact undertaking as to when the exact figures will be available, but I hope very much they will be available by January.

Mr. K. Rama Aiyangar : May I take it, Sir, that the Government will be able to lay them on the table and send copies to the Members about January ?

The Honourable Sir Basil Blackett : The Finance and Revenue accounts will be published as soon as they are available.

Mr. K. Rama Aiyangar : May I know if it will be possible to have them circulated or sent to the Members at least a month or two before the date of the Budget ?

The Honourable Sir Basil Blackett : I shall do my best, Sir, to get the Finance and Revenue accounts for my own use at the earliest possible moment, and as soon as they are available for my own use they will be available for Members of the House.

ELECTRIFICATION OF THE GREAT INDIAN PENINSULA RAILWAY.

107. ***Mr. K. Rama Aiyangar :** Have Government decided to put up an electric plant for the electrification of the Great Indian Peninsula Railway at Kalyan ? If so, do the Government propose to place the matter before the Standing Finance Committee for Railways before deciding to start the scheme ?

Mr. A. A. L. Parsons : The answer to the first part of the question is in the affirmative. Government do not propose to place the matter before the Standing Finance Committee for Railways a third time.

Mr. K. Rama Aiyangar : May I know if the Government will be pleased to place before the Railway Finance Committee the inquiry that was promised at a previous meeting of the Standing Finance Committee before the Budget, before final action is taken in the matter ?

Mr. A. A. L. Parsons : I will consider the matter, Sir.

Mr. B. Das : May I inquire, Sir, if orders for the electric plant have been placed in England ?

Mr. A. A. L. Parsons : I do not think any orders have been placed at present : I am not quite sure.

Mr. B. Das : Has not the Honourable Member seen the announcement in the Press that orders have been placed by Government in England ? I want to verify the statement whether orders have been placed by Government.

Mr. A. A. L. Parsons : No orders have been placed by Government.

Mr. K. C. Neogy : May I take it that the Honourable Member admits that his predecessor in office gave an undertaking to the Railway

Finance Committee at a meeting last cold weather, that no further action would be taken in the matter before certain inquiries had been made with regard to certain particulars discussed at that meeting ?

Mr. A. A. L. Parsons : No, Sir, you may not so take it.

Mr. K. C. Neogy : Will the Honourable Member kindly ascertain whether the statement made by me is correct ?

NOMINATION OF THE MEMBERS OF THE STANDING FINANCE COMMITTEE FOR RAILWAYS TO LOCAL ADVISORY BOARDS CONSTITUTED BY THE VARIOUS RAILWAYS.

108. ***Mr. K. Rama Aiyangar :** Have Government instructed the Agents of the several Railways to nominate the members of the Standing Finance Committee for Railways in their jurisdiction to a place on their Advisory Boards, as mentioned on the 22nd February last ? Have arrangements been made to have the reports of the meetings of the Advisory Boards placed before the members of the Standing Finance Committee for Railways ?

Mr. A. A. L. Parsons : The matter had been discussed with the Agents of the different Railways, and after consideration of their replies, the Government of India have decided to take no further action on the suggestion that members of the Standing Finance Committee for Railways should be *ex-officio* members of the Local Advisory Committees of the Railways with which they are concerned. Apart from practical difficulties, there appear to the Government of India to be inherent objections to linking up Advisory Committees on Railways, whose function is to advise the Agent of the Railway, with the Standing Finance Committee for Railways, which is a Committee of the Assembly entrusted with the financial scrutiny of railway expenditure proposals. Copies of the reports of meetings of Advisory Committees are placed in the Library and are thus available already to members of the Standing Finance Committee.

Mr. K. Rama Aiyangar : Will the Government then be pleased to send copies of the reports of meetings to the members of the Railway Finance Committee ?

Mr. A. A. L. Parsons : I will consider the suggestion.

RETENTION OF THE EXISTING STATION AT RAMESWARAM ON THE SOUTH INDIAN RAILWAY.

109. ***Mr. K. Rama Aiyangar :** (a) Has the attention of the Government been drawn to the complaint of the Rameswaram public and the Ramnad District Board, that the present Rameswaram station should be retained as such, whatever may be the realignment that might be made to avoid the sand dunes ?

(b) Has the attention of the Railway Board and the South Indian Railway been drawn to the fact that the sea is fast advancing on the south of the new alignment of the railway line to Danushkodi, and that a sufficient protective embankment will have to be immediately put up to avoid risks ?

(c) Do Government propose to issue orders for the retention of the Rameswaram station, and for the protection of the railway line, irrespective of the recurring cost that the retention of the present station might involve ?

The Honourable Sir Charles Innes : (a) and (b) Government are aware that the realignment of this railway which, owing to the encroachment of sand dunes on the present alignment, is unavoidable, will cause some inconvenience to the people of Rameswaram and to the pilgrims visiting the temple there. They have received no information from the South Indian Railway administration suggesting that erosion is taking place on the south of the new alignment and that consequently a protective embankment is necessary.

(c) With the new alignment which, as I have said, is for physical reasons unavoidable, the existing station at Rameswaram cannot be used ; but we are making enquiries from the South Indian Railway to see what action can be taken to reduce the inconvenience to the public which the additional distance of the new alignment from Rameswaram temple must undoubtedly cause.

Mr. K. Rama Aiyangar : Will the Government be pleased to see that there is a connection between the old station and the new station through which the trains might run just to enable the passengers to alight at the present place rather than to think of the other which will cost considerably more to construct ?

The Honourable Sir Charles Innes : We are asking the Railway to see whether any steps can be taken to connect a road to the temple from the new station or whether the South Indian Railway have any scheme under consideration to assist pilgrims to get from the new station to the temple such as extension to the neighbourhood of the old station.

Mr. K. Rama Aiyangar : I just want to know if the new road cannot be connected conveniently with the Rameswaram temple, whether as an alternative the Government would be pleased to consider the retention of the old station and allow trains to run to it to enable passengers to alight there.

The Honourable Sir Charles Innes : I am afraid that with the new alignment it is quite impossible for us to retain the existing station but, as I have already told the Honourable Member, we are consulting the South Indian Railway to see what steps can be taken to reduce the inconvenience to the pilgrims which must be caused, I am afraid, by this new alignment.

Mr. K. Rama Aiyangar : Will the Government be pleased to inquire from the South Indian Railway whether really there is any extraordinary difficulty in retaining the station and running trains in there, especially as I find that the new alignment will not be far away from the original line ?

The Honourable Sir Charles Innes : I cannot add anything to what I have already told the Honourable Member. We have decided that we must have this new alignment owing to the encroachment of sand dunes, and with this new alignment we cannot have the existing station. But we will do what we can to reduce the inconvenience to pilgrims. The Honourable Member must, I am afraid, rest content with that assurance.

Mr. K. Rama Aiyangar : Will the Government only be pleased to keep both ideas open ? That is the only question that I am asking.

REORGANISATION OF THE POST AND TELEGRAPH DEPARTMENT.

110. ***Mr. K. Rama Aiyangar** : What further effect has been given to the recommendations of the Ryan Committee on the Post and Telegraph Department reorganisation, in addition to those referred to in the tabular statement laid on the table last Session ?

The Honourable Sir Bhupendra Nath Mitra : The statement which I lay on the table supplements the information given in the tabular statement referred to by the Honourable Member. Definite decisions have not been reached on the remaining items and I would invite attention to the reply given by me to his question on the 28th January 1926 in which I explained the reason for the delay in arriving at such decisions.

Item No.	Para. of Report.	Brief summary of recommendation.	Action taken.
16	169	(a) Demurrage charges should be levied on V. P. parcels retained at post offices for more than 48 hours.	The Government of India have decided not to make any change in the existing rules.
		(c) The charge of Re. 1 per men-sem for post box facilities should be enhanced. Fees should also be levied for special sorting of foreign mail for particular addressees and for window delivery.	The fee for post boxes has been raised from Rs. 12 to Rs. 15 per annum with effect from the 1st April 1926. The fee for a quarter or a portion thereof has been fixed at Rs. 5. From the same date a special fee of Rs. 24 per annum has been fixed for making up in bags the foreign mails of certain post box holders.
		(d) The minimum limits at present imposed on (1) the amounts of single deposits, (2) the total deposit during any one year and (3) the total amount that any depositor may have at call at any time in the Post Office Savings Bank, should be raised. In particular (1) should be raised from four annas to one rupee.	As already stated the Government of India are opposed to the raising of the limits suggested by the Committee. They have also decided that it is not necessary to raise the limit of Rs. 1,000 which may be held at call in a minor's account.

Mr. K. Rama Aiyangar : Will the Government be pleased to see that before the end of this year, decisions are come to on all the points, so that before the next Budget the matter will be completely taken up ?

The Honourable Sir Bhupendra Nath Mitra : I am sorry I cannot give any assurance of that sort to the Honourable Member.

Mr. B. Das : May I just know if Government have taken into consideration the very able note of dissent that our present Director of Posts and Telegraphs attached to the Ryan Committee's Report, and which has the appreciation of this part of the House, and whether that has been taken into consideration and any action taken on that note of dissent ?

The Honourable Sir Bhupendra Nath Mitra : The note of dissent has been taken into consideration as well as various other matters connected with the particular subject. That is one of the reasons for the delay in coming to decisions.

Mr. B. Das : I should like to know whether the Government are going to end the vested interests on the Telegraph side which were mentioned in that Report.

The Honourable Sir Bhupendra Nath Mitra : I am not aware what vested interests the Honourable Member is referring to. There are various kinds of vested interests.

MANUFACTURE OF AUTOMATIC COUPLERS IN INDIA.

111. ***Dr. K. G. Lohokare :** Are Government taking any steps to manufacture automatic couplers in one of the railway workshops in India ; and if not, what are the difficulties ?

Mr. A. A. L. Parsons : The whole question of fitting the automatic centre buffer couplers to the rolling stock in India is still under investigation, and the Railway Board are not yet in a position to make any pronouncement on the subject.

PROCEDURE IN JAPAN OF SETTING APART AS RAILWAY DEBT OF ALL MONEYS INVESTED IN RAILWAYS.

112. ***Dr. K. G. Lohokare :** (a) Has the attention of Government been drawn to paragraph 86 of the Acworth Committee's Report in which it is stated that in Japan, according to the accounting system as modified in 1906, all the money already invested in the Railways (together with interest thereon at 5 per cent.) from the inception of the railway service to March 1907, less the sum surrendered to the Treasury during the period, was set apart as railway debt ?

(b) If so, do Government propose to follow this precedent and bring to capital account what, during the last debate on the Railway Budget, Mr. Jamnadas Mehta described as " hidden capital " ?

(c) If not, why not ?

The Honourable Sir Charles Innes : (a) Yes.

(b) and (c). I would refer, on the subject of what is referred to as " hidden capital ", to Mr. Sim's speech on the 23rd February 1926.

MINIMA RATES AND FARES ON THE RAILWAYS.

113. ***Dr. K. G. Lohokare :** (a) Is it a fact that the basis on which the minima rates and fares on the Railways for the different classes are fixed is the estimated average cost of the service rendered ?

(b) If so, do Government propose to show in their annual statistical statements, the estimated average cost of carrying one mile a passenger of each of the four different classes, viz., first, second, intermediate, and third ? If not, why not ?

Mr. A. A. L. Parsons : (a) The minima rates and fares were fixed many years ago, and were determined generally on a basis which assumed

that if lower rates were charged the traffic would be worked at a loss. But expert opinion now tends to show that it is impossible to base railway rates on cost of carriage, if only for the reason that no one knows, or can know, what the cost of carriage is. The Honourable Member's attention is directed on this subject to Sir William Acworth's book "The Elements of Railway Economics".

(b) An attempt was once made to estimate the average cost of carrying a passenger one mile, taking all classes of passengers together, but it was decided that the estimates were so unreliable as to be quite useless, and they were discarded. It is not proposed to resuscitate them.

SAVINGS IN MILITARY EXPENDITURE TO BE SECURED BY THE CONSTRUCTION OF THE HINDUBAGH-FORT SANDEMAN RAILWAY.

114. *Dr. K. G. Lohokare : Will Government kindly state the amount of the saving, if any, in military expenditure which will be secured by the construction of the Hindubagh-Fort Sandeman Railway ?

Mr. E. Burdon : It is proposed to construct the Hindubagh-Fort Sandeman Railway only as far as Killa-Saifulla for the present and it is anticipated that a saving of approximately Rs. 1,35,000 per annum will be effected in the military budget by the construction of this first section of the Railway. The savings that will accrue as a result of the construction of the whole line up to Fort Sandeman have not yet been computed.

INCLUSION IN THE GOVERNMENT OF INDIA DIRECTORY OF THE NAMES OF GAZETTED SUPERINTENDENTS OF THE IMPERIAL SECRETARIAT.

115. *Dr. K. G. Lohokare : (a) Have Government considered the desirability of including in the future issues of the Government of India Directory, the names of gazetted officers of the rank of Superintendent employed in the Imperial Secretariat ?

(b) If not, why not ?

The Honourable Sir Alexander Muddiman : (a) Yes.

(b) Does not arise.

TRANSFER OF RS. 3 CRORES ON ACCOUNT OF ROLLING STOCK FROM THE CAPITAL AT CHARGE OF COMMERCIAL LINES TO THE CAPITAL AT CHARGE OF STRATEGIC LINES.

116. *Dr. K. G. Lohokare : With reference to the transfer of Rs. 3 crores on account of rolling stock from the capital at charge of commercial railway lines to the capital at charge of strategic lines, will Government kindly state the basis on which the estimate of Rs. 3 crores was made ?

Mr. A. A. L. Parsons : The total expenditure to the end of December 1924 on locomotives and carriages and wagons on the North Western Railway commercial and strategic lines taken together was divided between these two lines on the basis of engine mileage for locomotives and vehicle mileage for carriage and wagons.

CLASSIFICATION OF THE ADEN RAILWAY AS A STRATEGIC LINE.

117. ***Dr. K. G. Lohokare** : (a) Will Government kindly state :

(a) why the Aden railway was originally classed as a non-strategic line and why it is now classed as a strategic line ?

(b) what other reclassification, if any, has been made since 1921-22 between commercial and strategic lines ?

Mr. A. A. L. Parsons : (a) A short section of the existing Aden Railway, seven miles in length, was constructed in 1916 and classed as a commercial line ; the remaining length of 22 miles was constructed in 1919 and 1920 on strategic grounds. The question of the proper classification of the whole line was taken up when the separation of railway finances was decided upon and in view of the fact that this line is maintained mainly for strategic purposes it was classed as a strategic line.

(b) The following commercial lines have been reclassified as strategic lines since 1921-22, namely,

- (1) Laki-Pezu-Tank Railway,
- (2) Tank-Kour-Khirgi Railway.

CHARGING OF LOSSES IN WORKING STRATEGIC RAILWAYS TO THE ARMY BUDGET.

118. ***Dr. K. G. Lohokare** : (a) Has the attention of Government been drawn to page 12 of the Railway Administration Report for 1921-22 in which it is contended that if the losses on strategic railways are made a military liability, the Army Department will justifiably expect a voice in the matter of working and that this presents a practical difficulty in the way of charging losses in working those railways to the Army Budget ?

(b) If so, will Government kindly state whether a similar practical difficulty exists in the case of those railway losses which, under the new arrangement with the Local Governments, have to be made good by the Local Government concerned, and if so, how is it proposed to meet such difficulty ?

Mr. A. A. L. Parsons : The practical difficulty referred to in para. 12 of the Administration Report on Indian Railways for 1921-22 was expected to arise if the Army Department was made liable both for the capital outlay on strategic lines as well as the loss in working such lines. Under the revised policy for the construction of unremunerative lines Local Governments which desire the construction of such lines are required to guarantee only the loss in working and no provision is made in the Resolution of the Railway Department No. 2131-F. of the 19th February 1925, which explains fully the arrangements with regard to the financing of branch lines, for Local Governments having a voice in their working. Local Governments were consulted before the new policy was determined upon.

The Honourable Member will thus see that the difficulty apprehended by him does not arise.

Dr. K. G. Lohokare : Why is there this differential treatment ?

Mr. A. A. L. Parsons : I am afraid I do not understand the Honourable Member.

Dr. K. G. Lohokare : May I know why there is this differential treatment between the strategic lines and the lines of Local Governments?

Mr. A. A. L. Parsons : I am afraid I cannot add to my answer to the Honourable Member.

STATUS OF THE SECRETARY OF THE RAILWAY BOARD.

119. ***Dr. K. G. Lohokare :** Is it a fact that the Secretary of the Railway Board holds the status of Deputy Secretary to the Government of India?

Mr. A. A. L. Parsons : Yes.

REDUCTION OF THE HOURS OF DUTY OF GUARDS OF GOODS TRAINS ON THE NORTH WESTERN RAILWAY.

120. ***Mr. N. M. Joshi :** Is it a fact that guards on goods trains on the North Western Railway (Rawalpindi Division) have to remain on duty from 12 to 20 hours at a stretch? If so, do the Government of India propose to investigate into this matter with a view to reducing the hours to a reasonable limit?

The Honourable Sir Charles Innes : I understand that cases have occurred in which a guard in charge of a goods train has, owing to his train being delayed, been on duty up to 20 hours at a stretch. But this can only happen in most exceptional circumstances, and I can assure the Honourable Member that the North Western Railway Administration is fully alive to the desirability of keeping working hours within reasonable limits.

NUMBER OF GUARDS EMPLOYED ON PASSENGER TRAINS.

121. ***Mr. N. M. Joshi :** (a) Is it a fact that for passenger trains service there is only one guard in the place of three previously?

(b) Will the Government of India be pleased to investigate this matter?

Mr. A. A. L. Parsons : (a) and (b). Enquiries made into the matter show that many passenger trains have only one guard. Where circumstances warrant it a second guard or brakesman accompanies the train, and in some cases trains are accompanied by a police guard but the invariable employment of second guards has been discontinued, experience having shown that the expense was not justified by any equivalent advantage.

PROVISION OF AN ARMED GUARD FOR PASSENGER TRAINS CONVEYING GOVERNMENT TREASURE.

122. ***Mr. N. M. Joshi :** (a) Is it a fact that formerly passenger trains conveying Government cash were escorted by an armed guard?

(b) Is it a fact that this practice has now been stopped?

(c) Will the Government of India be pleased to state the reasons for this change?

The Hon'ble Sir Basil Blackett : Police escorts accompany all remittances of treasure sent by rail except remittances of nickel, copper and bronze coin. The latter are sent at railway risk, and a police guard is not considered necessary as the cost is disproportionately high compared with the risk of loss.

EARNINGS OF PORTERS ON THE HOWRAH STATION.

123. ***Mr. N. M. Joshi :** (a) Is it a fact that Mr. Love, the Howrah Porters Contractor, has been replaced by Mr. Murgatroyd, a retired 60 years old station master ?

(b) Is it a fact that this new contractor is also charging Rs. 7 per month from each porter ?

(c) Is it a fact that the Honourable Sir Charles Innes has stated in one of his speeches in the Assembly in February 1926 that " the porters themselves earn very large sums " ?

(d) Is it a fact that the porters have stated in their petition to the Agent that their average earnings do not exceed 9 annas a day or about Rs. 17 a month ?

(e) Do the Government of India propose to investigate the facts about the earnings of the porters on the Howrah station ?

(f) Do the Government of India propose to place this matter before the Railway Central Advisory Committee or before the Railway Finance Committee ?

The Honourable Sir Charles Innes : (a), (b), (c) and (d). The reply is in the affirmative.

(e) The whole question of the payment of these porters has received the personal attention of the Agent, and is now under enquiry by an Indian officer of the Railway.

(f) The question is a local one. It has already been discussed by the East Indian Railway Local Advisory Committee and will be discussed again by that body before anything definite is finally settled.

APPOINTMENT OF MUSLIMS AS SUPERINTENDENTS OF POST OFFICES IN SIND.

124. ***Khan Bahadur W. M. Hussanally :** 1. Will Government be pleased to state :

(a) the total number of Postal Superintendents and Probationary Superintendents attached to Sind in the Baluchistan Circle ?

(b) how many of them are Muslims ?

(c) the number of Superintendents working in Sind and the number of them holding administrative charges of the Sind Divisions ?

2. Are Government prepared to take early steps to post at least two Muslim Superintendents in Sind to safeguard Muslim interests, and to post one of them to hold charge of one of the two Sind Divisions ?

3. Is it a fact that no Sindhi Hindu or Muslim has ever been recruited direct as a Probationary Superintendent of Post Offices, although natives of other Provinces have been and are being so appointed ?

4. Are Government prepared to appoint a Sindhi Musalman as Probationary Superintendent as early as possible ?

Sir Ganendra Roy : 1. (a) Five Superintendents and one Probationary Superintendent. The Circle is called the "Sind and Baluchistan Circle".

(b) One.

(c) Three Superintendents, one working in Sind, two in charge of Upper Sind and Lower Sind Divisions and one as Personal Assistant to the Deputy Postmaster General.

2. The suggestion of the Honourable Member will be taken into consideration when a suitable opportunity occurs.

3. Yes.

4. I have made a note of the suggestion.

INCREASE OF THE MUSLIM ELEMENT IN THE POST OFFICES IN SIND.

125. ***Khan Bahadur W. M. Hussanally :** 1. What is the total number of the postal clerical staff working in Sind, and how many of its members are Muslims ?

2. Does the Home Department circular regarding adequate representation of various communities in the public service apply to the Post and Telegraph Department ?

3. If so, what steps have Government taken or do they propose to take to bring the Muslim element in the Post Offices in Sind to at least 50 per cent., in view of the proportion of the Muslim population of Sind ?

Sir Ganendra Roy : 1. 423 of which 88 are Muslims.

2. Yes.

3. Orders have been issued by the Deputy Postmaster General which will give effect to the policy laid down in the circular referred to in part 2 above.

PROCEDURE IN INDIA AS REGARDS BEARER DRAFTS, CHEQUES AND HUNDIES.

126. ***Mr. J. Sheepshanks :** Will Government be pleased to state what their objections are to bringing the Negotiable Instruments Act, as regards bearer drafts, cheques and hundies, into line with that of other countries with developed banking systems ?

The Honourable Sir Basil Blackett : I am not quite sure what are the particular countries, and the particular discrepancies between their procedure and that in force in India, which the Honourable Member has in mind. The subject is at present under the consideration of Government and no final conclusions have yet been reached.

Mr. J. Sheepshanks : May I ask what are the practical or technical objections ?

Mr. President : The Honourable Member cannot repeat, by way of a supplementary question, parts of the question that have been disallowed by the President.

CONSTITUTION OF THE CALCUTTA HIGH COURT.

127. ***Mr. S. C. Ghose** : (a) Are the Government aware that as stated in the issue of the *Statesman*, dated the 27th July 1926, under the heading "Calcutta High Court", written by the Legal Correspondent of the *Statesman*, the Calcutta High Court is at present not properly constituted in terms of the Government of India Act, which provides that not less than one-third of the number of the Judges, must be barristers of not less than five years' standing ?

(b) Is it a fact that some Judges of the Calcutta High Court are being appointed and are acting after the expiry of their age limit, that is, after the sixty years age rule of retirement and some are expected to act in contravention of the Statute and the sixty years age rule for compulsory retirement ?

(c) Are the Government aware that in the issue of the *Bengalee*, dated the 22nd November 1925, it was stated with reference to a certain Judge that "His Lordship has, of course, only a few months more to complete sixty" ?

(d) Do Government propose to take immediate steps in order to set right the anomaly, if any, in question ? If not why not ?

The Honourable Sir Alexander Muddiman : (a) The Government have seen the article referred to, but do not agree with the opinion that the constitution of the Calcutta High Court is not in accordance with the terms of the Government of India Act.

(b) Two of the Judges at present acting are more than 60 years of age, but the rule is not applicable to temporary or officiating Judges. None of the permanent Judges have exceeded the normal age limit except the Chief Justice in whose case it was specially provided on his appointment that he need not retire at the age of 60.

(c) The Government do not accept the correctness of the conclusions drawn in the article referred to.

(d) This part of the question does not arise.

EXPENDITURE ON PRIMARY EDUCATION IN AREAS UNDER THE DIRECT CONTROL OF THE GOVERNMENT OF INDIA.

128. ***Mr. N. M. Joshi** : Is it a fact that the Government of India spend in territories directly under their control less money on primary education than on higher and secondary education taken together ? Will the Government of India be pleased to state whether it is their policy to spend less money on the education of the masses than on the education of the classes ?

Mr. J. W. Bhore : The budget estimates for 1926-27 show that the Government of India have earmarked nearly Rs. 10 lakhs for primary education as against Rs. 17 lakhs for higher education (both University and secondary). The figures for higher education are swelled by the inclusion of grants to the Delhi University and to special colleges. On the other hand they include the expenditure on over one hundred middle vernacular schools which in the Bombay Presidency are classed as primary institutions and also that on primary departments of secondary schools

as such expenditure cannot be shown separately. In the North-West Frontier Province, for example, more than half the boys attending secondary schools are in primary classes. The figures just given, therefore, cannot be said to represent the exact position in regard to the various forms of education and are at the best only approximate. But it is clear from these remarks that the figures for primary education are an under-estimate while those for higher education are an over-estimate. Considering the fact that most of the areas under the direct control of the Government of India contain a large proportion of urban centres, where provision for institutions of a higher type must naturally be more generous, it would seem that the position in regard to primary education, as compared with secondary education especially in the areas which are not primarily urban, is not unsatisfactory. I am glad to be able to assure the Honourable Member that the progress and expansion of primary education in the areas under the control of the Government of India are engaging their special attention. It may be mentioned here that in Delhi steps have already been taken to introduce compulsory primary education and the Government of India are watching the experiment with interest.

Mr. K. C. Roy : Will the Education Secretary give us some idea of the financial position of the Delhi University ? Is the University solvent ?

Mr. J. W. Bhore : I must ask for notice of that question.

Mr. N. M. Joshi : Am I to understand from the reply that the Government are spending more on secondary and higher education than on primary education ? I want a definite reply to that question.

Mr. J. W. Bhore : I have given the Honourable Member a very definite reply to that question and I have explained why it is impossible for me to say specifically and exactly the expenditure on primary and on secondary education. If he will read the reply when it is in print he will understand the reason why my reply cannot be more definite.

Mr. N. M. Joshi : Do I understand that the Government are actually spending more on secondary and higher education than on primary education ?

Mr. J. W. Bhore : I must refer the Honourable Member to the reply just given.

Mr. N. M. Joshi : Is it then the policy of the Government of India to spend more money on these higher classes than on the education of the poorer classes ?

Mr. J. W. Bhore : The Honourable Member must understand nothing of the sort.

Mr. N. M. Joshi : If you take the facts into consideration that appears to be the Government policy.

Mr. J. W. Bhore : The Honourable Member must draw no such conclusion for the reasons I have given.

Mr. N. M. Joshi : I would like to know from the Government of India very clearly the facts of this case. My question is clear enough, namely, that from the figures it is quite clear that the Government of India are spending 17 lakhs on secondary and high education and only 10 lakhs on the education of the masses. I therefore want the Government to state whether it is their policy to spend more money on higher and secondary education than on primary education.

Mr. J. W. Bhore : I have pointed out to the Honourable Member that the 17 lakhs covers provision for primary education as well and that it is impossible for me to separate this from the total figure given without very elaborate calculations.

PUBLICATION OF THE REPORT OF THE PADDISON COMMITTEE.

129. ***Maulvi Muhammad Yakub** : When will the report of the Paddison Committee be published ?

Mr. J. W. Bhore : I am not yet in a position to say when the Report will be published.

Maulvi Muhammad Yaqub : Will it ever be published, Sir ?

Mr. J. W. Bhore : I sincerely hope so, Sir.

SELECTION OF THE INDIAN MEMBERS OF THE ROUND TABLE CONFERENCE TO BE HELD IN SOUTH AFRICA.

130. ***Maulvi Muhammad Yakub** : (a) On what principle will the Members of the Round Table Conference to be held in South Africa be nominated ?

(b) Will the Legislative Assembly have any voice in the selection of Members for the Conference ?

(c) Will the Members of the Legislative Assembly be ignored in nominating the Members of the Round Table Conference as they were ignored in the case of the Paddison Committee ?

Mr. J. W. Bhore : (a) The Indian representatives to the Conference will be selected with regard to their fitness for the work.

(b) No, Sir ; but every endeavour will be made to select representatives who are likely to command the confidence of this House and the country.

(c) The Honourable Member is not quite correct when he suggests that in selecting the members of the Paddison Deputation, Government ignored Members of this Honourable House. As a matter of fact a seat on that deputation was offered to a Member of this House, but for private reasons he was unable to accept the offer.

Maulvi Muhammad Yaqub : Do the Government recognize this House as the most representative body of the people of India ?

Mr. J. W. Bhore : That, Sir, is a matter of opinion.

Maulvi Muhammad Yaqub : What is the opinion of the Government in this matter ?

Mr. J. W. Bhore : I am afraid the Honourable gentleman will not draw me on that point. I am not authorised to speak for Government.

APPOINTMENT OF A QUALIFIED MUSALMAN OFFICER IN THE SUPERIOR GRADE POSTS OF THE WIRELESS BRANCH.

131. ***Maulvi Muhammad Yakub** : (a) Will the Government be pleased to give the number of the officers in the superior grade posts in the Wireless Branch of the service ?

(b) Is it a fact that there is not a single Musalman officer in the superior grade posts of the Wireless Branch ?

(c) Do the Government propose to appoint a qualified Musalman, if available, to fill up the vacancy in the Wireless Branch advertised in the *Pioneer* of the 27th June 1926 ?

The Honourable Sir Bhupendra Nath Mitra : (a) Six officers at present and one vacant appointment to be filled.

(b) Yes.

(c) The vacant appointment is that of a Research Officer and requires very special qualifications. It is intended to appoint an Indian and in the interests of efficiency it is essential that the most competent candidate should be selected.

Maulvi Muhammad Yaqub : Will the Government give preference to a Muslim candidate if he possesses the qualifications required for the work ?

The Honourable Sir Bhupendra Nath Mitra : Undoubtedly, if he is equally efficient with the others.

PROVISION OF SCIENTIFIC DETECTIVE TRAINING FOR POLICE OFFICERS IN INDIA.

132. ***Maulvi Muhammad Yakub :** (a) Are Government aware that a large number of burglary and dacoity cases remain undetected in India ?

(b) Are Government aware that there is no system of scientific detective training for the Police in India ?

(c) Do the Government propose to give scientific detective training to the Police officers of India either by sending them to Europe or by starting training schools on European lines in India ?

The Honourable Sir Alexander Muddiman : (a) This is inevitably the case in a country so vast and so populous as India, but the efforts of the police to deal with crime of this character have met with a very creditable measure of success, and many striking instances of able investigation and courageous action are on record.

(b) No. The contrary is the case. I cannot go into details, as this is a provincial subject ; but if the Honourable Member will examine the Provincial Administration Reports he will see that training colleges and schools are maintained in which training in scientific methods is imparted to cadets and others. The Government of India have only recently addressed Local Governments on the subject of improving the training of constables.

(c) Courses of instruction in the most modern methods of investigation are held every year at Scotland Yard and the Government of India arrange for the attendance of officers of the Indian Police who are on leave. A number of officers take advantage of this opportunity every year.

ISSUE BY GUARDS OF CERTIFICATES TO PASSENGERS TRAVELLING WITHOUT TICKETS.

133. ***Khan Bahadur Haji Wajihuddin** : (a) Is it a fact that the East Indian Railway have very recently cancelled the privilege of issuing certificates and allowing the guard to entrain without tickets such railway passengers who happen to be late and consequently unable to make purchase of their tickets simply for want of time ?

(b) If the answer be in affirmative, do the Government propose, in view of the inconvenience now being suffered by such passengers, to issue immediate instructions to have the old procedure reintroduced ?

Mr. A. A. L. Parsons : (a) Yes.

(b) No. In view of the large loss which Railways are known to incur by passengers entering trains without tickets, Government fully approve the action of the East Indian Railway Administration in withdrawing a privilege obviously liable to abuse.

PROHIBITION OF LIQUORS IN INDIA.

134. ***Khan Bahadur Haji Wajihuddin** : Will the Government be pleased to state whether they have taken any steps on the Resolution passed in this Assembly in favour of the prohibition of liquors in India, and if not, why ?

The Honourable Sir Basil Blackett : For the reasons given by me in my speech on 2nd September 1925, Government decided not to take any action on the Resolution in question.

REMOVAL OF THE QUARANTINE RESTRICTIONS ON INDIAN PILGRIMS TO THE HEDJAZ.

135. ***Khan Bahadur Haji Wajihuddin** : Are the Government aware that many Indian Hedjaz pilgrims met with great hardships at the hands of the quarantine staff at Kamaran, and if so, are Government prepared to take steps for removing the quarantine restrictions altogether with the exception of cases of epidemic diseases which may unfortunately occur on any pilgrim ship after leaving the Indian shores ?

Mr. J. W. Bhore : The Government of India have received two complaints regarding the treatment of pilgrims at Kamaran and these are under investigation. As regards the second part of the question the Honourable Member is referred to the answer given on the 10th March 1926 to his starred question No. 1174. The Paris International Sanitary Convention is under revision and it is hoped that the medical officers at Kamaran will in future have discretion to exempt from quarantine measures ships found on medical inspection to be healthy, provided that pilgrims on board have been immunised against cholera and small-pox.

APPOINTMENT OF THE ROYAL COMMISSION ON REFORMS.

136. ***Khan Bahadur Haji Wajihuddin** : With reference to the discussion on 20th July 1926 in the House of Commons on Indian affairs, will the Government be pleased to state : (a) when the Royal Commission is

expected to be established, (b) what would be the strength of the Commission, (c) how long will the Commission be in office, (d) what amount as pay and allowance will be given to each member ?

The Honourable Sir Alexander Muddiman : No conclusion has yet been reached as to the date when the Commission will be constituted. The Secretary of State in his speech in the House of Lords at the end of last month indicated certain factors which might affect that date. The details referred to in parts (b), (c) and (d) of the question have therefore necessarily not come under consideration.

REPLACEMENT OF EUROPEAN AND ANGLO-INDIAN NURSES BY INDIANS IN THE RAILWAY HOSPITAL AT SUKKUR.

137. *Khan Bahadur W. M. Hussanally : (a) Is it a fact that the Medical Officer, North-Western Railway, Sukkur Medical Section, advertised recently for the post of a European nurse for the Railway Hospital, Sukkur ?

(b) Is it a fact that in the same hospital there are two Anglo-Indian nurses and one Indian nurse already working ?

(c) What is the population in Sukkur ?

(d) Where is the necessity of keeping one European and two Anglo-Indian nurses ? Why are not all Indian nurses appointed in the Sukkur Hospital with a view to effect Indianization ?

(e) Why have the European and Anglo-Indian nurses not yet been replaced by the Indian nurses who are equally well qualified, well trained, and well conducted ?

(f) Do Government propose to issue early orders for replacing the European and Anglo-Indian nurses by Indian nurses at the Sukkur Hospital or at least distributing the appointments proportionately on the basis of the European and Indian population ?

The Honourable Sir Charles Innes : (a) and (b). Yes.

(c) I understand that the railway population is about 3,500.

(d), (e) and (f). The Honourable Member is under some misapprehension. In the first place, the hospital at Sukkur is a joint civil and railway hospital, a certain number of beds being reserved for the railway. The Railway pays for one European nurse and a part-time Indian nurse. Therefore, those parts of the Honourable Member's question which relate to the Anglo-Indian nurses should be addressed to the Bombay Government in the Bombay Legislative Council. In any case, I wish to make it perfectly clear that for purposes of Indianisation, Anglo-Indians count as Indians, and there can be no question in the Railways of discharging Anglo-Indians merely to make room for Indians. As regards the European nurse, the organisation of the hospital dates back to 1908, when one post was reserved for a European nurse. When a vacancy occurred in this appointment recently, the Civil Surgeon in the ordinary course advertised for a European nurse. His action has been approved by the Administrative Medical Officer, who is not under railway control, on the ground that experience in a British hospital is desirable even in an Indian hospital.

Mr. President : I have to announce that, in view of the shortness of the Session, I do not propose to make any change either in the Panel of Chairmen or in the constitution of the Public Petitions Committee. Both, therefore, will remain the same for this Session.

12 NOON.

STATEMENT OF BUSINESS.

The Honourable Sir Alexander Muddiman (Home Member) : Sir, with your permission, I desire to make a statement about the probable course of business during the week beginning with Monday, August 23rd. It had been intended that on Monday motions should be made for considering and passing the Bills introduced in this House this week. It has, however, been represented to me that a holiday of rather more importance than it was understood to be at the time when the Government programme was being prepared takes place on Monday, and I understand that many of the Hindu Members of the House are required on that day to perform certain religious ceremonies. As the result of an enquiry I have made, I am informed that Members will probably be willing to agree to a half-day sitting on Monday, that is to say, with your permission, we can begin at 2 o'clock. I would be very glad to know whether that meets the views of the Hindu Members.

(The President assented to this arrangement.)

Having regard to the congested condition of Government business, if Members agree, we shall begin on Monday afternoon the following legislative programme, the order of which will be settled later. I have my Honourable Friend, the Finance Member's permission to state that we will first taken up his Bill to amend the Indian Coinage Act and the Indian Paper Currency Act. Motions for other Bills will come later, namely :—

The Bill to amend the Workmen's Compensation Act.

The Bill to amend the Usurious Loans Act.

The Bill to amend the Code of Civil Procedure for a certain purpose.

The Bill to amend the Negotiable Instruments Act and the Code of Civil Procedure for certain purposes.

The Bill to amend the Provincial Insolvency Act, for certain purposes.

The Bill to amend the Indian Succession Act for a certain purpose.

Most of these Bills have already been introduced.

With regard to two of them, Mr. Rangachariar asked me for papers and I promised I would give them to him. I have laid on the table ten sets of papers, and much regret that I have no more papers available at the moment. Honourable Members will find ten sets of papers on the table, and I have also sent my Honourable friend a spare set.

Further business on Monday will be :—

A motion to circulate for opinion the Bill to amend the Indian Factories Act, 1911.

Tuesday, the 24th, has been allotted for discussion of non-official business. On Wednesday, the 25th, the Government legislative programme already outlined will be resumed, and to it will be added a motion to take into consideration the Bar Councils Bill, as reported by a Select Committee, and presented yesterday. And probably if I am granted leave, as I trust I shall be, to introduce to-morrow a small Bill further to amend the Code of Criminal Procedure, that Bill will also be put forward for consideration on Wednesday. The completion of this programme will take Thursday, the 26th, and Friday, the 27th. At present it is not proposed that the Assembly should sit on Saturday, the 28th, though it is likely that if we have not disposed of our legislative programme on Friday, I shall have, Sir, to ask your permission to sit on Saturday, much as I dislike Saturday sittings. A sitting of the Council of State has been arranged for Saturday, the 28th, and it is hoped to send all the Bills in time to be laid at that sitting.

Mr. M. A. Jinnah (Bombay City : Muhammadan Urban) : Sir, in connection with the statement of the Leader of the House with regard to the business of the House, may I draw his attention to one important matter and that is with reference to the Currency and Exchange Bill which is proposed to be taken up on the 23rd. Perhaps the Honourable the Leader of the House is not aware that this House has not been dealt with very fairly. Not a single Member, as far as I understand, is in possession of the papers which are called the Appendices. They were published only a few days ago. I understand that it has always been the custom and practice of this Legislature at least, that the individual Members should be supplied with all papers in connection with any particular Bill in time, and as a matter of fact, I think I am speaking correctly, at least I have not received all those very voluminous papers. We were told yesterday in answer to a question that Honourable Members would find those papers in the Library. Now, is that fair ? It is with the greatest difficulty that you can even obtain copies of the Report, and I do appeal to the Leader of the House to see that Members are supplied with complete sets of papers, so that they may have at least some little time to look at them.

The Honourable Sir Basil Blackett (Finance Member) : Perhaps I may be allowed to explain the position, as I have already explained to several Honourable Members. Only a limited number of copies of the evidence and Appendices have arrived from England. There are not enough copies to make distribution in the ordinary course. Every single copy that we could spare has been put into the Library of this House. No more have been received. The total number of copies in the Library is, I think, something over 20. I am not quite sure of the exact number, but I believe it is 20, 20 copies of each of the five volumes. The report itself was distributed some time ago, and I believe every Member has been in a position to receive a copy. I think it has been distributed to every Member. As regards the Appendices, every copy available is in the Library. There are no more.

Sri Hari Singh Gour (Central Provinces Hindi Divisions : Non-Muhammadan) : Sir, with reference to the statement made by the Honourable the Home Member regarding the Bills which were introduced yesterday, may I beg to enquire what objection there is to circulating the papers

[Sir Hari Singh Gour.]

embodying the opinions of the various Local Governments to Honourable Members of this House ? It is extremely unfair to members of the legal profession to have to examine these papers when they are either laid here on the table or placed in the Library of the House, especially in view of the fact that they deal with certain points in which a reference to law books becomes necessary. I wish to ask the Honourable the Home Member whether he could not make it convenient to circulate the opinions, especially on the Bills introduced on the recommendations of the Civil Justice Committee's Report to Honourable Members of this House.

The Honourable Sir Alexander Muddiman : I sympathise with my Honourable friend, and I shall certainly do everything I can to meet his wishes. The difficulty in the present case is that the circulation was not directed by the House, and therefore the opinions were not made papers to the Bill, in which case they would have been sent to all Honourable Members.

As I have said, I have laid such papers as I have on the table, and, if it is possible, I will endeavour to circulate a complete set to all Members. I quite appreciate my Honourable friend's point, and we will do our best to meet it.

Sir Hari Singh Gour : I thank the Honourable the Home Member. May I also suggest that a précis be drawn up and the précis be circulated to all Honourable Members ?

The Honourable Sir Alexander Muddiman : That, Sir, is going a little further and may not be possible.

RESOLUTION *RE* REPORT OF THE TAXATION ENQUIRY COMMITTEE.

The Honourable Sir Basil Blackett (Finance Member) : The *Resolution which I have the honour of moving to-day is in a form which represents something of an innovation in our procedure. It contains no recommendation which commits either the Government or this House to an acceptance of the Report of the Taxation Enquiry Committee as a whole, or even an acceptance of any of its particular recommendations. The object which Government have in mind in bringing forward this Resolution is a simple one. They desire to implement their promise that, before taking action on any of the recommendations or proposals of the Committee, a full opportunity of discussion will be given to this House. It is in fulfilment of that promise that this Resolution is moved, and I hope Honourable Members will take full advantage of the debate, so that in considering taxation questions hereafter the various Governments in India, and in particular the Central Government, may have on record, besides the Report of the Committee, the considered views of the Members of this Assembly with their three years' experience of work in Delhi and Simla before they disperse to woo the suffrages of their constituents and make a bid for membership of the next Assembly, or, it may be in some cases, to retire and rest on their laurels. Even those who do not come back may perhaps find to-day's study of the vexing subject of taxation of value for the purpose of criticising us from their safe retreat. Those

* This Assembly recommends to the Governor General in Council that he be pleased to take into consideration the Report of the Indian Taxation Enquiry Committee ' '.

who come back will no doubt have many other opportunities of voicing views on detailed proposals in the Report especially at budget times when I look forward with assured confidence to being attacked vigorously both for acting on and for failing to act on the recommendations of the Committee.

The Government have no intention to-day of announcing decisions, provisional or otherwise, on the Report of the Taxation Enquiry Committee as a whole, or even, except incidentally in regard to a few minor points, on any of the detailed recommendations of the Committee; the time for doing so has not arrived. It is needless to say that the words "take into consideration" have no technical meaning in this Resolution as they have when applied to the second reading of a Bill. The Report itself is not one on which it is ever likely to be possible or desirable for the Central Government at any time to announce that they accept or that they reject the findings of the Committee as a whole. The Report and its accompanying volumes present to us a picture of Indian taxation as it exists to-day, tracing the genesis and history of different forms of taxation, examining the effects of particular taxes, bringing out the general tendencies of recent taxation, criticising here, suggesting there, and in a word, providing a general guide to the study of Indian taxation. The labours of the Committee will be a mine of information both for the Central Government and for the Provincial Governments and their Legislatures, and for critics inside and outside the Legislatures, for many years to come, whenever proposals are under consideration for increasing, reducing or modifying taxation. The Government could not, even if they would, announce a definite decision on most of the recommendations and suggestions in the Report. They have still to be discussed with the Provincial Governments, and in many cases the decision will rest entirely with those Governments and their Councils, and moreover the Government of India have promised that before coming to decisions they would give the Assembly this opportunity of considering the Report. The time for decision on details will be when the Central Government or the Provincial Governments bring forward budget proposals regarding taxation.

The greatest service done for us by the Committee and one for which we can all unite in expressing our gratitude irrespective of our views on details, is that they have brought together within the compass of an easily handled volume the facts in regard to the whole of the taxes now levied in India, as well as in regard to land-revenue on which there is and always will be some dispute whether it is properly described as a tax or not. The work of the Committee enables those who are concerned—and all are concerned—in the question of Indian taxation to survey the whole of the activities of the Indian tax-gatherer, from the chowkidari-tax to super-tax, from the Thathemada-tax in Burma to occupier's rates in Sind. Central taxation, Provincial taxation, and municipal taxation are all included in this survey, and so far as I am aware, this is the first time in the history of British India that such a complete survey has been made under Government auspices. The desirability, indeed the necessity, of such a survey cannot be questioned and was not questioned even when we had some considerable discussion in this House as to the scope of the Committee's functions. It was explained then on behalf of the Government that what was wanted was a practical examination of the existing system and suggestions for its improvement, with particular relation to the distribution

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of the burden between the different classes of the community. The Committee were not concerned with expenditure, nor are we concerned with it to-day. Our object is to examine how and in what directions our existing methods of taxation can be improved, given as a starting point the necessity of a given scale of governmental expenditure.

It is human to regard all taxation as robbery. Each individual regards it as a grievance that his money is taken away from him for Government purposes. He is confident that he can spend his money better for himself than any Government can spend it for him. He may recognise in theory that there are certain services which only the Government can perform on his behalf, and he may be and often is clamorous in his demand that the Government should do this or that or the other thing, and very critical of the Government for failing to do what he demands. Nevertheless, he never gets away from the belief that he has a grievance because the Government collects its tax from him. When the Government spends money on defence, or law and order, or on sanitation or education, it is doing for the individual a service essentially required by him which he could not perform for himself in isolation and not even in most cases by voluntary combination with others. Even where a service is capable of being performed by voluntary combination, it may very often be the case that the Government can do the service both with more efficiency and at less cost than if it were left to individuals in combination. In India especially the demand for Government intervention in many directions in which in other countries reliance is placed on private initiative is always vocal, that is to say, the demand in India for Government expenditure, which means Government taxation, is particularly insistent. It was, I know, one of the hopes of those who were responsible for the introduction of the Reforms that a Government acting with a legislature on which there was a majority of elected representatives of the people would be better placed for the purpose of undertaking social activities, for raising and spending money on beneficent governmental measures of education and sanitation and so on, than the Governments of pre-Reform days. To some extent these hopes are being realised, and particularly in those Provinces which have been fortunate enough to secure a reduction of their provincial contributions the outlook to-day is hopeful. I might mention, for instance, what is being done for primary education in Madras and the Punjab, and I am confident that the hopes of the reformers will be increasingly realised. It is difficult to exaggerate the potential gains to India of a vigorous policy of extension of primary education—and that means money.

In these circumstances the policy and machinery of taxation in India become matters of supreme importance. I do not mean to imply that additional taxation will be immediately necessary or desirable; on the contrary, for the time being, as we get further away from the war upheaval, I look forward to the day when with the early extinction of the whole of the provincial contributions and with some improvements introduced into the Meston Settlement which will give greater elasticity to provincial revenues, the Provinces will be able, without extra taxation, to carry out many of the plans on which progressive Ministers have set their heart for ameliorating the lot of their peoples, and the Central Government may be able to assist them in the best way open to it by

carrying further that relief of the burden of the central tax-payer already happily begun in the reduction of the salt tax and the abolition of the cotton excise duty, not to mention the reduction of railway tariffs, all of which have been secured during the lifetime of this Assembly. But even before tax reduction becomes an active possibility, we want to know, and it is our duty to find out, whether adjustments of existing taxation may not be possible which will give the Government as much revenue as at present in a more economical way, that is, in a way which reduces the true cost of the sacrifice which the tax-payer is called on to make. And when the opportunity for tax reduction really comes, we want to be able to choose the right taxes to reduce and to effect reductions in the way most beneficial to the community. The absence of any complete survey of Indian taxation was severely felt in the days of the last Assembly when it was called upon to impose the additional taxation which was absolutely essential for India's solvency. Thanks to the Report and the other volumes now before us, we need no longer suffer from a similar disability when the time for reversing the process arrives.

The Report brings out in a striking way the changes which the last 10 or 12 years have introduced into the taxation system of India. In the year 1913-14, of the total tax revenue (including land revenue) of India, 35.42 per cent. came from land revenue ; only 12.99 per cent. came from customs, and 3.52 per cent. from taxes on income. Owing to the introduction of the Reforms exact comparisons between 1913-14 and to-day are a little difficult, but approximately the figures for 1923-24, the latest year for which accurate data can be given, are : from land revenue 20.75 per cent., from customs 24.30 per cent., from taxes on income 12.30 per cent.

The war and its aftermath have led to large increases in taxation in India as well as in other countries. This is partly the result of war indebtedness, partly the outcome of expanding views regarding the sphere of governmental expenditure already visible before the war, and partly the natural and inevitable reflection of the fall in the purchasing power of money. The following figures which were, I believe originally worked out for the use of the Taxation Enquiry Committee will illustrate what has been India's experience. Taking into account all the tax revenue, including land revenue, of the Central and Provincial Governments, the incidence of taxation per head rose from Rs. 4 annas 2 in 1902-03, to Rs. 5 annas 6 in 1913-14, and to Rs. 11-1-0 in 1922-23. The distribution of this taxation as between the cultivator and the non-cultivator, on certain assumptions which are necessarily hypothetical and which I need not here explain, was as follows : In 1902-03 the cultivator paid Rs. 2-10-0 and the non-cultivator Rs. 1-8-0. In 1913-14 the cultivator paid Rs. 3-1-0 and the non-cultivator Rs. 2-5-0. In 1922-23 the cultivator paid Rs. 4-12-0 and the non-cultivator Rs. 6-5-0. As the index number of wholesale prices in Calcutta rose from 100 in 1914 to 180 in 1922, it will be seen that the increase in total taxation per head at the end of 1922-23 was largely accounted for by the fall in the value of money, and it is doubtful whether the real burden on the cultivator was any higher in 1922-23 than in 1913-14.

Since the introduction of the Reforms land revenue has ceased to be an important contributory to central revenues. The budget of the Central Government, so far as it depends on the proceeds of taxation,

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is fed mainly by customs, taxes on income, and salt. In the year 1926-27 central taxation is estimated to produce a total revenue of 74.4 crores, of which 62.4 per cent. comes from customs, 23.0 per cent. from income-tax, and 9.3 per cent. from salt. Owing to the urgent necessities of the years 1921 and 1922 the Government of India were driven to make large increases in the customs duties and the policy of discriminating protection accepted by the first Assembly in 1923 has also tended to increase the gross yield of customs duties. The proportion which they bear to our total revenue is, I think, a matter of some concern, and we shall, I think most of us, agree with the Taxation Enquiry Committee that it would be preferable if direct taxation contributed a larger share of our total tax revenue. To some extent we may hope that this will come about automatically since the yield from taxes on income is at present abnormally low owing to the worldwide depression of trade in which India has been sharing. There are, however, some important suggestions in the Committee's Report for improving the yield from taxes on income. I refer particularly to the problem of evasion, legal or otherwise, which it will be necessary for the Government and the Legislature to examine together with a view to a solution at an early date.

The growth of communications and the spread of irrigation in India, the introduction of the Reforms and the allocation of land revenue to the Provinces, and above all the separation of the Railway Budget from the General Budget, have greatly modified the problem of producing a Central Budget since the days when a predecessor of mine described the Indian Budget as a gamble in rain. The Ways and Means figures which include those of the Provincial Governments, are still very much dependent on the monsoon. But it is now very much easier for the Government of India at the time of the presentation of their annual Budget to feel confident that reasonable reliance can be placed on their estimates of revenue taken as a whole. Generally speaking, it is the following year and not the year to which the Budget relates that will be seriously disturbed so far as the central Budget is concerned, by a bad monsoon. This is a considerable gain, and I think we shall be wise if we take thought in time how best to maintain and improve on the advantages thus secured. The item in our revenue which is most dependent on the monsoon is Customs, and we must be careful not to re-introduce the gamble by relying too much on the proceeds of customs duties.

I do not propose to deal in detail with any of the recommendations of the Committee in regard to Customs. I confess to disappointment in finding that they have to some extent gone back on what I regard as the wiser views of the Fiscal Commission on the subject of export duties, and in particular on the undesirability of using export duties for protective purposes. I think also that the Committee have tended to lay undue stress in regard to customs duties generally on the question of incidence and too little stress on the economic effects of particular duties. The question of incidence is of course very important and enters into what I have been saying in regard to the desirability of increasing the relative importance of direct taxation. But in dealing with duties such as the import duty on motor cars, for example, it is not, I think, sufficient to say that the increase in the number of cars imported justifies the rate of 30 per cent. The Committee themselves see this in another

passage when they suggest the desirability of considering the duties affecting the users of motor cars as a whole and endeavouring to come to some arrangement which will secure, without necessarily reducing the total taxation paid to all the different taxing authorities in India by motor car interests, the rapid development of motor transport in India with all the benefits that it would bring to Indian economic, social and agricultural welfare. This is a subject which will require and deserves the attention both of the Central Government and this Assembly and of the Provincial Governments and their Legislatures.

In view of the shortness of the time at my disposal, I will say nothing now in regard to other items of central taxation beyond mentioning the fact that in accordance with the Committee's recommendation we have appointed an officer to make an expert examination of the whole subject of the production and distribution of salt in India. The opportunity which the centralisation of salt administration offers us must be seized in order to secure that competition between one province and another may not interfere with the efficient and economic conduct of the business as a whole. The examination by this officer will, in addition, prepare the way for considering whether there is a *prima facie* case, as is suggested by the Committee, for approaching the Tariff Board with a view to the protection of Indian salt and the dethronement of imported salt from its predominant position in Bengal and Burma.

A large portion of the Committee's Report is concerned with questions such as land revenue, in regard to which the primary responsibility rests on the Provincial Governments and their Legislatures. The examination of the Committee's proposals and views on these subjects must be left mainly to the Provinces. I shall say little to-day in regard to provincial and municipal taxation, except in so far as it requires mention in connection with the subject to which I now pass, namely, the important subject of the financial relations between the Central and Provincial Governments and the allocation of particular taxes to the one or the other.

In the days before 1921 India was familiar with what were known as the periodical provincial settlements and in some respects the settlement which accompanied the introduction of the Reforms represents a natural and historical evolution of processes which were in operation before 1921. But it has always seemed to me that it has been insufficiently realised that the Reforms meant a complete break with the past and the introduction of a revolutionary change in the fiscal relations between the Central Government and the Provinces. The Reforms once and for all changed the position of the Provincial Governments from that of subordinate agents of the Central Government carrying out their functions, including the functions of raising taxation and spending money, on behalf of and under the orders of the Central Government, and made them into separate Governments forming constituent parts of an Indian Commonwealth whose federal functions were entrusted to a Central Government. In a word, the Reforms introduced India to all the problems of federal finance. The right solution of these problems is of paramount importance if the aspirations of those responsible for the Reforms are to be fulfilled and India is to develop along the lines of responsible self-government. The importance of right solutions cannot be overstated.

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There is an instructive article in the June number of the *Round Table* in which attention is drawn to the enormous economic waste resulting from the fact that continental Europe (excluding Russia) with an area of 2,100,000 square miles is divided up into a number of nationalist States with independent taxation systems and 26 customs barriers. This disunion is contrasted with the United States of America where in an area of 2,617,000 square miles there is not a single tariff barrier. India with an area of nearly 2,000,000 square miles and a population three times that of the United States of America has the immense advantage of being for practical purposes a single economic unit with a single customs tariff. It is true that the customs tariffs of some of the Indian States detract from the completeness of the unity, and ideally there would be considerable gain if these exceptions, together with the provoking interferences with commerce imposed by octroi and transit duties where they exist, could be done away with. The Taxation Committee has done a real service in drawing attention to the dangers of octroi and transit duties. The economic unity of India is an immense asset to her, and in my opinion is the essential condition of her political unity and development as a nation. It must never be forgotten how easily and quickly mistakes in dealing with problems of federal finance and federal taxation might threaten this unity. Let me give an example. Under the Meston Settlement excise duties are allocated to the Provinces and are in all cases a transferred subject. It was not long after 1921 before it was discovered that the possibilities of extreme inter-provincial friction were lurking behind the question whether the excise duty on liquor produced in one Province and consumed in another should accrue to the producing or to the consuming Province. It has now happily been settled by agreement between the Provinces that duty should follow consumption, but obviously in the absence of a right solution inter-provincial friction might have led to economic warfare between one Province and another and the re-introduction of something not easily distinguishable from customs barriers. It would also have led inevitably to the intervention of the Government of India in a transferred subject, which is quite contrary to the intention of the Reforms to leave Ministers masters in their own house in regard to transferred subjects. There are still some unsolved points in regard to this question of duty following consumption, as for example, the question of duty on *charas* collected in the Punjab and consumed in the Indian States, but the principle that duty follows consumption has been affirmed. Take another example—the Taxation Committee Report is full of them—transit and terminal taxes. A case came to my notice recently in which a local authority proposed to put a heavy duty on goods exported from within its jurisdiction in an area in which the main export is salt. The local authority was in effect trying to encroach upon the Central Government's sphere of taxation. It is absolutely necessary to arrive at clear rules regarding the limits between the powers of taxation of one taxing authority and another if this sort of encroachment is to be prevented, with its inevitable sequel of intervention by the superior taxing authority in the doings of a subordinate authority contrary to the spirit of local self-government. If each authority is to be free to develop its own sphere, general principles must be arrived at preventing encroaching or overlapping. Care has to be taken that such a tax as the profession tax does not become a second income-tax

interfering with the Central Government's powers in assessing and collecting income-tax. You cannot have proper development of self-government whether in a Province or in a municipality or in a district board unless the line of demarcation is clearly drawn and intervention by the superior authority rendered unnecessary by clear rules limiting the powers of subordinate authorities to encroach on the superior authority's sphere of taxation. Equally of course the Central Government must take care in framing its taxation proposals not to encroach on the powers of the Provincial Governments and local authorities.

The Meston Settlement must not be regarded as *ejusdem generis* with the provincial settlements of the pre-Reform period. It was their lineal successor, but it was different in kind. It was intended to be definitive, and though no doubt it was expected that minor improvements could be introduced from time to time as the result of experience gained in working, it is important that all should realise that it is not a provisional settlement to be revised periodically with reference to the growth of revenue and expenditure in each Province. If after a given period the requirements of each Province are to be re-assessed with reference to the progress of expenditure in the Province, it is obvious that it would not be possible for the Central Government, or indeed for the other Provinces, to disinterest themselves in the use to which each Province was putting its powers of self-government under the Reforms. Provincial autonomy would be impossible in such conditions. The financial relations between the Central Government and the Provinces must be settled in a way which leaves each free to attend to their own spheres of administration without encroaching on or interfering with the other. The Central Government must have assured sources of revenue, sufficiently elastic to enable it to deal with the big emergencies to which it is subject. The Provincial Governments must have their separate sphere of taxation and must be able and willing to develop their own revenues and their own expenditure policies in the interests of their own inhabitants, without encroaching on central revenues and without being encroached on by the Central Government's tax collectors.

If we are to approach the question of improving the Meston Settlement with any reasonable hope of success, we must begin with the proposition that the Meston Settlement is the only possible starting point and that our object is to amend it and not to replace it.

We cannot, for example, propose to take away something from one Province and give it to another ; if anything is to be given, it must be at the expense of central revenues, and even then care must be taken not to favour one Province more than another. The Government of India have come to no conclusions as yet in regard to the proposals of the Taxation Committee for an improvement of the Meston Settlement. It is possible, however, to envisage the lines which amendment should follow. In the first place, it is, I think, obvious that central revenues cannot be called upon to make any new concessions to any of the Provinces until we have fulfilled our primary obligation of getting rid of the provincial contributions. Until these are extinguished, the original settlement will not have come fully into force, and if we start to give up something either to an individual Province or to the Provinces as a whole before the contributions are extinguished, we shall really be causing one Province to surrender something in favour of another. Our starting point therefore is the position which will have been reached

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when the provincial contributions are extinguished, and our object is not to invent a new settlement but to see whether we can improve on the existing one. The next point which I want to stress is that the provincial contributions have very unhappily obscured the true state of the case. The intention of the financial settlement under the Reforms was that the Central Government, and the Provincial Governments should each have their separate and independent spheres of taxation and should henceforward rely on these and cease to hanker after each other's possessions. There ought to be no more reason for one of the Provincial Governments to look greedily forward to getting a slice out of what is at present central revenue than there is for the Central Government to hope for getting extra money out of the provincial tax-payer towards meeting central expenditure. But the existence of the provincial contributions has led all the Provinces quite naturally to objecting to making fresh demands on the provincial tax-payer and throwing the blame for local penury on the Central Government which has not yet remitted the provincial contributions. And this had led on to the further consequence that quite apart from the provincial contributions, the Provincial Governments and Councils have been living in hopes, not perhaps very sanguine but still enough to divert their minds from the development of their own powers of taxation, of being able at some future date to raid central revenues. The urgent desirability on every ground of ending these contributions is a theme on which I need not enlarge.

Now, the most important of the suggestions of the Taxation Enquiry Committee in this connection are perhaps those for adding elasticity to provincial finance by giving the Provinces a larger share in the proceeds of taxes on income, and for taking back non-judicial stamps for the Central Government. There are many arguments in favour of the latter proposal. The allocation of non-judicial stamps to the Provinces under the Meston Settlement was decided upon not on merits, but as a balancing factor. It has been found necessary to fix the rates of duty in many cases by Central Government legislation in order to prevent variation between Province and Province, and considerable difficulties have arisen as the result of variations in those duties the rates of which are not centrally determined. If the Government of India are successfully to pursue their policy of improving the financial, banking and monetary machinery of India, a matter which will become specially urgent when the Report of the Currency Commission is considered, it seems almost inevitable that they should resume the power of determining the rates of duty on financial instruments of all kinds and recover freedom to act without reference to the narrower interests of provincial finance. The Taxation Enquiry Committee make various suggestions as to the means of balancing this transfer, but I am inclined to think that the effort to find balancing factors by transferring other taxes to or from Provincial Governments is a will-o'-the-wisp : some other solution must be found.

A constant complaint of the Provinces, and in particular of the more industrial Provinces is that it is the Government of India through the income-tax, and not the Provincial Government, which gets the benefit of most of the improvements in economic prosperity which results from provincial expenditure and progressive provincial policies. There can be no question of the Central Government's surrendering the taxation of income to the Provinces altogether, and the Central Government must

retain the monopoly of the right to impose income taxes. But there are strong arguments for giving the Provinces a share of the proceeds. The arguments for doing so would be still stronger if at any time the somewhat hesitating pronouncement of the Taxation Enquiry Committee in favour of income-tax on agricultural incomes were to become a matter of practical politics. The existing arrangement for giving the Provinces a share of income-tax has admittedly entirely failed of its purpose. We want a new formula for dividing an appropriate share of the proceeds of the income-tax among the Provinces, and if reasonable elasticity in provincial revenues is to be secured by this means, a considerably larger share of income-tax than at present must accrue to the Provinces. The Government of India have examined various proposals for arriving at such a formula based on the personal returns of assessable income in each Province. The first step must be to determine approximately the amount out of the proceeds of taxes on income which Central Revenues are prepared to surrender. Let us take this figure as about 3 crores. This would enable us to give to each Province in place of the existing assignment under Devolution Rule 15 an assignment at the rate of about 2½ pies in the rupee on the personal assessments of the year 1925-26, that is, the penultimate year, supposing the new arrangement would come into force on 1st April 1927. Thereafter, each Province's share would continue to be that number of pies in the rupee on the personal assessments year by year, and each Province would be able to look forward to receiving a share of income-tax which should normally be an increasing one from year to year and which would increase all the faster the more progressive the policy of the Local Government. So long as agricultural incomes do not contribute to income-tax, the index of prosperity afforded by income-tax returns must necessarily be a defective one in that it is incomplete. But in the land revenue, except where it is permanently settled, the Provinces already have a source of income whose elasticity depends on agricultural prosperity. A formula of the kind proposed dependent on income-tax will at any rate help in giving the Provinces an interest in the growth of non-agricultural wealth.

In the case of most if not all of the Provinces the amount of revenue surrendered in the transfer of non-judicial stamps to the Central Government will be larger than the additional revenue they will secure by getting an increased share of income-tax. The opportunity will of course have to be taken to clear up as many as possible of the outstanding questions as between central and provincial revenues, and to get rid of assignments such as those given to Bombay in respect of customs duty on Government stores or to the Punjab in respect of the surrender of the excise duty on liquor consumed in the Delhi area. After taking all these into account, it might be found that in order to put each province to begin with in the same position as it would have been if no change had been made in the Meston Settlement, a fixed assignment from central revenues to provincial revenues would be necessary to restore the balance. Contributions from provincial revenues to central revenues are objectionable on many grounds both in theory and in practice; some of these objections apply to assignments from central revenues to provincial revenues; but it seems doubtful whether the jig-saw puzzle can be solved in any better way. The objections to an assignment of this sort are not insuperable provided it is recognised that the assignment is a fixed one and intended to be of more or less indefinite duration, even though

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it might be formally expressed as open to revision after a period of, say, 10 years.

As I stated at an earlier stage, the Government of India have come to no final conclusions, in regard to this important question. What I have said is intended merely to form the basis for discussion. A letter on these lines has just been despatched to Provincial Governments. The essential thing is, if we are to give reasonable scope for the development of provincial and local self-government, that a definitive conclusion should be arrived at as soon as possible. Amendments to the existing settlement cannot be introduced until the provincial contributions are extinguished, but I see no reason why we should be prevented in the meanwhile from arriving at an agreement as to what those amendments should be with a view to their introduction from the moment when the contributions disappear. Once the revision has taken place, the Provinces must realise that for the future they will be expected to stand on their own feet and must not look for further subventions direct or indirect from central revenues. The Central Government should rely on a few major categories of taxation such as Customs, Income-tax and Salt, and are bound to guard jealously their powers of meeting an emergency such as a great war and must not limit the elasticity of their sources of revenue. Some reduction of central taxation as soon as the provincial contributions have been cleared away is obviously desirable not only in relief of the tax-payer but also in order that there may be a margin for an emergency. The Provinces on the other hand must accept the fact that their own development is in their own hands. They must recognise the necessity of using to the full their own powers of taxation. There is a large field of taxation reserved to them and they will find many of the suggestions of the Taxation Committee, such for example as their proposals regarding water rates, an excise duty on tobacco, and probate duties, of great value. In some cases an enabling Act passed by the Central Legislature may be necessary as a preliminary. But it will be for the Provinces to decide how far it is desirable to explore new methods of taxation whether for the purpose of reducing existing taxes where they bear heavily on the tax-payer, or with the object of meeting new progressive expenditures. Here too an eventual reduction of central taxes will help, since the central tax-payer is also the provincial tax-payer. It will also be for the Provincial Governments to remedy a serious defect which the Taxation Committee have brought prominently to light, namely, the undue reliance of municipalities and district boards on subventions from provincial revenues. The development of local taxation and local expenditure is of special importance if that extension of education and sanitation throughout the country for which all thoughtful well-wishers of India are clamant is to be brought within the range of practical politics. I do not suggest that subventions should be ruled out altogether ; but they should not be relied on to take the place of reasonable local taxation. Local experience in the art of local taxation and expenditure is essential to local self-reliance and the development of local self-government. The unwillingness of many municipal bodies to impose adequate taxation and to collect it punctually and vigilantly is at present seriously hampering progress, as also their tendency to prefer the least desirable forms of taxation such as octroi and transit duties and terminal taxes rather than direct taxation. I

rejoice to see that the recent conference on local self-government in Bombay set its face against unsound methods of taxation.

The economists draw a distinction between taxation for what they call burdensome expenditure and taxation for beneficial expenditure. In truth, all Government expenditure, if wisely directed, is for the benefit of the citizens as a whole, but it is easier to trace direct benefit in cases where the result of expenditure is to irrigate new land or to provide a town with new drainage or its children with education, or to provide a district with roads the building of which improves the yield of agricultural land and reduces the cost of agricultural produce delivered at the consumer's door. Efforts are sometimes made to calculate the average national income per head of the population of a country and to argue that no more than x per cent. of that average income or of the total income as so ascertained should be taken by Government by way of taxation. Such statistical comparisons are occasionally of value provided the statistics are reasonably accurate, which is seldom possible, but arguments based on such statistical comparison cannot provide us with principles for deciding on taxation policy. In a communist State it is to be presumed that the Government takes the whole of the income of the people with the idea that it can spend it more wisely than if it left the choice of expenditure to the individuals who compose its population. In an anarchist State there would presumably be no Government and no taxation. Reasonable human thought has preferred a compromise between these extremes, but human nature tends nevertheless to regard all taxation as robbery. The science of taxation and the science of governmental expenditure require to be carefully distinguished. In considering questions of taxation the object in view is to raise the amount of revenue required at the least possible economic cost to the tax-payer of the country. Provided that the taxation system is reasonably scientific, the proportion of the national income which can be wisely taken in taxation depends very largely on the nature of the expenditure to which the Government applies the money raised. There must be for every Government a minimum of absolutely unavoidable expenditure on internal and external defence of law and order. But over and above that there is a vast amount of optional expenditure which in India includes most of the so-called nation-building services. The amount which must be raised in taxation depends therefore on expenditure policy. In considering expenditure it is essential to remember that for every rupee of expenditure a rupee of income must be provided and presumably provided by taxation. Whether the expenditure can be wisely incurred or not depends on the benefit which may be expected to result to the people of the country as a whole as compared with the benefit of some competitive expenditure or with the benefit of avoiding the extra expenditure altogether. For us in India the years that are coming offer immense opportunities of social development. While the Central Government in the absence of some emergency may hope before long to be able to take up the question of reducing taxation, the problem for the Provincial Governments will be not so much whether taxation should be reduced as whether its administration can be improved and its incidence better adjusted, in order that new expenditure may be wisely undertaken as soon as means can be made available.

Let me then sum up the picture which I see before me of the story of taxation in India in the years before us. For the Central Government

[Sir Basil Blackett.]

the first task is to complete the process of extinguishing the provincial contributions and to make such minor modifications in the Meston Settlement as, without any serious inroad on the resources of the Central Government, will add some additional flexibility to those of the Provinces. During this period the Central Government can hope to do little in regard to taxation beyond effecting some minor adjustments here and there and taking some steps not so much to increase as to prevent the falling off of the yield from direct taxation. Thereafter, the Central Government will, I think, direct its policy to reducing the proportion of indirect taxation to the whole, with its eye on the one hand on the necessity for a margin in the event of an emergency, and on the other hand upon the needs of the Provinces which it would try to meet by so adjusting the burden which the payment of central taxes imposes on the central tax-payer as to increase his power in his capacity as provincial tax-payer to contribute to provincial needs. The Provinces meanwhile will have the advantage, to start with, of relief from provincial contributions, and, perhaps even more, of the fact that with the extinction of those contributions they will be less subject to the error of looking to encroachment on Central Government's resources as a means of meeting their provincial needs. They will turn to their own wide powers of taxation for the sinews of their war on disease and ignorance and will be helped in the development of their resources by the concurrent progressive reduction of the level of central taxation. The Reformed Constitution has stimulated the growing interest of the Provincial Governments and Ministers in the improvement of their heritage. The taxation system is one of the foundations on which they must build. With the Taxation Committee's Report as a guide to the study of taxation policy, they will surely build the better.

Sir P. S. Sivaswamy Aiyer (Madras : Nominated Non-Official) : I

I am sure the House will feel grateful to the Honourable the Finance Member for the exceedingly interesting statement which he has made this morning. The Honourable Sir Basil Blackett has remarked that the Resolution which he has moved to-day marks an innovation in procedure. Undoubtedly the innovation may appear to many to have the advantage of giving us an opportunity of expressing our views on the many interesting questions which have been dealt with by the Taxation Committee. The Honourable Member himself has glanced at a number of very interesting problems relating to taxation, central and provincial, and it might at first sight appear to be a very valuable opportunity for us to take advantage of and to express our views upon these questions ; but though at first sight it appears to be a tempting opportunity I am inclined to think that it will be very unwise for the Assembly to commit itself in any way to any expression of opinion upon the various recommendations which have been made by the Taxation Committee. When the proposal for the appointment of the Taxation Committee was made, I was not enamoured of it. I agreed to it with some reluctance not because I thought that it was necessary or that any occasion had arisen for such an inquiry, but because I thought that the materials which might be collected by the Taxation Enquiry Committee would be of great use to us whenever an occasion arose for imposing extra taxation. I may say at once that I am not one of those who think that the

progress of this country can be achieved without recourse to extra taxation. I regard it as an indispensable condition of progress, especially along the various lines of activity which we are in the habit of speaking as nation-building activities ; but at the same time I think it will be very unwise for us to be led away by the appeal of the Finance Member, to be influenced by his siren voice into expressing any definite opinion upon these various proposals. Before going further I should like to associate myself with the tribute which he has paid to the members of the Taxation Enquiry Committee, for the ability, the industry and the thoroughness which they have brought to bear upon the subject and for the vast amount of material which they have collected in connection with the subject of taxation. I have no doubt that all this material and the opinions which the Taxation Committee have expressed will be of the greatest possible assistance to us whenever we have to decide upon any particular form of taxation which may be proposed by the Government.

Now, Sir, the primary object of this Resolution, as it is put, is to request the Governor General in Council to consider the recommendations of the Taxation Enquiry Committee. I do not think that the Governor General in Council requires any invitation from us to consider this Report. There are many things which he considers without our invitation and there are many things which he declines to consider even upon our invitation. The object as it is put forward in the Resolution does not appeal to me. Then coming to the other aspect of the Resolution, that it is indirectly intended to give us an opportunity for an expression of our views, I think in the first place it will be impracticable. In the next place I think it would be premature and unwise for the Assembly to express any opinion upon the subject. I consider it impracticable for this reason. The Report covers the whole field of taxation in this large country and I sincerely doubt whether it will be possible for us in the course of a two days' discussion or even a two months' discussion to express any really valuable opinions upon the whole field of taxation in a country like India. The discussion would be largely in the nature of an academic debate. It will be simply beating the air. It would be a much more suitable subject for a college debating society than for an Assembly like this concerned with serious practical affairs. I consider it premature for this reason, that until we know what additional expenditure is meant to be incurred and for what purposes, whether the Government have got funds for the objects upon which they propose to spend and if they have not got how much they wish to raise and by what means—until we have some definite statements and proposals put forward by the Government,—it will be premature for us to have any discussion in an Assembly like this consisting of 140 Members even if diminished by the absence of the Swarajist bloc. I very much doubt whether any discussion of this sort would really produce any valuable results. Sir, I consider it also very unwise and for this reason. In the first place there are so many proposals for taxation. Some of them may appeal to some Members and others may appeal to other Members and there is a great likelihood of mutually destructive criticisms. One set of people may criticise one tax, another set of people may criticise another tax and this vast diversity of opinion may perhaps induce the Government to think that this general dissatisfaction is an indication of the soundness of the proposals just as

[Sir P. S. Sivaswamy Aiyer.]

the dissatisfaction of both the parties with an arbitrator's award is sometimes supposed to constitute evidence of its justice. There are few taxes which can be said to be entirely unobjectionable. There are few taxes which are so objectionable that they can never be proposed even in a time of financial crisis. It is difficult for us to say that any one tax is absolutely unobjectionable or that any one tax is so objectionable that it should never be resorted to. It is after all a question of comparative merit or demerit. It is a question of choice of evils. Why should we forestall the evil day and why should we express our opinion as to the relative merits of one measure of taxation or another until we are actually called upon to determine it? Now another reason why I consider it unwise is this. If we express any approval of these various proposals it will be arming the Government with a very extensive power which is only too liable to be abused. It would be giving the Government a *carte blanche* to make any selection they like out of an assortment of taxes and whenever they find it necessary to raise additional funds they may say : Mr. So and So, expressed his approval of this tax and another influential gentleman expressed his approval of another tax and that they are entitled to rely upon the support which has been given in the Assembly. Now one great danger in arming the Executive Government with this extensive power is that they are likely to be tempted into all sorts of extravagant proposals for taxation. I for one should very much hesitate to offer any such temptation to His Excellency the Commander-in-Chief or some other Ministers who may propose to make a raid upon the financial resources of the Central Government. No doubt we know that the Finance Member is always bent upon economy and upon resistance to all these various attempts to raid his resources, but he is only one out of a Cabinet of 6 or 7 and he may not always be able to resist the demands of the spending Departments. I should therefore be very chary of giving any sort of approval, definite or indefinite, to any proposals for taxation in this general way. Let me add one other consideration. Let us not forget the position in which the law has placed us. Let us remember that under the provisions of the Statute, we non-officials have no responsibility for any constructive proposals for taxation. The responsibility rests entirely in the Executive Government and we are prohibited by law from making any constructive proposals for levying money. Under these circumstances, remembering the limitations placed upon us by Statute, we need have no fear of any just reproach of irresponsibility if we decline to listen to this appeal but leave it to the Executive Government to bring forward any measures of taxation which they after careful consideration may decide to place before this House. Then will be the occasion for us to express our opinion. The attitude of every opposition and, if we do not regard ourselves as an opposition, the attitude of the non-officials under the existing constitution of this Assembly must be one of mere criticism, not an attitude which should lead them to offer any positive constructive suggestions for raising taxes.

Sir, I hope none of us will be led away by the appeal of the Finance Minister and express any opinion upon the various proposals contained in the Taxation Committee's Report. Now let me fortify myself by reference to one or two passages in the minutes appended to

the Report. Let me first refer to the memorandum by Dr. Paranjapye. He says :

“ It would be an improper use of the work of the Committee to impose any particular new tax or to enhance an existing one, simply because the result of the inquiries shows that it is practicable to do so, without considering the persons by whom, the manner in which and the purposes for which the money is to be spent. In considering this latter point I desire to emphasise the fact that in my opinion Governments generally, and irresponsible and partially responsible Governments in particular, are apt to pay less regard to economy when their coffers are full, and that there should be no addition to the revenues of the country for purposes of expenditure on new objects unless those objects have first been approved by the representatives of the people.”

Again, my friend Dr. Hyder and the Maharaja of Burdwan express themselves in this way :

“ Both the direction of expenditure and the adequacy of the amount have to be determined by the people's representatives. To remove all manner of misunderstanding, we desire to make it perfectly clear that given certain ends our task has merely been to inquire how the revenue for the attainment of those ends may be raised with the least amount of hardship and the least waste ; to indicate in other words the suitability of the possible sources of revenue rather than to consider either the desirability of those ends or the determination of the amount of revenue necessary for their realisation. These are questions for the people themselves and their representatives to consider and to determine, not for us the members of a Committee which must concern itself with the technical aspects of these questions.”

So, I think, Sir, unless the Government bring forward concrete proposals for expenditure and concrete proposals for raising the money required by some particular form of taxation, it would be premature for us to express any approval or disapproval beforehand and commit ourselves in any manner. It may perhaps be said that our whole system of taxation is unscientific, inequitable and unsatisfactory. We all remember that statements to this effect were made in another place on the occasion when the proposal for this taxation inquiry was initiated. But I would ask, is there any country in the world which has got a thoroughly scientific, a thoroughly equitable and thoroughly satisfactory scheme of taxation ? You can always find fault with the system of taxation in any and every country in the world, and it is foolish to imagine that it would be possible for this country or any other country to wipe out its existing system of taxation and substitute an entirely new scheme of taxation in its place. We cannot possibly write on a clean slate. We must take the existing scheme as it is and build upon it, add to it or alter it. We cannot get away from or completely overhaul the existing scheme of taxation and expect to introduce a completely remodelled scheme of taxation ; nor can we indulge in the hope that any scheme of taxation which we may be able to suggest would be considered thoroughly scientific, equitable and satisfactory. I for one would refuse to take part in the pastime of discussing any such project for remodelling the entire scheme of taxation. We had better leave it to those grave and reverend seigniors who sit in the other place which has been complimented by the Government *ad nauseam* on its superior wisdom. By all means let them indulge in that diversion. We have more serious things to attend to. I would ask you to commit yourselves to no expressions of opinion with regard to any of the recommendations and to wait until the Government in their wisdom decide to bring forward any particular measure of taxation for the purpose of meeting any special expenditure which they may consider to be necessary in the interests of the country.

Sir Hari Singh Gour (Central Provinces Hindi Divisions : Non-Muhammadian) : Sir, I join with my friend Sir Sivaswamy Aiyer in congratulating the Honourable the Finance Member and the members of the Taxation Enquiry Committee for performing very satisfactorily the somewhat limited and odious task which was placed upon them of reporting on the equitable method of distribution of taxation in this country.

There was one passage, Sir, in the Honourable the Finance Member's speech, which I would like to draw the attention of this House to, and that was that this is the first Committee of the kind appointed in this country or anywhere else.

The Honourable Sir Basil Blackett : Not anywhere else.

Sir Hari Singh Gour : The first Committee of the kind appointed in this country, then, for the purpose of enunciating general principles of taxation.

The Honourable Sir Basil Blackett : If I may be allowed to interrupt, what I said was " to make a general survey of the existing taxation system ".

Sir Hari Singh Gour : To make a general survey of the existing taxation system and to formulate their recommendations thereon. This House is well aware of the protest made by the Members of this House when this Committee was formed, and of the limited scope of enquiry committed to its charge ; and I, Sir, repeat that protest on behalf of the Members on this side of the House. With the limited scope of the enquiry and the terms of reference to the Committee it is impossible for this side of the House to suggest any means of taxation upon the lines of the Resolution of the Honourable the Finance Member.

Sir, in my student days I sat at the feet of that great economist, alas, now no more, Mr. Alfred Marshal, and in one of his lectures to us he said, " Gentlemen, there is one principle in taxation, and that is no principle ". He said, " Taxation is nothing but a compulsory contribution from the subject for the upkeep of the State, and the best principle of taxation is the amount of money which the State can wring out of the subject ". Sir, that principle has gone deep into my heart, and the more I study books on economy the more I feel convinced of the truth of the remark made to us as economic students years ago in the Cambridge University. If this principle be right, what principle have we got to enunciate to this House as regards the equitable distribution of taxation ? The Honourable the Finance Member has passed in review the various methods of taxation, and I wish to confine myself to one of the three principal items of taxation to which he has adverted as the chief source of revenue of the Central Government. He speaks of Customs as yielding about 62 per cent., Income-tax 23 per cent., and Salt 9.3 per cent. Now, Sir, so far as the income-tax is concerned, the history of it is well known to this House. Somewhere about 35 years ago it was levied as a temporary measure for the purpose of overcoming the falling value of silver, and also to defray the cost of the Burmese War. It was then pointed out that it was a temporary measure and, if I do not mistake, they wanted at that time something like £60,000. For years this tax was a subject of criticism in the late Imperial Legislative Council, and the attention of the Government was drawn to the fact that this

tax was unpopular, and, because it was temporary, steps should be taken to abolish it. The then Finance Member quoted a Resolution of the Indian National Congress in support of this taxation and justified it on the ground that it fell equally upon Europeans as well as Indians. Now, Sir, in those days the amount that was received from income-tax was about one crore of rupees, and in the last year, and the year before last, the income received by the Central Government from that source is in the neighbourhood of 23 crores of rupees. During the War the Government of India imposed what is known as the super-tax, and we were hoping that on the conclusion of the War the first thing that the Government of India would do would be to abolish this temporary super-tax. What is the result? The Taxation Committee recommend the perpetuation of the evil of the super-tax, and the Honourable the Finance Member regards it as the mainstay of the Central revenues.

Now, Sir, I hold in my hands a little book called the "Income-tax" written by an American Economic Professor, Mr. Seligman, and he points out in that book that of all direct taxes the income-tax is least justifiable in a country where the capitalist class is of recent origin. In England, as the Honourable the Finance Member will admit, the accumulation of wealth has been going on for nearly 350 years. In India the accumulation of wealth, if it has begun at all, is only about 20 or 25, or 30 years old, and I, therefore, submit that whatever justification there may be for a large capitalist country like England with its established industries for the perpetuation of an income and super-tax, there is no justification for it in this country, and, so far as the super-tax is concerned, there is no justification whatever.

Now, Sir, I ask the Honourable the Finance Member to enlighten this House as to the quantum of tax which is wrung out of the middle classes in this country, in the shape of income and super-tax. Mr. Winston Churchill, speaking the other day in the House of Commons, declared that his first effort would be to reduce the income-tax, and, if I mistake not, it is less in England to-day than it is in this country, if we take the income-tax and super-tax together. Working it out I find that the income and super tax amount to as much as 48 per cent. of a man's income when it is calculated at the maximum rate. In other words, while the old Pindharas who used to rob the people of Bengal were satisfied with 25 per cent. of their income, the Central Legislature wrings out of the people, year in and year out, as much as 48 per cent.

That is only one aspect of the question. Have the Taxation Committee dealt with it? Yes, they have. In what way? They recommend that the super-tax be levied upon incomes above Rs. 30,000, and they further point out that there should be an increasingly graduated rate of income and super tax, and that there should be no distinction between earned and unearned income. Now, I consider this a preposterous proposition. Even in England and the Colony of Australia there is a distinction made between earned and unearned income, and in England itself income-tax is graduated upon principles which do not obtain in this country. A certain deduction is made for the maintenance of wife and children, but you make no deduction in this country. I should have thought that the Finance Member should have commenced by taxing bachelors twice as much as married men, and I should have expected

[Sir Hari Singh Gour.]

certain reductions made for each child of a married man. The Taxation Committee, who were supposed to have been a scientific body of men, appear to have all been bachelors because they have taxed all the married men and left the bachelors severely alone. (Laughter.)

Now, what is the principle underlying this extremely unequal method of taxation ? Nothing whatever. And when we deal with the respective merits of the taxes Honourable Members will find at pages 442 and 443 their views crystallized as regards the order of precedence.

Now, Sir, I defy any Member of this House to tell me what tax is more necessary than any other tax. Let me give Honourable Members half a dozen taxes and I have not the slightest doubt that if the votes are taken every Member will vote differently to the rest of us. There is the question of the salt tax which is in the nature of a poll-tax. It is so admitted in the Report. There is the petrol tax, and the Taxation Committee recommend no reduction of the petrol tax, while the Honourable the Finance Member told us a few minutes ago that the development of the motor industry is necessary for the development of the facilities of transportation and the general development of the country, agricultural and non-agricultural. If that be so, I should have expected, Sir, that the tax on petrol would be reduced, if not wholly done away with. Then it has been said that the probate duties might be exploited for the purpose of raising revenue. Sir, it is sufficiently dear to live, but will you make it prohibitive to die ? And that is the proposal which the Taxation Committee have solemnly placed before this House, or rather before the country, for consideration. There is not one single item in the vast field of taxation which is not open, I submit, to argument and criticism, and I therefore submit that this House would be well advised in closing this book and saying that we are not in a position to give you any advice as to what tax you should levy first and what tax last. If you really wish consideration of the question of taxation the first question you have to consider is how much money do you want and place each concrete proposal before this House, and that concrete proposal will be decided on its own merits if and when it arises. A generalisation of the character which we find in this book has neither the merit of any *a priori* justification nor is it supported by the rule of expediency. Take, for instance, this case. They say that in the order of precedence for the removal of taxation they place a reduction of the customs duties first. Then they place the removal of the export duty on hides. Now, Sir, the removal of the export duty on hides depends on the condition of the hide trade for the time being. Are you prepared to dogmatise generally that this must find a second place irrespectively and independently of the condition of the trade in hides at that particular moment ? Then they go on to say that in the case of non-judicial stamps a revision of the Schedule should be made in relation to documents such as bonds and agreements. I do not see how this should have found a third place in the order of precedence of taxation. Then they go on to say that the standardization of land revenue will ultimately result in a further reduction of the proportion borne by the land revenue to the total taxation. Sir, this entirely depends upon the nature of the land revenue and the crop that is produced and the people who are primarily concerned with it. It is a question whether the permanent settlements in certain provinces were well advised and whether the land revenue exacted from them is

adequate for the purpose for which the State is justified in taxing land. That question I submit cannot be gone into apart from the general question of the principles and policy relating to the fixation of land revenue throughout India. And there are other questions. As my friend Sir Sivaswamy Aiyer has pointed out, the field is too vast ; the terms placed before this House are too wide, and there is neither any immediate necessity for the consideration of the general question, nor, indeed, is it desirable that this House should prejudge the question and not reserve to itself the power to judge and decide it if and when it arises. The Honourable the Finance Member has tickled some Members of this House by saying that we have had three years' experience of the work of the Assembly. Well, Sir, the accumulated wisdom of the three years of experience has taught us one lesson, and that lesson is not to precipitately decide upon this vast and thorny question of taxation at the fag end of the Session when we are not in a position to enunciate any general principle apart from any concrete proposals which have not been placed before us. On these grounds, Sir, I would ask Honourable Members on this side of the House not to commit themselves to any proposal, either made or adumbrated in the speech of the Honourable the Finance Member.

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

The Assembly re-assembled after Lunch at Twenty Minutes to Three of the Clock, Mr. President in the Chair.

Diwan Bahadur T. Rangachariar (Madras City : Non-Muhammadan Urban) : Before the discussion proceeds further, Sir, may I move that the discussion of the subject be adjourned *sine die*. In view of the remarks which have fallen from my Honourable friend Sir Sivaswamy Aiyer and also in view of the importance of the subject, it is very desirable that we should have a full House. As it is, the representatives of the people, I am sorry to say, are absent or mostly absent, and it is not right that we should offer criticisms on important proposals like these, specially in view of the very important pronouncement which the Honourable the Finance Member has made to-day. He has made a pronouncement which deserves the deepest and most earnest consideration on our part. He has outlined a policy which he is going to pursue which requires our grave consideration. I do not think it is right that in a thin House like this we should go on with this discussion, and I therefore formally move that the debate be adjourned *sine die*.

Mr. President : Amendment moved :

“ That consideration of this debate be adjourned *sine die*. ”

Sir Walter Willson (Associated Chambers of Commerce : Nominated Non-Official) : Sir, if I begin by opposing the amendment of my Honourable friend, Diwan Bahadur Rangachariar, will it affect my right to speak on the main subject ?

Mr. President : No ; the Honourable Member can take part in the general debate later.

Sir Walter Willson : May I then give some reasons why I wish to oppose this adjournment? You will hear me and call me to order if you think it necessary. Sir, I listened this morning to the excellent speech so thoughtfully and carefully presented to us by the Honourable Sir Basil Blackett, and I feel that in that speech, when we have it in print, we shall have a great deal of matter deserving most earnest and careful study, study equalled by that required of the Taxation Enquiry Committee's Report itself.

I listened also this morning to the remarks which fell from my distinguished friend Sir Sivaswamy Aiyer, and if he were here I should like to say how disappointed I was in the attitude that he adopted, because he has upon so many occasions given us such valuable help in the discussion of subjects before the House. It seems to me that there is this point too, the great desirability of having a party in this House who are prepared, when the Government hold out to us, as they have done on this occasion, an opportunity of giving them some sort of a lead before they have made up their own minds and are committed to a policy, gladly to accept that opportunity.

In view of the sense of the House as I understand it to be, I shall not presume to take up so much time as I had intended in going over certain paragraphs of the Taxation Enquiry Committee's Report, but I do think I should not be doing justice to my constituents if I did not take this opportunity of levelling one or two attacks at the Taxation Enquiry Committee's Report in order that....

Mr. President : I must ask the Honourable Member to reserve his observations on the general question for a later stage. The debate is now confined to the motion of Diwan Bahadur Rangachariar for adjournment.

Sir Walter Willson : I bow to your ruling and in that case I will only formally move the rejection of my Honourable friend Mr. Rangachariar's motion.

Mr. K. C. Boy (Bengal : Nominated Non-Official) : Sir, I rise to support Diwan Bahadur Rangachariar's motion for adjournment. After I had heard the notable pronouncement made by the Finance Member the obvious conclusion I came to was that the speech must be printed, circulated widely and discussed privately before we are asked to give a verdict on the pronouncement. Although Sir Basil Blackett has disclaimed from the very beginning any intention of giving any tentative conclusions of the Government of India, he had foreshadowed a system of federal finance which he has so much at heart. Under the circumstances the only obvious course left open to us is to ask for an adjournment, which I hope, Sir, the House will accept and you will grant.

The Honourable Sir Basil Blackett : Sir, I should like to make the position of Government clear in regard to this suggestion. It is not an infrequent charge against the Government that they come to their conclusions first and consult the House afterwards. We have tried on this occasion another method of progression. It does not seem to progress. We are now asked that the present discussion be adjourned *sine die*, presumably with the idea that, not exactly this discussion but some similar debate will take place at a later stage on the Taxation Enquiry Committee's Report. The position of the Government is that they promised very definitely that they would give a full opportunity of discussion of this subject before formulating any conclusions.

It is always difficult to discuss a motion which does not formulate conclusions. There is always a difficulty in this House unless the Government are prepared to express definitely the views which they have formed, at any rate tentatively, in regard to any subject under discussion. The debate otherwise is in danger of becoming what my Honourable friend Sir Sivaswamy Aiyer called a mere debating society discussion. The Government have no desire to force the House to discuss this subject if it does not wish to do so either now or at any other time. I expressed the view in my speech that it was not possible on a Report of this sort to come to a final conclusion accepting the whole of the Report or to draft a Resolution really covering the whole of the Report and saying that you either accept it or reject it or take a certain view in regard to it. I described the Report as a guide to the study of taxation in India and it is a little difficult to make a Resolution recommending something out of a guide to a study. But I understand the position to be that what Members who have spoken on this question of adjournment and others who have spoken to me before on the same subject would like would be that the discussion should terminate now and either at the next Session or in the course of 1927 some opportunity should be given at which a Resolution on the subject of the Taxation Enquiry Committee's Report containing some expression of policy to which the House might be inclined to commit itself should be brought forward. I venture to doubt whether anybody would be successful in framing a satisfactory Resolution of that sort. Nevertheless I am quite prepared on behalf of the Government, if the discussion terminates now or even if it does not, to consider whether in the course of the year 1927 opportunity cannot be given for the discussion of some Resolution of the kind I have suggested if it has considerable support in the House and it is the desire of a considerable number of Members that such a Resolution should be discussed. If as I gather, there is some difference of opinion as to whether the debate should go on to-day, I may say that I shall be happy to hear something more on the subject of taxation in which I am always interested ; but so far as that is concerned the Government will not vote against the motion for adjournment if it is taken to a division. They will be prepared to leave that to the House.

Mr. M. A. Jinnah (Bombay City: Muhammadan Urban): Sir, I should like to state my views on the question of the adjournment motion. It seems to me, Sir, that although this Committee was appointed against the considered and definite decision of this House, the fact remains that this Committee has been appointed and what is more this Committee has cost, as I see from the Report, something like Rs. 4,47,000 exclusive of the printing charges, and so on. It is perfectly true that Sir Basil Blackett, in order to conciliate the House, which was from the very outset definitely opposed to the appointment of this Committee, promised that no action would be taken upon the recommendations of the Committee without giving an opportunity to this House to express its views first. Having given that promise he naturally has devised a somewhat novel and unusual procedure. You, Sir, have admitted this Resolution, and that is that this Assembly recommends to the Governor General in Council to take the Report into consideration. I do not know what it means. I suppose it is one method which he thought would enable him to comply with the assurance he had given to the House, and he persuaded you, Sir, to admit it in the form of a Resolution. But I appreciate the intention behind it

[Mr. M. A. Jinnah.]

and that is to fulfil a promise and give some sort of opportunity to this House. I do not know what your ruling will be, but, as I understand it, no definite amendment can, I think, possibly be moved having regard to the form of this Resolution. Therefore, we are reduced to this position, that each individual Member can air his views according to what is a favourite theme of his own; and we had an example of that when my Honourable friend, Sir Hari Singh Gour, spoke. Now, is that going to be of any use whatever to the Government in arriving at their own decision as conveying the sense of this House? Each Member would naturally support his own favourite theme with regard to taxation, and, therefore, it seems to me that the debate or discussion would be absolutely barren, and I entirely agree with Sir Sivaswamy Aiyer that it will be nothing but an academic debate like that in which college students indulge. Is that a position to which this House is to be reduced—with the best of intentions on the part of Government to give us an opportunity? If the opportunity is going to be given to this House, if the sense of this House is going to be ascertained and if this House is going to come to a decision which will be of considerable importance and must necessarily influence the Government, there is only one way of getting the decision of the House, and that is by taking its vote. That cannot be done. Therefore I suggested, and I suggest it again, to the Government, to follow this course, namely, that we need not take up any more time on the present Resolution before the House. I am fully alive to the fact that the Assembly will stand dissolved at the end of this Session. I am fully alive to the fact that this Resolution, therefore, will lapse automatically, unless the Government can give us a definite assurance—and I want that definite assurance to be given—that some day will be given to us in the next Session without prejudice, if I may use that expression, either to the Finance Minister or this side of the House, as to the budget proposals that he may formulate. I do not agree that the House should not endeavour to come to some decision on the question of policy. Now for that purpose I would refer to the terms of reference. The terms of reference were to examine the manner in which the burden of taxation is distributed at present between the different classes of the population, and, secondly, to consider whether the whole scheme of taxation, central, provincial and local is equitable and in accordance with economic principles and if not in what respects it is defective. Now, it was suggested by one Honourable Member—what is the good of discussing this now? Another Honourable Member said that we should not discuss these abstract propositions but that we must only deal with concrete proposals which the Government actually bring before this House for practical purposes as they arise. I beg to differ with great respect from those views. I submit that we know perfectly well what are the classes of people who are taxed at the present moment. We know what are the taxes which are imposed upon the people and the system of this country; we know that definitely. We can express our opinion having regard to those facts; we can express our opinion particularly on this question referred to in the second part, namely, to consider whether the whole scheme of taxation, central, provincial and local is equitable and in accordance with economic principles and, if not, in what respects it is defective. I think, Sir, it is the duty of this House, having all the materials before them, to come to a conclusion if they can. I do not agree with Sir Basil Blackett when he said that the House will not be able to come to any such decision on a question of policy.

If the Taxation Committee has after elaborate consideration of the materials and the evidence placed before them made certain recommendations on those principles, surely this House ought to be able to come to some decision and give a clear and definite indication to the Government as to the policy and principles in the formulation of their future budgets. Therefore, I hope that the Honourable the Finance Member will not only give us an assurance that a day will be given in the next Assembly but that a day will be given for the purpose of enabling the Members of the House, or a particular group or party, to send in a definite Resolution enunciating a definite policy or principle relating to the terms of reference and then discuss them and get the decision of this House having regard to the recommendations of the Committee.

***Pandit Madan Mohan Malaviya** (Allahabad and Jhansi Divisions : Non-Muhammadan Rural) : Sir, I agree with a great deal of what my Honourable friend Mr. Jinnah has just said. But I differ from him in one matter. I do not think it would be an advantage to have a day set apart for the discussion of the question of policy to which he has referred. I think the regular procedure which has been followed on all such occasions when Commissions and Committees have submitted their reports should be followed. There was the Lee Commission ; there were other Commissions. Either the Government or Members of this House may bring forward particular motions, and, when those motions are brought forward, they are definite proposals round which the discussion can proceed. At present, if we agree to the suggestion of my friend Mr. Jinnah and have a day set apart, I fear there will be a feeling in the country that some fresh taxation is going to be imposed upon the people. (*An Honourable Member* : "No, no.") I wish that we should guard against that feeling. To have a day set apart for a discussion of even the second term of reference to which my friend Mr. Jinnah referred will, I submit, be an irregular and unusual procedure. If the Government think that out of the 198 recommendations which have been put forward by the Committee there are some which, after having deliberated upon them, they wish to put before the Assembly, we shall welcome a discussion of those proposals. We shall study them ; we shall know what to say about them. But if it is to be merely a rambling discussion of policy, I submit that would be an unnecessary waste of the time of the House. I submit, Sir, that there is always a danger that, when a man needs no particular treatment and yet submits himself to a course of treatment merely for the purpose of improving his health, he will find himself on the wrong side of the account by that process. There are many problems which require an examination in this country. We are not, I am sure, prepared to undertake a reconsideration of every branch of the administration with the object of improving it. There must be definite, clear proposals, and nobody is in a better position to bring forward such proposals than the Finance Department of the Government of India. I, therefore, submit that, while we fully appreciate the desire of the Honourable the Finance Member to give us an opportunity to discuss the Report generally, we feel also that this is not the right way of discussing the matter. He has not only given us the opportunity to discuss the Report, but he has also treated us to a very lucid discourse which was a review of the recommendations of the Taxation Enquiry Committee.....

Mr. K. C. Roy : It was certainly not a review. It was a new scheme altogether.

* Speech not corrected by the Honourable Member.

Mr. N. M. Joshi (Nominated : Labour Interests) : It was a lecture to college students.

Pandit Madan Mohan Malaviya : I am sorry, Sir, but I beg to differ from my Honourable friends. Whether it was a review or a discourse is a matter of opinion. I am inclined to think that a reviewer is not bound to deal with every proposition in the subject reviewed. He is at liberty to take some points and to lay stress upon them according to his own judgment, and I spoke of it as a review in that sense. Whatever it was, we have listened to that discourse, and we are grateful to the Honourable the Finance Member for it, but beyond that I submit the matter should be dropped here. I would beg to suggest, however, that the Honourable the Finance Member should withdraw the Resolution, because if he does not withdraw it.....

Mr. President : The Honourable Member will understand that the adjournment of the debate *sine die* was moved by Diwan Bahadur Rangachariar, and the debate is restricted to that motion.

Pandit Madan Mohan Malaviya : I am sorry, Sir. Then, Sir, I support that motion, and I hope that the proposal will commend itself to the Honourable the Finance Member.

The Honourable Sir Alexander Muddiman (Home Member) : Sir, I only propose to intervene in this debate on a very narrow issue. It has been to me, I may say, a debate of great interest, for it has occasionally been my misfortune to bring forward Resolutions dealing with Commissions, and much that has fallen to-day is very instructive to me for my future guidance. The Report was issued to the House in February 1926, I believe. So the House has had plenty of time to consider it. I understand that my Honourable friend the Finance Member's Resolution was brought forward with the object of eliciting from the House something in the nature of the enunciation of a taxation policy, if any group or individual had one. It cannot be said that no opportunity was given for such amendments to have been moved as would have allowed that to be enunciated. I do not agree with my friend Mr. Jinnah that no amendment could have been brought forward to the Resolution put forward by my Honourable friend.....

Mr. M. A. Jinnah : I did not say that, Sir. What I said was that I did not know whether they would be admissible.

The Honourable Sir Alexander Muddiman : If I know Mr. Jinnah, he would have been ready enough to have tried if he had been keen.

Mr. M. A. Jinnah : I might have failed, as I have before.....

The Honourable Sir Alexander Muddiman : The question before the House is whether this debate should be adjourned. But it is complicated with certain other matters on which I must say a word or two, and that is the question whether Government should accept my Honourable friend's suggestion and promise to give a future date and bring forward a definite Resolution. That was not at all what my Honourable friend the Finance Member offered.

Mr. M. A. Jinnah : I did not say the Government should bring forward Resolutions. I said the Government should set apart a day in order to enable the Members of this House to bring forward definite Resolutions which can be discussed and voted upon,

The Honourable Sir Alexander Muddiman : That, of course, is a very broad proposition to which I could not possibly agree in those terms. What my Honourable friend the Finance Member did offer to the House, as I understood him, was that, if there was a considerable body of Members in the House who wished to bring forward a Resolution which commanded a considerable amount of support, he would use his best endeavours to enable a date to be obtained for that purpose. To that I have no objection, but I must point out to the House that they have been offered to-day a general opportunity for discussion that cannot be offered again. This must be quite definitely stated. There has been an opportunity for a hare hunt, but there have been no hunters. The opportunity cannot be given again. I do not in the least desire to detract from what my Honourable friend the Finance Member has offered in the name of Government, but it must be clearly understood what it is. We are not again throwing the Report open to a general discussion. We have done that, and that is finished. Honourable Members in the House who perhaps do not belong to a group have their opportunities of bringing forward Resolutions according to the ordinary rules, and all we stand committed to is this, that if there is a group in the House which desires to bring forward a definite Resolution dealing with matters arising out of this Report, and there is a general feeling that the House at large would like to discuss the Resolution, I am quite prepared, speaking on behalf of the Government, to give assistance in procuring a day at some convenient date next year. Further than that I cannot go. On the general question of the adjournment, I understand my Honourable colleague leaves it to the House.

***Mr. K. Rama Aiyangar (Madura and Ramnad *cum* Tinnevely : Non-Muhammadan Rural) :** Sir, after what has been said by the Honourable the Home Member on the matter, I would ask my friend Diwan Bahadur Rangachariar to withdraw the motion for adjournment, and I shall place my views before the House in a very few words. The question is whether we should not have an opportunity to express ourselves on the lucid statement made this morning by the Honourable the Finance Member. He has given us almost a key to the whole of the Taxation Committee's Report which has been placed before us. I take it that what the Honourable the Home Member said comes to this that no further opportunity will be given to discuss this matter unless a certain body of persons on this side, which would be considered sufficiently large by the Honourable the Home Member or by the Honourable the Finance Member, brings forward a combined Resolution for discussion. If that is the position taken, I submit that we should not delude ourselves into the belief that that would give us any further opportunity or even a bare chance of an opportunity of discussing what we think might be done upon the Report. I think the proper thing for the Government to do in a matter like this is to give an opportunity to the House to discuss any definite proposals that might emanate from the Government. If that is not the view of the Government, I do not know if the House would be well advised not to take advantage of this opportunity to express ourselves on the several questions that have been raised. What I understood the Honourable the Finance Member to say was that he would take the opportunity of considering the whole position and placing it before the House for discussion, and that was what we took his proposal to mean. I think, however, Sir, the whole thing has taken a different turn now. I want my friends to consider this matter.

*Speech not corrected by the Honourable Member.

Mr. K. C. Neogy (Dacca Division : Non-Muhammadan Rural) : Sir, I think the statement that has just been made by the Honourable the Home Member ought to satisfy this House. What was wanted by my Leader, Mr. Jinnah, was that a sort of assurance should be given that in the next Session an opportunity would be afforded to this House to discuss any definite matter which might be brought forward by any definite group of non-official Members. We are either in a position to formulate a definite proposition on this Report or we are not. If we are, then the Honourable the Home Member says : " Intimate that fact to me." If we intimate that fact to him, then we ought to be in a position to state also whether there is a general desire on the part of the non-official Members of the House to have a discussion on that proposition. Unless there is such a general desire, it is no use having a discussion at all. Therefore, I think the conditions which the Honourable the Home Member has laid down are not onerous at all, if there is a genuine attempt on the part of any group on this side of the House to have a serious discussion on the Report.

I do not understand my Honourable friend Mr. Rama Aiyangar when he says that Government should bring forward their definite conclusions on this report. That is not the suggestion which was just now made by my Honourable Leader, and I think my Honourable friend was wrong when he thought that Mr. Rangachariar's motion for adjournment had not the support of this side of the House.

The Rev. Dr. E. M. Macphail (Madras : European) : Sir, I simply wish to submit that the procedure we have been following is perhaps not so irregular as it seems to be to some Honourable Members. I was a Member of the House last Session and I remember being present at the general discussion upon the Budget and I think also upon the Railway Budget, and on those occasions Honourable Members had the opportunity of getting up and talking, if I may say so, at large. They were able to give their views upon the different points they were interested in even though there were no definite proposals placed before them. As I understand it, what has been done now is simply that the Honourable the Finance Member has given us all here an opportunity of doing what has already been described as airing our pet views upon the subject of taxation. Even my Honourable friend, Sir Hari Singh Gour, while deprecating doing so, took the opportunity of putting forward some of the views which he held.

My whole feeling with regard to what has been said by Honourable Members in opposition to discussing the matter until Government make proposals is that they rather remind me of a candidate who was being examined in a *viva voce* examination. When the examiner asked him what his views were upon a particular point, he said : " Sir, will you kindly state what your views are and I will tell you whether I agree with you or not." Now, I can quite understand that Honourable Members do not want to give themselves away. They do not want to tell Government what they really wish. What they want to do rather is to have the opportunity of criticising what the Government say. And consequently upon the present occasion, when we are voting upon this subject of adjourning the discussion, we should understand quite clearly that if we turn down this opportunity we shall not have another.

Mr. President : The original Resolution was :

" That this Assembly recommends to the Governor General in Council that he be pleased to take into consideration the Report of the Indian Taxation Enquiry Committee."

Since which the following amendment has been moved:

“ That the further consideration of this Resolution be adjourned *sine die*. ”

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

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Friday, the 20th August, 1926.
