

10th March 1927

THE
LEGISLATIVE ASSEMBLY DEBATES
(Official Report)

Volume II

(22nd February to 14th March, 1927)

FIRST SESSION
OF THE
THIRD LEGISLATIVE ASSEMBLY, 1927

Chamber No. 181X/23



DELHI
GOVERNMENT OF INDIA PRESS
1927

CONTENTS.

VOLUME II—22nd February to 14th March, 1927.

| | PAGES. |
|---|--------------------|
| Tuesday, 22nd February, 1927— | |
| Members Sworn | 1123 |
| Questions and Answers | 1123-28 |
| General Discussion of the Railway Budget | 1129-1190 |
| Wednesday, 23rd February, 1927— | |
| Members Sworn | 1191 |
| Questions and Answers | 1191-93 |
| The Railway Budget— | |
| List of Demands— | |
| Demand No. 1—Railway Board | 1194-1225, 1226-48 |
| Message from the Council of State | 1225 |
| Thursday, 24th February, 1927— | |
| Member Sworn | 1249 |
| Private Notice Question and Answer | 1249-50 |
| The Railway Budget— <i>contd.</i> | |
| List of Demands— <i>contd.</i> | |
| Demand No. 1—Railway Board— <i>contd.</i> | |
| Strengthening the representative control by all interests concerned over Indian Railways | 1251-55 |
| Quinquennial Review of Capital Programme | 1255-62 |
| Policy followed in respect of the Purchase of Stores | 1262-71 |
| Separation of Railway from General Finance | 1271-80 |
| Form of Budget and Statistics | 1280-83 |
| Grievances of Subordinate Railway Employees | 1283-1300 |
| Friday, 25th February, 1927— | |
| Member Sworn | 1301 |
| Questions and Answers | 1301-15 |
| The Railway Budget— <i>contd.</i> | |
| List of Demands— <i>contd.</i> | |
| Demand No. 1—Railway Board— <i>contd.</i> | |
| Grievances of Subordinate Railway Employees— <i>contd.</i> ... | 1315-42 |
| Railway communication between Gauhati and Shillong... | 1343-46 |
| Powers and Formation of Advisory Committees | 1346-60 |
| Railway rates of freights in relation to the Indian Manufacturer | 1360-68 |
| General control and supervision, Indianisation, regulation of Capital Expenditure, etc. | 1368-70 |
| Reduction of freight on Petrol | 1370-74 |
| Demand No. 2—Inspection... | 1374-80 |

CONTENTS—*contd.*

| | PAGES. |
|---|-----------|
| Saturday, 26th February, 1927— | |
| Questions and Answers ... | 1381-90 |
| Unstarred Questions and Answers ... | 1391-92 |
| Statement of Business ... | 1392-93 |
| The Railway Budget— <i>contd.</i> | |
| List of Demands— <i>contd.</i> | |
| Demand No. 3—Audit ... | 1393 |
| Demand No. 4—Working Expenses: Administration— | 1393-1409 |
| Appointment of Deputy Agents on the South Indian Railway ... | 1409-11 |
| Administration of the Stores Department, North Wes- tern Railway ... | 1411-13 |
| Arrangements for the Hardwar Kumbh Mela ... | 1413-21 |
| Reduction of Third Class Fares ... | 1421-27 |
| Inconveniences suffered by the Travelling Public ... | 1427-31 |
| Over-employment of Europeans in new posts created and vacancies filled ... | 1431-38 |
| Third and Intermediate Class Waiting Rooms for Indian Ladies at Moradabad ... | 1438-40 |
| Demand No. 5—Working Expenses: Repairs and Mainte- nance and Operation— | 1440 |
| Repairs and Maintenance charges of Rolling Stock ... | 1440-50 |
| Demand No. 6—Companies' and Indian States' Share of Surplus Profits and Net Earnings ... | 1450 |
| Demand No. 9—Appropriation to Depreciation Fund ... | 1450 |
| Demand No. 10—Appropriation from Depreciation Fund ... | 1451 |
| Demand No. 11—Miscellaneous ... | 1451 |
| Demand No. 12—Appropriation to the Reserve Fund ... | 1451 |
| Demand No. 14—Strategic Lines ... | 1451 |
| Demand No. 7—New Construction ... | 1451 |
| Demand No. 8—Open Line Works ... | 1451 |
| Demand No. 15—Strategic Lines ... | 1452 |
| Monday, 28th February, 1927— | |
| The Budget for 1927-28—Presented ... | 1453-72 |
| The Indian Finance Bill—Introduced ... | 1472 |
| Tuesday, 1st March, 1927— | |
| Members Sworn ... | 1473 |
| Questions and Answers ... | 1473-1505 |
| Unstarred Questions and Answers ... | 1506-24 |
| Demands for Supplementary Grants— <i>contd.</i> | |
| Aviation ... | 1525-73 |
| Thursday, 3rd March, 1927— | |
| Questions and Answers ... | 1575-77 |
| Message from the Council of State ... | 1578 |
| Petitions relating to the Currency Bill ... | 1578 |
| Statement of Business ... | 1578-79 |
| Appointment of the Committee on Public Petitions ... | 1579 |
| General Discussion of the Budget—Part II— <i>contd.</i> ... | 1579-1643 |

CONTENTS--*contd.*

| | PAGES. |
|--|-----------|
| Friday, 4th March, 1927-- | |
| Questions and Answers | 1643-1654 |
| Short Notice Questions and Answers | 1655-58 |
| Unstarred Questions and Answers | 1658-60 |
| Motion for Adjournment--Riot in the District of Backergunj in Bengal--Not moved | 1660 |
| Petitions relating to the Currency Bill | 1660-62 |
| General Discussion of the Budget--Part II-- <i>concl'd.</i> | 1661-1727 |
| Monday, 7th March, 1927-- | |
| Member Sworn | 1729 |
| Questions and Answers | 1729-43 |
| Unstarred Questions and Answers | 1743-46 |
| Petitions relating to the Currency Bill | 1746-47 |
| Report of the Committee on Petitions <i>re</i> Petitions relating to the Currency Bill--Laid on the table | 1747 |
| Order of the Debate on Demands for Grants | 1747-48 |
| The Currency Bill--Motion to consider adopted | 1748-1815 |
| Tuesday, 8th March, 1927-- | |
| Questions and Answers | 1817-35 |
| The Currency Bill--Discussion adjourned | 1835-95 |
| Wednesday, 9th March, 1927-- | |
| Questions and Answers | 1897-1911 |
| The General Budget-- List of Demands-- Demand No. 28--Executive Council-- <i>cont'd.</i> | 1911-73 |
| Thursday, 10th March, 1927-- | |
| The General Budget-- <i>cont'd.</i> | |
| List of Demands-- <i>cont'd.</i> | |
| Demand No. 28--Executive Council-- <i>cont'd.</i> | 1975 |
| Demand No. 16--Customs | 1975-2008 |
| Paucity of Wharfingers in Karachi | 1976-77 |
| Duty on Cotton Piecegoods and abolition of the Export Duties on Tea and Raw Hides | 1977-80 |
| Revision of specific, <i>ad valorem</i> , and protective Duties-- Tax Administration | 1980-86 |
| Ruling as to assessment of Duty on Imported Paper... .. | 1986-88 |
| Invidious distinctions between Provinces in the scales of Pay of Clerks | 1988-93 |
| Export Duty on Jute | 1993-99 |
| Export Duty on Rice | 1999-2002 |
| Customs Policy--Land Frontiers | 2002 |
| Smuggling of Saccharine | 2002-06 |
| Demand No. 23--Indian Postal and Telegraph Depart- ment-- | 2009-24 |
| Dearth of Post Offices in the Chota Nagpur Division. | 2013-15 |
| Low Salaries of postal clerks, peons and subordinate services and inadequate pensions to retired subor- dinates | 2015-34 |

CONTENTS—*contd.*

PAGES.

Friday, 11th March, 1927—

| | |
|---|-----------|
| Questions and Answers | 2035-52 |
| Bills passed by the Council of State laid on the table | 2052 |
| Message from the Council of State | 2052-53 |
| Statement of Business | 2053-54 |
| The General Budget— <i>contd.</i> | |
| List of Demands— <i>contd.</i> | |
| Demand No. 23—Indian Postal and Telegraph Department— <i>contd.</i> | 2054-2101 |
| Low Salaries of Postal Clerks, Peons and Subordinate Services and inadequate Pensions of Subordinate Retired Officers | 2054-83 |
| Division of Portfolios and non-appointment of a Member for Communication | 2083-92 |
| Telegraph Censorship | 2092-97 |
| Press Telephone Rates | 2097-98 |
| Cable and Inland Press Rates | 2098-99 |
| Posting of Telegrams | 2099-2100 |
| Indo Ceylon Cables | 2100-01 |

Saturday, 12th March, 1927—

| | |
|--|---------|
| Questions and Answers | 2103-08 |
| Statement laid on the Table | 2108 |
| Withdrawal of Instructions to Select Committees to report on certain Bills within given date | 2108-09 |
| Petitions relating to the Currency Bill | 2109 |
| The Currency Bill—Discussion on the consideration of clauses adjourned | 2109-00 |

Monday, 14th March, 1927—

| | |
|---|-----------|
| Questions and Answers | 2161-85 |
| Unstarred Questions and Answers | 2182-85 |
| Report of the Committee on Petitions regarding petitions relating to the Currency Bill | 2185 |
| General Budget— <i>contd.</i> | |
| List of Demands— <i>contd.</i> | |
| Demand No. 18—Salt— | 2186-2202 |
| Desirability of increasing the consumption of Salt in India and of making India self-supporting in the matter of Salt | 2186-90 |
| Manufacture of Salt in the Orissa Coast | 2190-97 |
| Grievances of the Miners of the Khewra Salt Mines | 2197-2202 |
| Demand No. 38—Army Department— | 2202-40 |
| Report of the Auxiliary and Territorial Forces Committee: University Training Corps | 2203-14 |
| General Policy and Expenditure | 2214-40 |

LEGISLATIVE ASSEMBLY.

Thursday, 10th March, 1927.

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

THE GENERAL BUDGET—LIST OF DEMANDS—*contd.*

SECOND STAGE—*contd.*

Expenditure from Revenue—contd.

DEMAND No. 28—EXECUTIVE COUNCIL—*contd.*

Mr. President: The House will now proceed to discuss further amendments under the head 'Executive Council.' Mr. Das.

Mr. B. Das (Orissa Division: Non-Muhammadan): There is only one rupee left. May I reduce this one rupee so that there will be nothing left?

Mr. K. C. Neogy (Dacca Division: Non-Muhammadan Rural): On a point of order, Sir. In view of your ruling that it will not be in order for any Member to reduce a grant by the whole amount, may I know, now that one rupee is the whole amount at which the grant stands, whether it will be in order for any Member to seek to reduce that one rupee?

Mr. President: The motion is the original motion and the House is entitled to deal with it in the ordinary way. There is nothing to prevent Mr. Das from cutting down the last rupee in the total grant.

Lala Lajpat Rai (Jullundur Division: Non-Muhammadan): Sir, with your permission may I appeal to Mr. Das not to proceed with his motion. In view of the fact that the grant has been reduced to one rupee, I do not think we should take up further cuts. I think we should stick to the understanding arrived at with regard to the discussion on the Demands.

Mr. President: The Chair is prepared to proceed to the next Demand if Honourable Members so desire. I take it that it is the desire of the House to take up the next grant. The question is:

"That a sum not exceeding Re. 1 be granted to the Governor General in Council to defray the charges that will come in course of payment during the year ending the 31st day of March, 1928, in respect of the 'Executive Council'."

The motion was adopted.

DEMAND No. 16—CUSTOMS.

The Honourable Sir Basil Blackett (Finance Member): Sir, I move:

"That a sum not exceeding Rs. 70,93,000 be granted to the Governor General in Council to defray the charges that will come in course of payment during the year ending the 31st day of March, 1928, in respect of 'Customs'."

(1975)

A

Mr. K. O. Roy (Bengal: Nominated Non-Official): May I enquire if there is a time limit for speeches to-day?

Mr. President: There is no time limit.

Sir Hari Singh Gour (Central Provinces Hindi Divisions: Non-Muhammadan): May I enquire if a time limit will not be placed?

Mr. K. O. Roy: I was given to understand that the speeches would be timed.

Mr. President: It is for the Party Leaders to settle the question among themselves and regulate the debate if they so choose.

Sir Hari Singh Gour: Cannot the House decide?

Mr. President: The House cannot by a majority vote take away the right of the minority. **Mr. Srinivasa Iyengar.**

Mr. S. Srinivasa Iyengar (Madras City: Non-Muhammadan Urban): I do not move my amendment as I oppose the whole Demand.

(Mr. President then called upon Mr. M. K. Acharya to move his amendment.)

The Honourable Sir Alexander Muddiman (Leader of the House): Sir, on a point of order, if the Honourable Member is going to move his amendment, I would say that this question could have been raised yesterday on the constitutional debate, and secondly, that the House has already discussed this question on a motion for adjournment on account of Mr. S. C. Mitra not being allowed to attend the Assembly. I submit that the House would be only wasting time in discussing it again.

Mr. M. K. Acharya (South Arcot *cum* Chingleput: Non-Muhammadan Rural): It raises the question of grievances before supplies and refers to a definite grievance on which it is open to the House to reject this and indeed 'every Demand.

Mr. President: The Honourable Member knows that the House has already passed a vote of censure in the matter of Mr. S. C. Mitra and the motion is therefore barred under Standing Order 31, which provides that:

"A motion must not raise a question substantially identical with one on which the Assembly has given a decision in the same session."

Mr. M. K. Acharya: If that is your ruling, Sir, I submit to it, but will oppose the Demand at the end.

[Mr. President then called on Mr. Harchandrai Vishindas to move his amendment (No. 4 on the List of Motions).]

Paucity of Wharfingers in Karachi.

Mr. Harchandrai Vishindas (Sind: Non-Muhammadan Rural): Sir, I have to say a few words on this motion.* I do not propose, like some other gentlemen, to cut out the whole thing. This is a token cut with the object of drawing attention to a particular matter, and that is this, that the number of wharfingers in the Customs Office, Karachi, is much less than is necessary. As a matter of fact representations were made on behalf of the Indian Merchants Association as well as the European Chamber, that on account of the paucity of wharfingers the merchants were put to very much inconvenience, which could be avoided if some more wharfingers were appointed. While formerly there were 41, they have now provided only 32. I do not want to press this matter any further than simply to draw the attention of Government to this particular point.

* "That the Demand under the head 'Customs' be reduced by Rs. 2,000."

The Honourable Sir Basil Blackett: We have recently reduced the number of wharfingers from 31 to 27. We found this possible because of the transfer of certain work to the Port Trust. I think it is the duty of Government when it finds it possible to reduce expenditure to reduce it. The Government will, however, take note of Mr. Vishindas' point and I can assure him that it will receive due attention.

Mr. President: Does the Honourable Member desire the Chair to put his motion to the vote?

Mr. Harchandrai Vishindas: No, I just made it clear that I do not wish to press the point.

Mr. President: Does the Honourable Member ask leave to wish to withdraw the motion?

Mr. Harchandrai Vishindas: Yes.

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

Mr. President: Mr. Sessa Ayyangar. I see that the Honourable Member has not intimated what point he wishes to raise. The Chair hopes that in future Honourable Members will follow the convention in this respect.

Duty on Cotton Piece-Goods and Abolition of the Export Duties on Tea and Raw Hides.

Mr. M. S. Sessa Ayyangar (Madras and Ramnad *cum* Tinnevely: Non-Muhammadan Rural): I move, Sir, that the Demand under the head 'Customs' be reduced by Rs. 1,500.

Sir, in moving this motion, I beg to invite the attention of the Government and that of the House to one or two points which arise under this head 'Customs'. To me, it appears, Sir, that there is a bias, it is quite unconscious I take it, but all the same glaring, in favour of British interests and derogatory to Indian interests. For instance, I would invite the attention of the House to the tariff of the customs on cotton piece-goods. In this case, it was practically admitted by the Honourable Sir Basil Blackett even during his evidence before the Currency Commission, that the high wall of import tariff in India had been practically set at naught by the 18 pence ratio. To-day the import duty on cotton piece-goods happens to be 11 per cent. *ad valorem*. Now the 18 pence ratio injures this high protective tariff. To compensate the loss arising under that, the tariff wall should have been raised a bit, but that is not what has occurred. Now that places India under a double disadvantage. It gives a preference to the British piece-goods by facilitating the imports under this reduced duty because of the 18 pence ratio and it also places the indigenous Indian cotton manufacturers at a positive disadvantage. It practically also impairs the progressive indigenous khaddi movement, which, it would be, in the interests of India and the Indian financial administration, to foster and develop. Now, that is my first point.

Secondly, there is the question of tea. In finding possible avenues for the utilization of the surplus, the Honourable the Finance Member suggested the other day in his budget speech that the export duty on tea should be done away with. Now here again, Sir, it does not at all benefit the Indians. It benefits the British consumer of tea and it also facilitates the export of tea from India; and the tea monopoly in India, as the House is well aware, is entirely in the hands of non-Indians. From the figures of 1924-25 we see that out of 346 million pounds of tea that were exported by sea from India, nearly 300 million pounds were consumed by Great Britain; and in 1925-26, out of 326 million pounds of tea exported

[Mr. M. S. Sessa Ayyangar.]

by sea from India, 286 million pounds were consumed by Great Britain. Now by abolishing the export duty on tea, therefore, certainly, the British consumer of tea is placed at a positive advantage. It no doubt facilitates also the export of tea from India, which, as I submitted just now, is entirely the monopoly of non-Indians. This proposal, while not benefiting Indians, gives a positive advantage to British interests. This is another instance, unconscious though it may be, but glaring, of British preference. There is a sacrifice of revenue no doubt from the Indian standpoint, but it is not compensated in the least by any benefit to the Indians but places the Britisher in a positive vantage ground.

Now, in the case of the salt duty, there is another instance, as regards the import of salt, duty free. Salt arriving at the port of Calcutta is made duty free simply because it is used in the industry of glazed stone ware in Bengal and for other purposes such as fish-curing in Bengal and in Bihar and Orissa. In these cases it positively hurts the Indians and places the Britishers at a great advantage. In paragraph 176 of the Taxation Committee's Report we see that there is a great hardship and handicap which the indigenous Indian manufacturer of salt is placed under. In fact he is disabled from importing or from carrying to Calcutta either by rail or by sea the salt that is manufactured elsewhere in India itself, and it is also an open secret that, so far as the import of salt into India is concerned, it comes mainly from Liverpool and Aden . . .

The Honourable Sir Basil Blackett: On a point of order. We are, I believe, to discuss the salt grant at a later stage. There is salt that pays customs duty, but I think it would be for the convenience of the House, if we are going to deal with salt, that we should deal with it on the salt grant.

Mr. President: Will the Honourable Member leave salt alone for the present?

Mr. M. S. Sessa Ayyangar: Thanks, Sir, I am leaving salt alone, but I mentioned that incidentally to show that it comes also under the tariff. Salt is imported free under the customs tariff under certain circumstances and I was making incidental mention of that. I am not entering into the question of salt duty at all. I wanted to emphasize that even in the case of the import of salt for fish-curing and indigenous medicine purposes there is great hardship for India and facility for Britain.

As a portion of the changes in the customs tariff, it was announced the other day in the budget speech that there was to be an abolition of the export duty on raw hides. Though it may legitimately come under the question of the Finance Bill, I may be permitted to mention that also incidentally, because when the Indian Tariff Act was amended in 1919, it was amended for the specific purpose of giving some advantage to the indigenous leather industry of India. What is it that has occurred in these nine years to make a change to show that there is a case made out for abolishing the export duty on hides? It is an open secret again that since the introduction of the chrome-tanning process in India, our tanned leather has found a favourable market in Britain and there is a very large demand for this leather from India; and we know also that there are very great facilities in India, so far as tanning is concerned; India possesses large indigenous sections of excellent tanning material. When India has great resources for developing her tanning industry and when the time for experiment has been so short, I submit there is absolutely

no case made out for giving up the export duty and sacrificing nine lakhs of rupees of the Indian revenue. The other day the House may remember that Mr. Prakasam drew the attention of the House to a telegram he had received and which the Madras section of Honourable Members had received from the President of the Hides and Tanners Association in Madras, to say that this proposal would hit very hard the leather industry of India.

These are instances which I think worth while to bring to the attention of the authorities in order that they may see that in all these cases there is a more or less unconscious bias in favour of British interests and which is derogatory to the interests of India. I submit these things may be taken into consideration.

The Honourable Sir Charles Innes (Member for Commerce and Railways): Sir, I will take up first the Honourable Member's suggestion that there is, what he calls, a British preference in our duties on cotton piece-goods. I am totally unable to discover from the Honourable Member's speech what grounds he had for suggesting that there was any preference whatever in the duties on piece-goods. He was under the misapprehension that the present ratio of 1s. 6d. was more, in favour of imports from Great Britain than of imports from other countries. Well, Sir, if the Honourable Member had followed the discussions which have been going on for the last three years between the Government of India and the Bombay mill-owners he would have found that the whole complaint of the Bombay mill-owners regarding competition from abroad is not against competition from Great Britain, but against competition from Japan. In any case the Cotton Textile Committee's Report has now reached the Government of India and sooner or later it will be published and the House will then have an opportunity of discussing it and I think the Honourable Member will find that he is under an entire misapprehension in suggesting that there is any British preference whatsoever in the import duties on piece-goods.

The Honourable Member went on to suggest that there is another case of British preference in the proposal to remove our export duty on tea. That again is another subject which will come up for discussion when the Finance Bill is brought up the week after next, and I do not propose to go into it in any detail at the present moment. But it is a mistake to say that because most of our tea is consumed in Great Britain, therefore we are doing something for the British consumer by suggesting that the export duty should be removed. I would just like to tell the Honourable Member quite briefly what the origin of this proposal to take off the export duty is. In the first place, it was strongly recommended by the Fiscal Committee. In the second place, the Taxation Enquiry Committee suggested that the export duty should be taken off if at any time it was found that it was injuring the tea industry. In 1920, when I was Secretary in the Commerce Department, the tea industry was passing through an extremely bad time. The tea people were losing on every pound of tea they made, and we in the Government of India were in the position of adding to that loss by the amount of this export duty. That is a very awkward position for any Government to be in, and that is the reason why my Honourable colleague on my right is endeavouring to substitute for the export duty on tea a more satisfactory source of revenue.

[Sir Charles Innes.]

Finally, I come to the suggestion that the proposal to take off the export duty on hides is another instance of British preference. Again the Honourable Member is under a misapprehension. He suggested that we were taking off this export duty because we wanted to take away from the Madras tanning industry such protection as it has at present. Now, Sir, if the Honourable Member will only study the Fiscal Committee's Report he will find that the Fiscal Commission definitely condemns in unmeasured terms any export duty as a protective measure. The Honourable Member was again under a misapprehension in saying that large quantities of chrome leather were being exported from Madras to the United Kingdom. The quantity of manufactured leather which is exported is infinitesimal. The only leather which is being exported in any considerable quantity from India to the United Kingdom is what is called East India kips, that is, hides which are semi-tanned are sent to the United Kingdom where the Indian tannage is washed away and the curriers make it up into proper leather. That is the only export industry in leather which has attained any large dimensions and it is merely semi-finished leather that is sent out. I do not propose to say more about this export duty on hides because it will be fully discussed when the Finance Bill comes on; but when the Honourable Member suggests that the proposal is an attempt to give British preference it shows that he does not know the history of this export duty at all. When it was put on in 1919 I am quite prepared to admit that a distinction was made between exports of hides to Empire countries and exports of hides to non-Empire countries. The export duty on hides exported to Empire countries was less than the export duty on hides exported to non-Empire countries; and it was I who some two or three years ago proposed that that discrimination should be done away with and the export duty reduced to a flat rate of 5 per cent. *ad valorem*. When we took the responsibility of doing that it seems to me a little unfair for the Honourable Member now to say that we had any idea of British preference in proposing that this duty should now be removed. At any rate, as the two or three matters raised by the Honourable Member will be discussed more fully when the Finance Bill comes on, I hope, Sir, he will withdraw his motion.

Mr. M. S. Sessa Ayyangar: Sir, in view of the fact that this is only a token cut, I have no desire to press my motion.

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

Revision of Specific, Ad Valorem and Protective Duties: Lax Administration.

Mr. A. Rangaswami Iyengar (Tanjore *cum* Trichinopoly: Non-Muhamadan Rural): Sir, the motion* of which I have given notice raises two distinct questions. One is the question of the general position of customs duties. We have now, Sir, in our existing tariff specific, *ad valorem* and protective duties and I submit to the House that the revision of the customs tariff and the manner in which these tariff revisions have taken place are such that the Government ought to be censured for the present state of affairs. Sir, so far as specific duties are concerned, when in 1925 my Honourable friend Sir Charles Innes proposed that in respect of the sugar duty we should replace the *ad valorem* by specific duty because of the competition of cheap Java sugar which had affected the revenue of this country, we were led to believe that it was only for the protection of

* "That the Demand under the head 'Customs' be reduced by Ra. 1,500."

revenue that this measure was undertaken. As a matter of fact it now turns out that it is not so much for the protection of revenue as for the production of more revenue. The proceeds in 1925-26 of the sugar duty were 70 lakhs more than in 1924-25 and nearly double those of 1923-24, which were then said to reflect the heavy fall in the price of sugar in that year. That was the reason suggested to us for putting on that specific duty. Although they knew that this specific duty did satisfy more than the purpose for which it was imposed, they continued that duty during 1926-27. And what do we find? "Our cautious estimate of 5·70 crores for 1926-27 has now to be raised by 1·25 crores." Sir, I object to this way of adding to our taxation under representations which the Government could well have found out to be not sustainable—at least by the end of the year 1925-26; and I therefore think that it argues a laxity on the part of the Government in having attempted to obtain from us such a huge sum of additional taxation merely on the plea that it is intended to protect revenue.

Then, Sir, we have the question of the protective duties. Now, Sir, in this country these protective duties are intended to introduce a policy of "discriminating protection." In the ordinary course protective duties are generally intended to protect an industry of a country so as to exclude the imports against which protection is needed, but unfortunately in this country the industries that have to be protected are unable to supply the whole of the quantity of goods that are necessary for this country with the result that foreign imports could not be excluded and we had necessarily to protect the industry to the extent to which it required protection by the levy of duties while at the same time the burden on the consumer had to be as light as possible. So the policy of the Steel Protection Act and of the later decisions taken by this House was that, in order the protective duty should be such as not to injure the consumer more than is necessary and at the same time give effective protection to the steel industry, we must add a bounty to the protective duty. Now, Sir, that policy has been definitely departed from in the last Bill that was passed in this House. I do not want to raise the discussion over again but, I say, Sir, that the policy of these protective duties as part of the customs arrangements of this country requires to be reconsidered.

Then, Sir, there is the general question as to what extent the tariff of this country should be based upon a system of *ad valorem* duties and to what extent upon a system of specific duties. That is a matter upon which the Government apparently has got no principle to guide it. As I have mentioned already, the specific duties which were resorted to on the last occasion have only resulted in adding to the burden upon the Indian consumer. Therefore I say that the whole of the customs arrangements of this Government are an example of laxity and want of method and system, which I think hardly does credit to the administration of a department under two such distinguished Members of the Government as those who sit opposite to us. I think one of the difficulties is that this Department of Customs is really under two Members. The Member for Commerce apparently has to decide what duties are to be imposed, and the Member for Finance has apparently to decide how it shall be collected, and how the administration of the Customs Department should be conducted. The real position as regards the Customs Department and the manner in which the present customs arrangements have been reduced to a

[Mr. A. Rangaswami Iyengar.]

chaotic state was indeed referred to when we discussed these matters in the Public Accounts Committee. Sir, in the year before last, the Auditor General of the Government of India pointed out, in regard to the customs accounts, that:

"serious irregularities have come to light at all customs houses and at Calcutta frauds have been perpetrated upon the revenues which are more serious than any which have occurred in the department for a generation past. I know of no department of Government activity in which there is more need for an improvement in the system and organization of internal check than in the Customs Department."

Then, Sir, there were searching investigations conducted by the Public Accounts Committee and suggestions were made with a view to improve the state of things. But really what is required now is that the whole position of our customs tariff should be re-examined. We have now come to a stage in the financial system of this country when so far as the central revenues are concerned, Customs, Income-tax and Salt form the principal sources of revenue; and what with protective duties, specific duties and *ad valorem* duties, we should have a scientific tariff system established in this country; but as against that, what is the real position? Let me read the Report of the Public Accounts Committee of the next year:

"A series of frauds came to light in the appraising department of the Calcutta Customs House in 1923; the officers responsible have been suitably dealt with. . . . The problem of finding a right solution is not an easy one since the matter depends upon securing a better check before the goods actually leave the customs house, and the measures adopted should be so designed as to avoid imposing additional delay in the clearance of goods. . . . Another subject which is also engaging the serious consideration of the Central Board of Revenue is the improvement of a system of internal check. . . . Then it was brought before us in evidence by the audit authorities that the Sea Customs Act of 1878 is obsolete and the need of drastic amendment in order to bring it up to date was prominently before us in evidence. We were indeed told and this is important that the Act would be unworkable in modern conditions if conventional methods had not grown up and obtained the sanction of long practice, though they were in many cases, if not *ultra vires*, at any rate not strictly in accordance with the letter of the law. It is obvious that this condition of affairs adds considerable difficulty to the work of the Audit Department, a part of whose duties it is to see that revenue is being collected by the Customs Department in accordance with the statutory provisions of this Act. We understand that the question of amending the Sea Customs Act was one of the first subjects taken up by the Central Board of Revenue at the time of its appointment in November 1923, and we trust that it will be possible at an early date to lay proposals for revising the statute before the legislature."

Sir, I think in this state of things it is very high time indeed for the department concerned to put an end to this extremely lax state of affairs because it is not merely a source of corruption, but is also a source for the perpetration of frauds on the public revenue.

Then, Sir, there is another matter which arises in respect of this laxity of administration, but I suppose it will be raised later on, as I see by my friend Mr. K. C. Roy, and that is the extremely unsatisfactory position in regard to the inland customs line. Those who have been in the Madras Presidency know the difficulty, know the harassment and the trouble which lawful citizens are put to by reason of the fact that certain other people have been smuggling goods. That is also a matter in which there is neither rhyme nor reason in the methods of the Customs Department. I therefore feel, Sir, that on these matters the department concerned has been very much to blame, and I therefore move this cut.

Sir Walter Willson (Associated Chambers of Commerce: Nominated Non-Official): Sir, I would like to make a few observations on the speech which has fallen from my Honourable friend. Firstly, in regard to sugar. A year or two ago in this House I moved a Resolution or a cut against fixing sugar duties on an *ad valorem* basis. I explained at considerable length to the House at that time which I do not propose to repeat to-day, my objections to the change then made. I would only like to say this to the Honourable Member that I could have whole-heartedly supported him to-day had he supported me then; but, Sir, what happened was, as so often is our experience in this House, that that morning there had been a somewhat heated and exciting political debate; and Honourable Members opposite were so full of their political debate that they had all cleared out of the House and left me alone to support my motion on sugar, although before coming into the House they had expressed themselves as being entirely on my side! In my speech on the General Budget the other day I was compelled to admit that the fixing of the tax on an *ad valorem* basis had not seriously affected the trade in sugar; and therefore I cannot support my Honourable friend to-day with my vote as I could have done a year ago.

Then, Sir, I return to the question of the tariff. I agree with what he said about our present somewhat haphazard tariff. I should like very heartily an announcement on the part of the Government that they intended to put an officer on special duty to revise these sea customs duties. Certainly the whole position does require re-examination and there are far too few items in the tariff. With regard to what he said as to Customs being under the Commerce Member or the Finance Member, I come down at once on the side of the Commerce Member. I think it is highly preferable that duties should be handled by the Commerce Member with an eye to the trade of the country, rather than merely by the Finance Member with a view to grabbing all possible revenues he can get out of them. To that extent I am entirely with my friend.

Mr. N. M. Joshi (Nominated: Labour Interests): Sir, although there is another opportunity to speak on this subject I take advantage of this opportunity just to make a few observations. Sir, my Honourable friend Mr. Rangaswami Iyengar complained that the Government of India has not made proper inquiries into the tariff and he suggests that such inquiries should be made. What I feel, Sir, is that inquiries have been made, but unfortunately the Government of India does not give effect to the proposals contained in that inquiry. The Taxation Inquiry Committee has made its report. Unfortunately the Government of India does not attach much value to the proposals contained in that report.

The Honourable Sir Basil Blackett: Why?

Mr. N. M. Joshi: The Taxation Inquiry Committee came to the conclusion that in India the indirect taxes or what they call the taxes on consumption are more than they ought to be; and they have given figures. They have also stated in their report that the burden on the urban labourer is larger than it should be and that it should be reduced. The Taxation Inquiry Committee also suggested the order of priority as to reduction of taxes; and I feel, if Honourable Members have now read the Finance Bill, that they will realise that the Finance Member, although only two days back he showered his sympathy upon the wage-earners in this country, did not show much practical sympathy in his finance proposals. Sir, when the Taxation Inquiry Committee has made it clear that the burden of the

[Mr. N. M. Joshi.]

urban labourer is more than it ought to be and when they have suggested means of reducing that burden, namely, by reducing the duty on sugar, kerosene and matches, he goes out of his way to select the duty on motor cars for reduction this year. Sir, the Honourable the Finance Member stated that he has taken the proposal of the Taxation Inquiry Committee into consideration. I would ask him to explain to us what is the order of precedence given by the Taxation Inquiry Committee and whether he has followed that order of precedence. If he has not followed that order of precedence, I may at once say that the Honourable the Finance Member has not given effect to the proposals of the Taxation Inquiry Committee. If that Committee had not given the order of priority for reduction of taxation, then certainly it would have been proper for him to choose any tax he liked, but the Taxation Inquiry Committee has laid down a certain order of precedence for reduction of taxation. They have placed the taxes on sugar, matches and kerosene first in that order of the import duties and he has not reduced any one of these. I therefore, think, Sir, that the Honourable the Finance Member has not given any effect to the recommendations of the Taxation Inquiry Committee. He has not reduced the duty on sugar although the Taxation Inquiry Committee has suggested that as one of the first. He has not reduced the duty on matches, although we have got nearly a 200 per cent. duty on matches; nor has he reduced the duty on kerosene which touches the poor people of this country. I therefore think, Sir, that the cut proposed by Mr. Rangaswami Iyengar should be passed as a matter of protest against the Honourable the Finance Member for not giving effect to the proposals of the Taxation Inquiry Committee.

The Honourable Sir Basil Blackett: Sir, my first complaint with regard to this motion is that my Honourable friend Mr. Rangaswami Iyengar has used the word "laxity" in a very lax way. It is important, I think, that Members of this House should not forget that when they speak about the laxity of administration, that word is taken by a large number of officers all over the country as a possible reflection on themselves, but the greater part of Mr. Rangaswami Iyengar's speech had nothing to do with laxity of administration, but with the sins of this wicked Government in regard to things done at the centre.—something quite different from administration of the Customs revenue. He did raise one specific point about the question of frauds at customs houses and the necessity for improving internal check, a matter, as he rightly stated, which has been considered very carefully by the Public Accounts Committee on more than one occasion. I entirely agree with him that an improvement in the system of internal check inside the customs houses is an important reform which it is most desirable that we should institute. We have been conducting during last year a very careful study of the possibilities of improving conditions in that respect: the difficulties are by no means inconsiderable, but I hope that we shall be able before very long to arrive at a real improvement in that matter. So far as the frauds which occurred in 1923 were concerned, they were very thoroughly dealt with, and I do not think that there is any reason to suppose that that sort of thing is being repeated.

I come now to his charges against the Government, because I think those which I have already dealt with were the only charges that were really in the nature of laxity of administration. The first instance of Government's wickedness in this matter which has been chosen is the case of

sugar. Mr. Rangaswami Iyengar's complaint is that by making the duty specific instead of *ad valorem*, we have raised additional revenue. This matter came up when the Indian Tariff (Amendment) Bill was introduced in the spring of 1925 and passed after consideration in Select Committee and full discussion in this House. Speaking on this matter on the 18th March 1925, my Honourable friend Sir Charles Innes said as follows:

"I am perfectly prepared to admit that in 1926 the tariff valuation for sugar, instead of being Rs. 17/8 as this year, is likely to be lower. It may be Rs. 14/8; it may be less, it may be more. I cannot say more than that. Sugar is a very chancy crop. You may have a failure in Cuba, you may have a corner in America, prices may go up or may go down, but all the indications are in favour of what the Honourable Member said, that the tariff valuation for sugar in 1926 is likely to be something like Rs. 14/8 per cwt. instead of Rs. 17/8 as it is now, and that is a consideration which is very relevant to this problem which is now before the House. For supposing the tariff valuation in 1926 on the present system is Rs. 14/8 and supposing we take 25 per cent. *ad valorem* duty, the actual duty which we shall levy will be something like Rs. 3/10 per cwt. as against the Rs. 4/8 we are proposing. I am prepared to admit that, but my point is this, and that is the point which was brought to my notice when we were maturing this proposal, if we do not impose this specific duty at the rate which I now propose, for every 4 annas in duty we drop, we lose 2½ lakhs of revenue."

The whole purpose of that amendment was to stabilise our revenue, to improve our estimating and to prevent our revenue from falling away very largely when there was a big fall in the prices of sugar. The difficulty we were in was that, with large fluctuations in the size of the sugar crop and a drop in the price of sugar, it meant a very heavy drop in the *ad valorem* duty. We were in great difficulty to know what our revenue would be and the lower the price of the sugar and its import, the less duty we would get. Of course, the other question of the protection of the Indian sugar interests was also raised, and I would draw the attention of the House to the fact that we were attacked only a few days ago on the ground that the present sugar duty is not high enough to protect Indian interests. I think that my Honourable friend Sir Walter Willson must have forgotten, when he said that he did not get a proper opportunity for dealing with the sugar duty, that he actually moved an amendment on that occasion to make the specific duty Rs. 4 instead of Rs. 4/8/0 and failed to carry the House with him. . . .

Sir Walter Willson: I explained that to the House, that those Honourable Members were not here, as they should have been.

The Honourable Sir Basil Blakett: Mr. Joshi has also referred to the sugar duty on the ground that it is a heavy tax on the consumer, and in that connection he has made some complaint against the Government, and against me in particular, for not carrying out the recommendations of the Taxation Inquiry Committee. I should like to repudiate at once his accusation that the Government do not attach much value to the Report of the Taxation Inquiry Committee. I assure him that the contrary is the case. But I explained in introducing this year's Budget that until we had got rid of the provincial contributions we were not in a position to take full advantage of the valuable recommendations of the Taxation Inquiry Committee. We cannot effect any important changes in taxation in the direction of lowering taxation unless we are prepared to substitute other taxes at once in their place at the beginning. Once the provincial contributions have been got out of the way, and if we are lucky enough to have a surplus, then we can consider reductions of taxation without being faced with the necessity of imposing new taxes or additional taxes in other directions to take their place. The reason why there are no big

[Sir Basil Blackett.]

proposals for changes in taxation this year is that we are not yet quite free of the provincial contributions. I very much hope that next year and the year after the Finance Member will have an opportunity of taking more advantage than has hitherto been possible of the Taxation Inquiry Committee's Report, that is assuming that we are still fortunate enough to be living in the era of surpluses. Mr. Joshi also referred to the tax on matches. I think the House is aware that the question of the import duty on matches has been referred to the Tariff Board. We have obviously to await their report before we can deal with the question of the import duty on matches. I am free to confess that I think it is much too high a duty as things stand to be altogether a desirable one. On the general question of revision of our tariff it is the hope of Government that they will very shortly be able to institute a thorough inquiry into the possibilities of revision of the tariff either by the appointment of an officer on special duty for that purpose or by the utilisation of members of the staff of the Department of my Honourable friend, Sir Charles Innes, and of the Central Board of Revenue. That brings me to the question that has been raised of the separation of functions in the matter of customs. I think there is a suspicion in the minds of the House that this is a case of diarchy. The present arrangement dates from the Retrenchment Committee's Report, and speaking for myself, I think it is working rather well. Any question of tariff is a matter for the Department of Commerce. Questions of administration are matters for the Central Board of Revenue, an office under the Finance Department. The Finance Department is interested in the revenue aspect of the question and the Commerce Department is interested in the tariff aspect of the question, and I think that it does make for clarity of thought that these two aspects should be separated under two different Members, who are after all ultimately only each one-eighth of the Governor General in Council, where all things come together. I hope that my Honourable friend, Mr. Rangaswami Iyengar, will not feel it necessary, in view of the explanation that I have tried to give, to press this motion further.

Mr. President: The question is:

"That the Demand under the head 'Customs' be reduced by Rs. 1,500."

The motion was negatived.

Ruling as to Assessment of Duty on Imported Paper.

Colonel J. D. Crawford (Bengal: European): Sir, I move that the Demand under the head "Customs" be reduced by Rs. 101".

My object in giving notice of this motion was to protest against the recent ruling as to the assessment of duty on imported paper. If I may very briefly remind the House as to what the position was: in the Simla Session of 1925 we gave definitely protection to the paper industry, particularly bamboo pulp, and the actual amendment to Schedule II which we made read as follows:

"Printing paper, excluding chrome, marble, flint, poster and stereo, containing less than 65 per cent. of mechanical wood pulp, specific one anna."

On that customs ruling No. 9 of 1926 of the Government of India was issued which gave effect to that particular point and ruling No. 9 of 1926 specifies that the 65 per cent. in accordance with trade practice is to be

calculated on the fibre content of the paper. Now, Sir, on the 2nd February 1927, a new customs ruling is issued, without reference to the trade concerned, which states that the protective duty imposed by Item No. 155 of Act V of 1894 applies to printing paper containing less than 65 per cent. of mechanical wood pulp and that the Government of India hold that the only possible construction of the language used in this ruling was that it referred to the weight of the paper and not merely to its fibre content.

Now, my protest against that ruling is on two grounds. First, that that ruling is *ultra vires* and against the intentions and spirit of the protection with this House intended to impose, and secondly that that ruling has been issued without any notice to the traders concerned with the result that *bond fide* traders who made contracts with the importers of paper find themselves subjected to a loss without any notice of the imposing of new conditions. The position seems to me perfectly clear as to what the intentions of the Tariff Board were. On page 97 of the Tariff Board's Report, it states:

"Our proposal is that all papers containing not less than 65 per cent. of mechanical wood pulp should remain subject to the present rates of duty on news print."

And again in paragraph 152 on page 96 of the same Report is given in fuller detail the principles governing the remission of certain papers from the protective tariff. The papers governed by the new ruling, ruling No. 1, are almost exclusively comprised in the sentence "that it does not compete with Indian paper at present, and that it is not likely to compete,—that it should be possible to define it in such a manner that it can be readily defined for customs purposes". If we want further evidence of what was the purpose of the House, I think I may quote from the speech of the Honourable the Commerce Member when he introduced his Resolution to give protection to the bamboo paper industry. He said:

"Similarly there is a very large import into India of what is called newsprint, that is paper on which newspapers are printed. It is made very largely from what is known as mechanical wood pulp, that pulp made by grinding wood fibre without the addition of any chemicals. The Tariff Board have excluded newsprint also from the market which the Indian manufacturer can hope to capture. . . ."

There was another much more serious and wellfounded reason for this action. This newsprint, besides being absolutely necessary in India, is so cheap that Indian paper could not compete with it unless we put on a perfectly outrageous degree of protection. . . .

If we make all these deductions, we find that the scope of expansion for the paper industry in India is not more than 20,000 tons a year."

Therefore, I take it that the intention of the Tariff Board and of the Honourable the Commerce Member was definitely to exclude these particular types of paper from the protective tariff.

The second point is that I wish to protest against the fact that a ruling making such a fundamental change should be brought in without giving any reasonable degree of notice to the traders concerned. I would very much like to hear what the Honourable the Commerce Member has to say on these particular points. What I desire is that ruling No. 1 shall be suspended forthwith, that we should go back to ruling No. 9 whilst at least an inquiry and investigation is made into the effects of ruling No. 1, and as to whether that ruling is the proper construction to be placed on

paragraph 155 of the Tariff Act. If on that investigation the
12 Noon. Honourable the Commerce Member finds that the present ruling is *ultra vires*, I hope he will take steps to have refunded to the traders concerned the additional duties which have been collected from them.

The Honourable Sir Charles Innes: Sir, I think that my Honourable friend Colonel Crawford has not fully apprehended the position. He has stated the facts quite correctly but the deductions which he has drawn from those facts are not equally correct. What happened was that this question was first referred to the Central Board of Revenue and they gave the first ruling to which the Honourable Member has referred. Then a revision petition under the Sea Customs Act was put in to the Governor General in Council against the ruling of the Central Board of Revenue. Now, Sir, the Governor General in Council has at his disposal extremely expert and trained lawyers, particularly trained in this matter of interpretation of Statutes, and the Governor General in Council was advised that whatever the intentions of the Legislature may have been when this particular Act was put on the Statute-book, at any rate as the Act stood there was no possible doubt as to what the meaning of the words were. The actual words in question are: "protective duty so imposed on all printing paper containing less than 65 per cent. of mechanical wood pulp." It is purely a question of interpretation whether that 65 per cent. of mechanical wood pulp refers to 65 per cent. of the fibre content or 65 per cent. of the total weight of the paper. It is purely a matter of interpretation. We were advised that it must be the total weight of the paper. That is the law whether it is right or wrong. That is the law and we have got to enforce it. Therefore, Sir, the Honourable Member is entirely wrong in suggesting that our action was *ultra vires* or even in suggesting that we should have consulted the trade, that is, the importers, before we made this ruling. It is up to the importers now to prove that the effect of the ruling is to bring within the scope of the protective duties large quantities of paper which the protective duties were not intended to affect. If the importers of newsprint can show that to the Government of India, I am prepared to give an assurance to the Honourable Member here and now that we will take any representation that they may make into the most careful consideration and if we find that there is weight in their representation, then we shall consider the amending of the Act. But I hope the Honourable Member will take it from me that the only thing which we could do would be to amend the Act.

Colonel J. D. Crawford: I will withdraw, Sir.

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

Invidious Distinctions between Provinces in the Scales of Pay of Clerks.

Mr. C. Duraiswamy Aiyangar (Madras ceded districts and Chittoor: Non-Muhammadan Rural): Sir, I rise to move my motion.* The question is perhaps of very small importance to the Finance Member but it is of very great and big importance to the poor employees of the Customs Office in Madras. Sir, as stated, the object of my motion is to draw attention to the invidious distinction between the provinces in the scales of pay of clerks. The clerks in the Customs Office in Madras are given the scale of Rs. 40—2—80—1—90 whereas we find that in Calcutta it is Rs. 45—45—50—3—110—5—120, in Bombay it is Rs. 60—4—100—3—160 and in Rangoon it is Rs. 60—4—152. Of all this lot, Sir, it has fallen to the lot of the Madras clerks—109 out of 136—to receive the lowest possible pay and scale. In the matter of the upper division, clerks in Calcutta get Rs. 80—80—100—5—150—10—200, in Bombay it is Rs. 110—5—230 and in Rangoon it is Rs. 140—5—200—10—250 whereas in Madras it is Rs. 70—3—85—4—125.

* That the Demand under the head 'Customs' be reduced by Rs. 100."

Sir, there is another way in which also their lot can be compared, and that is, by taking the scales of pay which are in vogue in some of the other departments which are being worked under the Government of India in Madras. In the Accountant General's Office the scale is Rs. 40—6—100—5—175, in the Post Office the scale is Rs. 40—5—100—4—140 and in the Currency Office it is Rs. 40—5—90—4—130 whereas in the Customs Office it is only Rs. 40—2—80—1—90. I need not dwell upon the various responsible duties which the clerks of the Customs Office have to do and it is undeniable that the responsibility of the clerks working in the Madras Customs Office is quite as great and as serious and grave as the duties of the customs clerks in other parts.

Now, Sir, with reference to this grievance of the Madras Customs House clerks a Resolution was moved in the Council of State by the Honourable Mr. P. C. Desika Chari bringing to light this identical grievance in the following terms:

“ This Council recommends to the Governor General in Council that the ministerial establishment of the Madras Customs House may be granted the same scale of pay as is granted to the ministerial staff in the Bombay and Calcutta Custom Houses, or, in the alternative, that the ministerial staff in the Madras Custom House may be granted the same scale of pay as the ministerial staff of the Accountant General's Office, Madras, or other ministerial departments in Madras under the direct control of the Government of India.”

The Honourable Mr. P. C. Desika Chari made a strong point there and he, coming from Madras though not directly, compared the prices of food-stuffs and other necessities of life both in Madras and other places and pointed out that the scale of living in Madras is not cheaper than the scale of living in Bombay or Calcutta. Nevertheless, when he was describing the difficulties of the clerks there and adding to it the fact that Madras is a city of distances and the clerks who have to reach their offices have necessarily to incur additional expenditure over conveyance also, the Honourable Saiyid Baza Ali interrupted by saying, “ What about bicycles?” Sir, to a clerk drawing Rs. 40 or 50, to buy a bicycle even on the hire purchase system will mean that he will have to devote at least a half or one-third of his pay for the payment of the debt incurred by purchasing the bicycle. That was the manner in which the Honourable Member thought fit to ridicule or mock at the poverty of the clerks. Sir, a more serious reply was given by the Honourable Mr. Jukes. He said:

“ The Government held that the main consideration in matters of this kind must be the rates of pay given to similar grades of clerical labour by the Local Government within whose territories the staffs are serving. I am afraid, Sir, that Government cannot agree to abandon this principle in favour of either of the principles suggested by the Honourable Mover. Government cannot consent either to give the same rates of pay to all establishments performing the same duties, in whatever part of India they may be serving, or to give the same rates of pay to all the establishments serving in one place, whatever the nature of their duties. In both cases, it will be noticed, the Honourable Member proposes to level up rather than level down.”

He (the Honourable Mr. Jukes) prefers levelling down rather than levelling up.

“ He would give to the Madras establishments either the highest rate of pay given to similar establishments in other parts of India or the highest rate of pay given to the establishments under the control of the Central Government in Madras itself. The adoption of either of these courses would be grossly unfair to the tax-payer and would occasion considerable embarrassment to the Local Governments.”

* [Mr. C. Duraiswamy Aiyangar.]

Here are the crocodile tears shed by Mr. Jukes for the tax-payer, when he was asked to increase the pay which is received by these clerks. But what about those Collectors who are receiving the same scale of pay all over? What became of his tears about the tax-payer's money when he finds that the Collector in Madras receives Rs. 2,250, the Collector in Bombay receives the same pay, and the Collector in Burma receives the same pay? The scale of the Collector of Madras is Rs. 2,250—100—2,750. The same is the scale in Bombay and in Burma. Sir, I ask, what became of those tears about the scales of pay of these higher officers? Are then the rents of bungalows in Madras lower than those in Bombay or Burma, and if it is the contention in the case of Madras clerks that the rents of houses in Madras are lower than in other places, should not the same be held to apply in the case of the higher officers? I want the Honourable the Finance Member on a fine cool morning like this not to be severe about these clerks but to consider calmly their position and give them some suitable relief. There are two other remedies which my Honourable friend and Professor, Dr. Macphail, would suggest. He would suggest, let there be industries opened into which the Brahmin graduates can rush instead of becoming clerks. I quite agree with him in his boycott of Government service. But where are the industries to which they can go? Another suggestion that he would make is, ask them to sit down and perform ceremonies and say prayers. I ask, has not the Rev. Dr. Macphail taught us every morning day after day, the prayer, "Our Father, who art in heaven, give us this day our daily bread." That Father in heaven has shown this father on the Treasury benches of these clerks to give them their daily bread, and I ask, considering the position of these poor clerks, give them their legitimate bread. Why make them suffer like this? I am aware, and I believe the Honourable the Finance Member is aware, that two Collectors in Madras in succession have made a very strong recommendation with reference to the position of the clerks in Madras. I believe that Mr. Watkins has made a very strong recommendation and the latest recommendation was made by Mr. Stuart, the Collector of Customs there, who has I understand described in a very graphic manner the difficulties of the clerks—the ugly clothes they have to wear, the debts which they incur to the co-operative societies, their inability to repay those debts and the applications that are received from the wives of deceased clerks for some sort of compassionate allowance. Does not all this convince you that the position of the clerks in Madras is miserable and that it is a case to which you must pay some serious consideration? It is not enough for you, when the clerks of the Accountant General come and complain, to ask them to go and find consolation in the position of the Post Office men; when the Post Office men come and complain, to ask them to go and find consolation in the position of some other office; when the men of that office come and complain, to ask them to go and find consolation in the position of the Customs men; and when the Customs men come and complain, and ask for some remedy and some redress here, what does the Government here say? They point to the Local Governments and say that the scales of pay fixed by the Local Government of Madras are less than the scales paid by other Local Governments. What does the Local Government say in its turn? Go to the Chingleput *mirasadar* and see what he pays. If you go to the Chingleput *Mirasadar* and ask him, he says that the farmers and labourers are paid very

much less. Is that the source that the Central Government will look to for guidance? Is not the Central Government going to set an example to all these people how to improve the economic condition, the living condition, the sanitary condition, the health and minds of all these ill-paid employees? I hope to get a favourable reply from the Honourable the Finance Member. but, even if his answer is going to be otherwise, I may here and now say that I am not going to ask for a division. I will not divide this House because, whatever the result of the division may be, I am not going to divide the employer and the employee. I hope the Finance Member will give a reply that the position of these clerks will be more favourably considered.

The Revd. Dr. E. M. Macphall (Madras: European): After the appeal of my old student, Mr. Duraiswamy Aiyangar, I feel that I cannot resist the temptation to say a word or two on this subject, although, when I get up without preparation I seem occasionally to say things which offend people. I rather sympathise with Mr. Duraiswamy in this matter. Coming from Madras I am naturally inclined to get as much for Madras as possible. We have been paying a great deal more than any other province in the way of provincial contributions, and as we have been paying more, it seems to me that we have a right to come forward and ask the Honourable the Finance Member if it is not possible for him to give the same amount to clerks in Madras that is given to clerks in other places. That is my own feeling in the matter. I know that there is a difficulty because of the fact that you have different costs of living in different places, but I feel that there is some cogency in Mr. Duraiswamy's argument that that distinction is not drawn in the case of the higher services, except that I suppose there may be some special allowances given. But it seems to me that this discontent might perhaps be removed, at all events to a certain extent, if some flat rate were given to the clerks in the same service all over the country and some allowances were given for extra cost of living, for there is an extra cost of living in cities like Calcutta and Rangoon. (*Mr. A. Rangaswami Iyengar*: "And Madras.") There might be something of the nature, to my mind, of separate allowances for different places calculated upon the undoubted difference in the cost of living. And while I am on my feet, I should like to make a reference to what my Honourable friend, Lala Lajpat Rai stated yesterday. I was rather angry at what he said and did not get up to speak in case I might speak inadvisedly with my lips when I was angry. I should like to ask the Honourable Member—he has been so good as to tell me that he was sorry that he had hurt my feelings—I should like to ask him to read what I said and to see whether it justified the attack that he made upon me yesterday. I do not think if he reads it over again carefully

Mr. President: I am afraid that I cannot allow the Honourable Member to deal with that matter. It is entirely out of order in this debate.

The Revd. Dr. E. M. Macphall: I was only going to speak on the subject of pay; it was in connection with the subject of a living wage which I understand has been raised by this debate, and I want to say a few words about it. The Honourable Member states that I had said that Rs. 9 was a good living wage for Madras because the Indian agricultural labourers received the same amount. I never said anything of the kind. I never discussed the question of Rs. 9. I know personally from my own experience

[Dr. E. M. Macphail.]

in Madras that Rs. 9 is not a living wage for any one in Madras and I certainly had no desire to say that it was a living wage. What I was referring to at the time was the class that my Honourable friend, Mr. Acharya, referred to, namely, the class of clerks, the class that we are speaking about now, and what I said was that I was extremely sorry for them receiving such low pay. I do not think I said anything which would warrant its being held that I approved of the very low rate of pay of Rs. 9 a month for any one in this world.

Lala Lajpat Rai: I am sorry if I misunderstood my Honourable friend.

The Honourable Sir Basil Blackett: I think it always comes as something of a shock to people, whether coming from overseas or whether coming from Northern India, when they find what is the ruling rate of wage in many parts of Madras. We are up against a serious difficulty. Mr. Duraiswamy Aiyangar pointed out the chain of argument which leads to the rates of pay being low. But I do not think you could solve that difficulty simply by one employer, the Government of India, suddenly stepping in and raising all round the rate of wages that it pays to its particular employees, especially as they are a comparatively small number among the total even of Government employees in Madras. The difficulty is a serious one and I do not think that it is going to be solved simply by raising the wages. If you can raise the demand for the standard of comfort among the people, then you will quickly I think raise the wages. I do not think that you will raise the standard of comfort by stepping in and increasing the money wage in one particular isolated instance.

(Mr. Duraiswamy Aiyangar here made a remark which was inaudible to the reporter.)

I am afraid I did not hear the Honourable Member's remark. I notice that the Member who has moved this cut with a view to improving the wages of certain employees in Madras went into the lobby the other day with a view to reducing them by 11 per cent., but I am not sure whether he did it enthusiastically.

Our position in this matter is that we are guided by the rate of wages paid by the Local Government. The matter was carefully considered. I believe, by a committee of the Local Government not very long ago, and we should put the Local Government in very considerable difficulty if we were to raise our rate of wages above the standard with which it compares. The principle of giving the same wage all through India, the same money wage all through India, for the same service sounds at first sight attractive but does not really mean that you will give the same reward for labour all through India if you give the same money wage. A certain amount of prejudice was attempted to be introduced by comparison with what is done in the case of the Collector and the clerks, but the Honourable Member seems to forget that there are local allowances and house rent allowances, and allowances of varying natures which do result in differentiation in the pay of the Collector in Bombay and the Collector in Madras, and a very considerable money difference is introduced by those allowances. It was in 1925 that the increments of the clerks whom we are now discussing were raised from 1½ to 2 rupees and their maximum from Rs. 65 to Rs. 90. The revision that then took place was based on the rates of pay of similar clerical labour paid by the Local

Government. This is the principle adopted in every Customs House, and while I do not deny my sympathy with the Honourable Member's motion, because it does seem to me that some of these rates of wages judged by other standards are somewhat low, nevertheless, until the Local Government feels that it is in a position to give a higher rate, I do not think that the Government of India would be justified in doing anything.

Mr. President: The question is:

“That the Demand under the head ‘Customs’ be reduced by Rs. 100.”

The motion was negatived.

Export duty on jute.

Mr. K. C. Neogy: Sir, I beg to move that the Demand under head “Customs” be reduced by Rs. 100.

It is my intention to draw pointed attention of this House to an item of taxation which was levied in the exigencies of war finance and that has passed into the normal system of taxation of this country. Between the years 1880 and March 1916, there was no export duty with the exception of the export duty on rice. It was in the year 1916 that the export duty on jute was first levied at the instance of the then Finance Member, Sir William Meyer. In moving for the adoption of this new form of taxation Sir William Meyer pointed out that “jute is an article which can well bear a special rate of export duty, not only because of the present prosperity of the trade, but in view of the monopoly which India has in this product.” He on that occasion dwelt on the special financial needs of the Government of India in view of the liability which had been thrown upon the Government of India by the War. On that occasion the rates of duty which were imposed were Rs. 2-4-0 per bale of raw jute, and 10 annas on cuttings, and for the manufactured product Rs. 16 per ton on Hessians and Rs. 10 per ton on Sacking. These rates continued till March 1917. In March 1917, while presenting the Budget of the financial year, Sir William Meyer proposed to double these rates of duty immediately, and the reason which he put forward was particularly that as India was called upon to pay a contribution of £100 million sterling on account of the War, the Government needed an additional taxation to be raised to the tune of £3 million sterling. He then referred to several items of taxation under which he proposed increases and then coming to the export duty on jute he said:

“Having regard to India's monopolist position in respect of jute production, which enables taxation to be normally passed on to the consumer, we propose to double the rates . . . and then to obtain an additional revenue of £500,000.”

These enhanced rates have continued up to the present day, and the total revenue which the Government of India have derived from this source I calculate at 34½ crores, roughly, up to the year which is just closing. It appears that in 1916 Sir William Meyer did not justify this taxation merely on the hypothetical ground that jute was a monopoly commodity of India, but took care to point out the other fact that the trade was in a very flourishing condition. He was not quite sure of his ground. Later, he emphasized the fact that jute was the monopoly of India and on that he based the justification of doubling the rates in 1917. As to whether jute is a monopoly commodity of India is a question that came up for examination by the Fiscal Commission in the first instance, and later before the Taxation Enquiry Committee. The Fiscal Commission discussed this

[Mr. K. C. Neogy.]

question rather casually but the observations which they made with reference to export duties generally would bear repetition on this occasion. This is what they said at page 100 of their Report :

“ Only in the case of an absolute monopoly for which the demand is stable can it be asserted generally that the world price will be raised by the full amount of the export duty, and that therefore the whole export duty will be paid by the foreign consumer and none of it by the home producer. An absolute monopoly, however, for which there is a stable demand is of rare occurrence, and it may, therefore, be taken as the general rule that some portion, if not the whole, of an export duty falls on the home producer.”

Sir, later, the Taxation Enquiry Committee in paragraph 156 of their Report examined the position and they pointed out “that the monopoly which at present exists would be infringed if an equally cheap substitute for jute could be discovered, or by an extension of the system of bulk-handling of grain.”

Later on they went on to observe :

“ In spite of the monopolistic character of the product, there exists a possibility that, in certain conditions of the trade, a portion of the export duty may fall on the producer.”

Sir, my complaint is that this very important question has not come up for serious consideration at the hands either of the Fiscal Commission or the Taxation Enquiry Committee. But from the observations which were just quoted, from the reports of both these Committees, it appears that they are themselves in doubt as to whether it can be laid down as a general proposition that the export duty on jute is never paid out of the pockets of the consumers. They say that circumstances are conceivable when this duty, instead of being passed on to the consumer, may well be borne by the producer. Sir, what is the position as we find it to-day? As is well known, jute is practically the monopoly of Bengal, so far as production is concerned, and I claim some authority to speak on this subject because it is my part of Bengal that produces a very large proportion of the jute grown in this country. The position as we find to-day is that Government have been making a systematic gain to the extent of Rs. 8½ crores and over every year for some years past. But this does not reflect the condition of the producer at all, for I find that in the jute season which has just closed—and we can find parallels of such seasons even in the past—the cultivator has in many instances not been able to recover even the bare cost of production of jute. There may be instances in which he has made just a slight profit, but in very many cases it can be asserted without fear of contradiction, that the jute producer has failed to recover even the cost of his production. The middleman, the baler, the manufacturer (the foreign manufacturer, as well as the Indian manufacturer), count upon some profit; the Government of India count upon a revenue of 3½ crores. But the producer has not been able in very many cases to recover the cost of production even. I should therefore think that there is something very wrong in the whole system that obtains in regard to this jute export duty. Sir, the Taxation Inquiry Committee referred specifically to the question of the bulk-handling of grains. I understand that in America particularly bulk-handling is gaining ground very considerably. And even in India I am told that grain lifters have been installed as an experiment in certain places. The time may therefore arrive very soon when the Government of India will have seriously to consider whether it will be politic on their part to continue

this export duty at its present high rates. In any case I am sure that it is a misnomer to call jute the monopoly of India. It is a monopoly of India in so far as jute is not grown anywhere outside India; but, Sir, what about the implications of the description that jute is the monopoly of India? One would think that the producer is in a position to dictate prices, or that the producer would at least be entitled to recover his cost; but, as I have already stated, under this system of so-called monopoly the producer is at the mercy of the purchaser. It is a powerful ring that controls the prices in the jute market, and when we find the purchaser to be in the position of a dictator, it is certainly a misnomer to describe jute as the monopoly of India, having regard to the undoubted implications of that description. Sir, while on this point I cannot refrain from observing that this duty is a huge contribution that the Government of India are levying upon the people of Bengal. That itself was a point to which reference was made by the Taxation Inquiry Committee. They say that a considerable increase in the rate of duty involves the likelihood of differential taxation on the people of Bengal. Though no such increase is proposed, the circumstances I have pointed out do make out a case for inquiry as to whether at least a portion of the present export duty, if not the whole, is borne by the producer of that commodity in Bengal. If it is, then certainly I can claim that it is a special item of taxation which the Government of India have been levying upon the people of Bengal. In this connection I would remind this House that while some persons talk of the Province of Bengal as a sort of charity province because of the fact that her annual contribution of Rs. 63 lakhs has been remitted, the fact is that the total amount which the Government of Bengal would be getting under this dispensation for six years would not exceed the amount the Government of India are making out of an agricultural produce of Bengal under this one head every year. Sir, I would further remind the Government of India that, while they have been making this huge profit out of a commodity produced by Bengal, the duty of seeing to the improvement of the cultivation of jute, the duty of seeing to the improvement of the moral and material condition of the jute producer in Bengal is entirely laid on the shoulders of the Government of Bengal. If we had the advantage of the opinion of Mr. Jayakar's lady friend on this case, I am sure she would have as illuminative a criticism to offer as on the system of Dyarchy. Sir, this certainly is not the sort of division of functions that one can approve of. Here you are making 3½ crores every year out of the jute duty and leaving the Government of Bengal to see to the improvement of the cultivation of jute on which alone this huge profit of yours ultimately depends. I therefore appeal to the Honourable the Finance Member for his consideration as to whether in such a circumstance there ought not to be established some sort of a community of interest between the Provincial Government and the Central Government which might act as an encouragement to the Provincial Government to see to the improvement of jute production, giving the Provincial Government a substantial share in the proceeds of this taxation. Sir, in this connection I am reminded of the recommendation made by the Taxation Inquiry Committee that this position might in certain circumstances be enquired into by the Tariff Board. I may add that my principal intention in bringing forward this motion to-day is to draw the attention of the Honourable the Finance Member to the recommendation made by the Taxation Inquiry Committee. I maintain that the circumstances of the jute trade at present obtaining in Bengal do warrant an early inquiry by the Tariff Board into the whole question.

Mr. K. Ahmed (Rajshahi Division: Muhammadan Rural): Sir, I had no intention of speaking on this subject, nor had I any idea that a subject of this description was coming up in this Chamber, but I shall avail myself of the opportunity that has come to me by accident to congratulate my friend Mr. Neogy. Mr. Neogy has got local experience of the Dacca Division where he comes from and that is where the Eastern Bengal cultivators are suffering from this difficulty of payment of duty on jute to the Government of India. Sir, we have seen the hardships suffered in the field by these people when they cultivate jute, depicted for us the other day in the cinema at the Elphinstone Theatre; we have seen other examples of their suffering as well. Allow me, Sir, for a few minutes to describe what I have seen throughout my constituency in Bengal. Sir, these poor cultivators who earn their living by the sweat of their brows—these hewers of wood and drawers of water—from morning till evening with great difficulty cultivate the land. Sir, at one time these people were misled—whether rightly or wrongly I will not say. The majority party in this Assembly, the Swaraj Party said—or rather it was the order of Mahatma Gandhi—that the cultivation of jute does not pay the cultivator, so what is the use of cultivating it? They stopped the cultivation for some time. That would mean less payment of duty to the Government of India. But these poor people soon found that there was no use in following the dictates of the Mahatma, because they were suffering in reality by not getting any return from their land by growing other crops as well. They tried the experiment of jute the year before last again after some years. How much did they get? They got nothing, Sir. They spent much more; they laboured hard and the return was very little with the result, that after suffering a great deal in this way they got malaria, epidemics, *kala azar*, cholera and much more sufferings out of the process through which they are to produce jute. Look at the insanitary conditions they live in. Impure water in tanks, foul air, germs of diseases, etc., . . .

Mr. President: Order, order! I am afraid the Honourable Member is irrelevant. The question before the House is the export duty on jute.

Mr. K. Ahmed: Yes, Sir, and therefore I am asking exactly how are we going to meet the situation. My Honourable friend Mr. Bhore sitting over there, who represents the Agricultural Department, orders a few phials of quinine to be sold through the post offices. And, Sir, is this the return out of those 3 crores of rupees which the Government of India are getting by exploitation? My Honourable friend from Bombay, Mr. Jayakar, yesterday said they are looting, committing dacoity. No, I mean the other friend from the Swaraj Party—Mr. Belvi or Mr. Abhyankar. My Honourable friend had said something like that. I do not agree with my Honourable friend, but, Sir, certainly in this case it is a glaring dacoity, a glaring mischief, that is done in the case of these poor cultivators who get nothing in return for what they do. How much do the Government look after their sanitation, how much do they give in the way of education, how much do they look after their health and what is done for these poor people? You are aware that in Bengal the death-rate is higher than the birth-rate, Year after year you take 3 crores or more in the way of duty. My friends representing the European group are sitting there very (Sir Walter Willson: "Choop"), very silent. They are, Sir, the middlemen. They are from Calcutta, they are from Manchester, in England, from Dundee in Scotland, and

other places. Piles and piles of jute are exported from India on payment of—how much?—Rs. 3, 4 or 5 per maund to the cultivators. They produce beautiful stuff out of this jute from Bengal in the city of Manchester (*Honourable Members*: “Dundee!”)—yes, Dundee as well and they make money out of it by selling these goods here in India. They export and they import and make money; and that is why, Sir, the Swaraj Party have made it a point to boycott and not to use Manchester goods but to stick to *khaddar*. But, Sir, will the Honourable the Finance Member find next year—I do not know whether he will be here himself—a way to see that such a lot of money is not being looted from the wages of these poor cultivators, who earn their bread by the sweat of their brow, and that they receive something in return. Sir, agriculture is a transferred subject, my Honourable friend Mr. Bhowe will answer. I know it is the duty of the Bengal Government; but what about the other department of his friend that receives the money. The Government of India has got a very bad machine and this machine, Sir, requires lubricating. There is something more in the way of return needed. I wish to ask them how they can start to show some sympathy to the poor agriculturist. My Honourable friend Mr. Mukhtar Singh was speaking the other day about a certain kind of oil. What is the name? (*Honourable Members*: “Olive oil!”; “Keshranjan Oil!”). No, no, not Keshranjan Oil. That is all pure water! I mean tube wells, sanitation health in rural areas. Not for lubricating the machinery of Government but for improving the villages. . . .

Mr. President: Order, order! That ought to be enough. Sir Basil Blackett.

The Honourable Sir Basil Blackett: Sir, as one of the hewers of wood and drawers of water who ploughs the sands on behalf of the Government of India, that very unlubricated bad machine, I submit for the benefit of the country, I am being looted, a glaring dacoity is being committed upon me when I am asked to follow the Honourable Member (Mr. K. Ahmed). Sir, if I do not stick to *khaddar* I will stick to jute.

If I may now pass on to the speech of the Honourable Mover I should like to begin by congratulating him on his thoroughly sound economic views on the subject of export duties.

Mr. President: Mr. Kabeerud-din Ahmed's?

The Honourable Sir Basil Blackett: Sir, there is a Latin saying which says that somebody who was a ghost at the time was *vox et praeterea nihil*, which means that he was sound and nothing else. I was passing from the ghost to the substantial motion. I should like to congratulate Mr. Neogy on his very sound views on the subject of export duties. The constitution of the United States absolutely prohibits the imposition of an export duty, and if we were living in an ideal world in India I am not sure that I should not advocate the inclusion in the Government of India Act of a prohibition of export duties all round. But if there are any export duties that can be justified I think the export duty on jute is a good case. It is, unlike the export duty on tea which was mentioned earlier to-day,—it is almost certain that no part of it whatsoever is paid by the producer and that the whole of it falls on the consumer. Mr. Neogy suggested that it might possibly be a case where some part of it might possibly fall on the producer; I do not think he went further than that and certainly the Fiscal Commission and the Taxation Inquiry

[Sir Basil Blackett.]

Committee do not bear him out in the suggestion that the producer pays. Mr. Neogy ended up with a request that we should refer the matter to the Tariff Board. I think he has misunderstood the recommendation of the Taxation Inquiry Committee on that point. They were considering the possibility of an increase in the duty and they said:

"a considerable increase in the rate of duty involves the likelihood of differential taxation on the inhabitants of Bengal. The Committee do not recommend any increase in the rate of taxation, and in any case a necessary prelude to the consideration of any such increase would be an examination of its effect on trade by the Tariff Board."

The Government of India have no present intention of proposing an increase in the export duty on jute; so that the suggestion that the matter should be referred to the Tariff Board, so far as it is based on the recommendation of the Taxation Inquiry Committee, falls to the ground. The duty is one which to all appearances is paid entirely by the consumer. India is making the consumer, mainly outside India, pay this duty. Mr. Neogy, I think, was not very serious in his suggestion that we should abolish it at an early date.

Mr. K. C. Neogy: I did not say that.

The Honourable Sir Basil Blackett: I beg his pardon; he did not even suggest that. What he was really after was that he should get at any rate a portion of the proceeds of the duty for the Government of Bengal. Well, Sir, my views on the subject of export duties and the desirability of getting rid of them altogether would be very strongly reinforced if it became the habit of any of the Provincial Governments to impose export duties. I think it would be most dangerous from the point of view of the interest of India as a whole. Mr. Neogy suggests that we should give a part of the proceeds of this duty to Bengal chiefly, I think, on the ground that jute is mainly grown in Bengal; but if it is not the producer in Bengal, but the consumer elsewhere who is really paying the duty. . . .

Mr. K. C. Neogy: That is the point at issue.

The Honourable Sir Basil Blackett: Then there is no case whatever for Bengal taking the proceeds of this duty in preference to the central tax-payer; and, as I said at the beginning, Mr. Neogy did not go much further than suggest that it was conceivable in certain hypothetical circumstances, which probably do not exist at present, that some portion of the duty may possibly be paid by the producer. He was very wisely wary in his statement to that effect.

Mr. K. C. Neogy: But, I said that even the present circumstances do warrant an examination.

The Honourable Sir Basil Blackett: He is, I am afraid, now overstating his case if that is really what he said, because I submit that in so far as economic doctrines are true at all—and we have heard the other day that they are generally untrue—this is a clear case where the economic facts show that the duty is and must be paid by the consumer.

On the question whether it is desirable that part of the duty should go to Bengal, the only argument can be, I think, that in connection with the revision of the Meston Settlement, Bengal is entitled to a larger share of the proceeds of taxation, central and provincial, than she gets at present, and that this may provide the means of assisting her. But

that question is not immediately before the House. We are at the stage at present of getting rid of the provincial contributions. This duty brings in something over Rs. 3½ crores each year. It is obvious that the Central Government cannot spare a sum at all approaching that figure either for the purpose of reduction of the taxation altogether or for the purpose of handing it over to the provinces as a whole, still less for the purpose of handing it over to one particular province; and if it is a question of reducing taxation I think that Mr. Neogy would agree that there are other taxes which are more burdensome on the people of India than the export duty on jute, and that they should go first. I submit, therefore, that it is obvious that the time has not arrived either for abolishing the export duty on jute or for handing over the duty in whole or in part to the Government of Bengal.

Mr. President: The question is:

“That the Demand under the head ‘Customs’ be reduced by Rs. 100.”

The motion was negatived.

Export Duty on Rice.

U. Tok Kyi (Burma: Non-European): I move that the Demand under the head “Customs” be reduced by Rs. 100.

Sir, last week during the general discussion of the Budget I took up the question of the export duty on rice. But as my time limit was up I could not develop my point. Sir, I will take this opportunity of doing so. Last week I tried to show that the export of rice to the United Kingdom formed a very small percentage of the total export from India and that therefore the export duty on rice has little or no effect whatever on the people of that kingdom. I also tried to show that the export of wheat and tea to the United Kingdom formed a very large proportion of the total export from India. The export duty on wheat has been abolished since 1873, and the duty on tea is about to be taken away this year. I am very glad of that and I hope that all the export duties will go in the near future and I also hope that the export duty on rice too will go. Sir, the duty on rice is injurious to India in general and to Burma in particular. The price of rice half a century ago was very very cheap and the poorer classes were benefited by this. But it has risen enormously during the last fifty years. Sir, I should like to take the year 1873 and the year 1925, a period of little over half a century. During that period, the price of rice has enormously risen in all provinces of India. In the Madras Presidency, at Ganjam, it has risen from Rs. 1·3 per maund in 1873 to Rs. 7·7 per maund in 1925. Similarly in the Bombay Presidency, at Karachi, it has risen from Rs. 2·5 per maund to Rs. 7·2 per maund. In the United Provinces, at Saharanpur, it has risen from Rs. 2·8 to Rs. 8·4. In the Punjab, at Amritsar, the price of rice has risen from Rs. 2·6 to Rs. 8·4. In Bengal, at a place called Rangpur, it has risen from Rs. 1·9 to Rs. 8·3. In Bihar and Orissa, at Cuttack, it has risen from Rs. 1·3 to Rs. 5·9. In the Central Provinces at Raipur, it has risen from Rs. 1·1 to Rs. 5·8. In Assam, at Sylhet, it has risen from Rs. 1·3 to Rs. 7·7. In Burma, at Taungoo, it has risen from Rs. 1·5 to Rs. 5·9. Sir, from these figures you will see that the price of rice has risen all over India and in every province without any exception. It has risen enormously; in some cases it has risen

1 P.M.

[U. Tok Kyi.]

three times, and in several others it has risen to the extent of six times. Sir, during the last year, that is in 1925-26, Burma exported 89 per cent. of the total export of rice from India. She is one of the biggest, if not the biggest, rice-producing countries in the world, and yet I come across many a family in what is called the Dry Zone of Burma,—many a family which cannot have a full meal of rice. They have to take rice mixed with jowar, a far inferior food-stuff. Sir, this sad state of things is greatly due, I think, to the export duty on rice. As I tried to show last week, export duties in India at one time were abolished altogether, except the duty on rice. I therefore said then that the history of the rice duty was as black as that of the cotton excise duty. Sir, the Honourable the Finance Member has just stated that in India we are not living in an ideal world. But while we do not expect to be in an ideal state, we do expect that Government should try and make India as ideal a state as possible. Sir, the United States of America have absolutely prohibited the imposition of export duties, and I do not see any reason why India should not follow her example. Sir, I am well aware that the Taxation Inquiry Committee has recommended the retention of the duty on rice. They say that though India has not enjoyed the monopoly in rice, yet the duty that has been imposed all along has not done any injury to the country. Sir, I have tried to show that the price of rice has risen enormously throughout India during the last 50 years, and if in spite of this glaring fact it is contended that the high price of rice can not do any injury to the people of this country, especially the poorer classes, I do not know what else can. Sir, I think that the time has come for Government to give a further and more serious consideration to this question of the export duty on rice.

Mr. B. Das: Sir, I had no intention to intervene in this debate, but as my friend U. Tok Kyi has raised the question of high prices of rice, I feel it necessary to say a few words. I could not understand how the removal of the export duty on rice would in any way reduce the price of rice. I rather think that the Government should prohibit completely the export of rice in certain parts of the country, so that the rice grown in these localities may be consumed locally and the prices can be reduced thereby. I will give an instance. I come from Orissa, and my friend just now told the House that the price of rice has risen five times at Cuttack. Sir, while rice is sold at 5 seers to the rupee during the harvest season in British Orissa, in some of the neighbouring Indian States, where the export of rice is prohibited, rice is sold very often at 14 to 20 seers to the rupee, and the people of the neighbouring Indian States do not starve nor suffer from famine. I have also seen, Sir, in the Bombay Presidency in the Kathiawar States, that wherever exports of food-stuffs are prohibited, the people are in a better and more prosperous condition, and there is no starvation, no scarcity nor famine. In this connection I would particularly draw the attention of the House to the case of Orissa which is a perpetual famine-stricken country. There is at this very moment scarcity there due to floods and due to drought, and the people are starving. The Honourable the Finance Member may say that "famine" is a subject within the domain of the Local Governments, but yet the Government of India have adequate powers, and if the Government of India in conjunction with the Provincial Governments can frame rules to prohibit the export of food-stuffs grains and corn from one territory to another territory or even to outside India.

then there would be less famine in India and less scarcity. We all know that the buying power or the purchasing power of the people is greatly reduced, and the 1s. 6d. ratio will reduce the buying power and staying power of the people very much further; and even if the people have money, they will not be able to buy an adequate quantity of food-stuffs owing to high prices, and as prices are raised through export, there is always famine and scarcity in the provinces. I therefore hope that the Government will consider the proposition in a manner so that there will be no export from one province to another province and from India to outside India and thereby bring about a cheap supply of food grains to all and do a great humane act. Where there is famine, let there be no export of food-stuffs.

Rai Bahadur Tarit Bhushan Roy (Bengal Mahajan Sabha: Indian Commerce): Sir, I had no desire to intervene in this debate but I really do not understand what my Honourable friend from Burma really meant by saying that the price of rice would go down as a matter of fact if the export duty is removed. I hold, on the other hand, the contrary view. It is a well-known principle of economics that revenue duties should be imposed upon exports of food-grains. That was the position which I took up when I had to appear before the Fiscal Commission. In fact, Sir, the question of export of rice was the theme of an animated controversy in the Bengal Legislative Council and one of my friends, who was an exporter of rice, was against the prohibition of exports. It is a well-known fact that the Resolution of my friend was defeated in the Bengal Legislative Council and we who were in favour of keeping down the prices by prohibiting export of rice from India succeeded then. The imposition of export duties as a matter of fact for revenue purposes would help the public exchequer and its removal will not keep down the prices of rice, as has been put forward by my Honourable friend from Burma. In fact, Bengal exports very largely rice but Burma has the highest figure since they export the largest quantity of rice, and I think it would be better if higher export duties are imposed upon the export of rice for revenue purposes.

Sir, I oppose the motion of my friend from Burma.

The Honourable Sir Basil Blackett: Sir, I entirely agree with the last speaker, and with the Honourable Mr. Das, that the export duty on rice can hardly be a factor or a cause of the rise of rice prices. (It is a very difficult phrase!) I do not know that there is anything very much more for me to say. The Honourable Member has not to-day raised the interesting question of Burma's claim to get the rice duty for itself, so I need not touch on that. Nor has he to-day, I think, used the argument that he used the other day that the rice duty fell on the producer in Burma. He did, however, the other day claim that the rice duty fell on the producer in Burma. That is a proposition which I am inclined to dispute. India now contributes approximately 50 per cent. of the total rice exports of the world. Her two chief competitors are Indo-China and Siam which contribute about 40 per cent. Both Indo-China and Siam impose export duties at least as high as the export duty imposed by India. Now, if Indo-China and Siam were to abolish their export duties, then I would admit at once that, if the export duty in India was retained, it would tend to fall on the producer of the export. But so long as the export duty on rice going from India is less than or not greater than the export duty imposed by Burma's two chief competitors, I think it is clear that the duty in all three cases must be falling mainly, if not entirely, on the consumer because you have

[Sir Basil Blackett.]

a case of a practical monopoly for which there is a steady demand. I have heard it argued that nevertheless the producer in Burma is paying this duty because, if India were to abolish it and Siam and Indo-China were to retain their export duties, then the difference which the Government lost would go into the pockets of the producer in Burma. That is possibly true but I think the immediate effect of the abolition of the duty by India would be to force Indo-China and Siam to follow suit and then all that would have happened would have been that the consumers all over the world who are at present contributing to the exchequers of Siam and Indo-China and India would be relieved of that charge, and so long as we are not in the happy position of being able to abolish all export duties and so long as there are other taxes which have a claim to our attention in priority from the point of view of the interests of the people of India, I am afraid I can hold out little hope that the export duty on rice is likely to be abolished at an early date.

Mr. President: The question is:

"That the demand under the head 'Customs' be reduced by Rs. 100."

The motion was negatived.

Customs policy—Land Frontiers.

Mr. K. C. Roy: Sir, I move that the Demand under the head "Customs" be reduced by Re. 1.

Sir, my Honourable friend, Mr. Rangaswami Iyengar, in his able speech has already referred to the subject of absence of effective land customs frontiers of India. I propose to deal with a small fraction of the problem, and I have no desire, Sir, to go into the details to-day as it is nearly lunch time. I will only call the attention of the House to paragraphs 150 and 152 of the Taxation Enquiry Committee's Report, which refers to the growth of smuggling and that mainly in the neighbourhood of the Western Presidency. In my humble judgment, Sir, this is entirely due to the withdrawal of the Virangaum line and the creation of a convention which the Government of India agreed to contract with the Indian Maritime States. Sir, in paragraph 150 of the Report, the House will find this stated:

"In some cases, notably that of the Kathiawar States, through which there have been very large importations of goods subject to high rates of duty, such as matches and silks, these conventions do not appear to have fully effected their purpose."

The Taxation Enquiry Committee, therefore, recommended skilled inquiry into the whole question and I should like to know from the Treasury Bench whether they have accepted this recommendation and what further action they propose to take to stop smuggling and make the convention effective.

Smuggling of Saccharine.

Mr. Jamnadas M. Mehta (Bombay City: Non-Muhammadan Urban): Sir, I wish to raise the question of the policy of Government with regard to the smuggling of saccharine on this amendment of my friend Mr. Roy.

Mr. K. C. Neogy: He has not moved it.

Mr. K. C. Roy: I have moved it.

Mr. Jannadas M. Mehta: He has moved it; his amendment offers an opportunity of reviewing the results of the policy of Government on the saccharine trade in India. Sir, in 1923, the Government raised the duty on saccharine to Rs. 20 a lb. and the result was that on account of this heavy duty saccharine began to be smuggled; smuggling of a very daring character from the frontiers of India supplanted the normal imports of saccharine; the legitimate saccharine trade was paralysed and the Government lost every rupee of revenue which they used to get when the customs duty on saccharine was very low. Turning to the Accounts of the Sea-borne Trade of India for December, 1926, I find that ever since the raising of the duty on saccharine to Rs. 20 a lb. only one pound of saccharine has been imported and the lakhs of rupees of customs duty have been lost. In the course of the previous two years, not a single lb. of saccharine seems to have been imported if this statement in the Accounts of the Sea-borne Trade and Navigation is correct. Sir, honest saccharine merchants in Bombay found that the smugglers were getting the better of Government; particularly from the Pondicherry and Goa side, smuggling was carried on on an extensive scale, and the conclusive testimony of smuggling was that with the duty on saccharine at Rs. 20 a lb. one could buy saccharine in the bazaars of Bombay at Rs. 4 a lb. Saccharine, Sir, is also used as a medicinal drug. The evil effect of the smuggling was that adulteration of saccharine also went on; Government lost whatever revenue it had got, the honest trader was ruined and the only profitable business about saccharine was that of the smuggler over the Indian frontiers and of the man who took advantage of that smuggling inside the Indian boundary. The matter was brought to the notice of Government by a deputation of saccharine merchants in Bombay. They pointed out various ways and means by which the honest trader could be protected, the revenues of the country could be protected, and the smuggler could be discouraged. But the Government, somehow or other, took no notice of the representations of the trade and of the honest dealer in saccharine. Instead, this time last year they reduced the duty on saccharine to Rs. 5 a lb. in order to try and see whether that would discourage smuggling. But subsequent events have shown that even a Rs. 5 duty per lb. was such a heavy inducement to the smuggler that up till now we do not find that the saccharine imports have improved at all; the matter has been times without number brought to the notice of the Honourable the Commerce Member; in the city of Bombay and Calcutta two people at least who had not a roof under which to live, have built palatial houses and own lakhs of rupees as a result of this smuggling and the benefits derived from smuggling. Attempts were made by us last year to keep the duty at Rs. 20 to protect our sugar revenue and to induce Government to do their duty properly at the frontiers in order to prevent smuggling, but the Government, who are so watchful of law and order when politics are concerned, sleep over their business when the smuggling over the land frontier dared and defied their customs line, and to-day the result has been what I have shown; several lakhs of revenue have been lost, the honest trader has lost his business and the only person who has flourished is the smuggler. Therefore, I think this House should show its disapproval of the policy of the Government by throwing out this grant under "Customs".

Sir Walter Willson: Sir, I have only one very short remark to make, which perhaps comes under this grant, as regards the customs policy and land frontiers. I have no intention of detaining the House by repeating the remarks I made the other day on the Budget Debate in

[Sir Walter Willson.]

regard to the importations of sugar at Kathiawar coast ports. The thing is that in winding up the debate the Finance Member entirely forgot to make any reference to that, and if he can do so under this heading, there will be no occasion for me to address the House further on this point.

The Honourable Sir Basil Blackett: Sir, the point raised by Mr. Jamnadas Mehta revives the controversy of last year on the question of what was the best means of dealing with the admittedly difficult problem of the saccharine duty. In order to protect the sugar industry a heavy duty on saccharine is unavoidable. All countries of the world have found it extremely difficult, if not impossible, to administer a heavy saccharine duty and various remedies have been chosen. This time last year the Government of India reduced the duty from Rs. 20 to Rs. 5. Mr. Jamnadas Mehta fought very valiantly and with his usual skill against that proposal in favour of an alternative of his own, for which I think we all admitted at the time there was a great deal to be said. But his complaint to-day, I think, is simply that there was bad smuggling of saccharine before the Government made that change. I do not think that he made any point that smuggling is still continuing. It is true that we have not got a large revenue from saccharine since that date but my information is that the complaints of difficulties owing to illicit import, *i.e.*, the smuggling in of saccharine have entirely ceased since the change of the duty. If that is not the case, it may be that the complaints will revive. I have no very great confidence that anybody will completely solve this difficulty but I can assure the House that up to this date at any rate, to all appearances, the action of the Government has met with success and we have had no reason to complain. If Mr. Jamnadas Mehta thinks that there is still reason for complaint Government will be only too ready to look into the complaints and, if necessary, reconsider their policy.

I now turn to the question raised by Mr. K. C. Roy and Sir Walter Willson, *i.e.*, our policy in regard to the land frontiers in Kathiawar. The question of smuggling—I should not say smuggling—the question of the import of goods into British India through the Kathiawar ports has become one of increasing difficulty and complexity. When the arrangement which is now in force was entered into between the Government of India and the Darbars of the States concerned and the Viramgam customs line was withdrawn, it was stated that if the fiscal interests of British India were proved to be in serious danger from the operation of that agreement, it would have to be reconsidered. I am not in a position to say very much as to the action that the Government of India are taking in the matter. We have, however, decided, subject to the consideration of any representations received from the States, to stop free transshipment to Kathiawar ports with effect from April 1st. Other steps are contemplated in the near future, but they involve negotiations with the Indian States concerned and the nature of these steps and the progress of negotiations are not matters which can be discussed with advantage to the progress of those negotiations at this moment on the floor of the House. I should like, however, to add an assurance that the Government will do everything in their power to safeguard the established interests of their own ports while at the same time having due regard to the legitimate rights of the States concerned.

Sir Puroshotamdas Thakurdas (Indian Merchants' Chamber: Indian Commerce): Sir, I wish to address a few words regarding what the Honourable the Finance Member has said in the latter part of his speech. I think his statement is satisfactory as far as it goes, but I am sure he realises that the trade of any port, once diverted, takes a very very long time, if at all, to come back to the old position. I need not emphasise the fact that by the policy followed by certain Kathiawar States the prosperity of Bombay, and in fact, the ability of Bombay even to retain her old position, is in great danger. Any delay that may happen hereafter in putting right the wrong that has been done during the last few years is, to my mind, a grave danger to Bombay. But I do not wish to harp only on the question of Bombay. I cannot help feeling that if the inroads that are being made into the customs revenue of British India are allowed to be tolerated the danger is that other Indian States may be encouraged to follow the same line.

I understand from the Honourable the Finance Member that if the fiscal interests of British India are proved to be in danger this agreement with Indian States could be revised. May I venture to ask if he will give the House figures as to the extent of the inroads made into the customs revenue of British India, during the current financial year, or, if he prefers it, during the past year? How much has been imported by these various ports direct? Let me give him a very rough estimate as I have heard it in Bombay, and that is close upon a crore of rupees, if not more, as the loss in customs revenue alone to British India during the current year. The actual loss of such a sum is serious and I submit that it is a figure which ought to make the Government of India think very seriously and take such action as they think possible without the least delay. My motive to-day in addressing the House on the Honourable Member's speech is to ask if he can give us an approximate idea of the time in which the Government of India will arrive at a decision. I do not wish to press him for further discussion on the floor of the House. Unfortunately, this House cannot discuss matters affecting Indian States, but this is such a grave issue that I venture to submit that an approximate idea of the date by which the Government of India propose to come to a decision may be given to us now.

Sir, if it were a question only of diversion of traffic by means which could be justified, one could even have a little patience. The diversion of traffic is by means which, I have no hesitation in saying in the case of some States at least, are far from straight, means which cannot possibly be regarded as justifiable. Why encourage continuation of such methods a moment longer than can be helped? What is happening to-day to Bombay may happen within a few months to some other port. And after all, is it fair to the tax-payer in British India that delay should be tolerated in a matter where the inroads on the revenues of British India go into a crore of rupees? I hope that the Honourable the Finance Member will give us a few figures in the direction that I have indicated and that he will at least see his way to name approximately the period within which Government of India will come out with their decision in order that the spirit of the agreement with the States concerned may be fully observed by both sides.

Mr. President: I think it will be more convenient if Honourable Members who desire to speak on these cuts speak before the Honourable the

[Mr. President.]

Finance Member speaks. If any Honourable Member desires that the Finance Member should answer any point made by him, he must catch the eye of the Chair before the Finance Member rises because there is no right of reply when the Finance Member could again speak. In this case, however, I give him the permission.

The Honourable Sir Basil Blackett: I was just going to rise and ask if I might make a statement in view of what my Honourable friend, Sir Purshotamdas Thakurdas, has just mentioned. Without necessarily endorsing everything that he said, I have no quarrel with his statement. It is a most important issue, it is an issue that must be decided as quickly as possible. I cannot give at this moment facts or figures, but I am prepared to agree that his estimate of a crore of rupees is not very much wide of the mark as to the figure that we are losing at the present moment. As regards the date, I am not in a position to prophesy, but I am in a position however to promise. I will give this promise that the matter will be decided as soon as I can possibly secure a decision. It would not be useful to attempt an estimate of the date, but, as I have stated, we are taking immediate action to stop transshipment from the 1st April.

Sir Purshotamdas Thakurdas: Direct shipment is still in vogue and may increase. What steps will the Government take to stop that?

The Honourable Sir Basil Blackett: It will afford some relief, but I recognise that it can only be a comparatively unimportant preliminary step.

Mr. President: The question is:

"That the Demand under the head 'Customs' be reduced by Re. 1."

The motion was negatived.

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.

Mr. President: The question is:

"That a sum not exceeding Rs. 70,93,000 be granted to the Governor General in Council to defray the charges that will come in course of payment during the year ending the 31st day of March, 1928, in respect of 'Customs'."

Mr. M. K. Acharya: Sir, with your permission I rise to oppose this Demand. I do so not on the ground which was discussed yesterday, namely, of general constitutional advance. That point was discussed yesterday and the vote of the House recorded on it; but there are other grounds on which it is open to this House to oppose every Demand, if they have got, as I think they have, very many and serious grievances against the Executive. It will be open to the House to refuse supplies on every Demand, and it is on that general principle that I want, if possible, to appeal to the Members, at least on this side of the House, to join me in voting against the granting of the Demand that is now before the House.

I have got the excellent authority of no less a personage than Sir Alexander Muddiman himself, who said last year that this principle of the refusal of supplies can very well be raised on this particular Demand of Customs, and as an opinion coming from such a high personage always carries special weight, I will read out what Sir Alexander Muddiman said last year. It was with reference to Mr. Jinnah's desire to take up some other item of the Demands first, and this is what Sir Alexander Muddiman said :

“What he really intends to do is to endeavour to induce the House to refuse supplies and if that is the case, what better opportunity has he got than the Demand under Customs?”

Therefore, here is the opportunity given to us to-day, the Demand under Customs. I trust that every Member, every elected Member, on this side of the House at least, will feel that we have got very many and serious grievances against the Government; and it will be only by way of establishing our own right in trying to get our grievances redressed if to-day we refuse to grant the Demand put before us. I may also add that in 1924 this right was sought to be established in this House when four Demands were successively thrown out. I say that in order to draw the attention of the Government to this principle, as many as four Demands were thrown out in succession

Mr. President: Order, order. The Honourable Member knows that debate was allowed only on one Demand, and with regard to the other three Demands they were simply voted down without speeches. The Honourable Member is aware of that fact.

Mr. M. K. Acharya: I shall only make a few remarks. I simply said that there was a precedence in this House.

Mr. President: I want to warn the Honourable Member that he should not discuss the constitutional issue on every Demand for grants. An opportunity was afforded to the House on the motion of Mr. Jayakar to say everything the House wanted to say on the question of grievances before supplies or on the question of constitutional reforms. But at present we are considering the merits of each Demand. If the Honourable Member wants to throw out every Demand on the constitutional issue he is at liberty to do so by voting it down.

Mr. M. K. Acharya: I bow to your ruling, Sir, and appeal to every elected Member to realise that we have got very substantial and serious grievances. Some could have been redressed before, but as that has not been done, I wish, Sir, you had been a little kinder and allowed me to say one or two things. However, I am not going to assume the privileges of the Front Benches but will appeal . . .

Mr. President: What does the Honourable Member suggest? Does he suggest that the Front Benches get greater opportunities and privileges which are denied to the Back Benches?

Mr. M. K. Acharya: I beg your pardon, Sir, I did not mean anything of the sort.

Mr. President: Honourable Members should be more careful in the choice of their language.

Mr. M. K. Acharya: I simply meant that the Front Benches are certainly better off in getting opportunities to ventilate our grievances; not that they do not always speak on relevant matters.

Mr. President: Is it the suggestion of the Honourable Member that the Front Benchers are permitted by the Chair to talk irrelevantly, and that the Chair denies that opportunity to the Back Benchers?

Mr. M. K. Acharya: I never said so. I did not mean it—(Mr. K. Ahmed here interrupted but the remark was inaudible at the reporters' table). I leave that to my friend there. That is a part of my friend's work. I was merely appealing to my friends on this side of the House that we have got many grievances and that until they are redressed we should vote down all these Demands.

Mr. President: The question is:

"That a sum not exceeding Rs. 70,93,000 be granted to the Governor General in Council to defray the charges that will come in course of payment during the year ending the 31st day of March, 1928, in respect of 'Customs'."

The Assembly divided:

AYES—42.

| | |
|---|---|
| Abdul Aziz, Khan Bahadur Mian. | Kabul Singh Bahadur, Risaldar-Major and Honorary Captain. |
| Abdul Qaiyum, Nawab Sir Sahibzada. | Keane, Mr. M. |
| Ahmed, Mr. K. | Lindsay, Sir Darcy. |
| Allison, Mr. F. W. | Macphail, The Rev. Dr. E. M. |
| Ahrafuddin Ahmad, Khan Bahadur Nawabzada Sayid. | Mitra, The Honourable Sir Bhupendra Nath. |
| Ayyangar, Mr. V. K. A. Aravamudha. | Moore, Mr. Arthur. |
| Ayyangar, Rao Bahadur Narasimha Gopalaswami. | Muddiman, The Honourable Sir Alexander. |
| Blackett, The Honourable Sir Basil. | Nasir-ud-din Ahmad, Khan Bahadur. |
| Chalmers, Mr. T. A. | Paddison, Sir George. |
| Coatman, Mr. J. | Parsons, Mr. A. A. L. |
| Cocke, Mr. H. G. | Rajah, Rao Bahadur M. C. |
| Dalal, Sir Bomanji. | Rau, Mr. H. Shankar. |
| Dunnett, Mr. J. M. | Roy, Mr. K. C. |
| E'jaz Rasul Khan, Raja Muhammad. | Roy, Rai Bahadur Tarit Bhusan. |
| Gavin-Jones, Mr. T. | Roy, Sir Ganen. |
| Gidney, Lieut.-Colonel H. A. J. | Rathnaswamy, Mr. M. |
| Graham, Mr. L. | Sarda, Rai Sahib M. Harbilas. |
| Haigh, Mr. P. B. | Tonkinson, Mr. H. |
| Howell, Mr. E. B. | Willson, Sir Walter. |
| Innes, The Honourable Sir Charles. | Yakub, Maulvi Muhammad. |
| Jowahir Singh, Sardar Bahadur Sardar. | Young, Mr. G. M. |

NOES—32.

| | |
|---------------------------------|---------------------------------------|
| Abdul Latif Sahab Farookhi, Mr. | Misra, Mr. Dwarka Prasad. |
| Acharya, Mr. M. K. | Murtuza Sahab Bahadur, Maulvi Sayyid. |
| Aiyangar, Mr. C. Duraiswamy. | Naidu, Mr. B. P. |
| Ayyangar, Mr. K. V. Rangaswami. | Nehru, Pandit Motilal. |
| Ayyangar, Mr. M. S. Sessa. | Prakasam, Mr. T. |
| Belvi, Mr. D. V. | Ranga Iyer, Mr. C. S. |
| Obetty, Mr. R. K. Shanmukham. | Sarfaraz Hussain Khan, Khan Bahadur. |
| Chunder, Mr. Nirmal Chunder. | Shafee, Maulvi Muhammad. |
| Das, Pandit Nilakantha. | Shervani, Mr. T. A. K. |
| Dutt, Mr. Amar Nath. | Singh, Mr. Gaya Prasad. |
| Dutta, Mr. Srish Chandra. | Singh, Mr. Narayan Prasad. |
| Gulab Singh, Sardar. | Singh, Mr. Ram Narayan. |
| Iyengar, Mr. A. Rangaswami. | Sinha, Kumar Ganganand. |
| Iyengar, Mr. S. Srinivasa. | Sinha, Mr. Siddheswar. |
| Jogiah, Mr. Varahagiri Venkata. | Tok Kyi, U. |
| Kartar Singh, Sardar. | |
| Mehta, Mr. Jannadas M. | |

The motion was adopted.

DEMAND NO. 23—INDIAN POSTAL AND TELEGRAPH DEPARTMENT.

The Honourable Sir Basil Blackett: Sir, I move that a sum not exceeding Rs. 10,34,06,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March 1928, in respect of the "Indian Postal and Telegraph Department".

Kumar Ganganand Sinha (Bhagalpur, Purnea and the Santhal Parganas: Non-Muhammadan): Sir, I rise to move that the Demand under the head "Indian Postal and Telegraph Department" be reduced by Rs. 1,500.

I want to make it clear at the outset, Sir, that this is a token cut, and when I move this cut I want to express my regret that there is no policy before us upon which we can look with any amount of confidence. We have neither reduction in postal rates nor contented employees nor adequate postal facilities in the rural areas. I do not minimise, however, the earnestness of the Honourable Member in charge of the Department to serve the public. What I regret very much is the fact that he has accomplished practically nothing. In 1924-25 we find there were 19,625 post offices and 49,959 letter-boxes, and these were 162 post offices and 124 letter-boxes more than on the 31st March 1924. The House will see at once in this country with a population of 320 millions, how far the number of post offices and letter-boxes is adequate. So the purpose for which this department exists is far from being adequately served with the present policy of the Department. (*An Honourable Member: "Question."*)

Now, Sir, let us see what is the nature of the administration. I admit, Sir, that there is a greater degree of Indianisation in this department than in other departments of the Government but the administration is by no means economical. It is as top-heavy as other departments, and its employees are equally discontented. I was looking into the pamphlet that has been circulated to us about the action taken on the recommendations of the Retrenchment Committee. I would refer the House to page 93, paragraph 8, of the Retrenchment Committee's Report. The Committee recommended a reduction in the number of officers. It runs as follows:

"The number of officers employed has increased from 414 in 1913-1914 to 679 or by 32 per cent. whereas the number of other staff has only increased by 17 per cent.";

and the recommendation is that the number of officers should be reduced to the level necessary to obtain the same ratio of officers to other staff as that which obtained in 1913-14. But what do we find? We find from the report of the action taken, that the recommendation has been examined and I quote the finding:

"It has been pointed out that the increase of officers includes 44 officers who on revision of pay were automatically classed as such. The balance of 44 includes 17 officers and 15 officers respectively of the new Wireless and Telephone branches in which no reduction is possible. Of the remaining 12 officers 6 have been reduced. No further reductions are possible."

Now, Sir, the explanation of the action taken does not make us wiser than what we were. We are not told how and when the recommendation

[Kumar Ganganand Sinha.]

was examined and by whom, and what were the data on which the enquirers found further reduction impossible. I have no intention of reducing the efficiency of the department, but I suggest that we must know clearly that we have neither more nor less than what is necessary. The Government, as the House is well aware, is notorious for its top-heavy administration in every department and it is one of the duties of the House to raise its voice against such a state of thing. I would again invite the attention of the House to paragraph 9 of the Retrenchment Committee's Report. The Retrenchment Committee says—I will only read the last part of it:

"We think that the figures we have quoted indicate that there is a considerable field for economy in the staff employed in the telegraph offices."

The action that is proposed to be taken with regard to this is as follows:

"The Director-General has shown that the sanctioned strength of telegraphists in 1921-22 was not in excess of requirements. It appears that in making their calculations the Committees did not take into account the authorised portion of telegraphists employed on non-operative duties and the additional leave reserve thereon."

And then after the remark comes the statement:

"A reduction in the strength of telegraphists is being effected as a result of the adoption of a higher standard of output in accordance with the recommendations of the Ryan Committee. The existing surplus is being gradually worked off by restricting recruitment as far as possible."

What do we find after a perusal of the Ryan Committee's Report? We see that the Ryan Committee under the head "Employment of telegraphists on non-operative duties" suggest the replacement of operators by clerical staff. Then under the head "Combined offices"—paragraph 97—it is suggested that the abolition of the small offices will gradually economise the staff of the department and the Committee are therefore of opinion that the policy of converting the departmental into combined offices should be vigorously and consistently pursued. Then in paragraph 109 we see that the Committee are of opinion that the ultimate proposal of 50 per cent. general service and 50 per cent. special service should be the aim of the department and the recruitment so adjusted as to make this proposal practicable. And last but not least they suggest the method which seems to have drawn the attention of the department. Out of these four methods of effecting economies in the department it appears from the note appended that only one has been resorted to. We have yet to know how the department has dealt with the other recommendations of the Ryan Committee so far as retrenchment in the department is concerned. Further, on page 95, paragraph 10, the Retrenchment Committee recommended economy in the engineering and line staff. It has been said that the question was carefully considered but no reduction has been found to be feasible. Here again, Sir, we do not know what sort of examination was made and why no economies could be effected as recommended by that Committee, because we know that the Incheape Committee went thoroughly into the question and after giving the matter full consideration recommended those cuts. When the department does not act up to these recommendations, we naturally get suspicious about the jurisdiction or otherwise of not acting up to those recommendations. I have again to draw the attention of the House to page 97. In para. 16 the Committee recommended that outside tenders should in future be

obtained for all large buildings and in this view the Director General concurs. But we have here a long rigmarole in the remarks column of this brochure. It runs as follows:

"Recent experience goes to show that the employment of private agency for the building projects of this department will not as a general rule be profitable. The officers of the department have not the necessary Engineering qualifications in respect of buildings and there are obvious objections to the employment of the P. W. D. on the technical scrutiny of plans prepared by private agency."

This, I venture to submit, Sir, is a very bold generalisation and I for one am not prepared to take it lying down. It goes on further:

"The better class of private firms would not agree to take on work if they knew that they were going to be interfered with by the P. W. D. It has accordingly been decided to entrust original construction works as hitherto to the agency of the P. W. D. or the Military Works as the case may be, except in cases in which the employment of private agency is clearly advantageous."

I do not know what is meant by being "clearly advantageous". That needs some explanation and I await the explanation before I proceed further with this particular matter.

I want also to know what facilities and publicity are given for inviting tenders from private firms and private individuals.

In paragraph 29 a complaint has been made by the Retrenchment Committee about over-printing of postcards and telegraph and other forms. Now I find that no satisfactory reduction has been made under this head in spite of the recommendations of the Retrenchment Committee. The explanation given is as follows:

"It was not found possible to effect this reduction; on the contrary the actual expenditure during 1923-24 exceeded the budget grant of Rs. 12,78,000 by Rs. 38,74,000 which was composed of an excess of Rs. 39,27,000 over the grant for cost of postage stamps and of the saving of Rs. 53,000 in the grant of items of other expenditure."

Now further on it says that the excess of Rs. 39,27,000 is therefore exceptional and non-recurring and he justifies it: I do not want to read that to the House now.

I think I have now brought to the attention of this House some of those items in which I do not think sufficient reduction has been made; and I venture to suggest that more economies could have been effected in this department and the money thus saved could have been spent for purposes for which this department exists, had the Member in charge had a strong will. I will not detain the House longer by narrating the grievances of the postal employees in detail, because I see that cuts have been given to discuss these questions by other Honourable Members of the House. But I cannot but draw the attention of the House to the pay which has been allowed to the postal employees in Bihar. It would appear that whereas in places like Rangoon, Bombay, Karachi, Calcutta, Ahmedabad, etc., the rates of pay vary from Rs. 40 to Rs. 140, the pay of the employees in Bihar is only Rs. 35 to Rs. 120. This is a very grave injustice so far as Bihar is concerned. I suggest that they should get as much as is given to employees in Bengal—that is, Rs. 40 to Rs. 140. The same is the case in Madras and we see this very sort of representation they have made to the Honourable Member.

Mr. N. M. Joshi: May I suggest, Sir, on a point of order, whether it would not be convenient for Members to discuss the question of the postal employees under one separate cut instead of its being discussed among several others?

Mr. President: What method is convenient for Honourable Members is not a point of order. It is for them to consider what they should do. I should very much prefer that one question is discussed at one time as suggested by the Honourable Member.

Mr. Ohaman Lall (West Punjab: Non-Muhammadan): May I suggest one thing, Sir? I was not here at the time you called my name; I was locked out, and this is my earliest opportunity of coming in; and if you will allow me to move the cut standing in my name, it would cover all other cuts, and the whole matter could be discussed.

Mr. G. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): On a point of order, Sir; I have given notice of a cut on the grievances of subordinate employees. I should like to know if the Honourable Member's discussion of the grievances of postal employees will exclude me from moving my amendment.

Mr. President: The point of order will be settled when it arises, not now.

Kumar Ganganand Sinha: By way of explanation, Sir, I may make it clear to the House that what I am discussing is the policy of the department and I have made it clear in the beginning of my speech that the policy pursued by the department is beneficial to none, and that the discontent of the employees is one of the aspects. If the item of the grievances of the subordinate employees is excluded by the mere fact of my referring to it, then I shall leave it to those Honourable Members who have taken special pains to study this subject, and I shall refer to one or two other points.

Mr. President: The Honourable Member has already taken ten minutes on that point.

Kumar Ganganand Sinha: Then, Sir, I think I should leave this question to other Honourable Members to discuss, and I resume my seat.

Mr. President: The question is:

"That the Demand under the head 'Indian Postal and Telegraph Department (including Working Expenses)' be reduced by Rs. 1,500."

The motion was negatived.

Mr. Ohaman Lall: I have also given a cut for

Mr. President: I am afraid I cannot allow the Honourable Member to go back to previous amendments now.

Mr. Amar Nath Dutt (Burdwan Division: Non-Muhammadan Rural): I beg to move that the Demand under the head "Indian Postal and Telegraph Department (including Working Expenses)" be reduced by Rs. 1,500.

Mr. President: Does the Honourable Member wish to raise the question of reduction of postal rates?

Mr. Amar Nath Dutt: Yes, Sir.

Mr. President: That is relevant under the Finance Bill, and not under this Demand for Grant.

Mr. Amar Nath Dutt: I beg to submit, Sir, that this is one of the grievances which I want to bring to the notice of the Front Benches by a token cut. I am not going to move any amendment that the postal rates should be reduced from one anna to half an anna and so on, but I am simply laying before the House the grievances of the people of this country owing to the high postal rates

Mr. President: The proper occasion to raise that question is when the Finance Bill comes up, and not now.

Mr. Amar Nath Dutt: If I may be permitted to say so, Sir, this is a sort of censure on the department for not lowering the postal rates.

The Honourable Sir Bhupendra Nath Mitra (Member for Industries and Labour): May I speak on the point of order, Sir? I do not quite understand whom the Honourable Member wishes to censure. The question which has been raised at the present moment is with reference to the legislation passed by this House. And, Sir, I may say that your predecessor on a previous occasion refused to allow the question of postal rates to be discussed in connection with a cut in the Demand for Grants. I would refer, Sir, to the Legislative Assembly Debates, Volume V, Part III, pages 2295-96, and also to page 2108. I may also mention, Sir, that the practice is the same in the House of Commons, and I would refer in this connection to May's Book, page 538, where it is stated that the administrative action of a department is open to debate, but the necessity for legislation and matters involving legislation cannot be discussed in Committee of Supply.

Mr. Amar Nath Dutt: On a point of order, Sir. I beg to point out that under section 67(2), we cannot bring in any legislation for reducing the postal rates. Therefore, we have to take this opportunity to censure those Government officials who administer the Postal Department. Of course, my friend need not be perturbed by our censuring the visible symbol of the bureaucracy who administer the Department.

Mr. President: The Honourable Member knows that the department administers the particular Act which this Legislature has passed and it is open to Honourable Members to amend that Act when the Finance Bill comes. The Honourable Member wants to censure Government for not reducing postal rates. That can be done only by the amendment of the present Act. You cannot censure Government for collecting postal rates sanctioned by legislature.

Mr. K. O. Neogy: May I say a word, Sir

Mr. President: After the ruling is given the Honourable Member cannot have a word.

Mr. K. O. Neogy: I did not know that the ruling had been given.

Mr. A. Rangaswami Iyengar: I do not propose to move my cut,* Sir.

Dearth of Post Offices in the Chota Nagpur Division.

Mr. Ram Narayan Singh (Chota Nagpur Division: Non-Muhammadan): I also have given notice of a cut under this head

Mr. President: Is it passed over?

Mr. Ram Narayan Singh: Yes, Sir.

*"That the Demand under the head 'Indian Postal and Telegraph Department (including Working Expenses)' be reduced by Rs. 1,500."

Mr. President: Then the Honourable Member should have risen from his seat when Mr. Amar Nath Dutt was called. A Member must protect his rights.

Mr. Ram Narayan Singh: I had risen from my seat, Sir, but unfortunately I failed to catch your eye. I did rise before Mr. Amar Nath Dutt was called. I have given notice of a separate amendment but I do not know why it has been bracketed with that of my friend Mr. Kumar Ganganand Sinha.

Mr. President: If the Honourable Member says that he had risen when Mr. Amar Nath Dutt was called, I should allow him to move his amendment.

Mr. Ram Narayan Singh: I move that the Demand under the head "Indian Postal and Telegraph Department" be reduced by Rs. 1,500. Sir, in moving this reduction, I have to lay before this House and the Government certain grievances of my constituency. In the speech which the Honourable the Finance Member delivered the other day, he said that "the Postal and Telegraph Department, as the House is aware, is treated not as a profit-earning institution but as an organization whose energies are directed to supplying postal and telegraph facilities to the general public". Sir, in his speech he says that it is an organization for supplying postal and telegraph facilities to the general public, but in my constituency, I find there is a dearth of post offices. In several areas there are no post offices at all. Within a distance of 40 to 50 miles, there is only one post office

The Honourable Sir Bhupendra Nath Mitra: Sir, item No. 43 has already been disposed of. It was put to the vote and negatived, and I don't see

Mr. President: That item consists of two amendments each for Rs. 1,500.

Mr. Chaman Lall: May I ask, Sir, having gone on to No. 45, can we go back to No. 43 again? May I have your ruling, Sir?

Mr. President: Yes, the Chair has the discretion.

Mr. Ram Narayan Singh: Within a distance of 40 or 50 miles, as I said before, there is only one post office. The result is that the postal peons have to walk sometimes 20 to 30 miles at a stretch to deliver letters, and therefore sometimes letters are not delivered at all. In certain places there are police stations, District Board hospitals and schools, but in those places even there are no post offices, and this I say as regards all the five districts of Chota Nagpur Division, and not only as regards one or two particular districts. I hope, Sir, that the Government will kindly consider the interests of the people and extend the necessary postal facilities by opening more post offices for the benefit of the people there.

The Honourable Sir Bhupendra Nath Mitra: Sir, I think the House will be interested to know that in the last two years we have been taking vigorous action in the direction of extending postal facilities in rural areas. I shall not waste the time of the House by dilating on this point, but I shall place before them some salient figures. The number of post offices at the end of 1915-16 was 19,500, the number at the end of 1924-25 went up to 20,280. I should like at this stage to make it clear that the figures include both permanent and experimental post offices, experimental post offices being started in the first instance in rural areas. Now, Sir, in 9

years, therefore, the growth amounted to only 780. In 1925-26 the figure went up to 20,930, that is an increase of 650 in the year. At the end of 1926-27 we hope to increase the number to 21,700 or an increase of 770 in one single year. The position, therefore, is this, Sir, that in the current year we hope to have an increase of 770; last year we had an increase of 650; and in the two years together we shall have an increase of 1,420 against an increase of 780 in the preceding 9 years. I hope, Sir, the House will admit that this is a sufficient advance in the rate of progress. The other day also, Sir, in answer to a question from my friend, Mr. Ram Narayan Singh, I placed on the table of the House a copy of a circular which was issued by the Director General, I think, in October 1925, in which Postmasters General were asked to pay particular attention to this matter, and also to an increase in the number of village postmen wherever the need for it was established. Later on, in May, 1926, a further circular was issued to the Postmasters General to draw up a five years' programme of development in rural areas, and that programme will be discussed at the next annual conference of Postmasters General. Well, that I hope, Sir, will make it clear to the House that I am fully alive to this need for development of postal facilities in rural areas and we have done a good deal in that direction last year and in the current year.

Mr. President: The question is:

"That the Demand under the head 'Indian Postal and Telegraph Department' be reduced by Rs. 1,500."

The motion was negatived.

Low salaries of postal clerks, peons and subordinate services and inadequate pensions to retired subordinates.

Mr. T. Prakasam (East Godavari and West Godavari cum Kistna: Non-Muhammadan Rural): I move, Sir, that the Demand under the head Indian Postal and Telegraph Department be reduced by Rs. 1,500.

The salary paid to postal clerks is very inadequate generally speaking. Coming to Madras, an invidious distinction has been drawn between Madras and other cities in India with regard to the gradation of their salaries, and there is no reason for such distinction. The prices are high, people in Madras are not differently constituted from those in other provinces and there seems to be some misapprehension, I do not know how it started and who was responsible for it, that people in Madras could live on much smaller amounts than in other parts of the country. It is a matter on which much argument need not be advanced. I hope that this distinction between Madras and other cities would be removed by the Honourable Member in charge of this Department. Coming to the case of the postal peons who do work from morning to morning and on whose labours the whole department is based, their salary is very small when compared to the salaries paid to persons in so many departments at the top who do very little. There are four lower grades, lower than peons. The men of these four classes in the Madras Presidency are poor people who get very very small sums and their case deserves special attention.

With these words, I move my amendment.

Maulvi Muhammad Yakub (Rohilkund and Kumaon Divisions: Muhammadan Rural): Sir, I wish also to associate myself with the cut which has been proposed by my Honourable friend Mr. Prakasam. Sir,

[Maulvi Muhammad Yakub.]

the postmen and lower grade staff, both in the Post Office and the Railway Mail Service, have legitimate grievances against the Department. With the spread of education and the development of cities, the postal work has considerably increased but the postmen staff remain almost stationary. Necessarily they have a very hard time of it in the performance of their duties. The increase of the postmen staff is a matter that requires the attention of the Honourable Member in charge of the Post Office. It is very unfortunate that nothing is going to be done for the postmen staff and sorting postmen except in a few select places. The lower grade staff of the Post Office and the Railway Mail Service, as a whole, do not get anything. The pay of the Superintendents has been increased; the pay of the Inspectors and selection grade appointments has been increased. But those who require improvements of pay most have been left in the lurch. In this country, things are topsy turvy and no wonder therefore that improvements of pay should begin from the top. The postmen are a highly deserving class of servants on whom the efficiency of the postal service very largely depends. The Postal Committee of 1920 Reports, *vide* page 5:

"The postman to be qualified for his work must have some knowledge of the script of at least two languages, one being English, that his duty involves considerable pecuniary responsibilities. He is in fact in a small way a cashier; valuables and cash are entrusted to him, he has to render a daily account, to furnish security and to make good loss. The responsibilities of postmen in India are greater than those of postmen in England. In England the postman is not required to pay money orders to their payees, but here in India they are required to pay money orders from payee to payee. The postmen have to go round a large area carrying with them money and insured and registered articles in all circumstances."

The case of the village postmen is worse still. In addition to the troubles of postmen, they have to serve many villages and remain out of headquarters for one or more days. They are required to carry stamps for sale and receive registered letters like branch postmasters by granting receipts. Their functions are somewhat like a travelling post office, as appropriately remarked by the Postal Committee of 1920. The scale of pay of village postmen is the same as the postmen of the locality. Who is to pay the extra expenditure necessarily incurred while they are out of headquarters? I would urge the Honourable Member not only to consider the question of pay but also of giving them travelling allowances to compensate them for their extra expenditure. Then, Sir, as has already been pointed out, the small increment of pay which has been granted to the postmen in the Madras Presidency is in no way sufficient. I understand that there is a great deal of heart-burning among the postmen in Madras. I have in my hand a copy of the Resolution which was passed recently by the All-India Postal and R. M. S. Union, Madras. The Resolution runs as follows:—

"This meeting of the Madras City Branch of the All-India Postal and R. M. S. Union notes with great disappointment and much concern that while the clerical time-scale of pay of every station in India and Burma has been or is proposed to be improved beyond the original time-scale fixed by the Postal Enquiry Committee of 1920 by increasing the maximum in all stations and the minimum in several stations, Madras City alone has been singled out for not only no improvement in the maximum but for an actual reduction of even the original inadequate minimum of Rs. 45 to Rs. 40, and earnestly requests the Government to reconsider the case of Madras City and to remedy the serious injustice done to Madras City alone, in view of the high cost of living and house-rents prevailing in the Presidency-town of Madras and to sanction

immediately for Madras City the same scales of pay as for Calcutta in accordance with the recommendation of the Postal Enquiry Committee of 1920, as no new factors have arisen since 1920 to warrant the fixation of a lower scale of pay for Madras City than for Calcutta while, on the other hand, the cost of living, etc., in Madras City has been steadily increasing since 1920."

This shows that the postmen in Madras are not satisfied with the increment which has been given to them and their case deserves further consideration.

Now, Sir, while discussing the question of the salaries of these postmen I would like also to say a few words about the pay of the Railway Mail Service postmen and sorters. Before 1920 the average pay of the Railway Mail Service sorters was higher than that of the local post office clerk. In an evil moment the Postal Enquiry Committee placed the Railway Mail Service sorter on a lower level. Since then the matter has been represented to the Government fully, and Sir Geoffrey Clarke, the late Director General, Posts and Telegraphs, promised that the pay of the Railway Mail Service would be made equal to that of the local post office. Unfortunately this has not yet been done, and great dissatisfaction and discontent prevail in the Railway Mail Service.

The next point is about the uniforms of the postmen. Another serious complaint which the postmen have against the Government appears to me to be very legitimate. In very costly and unhealthy places, where the clerical staff receives compensatory allowance, the postmen are denied it. The postmen and other subordinates in such places require as much consideration as clerks. Will the Honourable Member take up this question and remove this legitimate grievance?

Last year a sum of Rs. 2,50,000 was sanctioned for house rent allowance to be paid to postmen and lower grade staff. May I inquire what amount has been spent out of the amount allotted? The house rent allowance sanctioned is in itself too low a rate. In Calcutta it is Rs. 5 a month and in Madras Rs. 3. The Honourable Member knows the conditions of Calcutta and he will not probably challenge the correctness of my statement when I say that even a room in a tiled hut cannot be had at less than Rs. 8 per month in Calcutta. In Madras Rs. 3 is paid for house rent. I shall not be wrong when I say that a room is not available in that city for less than Rs. 5. The house rent paid at some mufassil stations is miserably low and requires reconsideration by the Honourable Member. There again, what justification can there be to pay house rent allowance with effect from October 1926? The clerks received increase of pay from March 1926, and why should, in the case of postmen, the payment of house rent allowance be delayed till October? Can the Honourable Member deny that the whole amount of Rs. 2,50,000 has not been spent? What then is the difficulty of paying house rent from March 1926?

I am sorry to have to note that the Railway Mail Service is not receiving the same treatment as the Post Office. In certain places house rent allowance has been paid to postmen and inferior servants in the Post Office but it is denied to mail guards and the inferior servants of the Railway Mail Service stationed at those stations.

If Honourable Members would look into the annual report of the Director General of Posts and Telegraphs they would find that a number of postal runners are annually killed by robbers and wild animals and many more are injured. What encomiums have not been bestowed upon the runners by the successive Directors General for their

[Maulvi Muhammad Yakub.]

loyalty to the service and devotion to duty? The pay of this class of postal servants is Rs. 12, 13 or 14. Considering the hardest and most hazardous kind of work which they have to perform this scale of pay is certainly miserable, very low and inadequate. The question of adequately increasing the pay of runners should receive immediate attention. The case of inferior servants in the Post Office, such as packers and mail peons, and in the Railway Mail Service, such as van peons and porters, is equally urgent. They have no holidays and they are not entitled to leave with full pay and they have to work 365 days in a year. The scales of pay for inferior servants in general in the Post Office and the Railway Mail Service are not what they should be considering the long hours of duty and the responsibilities of their work. Their case is as urgent and their grievances as legitimate as those of the postmen, village peons and runners.

I expected that a sympathetic officer like my Honourable friend Sir Ganen Roy would first relieve the distress of the lower paid staff, but I must confess I am disappointed. There you have before you grievances which are legitimate and pressing and you have deferred them till next year. I ask, Sir, how the Honourable Member can justify this?

In conclusion, I must remark that I am very much disappointed to find that no increment has been given to the postmen and the low-paid post office servants in my province, the United Provinces, and perhaps in Delhi also they have received no increment. I hope that the case of the United Provinces postmen and low-paid servants will also receive due attention at the hands of the Post Office.

With these remarks I associate myself with the cut.

Mr. Chaman Lall: Sir, I would at the outset request you to give me your ruling as to whether I would be in order not only in referring to the pay and prospects of subordinate servants in the Post Office but also of those employed in the Telegraph Office. I understand the cut to mean that we are expected to discuss the policy of paying low salaries to postal clerks, peons and subordinate services and inadequate pensions to subordinate retired officers. Does that relate merely to the Post Office or does it also relate to the Telegraph Office? With due respect I would urge that since we are discussing the matter of policy we should be enabled to discuss the entire question on this cut in order that there may be no separate discussion in regard to a matter which is very much alike to the matter of the grievances of the postal employees. If I have your permission, Sir

Mr. President: Ordinarily I should ask Honourable Members to confine themselves to the question raised, but if there is the general desire on the part of Members and there is no objection on behalf of Government to have the wider question discussed, the Chair has no objection.

Mr. N. M. Joshi: May I say, Sir, that it is not really a wider question. They are all employees of the Postal Department.

Mr. Chaman Lall: I take it that the Honourable Member in charge is not disagreeable to the course that I have suggested, namely, the question of the subordinate employees of both the Departments being taken together.

The Honourable Sir Bhupendra Nath Mitra: I have no objection.

Mr. Chaman Lall: I will not follow my Honourable friend, Maulvi Muhammad Yakub in merely reading the circulars which have been handed in to us in regard to the grievances of these employees except one circular which I think is of such great value that it ought to go down into the records of the debates of this House. The circular that I intend to refer to deals with the family budgets of postmen in Bombay. It has been alleged on many an occasion recently that the prices of all commodities have gone down and that wages have gone up and that therefore the employees, both in Government service and in other services, are very much better off. I desire on the floor of this House to challenge that statement, and I will challenge it not from facts and figures that I myself might have collected, but from facts and figures that have been placed before the public by Government officials themselves. If Honourable Members will turn to Appendix 46 of the Currency Commission's evidence, they will find a memorandum by the Honourable Sir Basil Blackett, and I want to ask Government whether they are not convinced that that memorandum is absolutely incorrect, whether it is not a fact that there was an arithmetical error in computing the amount of real wages that have been increased during the last few years in India, whether the figure given, namely, the figure of 169 per cent., as increase in real wages over 1920 is not an incorrect figure and whether it is not a fact that the real figures are these. In 1921, the wages went up by 119 per cent. In 1923, the wages went up by 121 per cent. In 1925, they went up not by 169 per cent. but only by 123 per cent. Along with that I want Honourable Members to consider the exact increase in the prices of all commodities in India during last year. The latest official figures that I have before me are contained in the Indian Trade Journal, and when I looked at these figures I discovered that the increase of prices of all commodities as late as January 1927 was 143 per cent. for all commodities. It is obvious that instead of the Government claiming or the millowners claiming that prices have been reduced in this country to such an extent as to give a bonus to workers, as a matter of fact the prices have gone far beyond the capacity of the average wage-earner to meet his requirements. The fact is that, whereas the prices of all commodities have gone up by 143 per cent., the real wages have gone up only by 121 per cent. If this is a fact, I claim that a conclusive case has been made out for granting an increase, particularly to the subordinate services. I say that it is no use the Honourable Member in charge or the Director General of Posts and Telegraphs coming to us and saying, "Oh, these people are very well paid. The delivery peon gets Rs. 32 a month. That is ample for him." I asked the other day a question of the Honourable Member in charge of Industries and Labour—I asked him this, if you are satisfied with Rs. 6 a month as a decent pension to pay to a delivery peon, will you bring down the pension of the Director General of Posts and Telegraphs to Rs. 6 a month and try if he can live on it? I must protest against the callous manner in which such highly paid officials treat the subordinate workers in their departments. They must show a little more sympathy. They must be a little more human. An Honourable Member the other day was talking about a machine being soulless. I know that the machinery of Government is soulless. (*Lieutenant-Colonel H. A. J. Gidney: "Heartless."*) My Honourable friend, Colonel Gidney, says that it is heartless. We do know this that it has no heart when it deals with the lot of subordinate employees, but that it has a heart which beats two hundred to the minute when it discusses the emoluments and prospects of the higher services. (*Lala Lajpat Rai: "Lee Commission."*)

[Mr. Chaman Lall.]

The family budgets that I want to place before Honourable Members are of certain postmen in Bombay and I take the first man. This is a really most instructive document that I hold in my hands, because Honourable Members will be able to discover from it whether it is not a fact that these men, these postmen, are living in utter penury, that they are getting into debt year after year, and whether it is not a fact that this corroborates the statement made in 1921 by Mr. Joseph Baptista that 90 per cent. of the postmen in Bombay were in debt ranging from Rs. 20 to Rs. 2,000. (An Honourable Member: "The same is the case in Madras.") An Honourable Member says the same is the case in Madras. I have no doubt about it and I have not the slightest doubt that the same is the case all over India. I have not the slightest doubt that it is the same story everywhere and that the Honourable Member in charge and the Director General of Posts and Telegraphs who are responsible for this state of affairs are perhaps unwillingly showing utter callousness towards the lot of these subordinate employees. The first one is Mr. Shankar Anaji Naik, Postman, Mandvi P. O. Pay:—Rs. 45 plus Rs. 7 House rent allowance. Place.—Shantaram Chawal, Mughbhat Cross Lane, Girgaum, Bombay. Family:—Himself, wife, a 15-year old son, 2 daughters, 9 and 2 years old. 5 in all.

| | Monthly expenses. Rs. as. ps. |
|--|-------------------------------------|
| 1. House rent | 9 5 0 |
| 2. Rice 1 Phara 2 paylies (at Rs. 9 a phara) | 10 2 0 |
| 3. Patri 4 paylies (at 8 annas a payli) | 2 0 0 |
| 4. Tur Dal, 1 payli | 0 10 0 |
| 5. Gram Dal 2 seers (at 2 annas a seer) | 0 4 0 |
| 6. Potatoes 2 seers (at 2 annas a seer) | 0 4 0 |
| 7. Chawli 2 seers, masur 2 seers (at 2 annas a seer) | 0 8 0 |
| 8. Wal 1½ seers (at 3 annas a seer) | 0 4 6 |
| 9. Wheat 3 paylies (at 10 annas a payli) | 1 14 0 |
| 10. Ghee 2½ seers (at 14 annas a seer) | 2 3 0 |
| 11. Fuel 3 loads (3½ maunds a load, at Re. 1-6 annas a load) | 4 2 0 |
| 12. Sweet oil 4 seers (at 4 annas a seer) | 1 0 0 |
| 13. Cocoanut oil 6 seers (at 4 annas a seer) | 1 8 0 |
| 14. Kerosine oil 2 bottles (at 2 annas 6 pies a bottle) | 0 5 0 |
| 15. Onions 12 seers (at 9 pies a seer) | 0 9 0 |
| 16. Cocoanuts 30 (at 10 a rupee) | 3 0 0 |
| 17. Spices, etc. | 1 8 0 |
| 18. Vegetables at 3 annas daily for 20 days | 3 12 0 |
| 19. Fish twice a week, 6 annas each time | 3 0 0 |
| 20. Mutton twice a month, 6 annas each time | 0 12 0 |
| 21. Salt 1 payli | 0 3 0 |
| 22. Tea, half a pound | 0 10 0 |
| 23. Sugar 6 seers (at 0-1-9 a seer) | 0 10 6 |
| 24. Milk 6 seers (at 6 annas a seer) | 2 4 0 |
| 25. Tea, etc., while on duty daily 2 annas (4 Sundays excepted) | 3 4 0 |
| 26. Coarse sugar 2 seers (at 2 annas a seer) | 0 4 0 |
| 27. Doctor's bill | 3 0 0 |
| 28. Going to and coming back from Native place once a year Rs. 40 | 3 5 4 |
| 29. Washerman | 0 12 0 |
| 30. Barber | 1 4 0 |
| 31. Tram and Railway travelling occasionally | 0 8 0 |
| 32. Guests and religious festivals | 1 8 0 |

| | Rs. As. Ps. |
|---|-------------|
| 33. Soap for washing clothes 2 bars (at 6½ annas a bar) | 0 13 0 |
| 34. Bathroom soap | 0 4 0 |

(Laughter.) I do not want Honourable Members to laugh at this. This is really a serious matter and I want Honourable Members to pay more attention to it.

| 35. Son's School expenses | | Daughter's school expenses | | |
|--------------------------------|--------------|--------------------------------|---------------|---------|
| | Rs. As. Ps. | | Rs. As. Ps. | |
| Fees | 3 4 0 | Fees | ... | } 7 0 0 |
| Books and Stationery | 2 0 0 | Books and Stationery | 0 4 0 | |
| Tiffin | 1 0 0 | Tiffin | 0 8 0 | |
| Total | 6 4 0 | Total | 0 12 0 | |

36. Clothing—

DAUGHTERS.

| | | |
|------------------------------------|--------------|---------|
| 1 Umbrella | 2 0 0 | } 8 0 0 |
| 2 Shirts, Re. 1-0-0 each | 2 0 0 | |
| 4 Jackets, 10 annas each | 2 8 0 | |
| 4 Frocks, 6 annas each | 1 8 0 | |
| Total | 8 0 0 | |

SON.

| | | |
|--|---------------|----------|
| 2 Pairs of dhotars, Rs. 3 each | 6 0 0 | } 23 4 0 |
| 4 Shirts, Re. 1-4-0 each | 5 0 0 | |
| 2 Coats, Rs. 3-0-0 each | 6 0 0 | |
| 1 Cap, Rs. 1-4-0 each | 1 4 0 | |
| 2 Pairs of sandals, Rs. 1-8-0 each | 3 0 0 | |
| 1 Umbrella | 2 0 0 | |
| Total | 23 4 0 | |

SELF.

| | | |
|--|---------------|----------|
| 2 Pairs of dhotars Rs. 4-0-0 each | 8 0 0 | } 5 15 8 |
| 3 Shirts, Rs. 1-4-0 each | 3 12 0 | |
| 2 Coats, Rs. 4-0-0 each | 8 0 0 | |
| 1 Cap | 0 12 0 | |
| 2 Pairs of sandals, Rs. 1-8-0 each | 3 0 0 | |
| Total | 23 8 0 | |

WIFE.

| | | |
|------------------------------------|---------------|----------|
| 2 Saris, Rs. 7-0-0 each | 14 0 0 | } 17 0 0 |
| 4 Khans, Rs. 0-12-0 each | 3 0 0 | |
| Total | 17 0 0 | |

Total yearly 71 12 0

Total monthly expenses 78 8 0

[Mr. Chaman Lall.]

I want the Director General, Posts and Telegraphs, who will retire on a handsome pension of Rs. 9,999-15-9, etc., etc.—I want him to look at these figures and tell me in all seriousness whether this is not a shameful state of affairs, whether he can claim efficient labour from men who are weighed down by the claims of creditors, from men who do not know how to make both ends meet, from men who have to feed a family of 4 or 5 members on a salary of Rs. 42 a month in a city like Bombay? The Honourable Member has lived in the city of Bombay, and so have I, and I dare say he knows that to keep a donkey or a horse in Bombay would cost nothing less than Rs. 35 a month for stabling charges (*Several Honourable Members*: "More.") Mr. Jayakar says that it would cost more. He ought to know. I have never been able to afford a horse in Bombay, but he is in a position to keep horses. Are you going to treat your workers worse than animals by underpaying them, by sweating them, by making them live these degraded lives and go year by year under the spectre of disasters that will follow? Are you going to continue like that, when on the one side you have your poor men paid like this and on the other you have your upper grade officers paid handsome salaries and handsome pensions? There is no justification for this. I will not go on to read other statistics which I hold in my hand, but I have given Honourable Members a typical case of what is happening in a city like Bombay. If the Honourable Member wishes to read other pathetic stories of a similar nature, I can make a present of this pamphlet to him.

So much for the Bombay postal peon. But I come now very much nearer and I come to the delivery peon, the man who works for 24 hours whenever there is an urgent telegram for Honourable Members announcing the birth of a son, or a betrothal, or a marriage (*An Honourable Member*: "Why not a death?") comes in the heat of the day or in the cold of the night and delivers his telegrams. And what does he get? I have been told that his average emoluments come to something like Rs. 32 a month. Now I dispute the correctness of that figure because the average is not Rs. 32. But granted that the average is Rs. 32. I have here another family budget which was prepared at my instance here in the city of Delhi when I got these men together and said, "Now give me a family budget so that I can tell your boss in the Legislative Assembly how you live, and ask him to give me his family budget to show how he lives." This is the family budget of a telegraph peon, the man, his wife and three children, five persons in the family:

| | Rs. | A. | P. |
|------------------------|-----|----|----|
| Atta | 5 | 0 | 0 |
| Rice | 3 | 0 | 0 |
| Ghee | 4 | 0 | 0 |
| Dahl | 2 | 0 | 0 |
| Firewood | 4 | 0 | 0 |
| Spices | 1 | 0 | 0 |
| Tobacco | 2 | 0 | 0 |
| Vegetables | 2 | 0 | 0 |
| Barber | 1 | 0 | 0 |
| Dhoby | 2 | 0 | 0 |
| Sugar | 2 | 0 | 0 |
| Tea | 0 | 4 | 0 |
| Milk | 4 | 0 | 0 |
| Kerosene oil | 1 | 0 | 0 |
| Total | 34 | 4 | 0 |

Just for the bare necessities of life. Adding to this his clothing and miscellaneous expenditure, the whole lot comes to Rs. 34 plus Rs. 15, that is Rs. 49 per month. This represents the bare necessities of life, the bare living expenses which can enable this man to keep body and soul together. And what does he get? As I said to the Honourable the Director General of Posts and Telegraphs, he gets Rs. 82 a month. And I am told he is well paid for his work! Now I ask the Honourable Member, is it not necessary for the Government to institute a searching inquiry into the economic condition of these subordinate services, to ascertain whether they are living on the starvation level or being well treated? I myself have seen telegraph peons coming to me in the middle of the night, on rainy days, I have seen them soaked to the skin, and what does the Honourable Member do for them? A warm coat twice a year, not even a mackintosh, not even an umbrella, when they have to do this arduous work in all seasons and at all times. Sir, there are no doubt examples of what the Government would be willing to do for the upper superior services. We know what they have been able to do, and we know also what they have not been able to do for the subordinate services.

There is one other point I want to deal with, and that is the condition of the mechanics and mistries, and what is known as the exchange coolie. All these people are suffering from acute economic distress, and I mention these various classes because I desire that the Honourable Member who is in charge of the Department of Posts and Telegraphs should take the earliest opportunity to deal with the just and legitimate grievances of these people.

I am not going to weary the House by dealing with the other grievances that have been brought to the notice of the Honourable Member in charge time and again, but there is one matter, and that matter so important in the province of the Punjab that I take the liberty of mentioning it in connection with the grievances of the subordinate staff. The other day I received a letter which was marked "Confidential" and it brought to me memories of what happened last year when I gave notice of certain questions relating to the Punjab, relating to the manner in which the Punjab Post Offices were being run by the gentleman who is now in charge, Mr. J. T. Booth, and I remember the day when the Director General, Posts and Telegraphs, came to me and asked me to withdraw those questions, and in pursuance with his request I did withdraw them. What were those questions? The questions related to certain circulars which had been issued by this gentleman, Mr. Booth, in the Punjab, regarding the employment of certain Hindus in certain jobs in the Punjab. I do not know whether it is the set policy of the Government to so divide the communities as to create animosities between the two communities, but nothing would have been more calculated to create animosities between the two communities than mischievous circulars of this nature. I noticed later on that the Leader of the Nationalist Party, Lala Lajpat Rai, himself took this matter up and had some sort of conversation with the Director General. I do not know the result but the grievance is that according to this circular Mr. Booth has prohibited the recruitment of Hindus, and we were assured by a reply to a question by Lala Ram Saran Das in the Council of State that the orders of this gentleman have since been cancelled. I want to know from the Honourable Member in charge whether it is correct that those orders have been cancelled. Nobody will accuse me on the floor of this House of showing any partiality to one individual

[Mr. Chaman Lall.]

belonging to one community as against another. To me they are all alike, and I want justice done to them all. I must protest against the invidious distinctions which are drawn by officers of the Government and of the injustice that is done to one community through a false sense of doing justice to another community. If the circulars have not been withdrawn and if action has not been taken as regards the matriculation passed and intermediate passed recruits in the services, I hope the Honourable Member in charge will have them withdrawn. There has been a legitimate sense of grievance in the Punjab owing to the activities that I have referred to of the Postmaster General there. I do not wish to say anything more of the activities of this gentleman, but I do hope that Government will take note that there exists a sense of grievance in the Postal Department of the Punjab, and that measures will have to be taken to put an end to it.

I have nothing more to add except one word, and that is this. The Honourable Member over there, who is about to retire from his post of Director General, Posts and Telegraphs, will be well advised to take the earliest opportunity before he does retire of doing justice, the barest minimum of justice, to these subordinate servants both in the Telegraph Office and in the Post Office.

Mr. C. Duraiswamy Aiyangar: Sir, I do not wish to sit silent when the question of the grievances of the Madras postal employees have been placed before this House by my friend Mr. Prakasam. Sir, I do not discuss the policy but the impolicy of making a distinction between the Madras employees and similar employees in other provinces. This morning I brought to the notice of the House and the Honourable the Finance Member the position which the customs employees occupy who are in the same predicament. So far as the postal employees are concerned, I even attempted some private negotiations with the Honourable Sir Bhupendra Nath Mitra to see if he could not do something for them. In fact I agreed with him that I would even change the tone and language of my speeches in pleading for the cause of these poor employees and I only wanted mercy from him, and I even agreed that, if he could not raise the minimum, he should increase the maximum and by adding one rupee more raise the increment and enable them to reach the same goal as the similar employees in other provinces. But to-day, Sir, Mr. Prakasam has placed the same question before the House and I do also want the Honourable Sir Bhupendra Nath Mitra to make some encouraging statement in relation to the condition of these employees. Sir, it is no good to say that a similar distinction is made in other departments also. The Honourable Sir Bhupendra Nath Mitra knows better than any other that there is a world of difference between the work of the persons employed in the Postal Department and of other Departments. A careful calculation has been made by the postal employees themselves as to how many years more of service they render than those who render service in other departments within the same period of 30 years by calculating the number of hours they are made to work more than the employees in other departments. That calculation, Sir, gives 17 years more within the space of 30 years. They steal 17 years more from them, which means they cut short the life which God has given them by so many years. Sir Bhupendra Nath Mitra stated in Simla at a meeting in 1920 that the Postal Department is unpopular and their

duties are harder than the duties of the clerical establishments. Knowing as he does the position and that the lot of the employees in the Postal Department is worse than that of those employed in other departments, why should he not put up a plea before his colleagues that they should be placed on the same level as the employees in other departments? I would ask him to give us the statistics of how many postal employees have lived after their service, to receive their pensions and ask him to compare those statistics with the statistics of those who draw pensions from other departments. I think it would be very rarely that the postal employee survives his life in the department. When we speak of holidays there is always the question whether it is also a postal holiday. A postal holiday is therefore a rare phenomenon, and we find that on days on which we enjoy holidays, the postal peons do not enjoy them. But, Sir, I would not be satisfied, at least so far as this department is concerned, with the argument that in Madras living is cheaper than it is in other provinces. I mentioned this morning that the cost of living in Madras is not one whit less than the cost of living in other Presidencies. If it be so and the Honourable Sir Bhupendra Nath Mitra or the Director General of the Post Office thinks that the cost of living in Madras is cheaper than it is in other provinces, I would recommend the Director General of the Post Office to change his office to Madras and live there and draw a lower salary. That is the true test of saying Madras is cheaper than other provinces. Therefore, Sir, on behalf of these employees, I ask Sir Bhupendra Nath Mitra to give a word of encouragement. It would not cost more than probably a lakh of rupees if the arrangement I have proposed is agreed to of raising their maximum and giving them an increment of one rupee more than what has been already provided for. Sir, I also thank Maulvi Muhammad Yakub, though he is not here, and it is much better to thank one in his absence, for the cause he has pleaded for the Madras employees, and I expect some favourable gesture from the Honourable Sir Bhupendra Nath Mitra and the Director General of the Post Office.

Mr. A. Rangaswami Iyengar: Sir, I do not want to add to the appeals made to the Honourable Sir Bhupendra Nath Mitra in regard to the hard lot of postmen and of postal subordinates, particularly in my province, because I know that Sir Bhupendra Nath Mitra's sympathy is already assured on behalf of all people who have been in service working as hard as he has done in service. Sir, my appeal, on the other hand, is to the other hard-hearted department of the public service, the Finance Department, which has taken up in this matter an attitude, as revealed this morning, against which I am bound to protest. The Honourable Sir Basil Blackett, in dealing with the similar proposition this morning, said that their difficulty is that, so long as the Madras Government would not raise its minimum scales of pay for these poor clerks, their hands were bound by the action of the Madras Government. Sir, it seems to me preposterous that the Central Government should say, "We are going to copy the bad example set to us by the Madras Government, but we are not going to give them lessons in a good example." Sir, far from the Madras Government's proposition being a case which should tempt other people to follow in their footsteps, it is a case for the Central Government to pull up the Madras Government for not doing justice to the clerks in their departments whose sufferings are equally acute. I do not want to say anything further than that I protest against the principle that the scales of pay of these clerks should be determined by the several

[Mr. A. Rangaswami Iyengar.]

provincial administrations and that the idiosyncracies of a particular administration should actuate the Central Government in determining the policy of what is a minimum wage in each province. A minimum wage is a minimum wage, and is its equity going to vary as the Lord Chancellor's foot? I say it is a very hard thing for the toiling postmen and others. The only other matter I want to draw attention to is the grant already provided by the Standing Finance Committee in respect of an increase in emoluments. Full effect has not been given to the proposals and I think it is hardly fair that the Government should make a saving on a grant which the Standing Finance Committee has already agreed to. I hope Sir Bhupendra Nath Mitra will fight for this and obtain justice.

Lala Lajpat Rai: Sir, I only want to make one observation and that is that I whole-heartedly associate myself with the statements made by my friends on behalf of the grievances of the postal employees in general and also with the statements made by my friend Diwan Chaman Lal on behalf of the Punjab postal employees. I think I should add one more appeal to the Honourable Member in charge, that it is high time that other provinces should get the benefit of the talents and efficiency of the gentleman who has for some time past occupied the high office of the Postmaster General, Punjab. He is so unpopular and has made the lives of the Punjab postal employees so bitter and miserable that I think his talents and efficiency may be utilised in other provinces by rotation, rather than that he be confined to the Province of the Punjab.

Mr. N. M. Joshi: Sir, it was two years ago that a Resolution was moved in this Assembly about the grievances of the postal employees. Sir, during the course of that debate the Honourable Sir Bhupendra Nath Mitra promised to inquire into these grievances personally. I am glad, Sir, that during the last two years he has devoted at least some of his valuable time to make personal inquiries into the grievances of the postal employees. I am also glad, Sir, that during these two years he has succeeded in doing something to remove these grievances. On behalf of the postal employees I offer sincere thanks to the Honourable Member for what he has done. But, Sir, although the postal employees are very grateful to him for what he has done the postal employees are not yet satisfied. He has so far only done something for the clerical grades, but as far as the postmen, the runners and inferior servants are concerned not much has been done. I am aware that in this year's Budget he has provided some money for increasing the salaries and house rent in some cases of postmen in Bombay, Calcutta and Rangoon; but, Sir, that is not quite enough. In the first place what he has done is only confined to Bombay, Calcutta and Rangoon. The postmen, inferior servants and runners in other places are waiting, and I am sure he will take up this matter very early and will not allow much time to pass before he does something for the postmen and other inferior servants of the Postal Department. Sir, the grievances of these people are many, but as several Members have already spoken about them I do not wish to narrate them but there are one or two points on which I would like to speak.

The first point is about the conditions of pension and leave of the inferior servants. Here the real trouble is that these inferior servants unfortunately cannot get any improvement as regards pension and leave

simply because it is said that there are inferior servants in other departments also and unless the other departments move one cannot move. But, Sir, is there any machinery by which we can make all the departments of the Government of India move in this matter? I have been speaking about menials and inferior servants for the last six years in this House, but unfortunately I have not yet succeeded in finding any way by which I can induce the whole machinery of the Government of India to make some improvement in the prospects of inferior servants generally. Sir, I therefore appeal to the Honourable Sir Bhupendra Nath Mitra that he should himself take up this matter of inferior servants with the other departments and tell them that the inferior servants of the Postal Department cannot tolerate the conditions in which they live and he as the head of that department will not tolerate those conditions to go on. Unless the head of one of the departments takes up this matter the case of the inferior servants is not likely to be taken up by anybody. Sir, there are many big officers and heads of departments in this House but I have not seen one of them talking about the position of the inferior servants under them. When we had the Lee Commission we heard the grievances of the superior service, but who is there to speak on behalf of these inferior servants. They get a pension of Rs. 6 a month. They do not get privilege leave unless they find somebody to work for them and unless they pay his salary. Is this a right position that only when a man can provide a substitute he should get privilege leave? Is it right that a man who cannot make any saving on his pay should not get pension according to the rules on which other employees get pension? If an inferior servant gets a salary of Rs. 20 according to ordinary rules of pension he should get a pension of Rs. 10, but he get Rs. 6. And that too not after 25 years' service but after 30 years. If he serves 20 years he does not get anything. Now is it a right thing that when people belonging to the superior service get some pension after 10 or 15 years' service a man who belongs to the inferior service should not get any pension unless he puts in a service of 30 years? I therefore hope that the Honourable Sir Bhupendra Nath Mitra will take up this matter with the other departments, if necessary, or take his courage in both hands and make a change of rules in his own Department.

Sir, there is one more point upon which I would like to touch. This year the postmen of Bombay, unlike the postmen of Madras, the United Provinces and the Punjab, have been given some increment in their salaries. Their salaries are fixed at Rs. 30 minimum and maximum Rs. 50 with an annual increment of Re. 1, so that in 20 years they get Rs. 50. They also get a house rent of Rs. 8-8-0. Now, Sir, my suggestion to the Honourable Sir Bhupendra Nath Mitra is that, as he has done something for them, he should do a little more. He gives the postmen Rs. 38-8-0. I suggest to him that he should give them a minimum of Rs. 40. He gives them a maximum of Rs. 58-8-0, I suggest to him that he should give them Rs. 60 as the maximum. Then, Sir, as regards the postal readers and other grades in Bombay he has created a grade from Rs. 60 to Rs. 100 with an annual increment of Rs. 2. Now, Sir, if a postman can rise to Rs. 100 at the end of his service as a head postman or a reader, I shall be quite satisfied; but unfortunately when a postman begins on Rs. 30 he takes 20 years to reach his maximum in the postman's grade. Then if he wants to reach the maximum of the other grade, that is from Rs. 60 to Rs. 100, he will take another 20 years more. It is impossible, or at least it will be very rare, for any postman to reach the

[Mr. N. M. Joshi.]

highest grade after serving 40 years. I therefore suggest to the Honourable Member that the rate of annual increment in the case of readers and head postmen should be increased from Rs. 2 to Rs. 4, so that it will be possible for a postman to reach the maximum of Rs. 100. Then, Sir, there is one more matter. It is said that the maximum salary of a postman in Bombay must be kept less than the minimum salary of a clerk. That seems to me to be the accepted principle of the department. Sir, I protest against this principle. What is the connection between the maximum pay of a postman and the minimum pay of a clerk, I cannot understand. If a postman serves for 30 years and gets Rs. 65 why should a clerk who enters the department in that year or has served only one year complain about it or should feel that some indignity has been put upon him on that account? I therefore think that if the department has made that a principle, the principle should be given up at an early date. No clerk I am quite sure will complain that his dignity suffers simply because a postman in that post office gets a little more than he gets. Sir, such things happen in other branches of various departments. A man belongs to the Imperial service—many people here belong to the Imperial service; I think they start on Rs. 500 or Rs. 600; while many people in the provincial service draw Rs. 800 or Rs. 1,000. I am quite sure they do not complain about this. And if not, why should the Honourable Sir Bhupendra Nath Mitra think that a clerk in Bombay will complain if a postman gets Rs. 65 simply because the clerk starts on Rs. 60? I therefore hope, Sir, that if that principle has been accepted by the Postal Department, it will be thrown overboard because I feel that there is no real reason behind it.

The other day I asked a question about wireless operators, and I was told that there was only one Indian wireless operator. I do not know exactly how many operators there are; but I know that we are spending lakhs of rupees on wireless, and unfortunately the Honourable Sir Bhupendra Nath Mitra told me that out of some fifty operators—I do not remember the exact number—there is only one Indian. Now, Sir, I am told that the posts of these wireless operators are to be filled by ex-service soldiers. I have great sympathy with ex-service men; but it is necessary that with regard to ex-service men pertaining to our army, we should pay them something out of the army estimates and with regard to ex-service men belonging to England, England should pay for them. I therefore hope that the Honourable Sir Bhupendra Nath Mitra will take up this question seriously and remove the grievances of Indians that they cannot get posts as wireless operators simply because there are some ex-service men who have to be employed or simply because the superior officers in that department cannot put confidence in Indians. Sir, if the Government of India is to be run and if the departments are to be Indianised, you have to appoint Indians as wireless operators and as officers and in every grade. The time has gone by when you could keep out Indians out of any grade in any department. I therefore hope, Sir, that the Honourable Sir Bhupendra Nath Mitra will take up this question at an early date and make an improvement.

Before I close, Sir, I want to say one word. The Postal Department is making huge profits year after year. I do not say that the Telegraph Department or the Telephone Department is making profits. Sir, the Government of India are making huge profits out of the Postal Department. They make losses on the other two departments. Last year's

profit on the Postal Department was Rs. 21 lakhs and every year before there has been a report of Rs. 20 lakhs, of Rs. 25 lakhs or Rs. 30 lakhs. I am quite sure if the Government had followed the wise policy they are now following in the Railway Board of having a reserve fund, they could have got out of the Postal Department a reserve fund of some crores of rupees; but unfortunately that money is wasted in making good the losses on the Telegraph and Telephone Departments. Sir, it is always the case that the Post Office has been giving a subsidy to the Telegraphs and to the Telephones, because the subsidy is given not to poor people but to richer people. Telegrams are not used by the poor people; telephones are not used by the poor people; therefore the Postal Department must make profits every year to meet the losses in the Telegraphs and Telephones. There are influential people ready to make a row about the rates of telegrams and telephones and so these rates must be brought down. There cannot be losses on the postal services; there must be profits on the postal services and those profits must be utilised to maintain a cheap telegraph service and to maintain a cheap telephone service. Sir, I think it is preposterous. If any subsidy, any bounty is to be given it must be given to a department that is used by poor people and no bounty should be given out of the poor people's money to maintain a department which is useful only for rich men—at least so far as telephones are concerned—there is absolutely no justification for giving any bounty out of the money belonging to the Postal Department. I cannot understand why the telephone services should not be made paying. As a matter of fact my opinion is that even the postal service must be made paying; I can understand giving a small bounty to open a new post office in a village, but I cannot understand why any bounty should be given out of the poor people's money to maintain a telephone service or to maintain a telegraph service. I therefore hope, Sir, that the Honourable Sir Bhupendra Nath Mitra will take this question in hand so that there will be enough money for him to remove the grievances of postal employees.

Mr. N. C. Kelkar: Sir, the limits of the debate on this particular cut have been widened from the postal runner to the wireless operator, and therefore I may as well make few remarks on the one or two specific matters which I want to raise about this department, so that I may save myself the trouble of speaking again on the cut which stands in my name. The specific matters which I wish to raise are about three or four. First of all there is the question of the people in the administrative offices; secondly, the new scale of pay and how it works; and the effects of revision as between postal and telegraph employees, and lastly, the Bombay city postmen.

With regard to the first item, namely, the administrative offices men, the Member in charge of course knows all the facts that I may have to place before him; but for the information of the House I may as well state a few facts very briefly. There are two classes of people under this head with whom I want to deal. First of all, the time-scale men who start with a minimum of Rs. 60 and rise to a maximum of Rs. 160 by an increment of Rs. 4 or Rs. 5. Now, what is their demand? I will content myself with stating the demand, and when it is seen that the demand is not very exorbitant it will at once be allowed that it should be granted. The demand is that the minimum should be Rs. 70 rising by increments of Rs. 10 to Rs. 240 for non-qualified men, Rs. 30—10—240 for people who have passed certain examinations, and can be called

[Mr. N. C. Kelkar.]

under-graduates, and Rs. 110—10—240 for graduates. I have been told that in the Secretariat graduates are actually given this minimum, and therefore it stands to reason that in these administrative offices which practically stand on the level of the general secretariat the same privileges should be given to the employees at the beginning and at the end.

Now, the second class of men with which I wish to deal is the selection grade people. Their scale is Rs. 145—5—170, Rs. 175—10—225, Rs. 225—15—350, with a compensatory allowance of about Rs. 10 or Rs. 20. Now, their demand is that the appointments on pay higher than the time-scale pay should not be less than 18 per cent. of their total appointments and the pay should be raised for the highest grade from Rs. 450 to Rs. 600 by increments of Rs. 30. I must admit that I am not competent to judge of the merits of this last claim, but the demand seems to be based upon a comparison of the pay and prospects of the superior subordinates in the Secretariat and this particular Postal Department. In this matter the Director General is said to have stated that the men have made out no case, but a representation was subsequently made to His Excellency the Viceroy and an officer was deputed, I understand, to investigate the merits of the claim. The report has been made, I also understand, but the contents are not yet made known to the public. But an unfavourable inference seems to be drawn, because no provision has been made for an amount to cover the demand in the current Budget for any increase.

Then, Sir, I pass on to the new scale of pay. In this connection, first of all, there is the case of Madras employees which has already been touched upon, and I shall not dilate upon it and take the time of the House. I will only say that I entirely associate myself with what has been said on behalf of the Madras employees whose minimum instead of being increased has been actually cut down by Rs. 5. It seems, Sir, a very hard case on its own merits, but there must be sufficient ground for making an actual reduction, and I hope the Honourable Member in charge will in his reply deal at length with the topic and justify the decrease.

The second point is about the general complaint. The Madras complaint is a special complaint, and there is also the general complaint that serious anomalies have been created by the new time scale. Now, the effects of the new scale form a source of complaint both ways. One complaint is that it is made applicable to cases in which it ought not to be made applicable, and the other complaint is that it is not made applicable to cases in which it ought to be made applicable. Now, the first of course happens to be an exceptional case. There may be very few cases coming under that head, but such cases do exist, and the Postal Union with whom I happen to be associated have stated the position clearly thus:—

“The new scales have not the same periods of rise from the minimum to the maximum as those scales applicable to second class and certain 1st class head offices, ‘so that strictly speaking, stages in one or other cannot possibly correspond and transfers between such scales cannot really be governed by the point to point principle’. If so, what is the pay that such transferred men are to get? The Accountant General's office itself could not solve the riddle and, therefore, it says it has been decided provisionally to fix pay on the new scale at the stages the Government servant would have reached had his whole service been spent on that scale in accordance with the criterion laid down in the Government of India letter No. 132-P. W., dated the 16th January 1922. This means that a man transferred from D scale to Poona will get more pay than that

had he been from the beginning of his service, why, even more than what his contemporary in Poona is entitled to. Strangely enough, a man in the D scale may get an unexpected lift over a clerk in the C scale, although the latter scale is further improved. By collusion and by securing temporary exchanges, many officials would reap benefit."

That seems to be the specific complaint relating to anomalies which happen in the case at least of transferred men.

The second complaint of course is a general one, and it is that the point to point system, though it is now inaugurated and made applicable to all future entrants, is not made applicable to the present incumbents, or at any rate, though it is made applicable to the present incumbents, it operates in an injurious manner in their case, and not so much in the case of new entrants. It means, in short, that the people who are already in the service and have put in a long period of service have to suffer—no, I don't put it that way—but they will not get the benefit which they ought to get in comparison with the new comers. By way of making a specific proposal, therefore, I would say that, taking the whole period of service, say as 25 years, it should be cut up into three parts, and advance increments should be paid in each of the three periods according to a certain scale. In the first 8 years. I may suggest, that one advance increment of Rs. 5 may be given, so that the present anomaly may be removed. In the second 8 years' service, I propose an advance increment of Rs. 10 may be given, because that would be sufficient to remove the anomalous effects; and in the third 8 years' period and over, three advance increments of Rs. 15 may be given. That, I suppose, will make up the difference. Now, in 1920, when a revision was made this point to point scale was actually applied subject to an increase of 50 per cent. In 1924, again, when the revision of the Bombay Central Telegraph Office staff was made, such advance increments were actually given. Therefore, there is no reason why even in the present case in order to remove the anomalous effects of the new scale, advance increments should not also be given to these classes of people to whom I have referred.

Then comes the question of the effects of the revision, or, say, the relations between the Postal and the Telegraph Department. This subject has already been dealt with by my friend Mr. Joshi, and he has already indicated that with Government the Telegraph Department is a kind of a "pet", and the Postal Department is a kind of drudge or a servant who ought to do service to the elder brother, as he called it, of the Telegraph Department. I will just show by way of comparison of figures how the two departments are treated by Government as a matter of fact. Now taking the two departments together, what do we find? Under non-voted, the increase between 1925 and 1927 has been 44 per cent. The figures of non-voted expenditure for 1925 are 8 lakhs and odd, non-voted expenditure for 1927, 11 lakhs and odd. That gives a difference of 44 per cent. Then voted expenditure for 1925-26 is 9 lakhs and odd, voted estimated expenditure for 1927, 10 lakhs and odd,—an increase of slightly over 9 per cent. So both together have an increase of 9 per cent. But what is to be marked is this, the increase of 44 per cent. under non-voted and an increase of 9 per cent. under voted. An increase of 44 per cent. under non-voted necessarily means, as I read it, an increase in the salaries and allowances of the higher officers, because these are non-voted, and the voted figures show the salaries and allowances of the lower staff. Now, taking the Postal Department by itself, we find that the postal voted expenditure has increased only 9 per cent., and under telegraph expenditure it has

[Mr. N. C. Kelkar.]

increased by 20 per cent. This of course is not a case of voted and non-voted, but we take the two departments together for comparison, and the point is that the Telegraph Department has been treated more favourably than the Postal Department. But what is the revenue yielded by these two departments to Government? The cost of the telegraph branch has in three years increased by over 20 per cent., while the cost of the Post Office has increased only by 9 per cent. During the same period the Telegraph Department has been working at a loss and in the year 1927, the loss is estimated to come to 21 lakhs, while in the Post Office a surplus of 21 lakhs is estimated. In one department there is a surplus, while corresponding to that there is a deficit in the other department. And yet, the House has seen the difference in the increase incurred in the two different departments.

Now, as between the employees in the Telegraph Department itself, there is a subtle distinction made between one class of people and another class, and here we find that house rents are paid to the higher officers, and not to the lower class, though house rents are sanctioned for them. The scale of pay of the general service telegraphist is Rs. 80—250 with a house rent allowance of Rs. 50 for telegraphists with ten years' service or less and Rs. 60 for telegraphists of over ten years' service. The remuneration is therefore Rs. 130—300 for telegraphists of ten years' service or less and Rs. 140—310 for telegraphists of over ten years' service. The remuneration of postal clerks is generally Rs. 35—185 and Rs. 40—140 and in a very costly place like Bombay it is Rs. 60—160. So on an average it will be found that a telegraphist is paid twice as much as the postal people. Now, there are two reasons generally adduced for the special and preferential treatment given to the telegraph people. One is that they are liable more to transfers. But my information is that except in very large towns the postal people also are equally liable to transfers. The other excuse is that the telegraphists have got technical instruction and education which is not possessed by the postal people. Now, in this matter, I would put before the House just one small consideration. Now, what is a telegraphist after all? One can imagine what services he renders. His education is not technical in a very great sense. I do not know whether he has got himself anything to do about the duty of opening the telegraphic machines; because, as I understand, if there are repairs required, the inspector comes round and puts the matter right as a rule. But even supposing some small knowledge, technical knowledge, of the machine operated is required, the same is the case with the mufassil postman who has also to do the duty of a telegraphist. Therefore, in my opinion, the merits do not differ at all. And looking to the duty itself, what do we find? Here is the telegraphist to whom a form is handed with certain words written upon it and he has only to operate the machine as a typist operates upon his machine. In my opinion, it does not require a very large amount of skill nor is it responsibility in a real sense. Now, look at the other man. The Sub-Postmaster, for instance, what are his duties? He has, I suppose, to attend to a hundred kinds of onerous duties, different duties, for he comes at every moment in contact with people who are insistent, very urgent in their claims and at once go to the higher authorities when their demands are not satisfied, and so on. The one man, the telegraphist, has nothing to do with any body. The form is written and handed in, and like a typist he sits and does the operating work. I do not know what will be yielded by a

comparison between the hours of duty of the two sets of people, but I have got some information on that point, and while I do not wish to enter upon that topic, I do strongly protest against the claim made on behalf of the telegraphists. The claim is made on behalf of the telegraphist, that he is a man with a greater technical knowledge and the postal man does not possess technical knowledge. I assert on the contrary that in point of real responsibility, monetary responsibility, and responsibility arising out of all manner of points of contact with the public generally, the Sub-Postmaster or the postal subordinate has got more onerous duties to perform as compared with the telegraphist. Of course, the opinion of the Member in charge himself has been quoted and I suppose he will not go back upon that opinion.

Now, I have got here a calculation made. Of course, I do not regard it as very accurate but that calculation shows that taking the whole service, 25 or 30 years' service, one man puts in so much as 17 years of more service on the whole. That I suppose is calculated on the basis of hours of duty, the holidays enjoyed and not enjoyed, and so on. But I do not attach much importance to that because it seems to be a kind of fantastic calculation. But it has got its lesson. You may not accept the whole calculation, but there must be some ground for complaint that the postal man is on the whole more hard-worked than the telegraphist.

Then I come to the recruitment to the Telegraph Department. And here it will be at once seen that the Telegraph Department is a kind of a pet of the Government, and the Department is practically meant for one class of people rather than another. If I have misstated the facts, of course I may be corrected; but my information is that recruitment at present is made only through Anglo-Indian schools and Mission schools. I definitely assert that, on the information I have in my hand, recruitment to the Telegraph Department is not general, is not by any competitive examination as there are no prescribed qualifications laid down for it, but is restricted only to a particular kind of schools, say Mission schools or Anglo-Indian schools. Now, I really do not see the propriety or the fun of Government restricting its recruitment, the whole of its recruitment, to particular schools, Anglo-Indian schools and Mission schools. And what does Government do? They actually send their own men to give instruction to the students in these schools side by side with the general education they receive there. It is the duty of the Mission schools and of the Anglo-Indian schools to give them general education, and for their convenience, so that they may receive this special instruction on the spot, side by side, Government send their own instructors to the schools and into the bargain pay to these schools at the rate of about Rs. 100 to 125, or Rs. 90 per student for the services rendered by the schools by way of giving general instruction. Now, the specific complaint and the more aggravating complaint in my opinion in this matter is that, apart from this injustice done to the general class of people who may want to enter this service, and apart from the injustice that recruitment has been restricted practically to one particular class of people rather than another, there is this further complaint, that Postmasters who are already doing telegraphist's work in combined Post and Telegraph Offices in the mofussil, if they want to enter the telegraphic line, are not allowed to do so. I should like to know the reason why? Should not people who are already doing good service in one department of Government be allowed to get themselves transferred, after, I submit, of course, such severe test as may be necessary, into the Telegraph Department?

[Mr. N. C. Kelkar.]

The very fact that these people like to make a claim upon the Government that they should be transferred to the Telegraph Department means necessarily that the prospects in the one department are necessarily higher than in the other. My contention is borne out by the very claim that the postal people make that they should be allowed to be transferred to the Telegraph Department. Therefore, I really want to know from the Member in charge what excuse is there for this special method of recruitment? For what reason is this special and preferential treatment given to this Telegraph Department as contrasted with the treatment given to the Postal Department?

In conclusion, I would say one word which may come upon the Member in charge as an agreeable surprise; and it is this, that the Unions with which I am associated have specially asked me to convey to the heads of this Department their gratitude for what has been done for the department during the last six years. I myself have been an independent witness of what has been happening in this Department in the way of satisfying claims from the appointment of the first Postal Committee. I have been in touch with this and I find, after all, that the heads of departments have not entirely shut their eyes to the situation. They are doing what they can and it is only in the assurance that reasonable representations are being listened to that further representations are made. If that was not the case these people would have gone their own way of getting their grievances redressed. But I can assure the heads of the department that a kind of contentment prevails in the department and that they are satisfied in a way, up to a certain degree, with the treatment that is being given to them. Further, I have seen the friendliness of spirit which prevails between the subordinates and the heads of departments, say, the Superintendents and the postal people. I happened to preside at an annual conference of these Unions and I saw with my own eyes the Postal Superintendents of Circles and the subordinates under them, both coming together, and discussing things in a friendly spirit without fear or favour, and I was happy to be an intermediary between the superior and the inferior. (Hear, hear.) It is in this way, by bringing the employers and the employees together in personal contact, that the problem can be solved, and I wish greater and greater success to the efforts of this department in that line. At the same time, however, the claims that I have put forward remain unredressed and I press them with all the force at my command.

The Assembly then adjourned till Eleven of the Clock on Friday, the 11th March, 1927.
