

12th March 1928

THE
LEGISLATIVE ASSEMBLY DEBATES

(Official Report)

Volume II

(8th March to 27th March, 1928)

SECOND SESSION

OF THE

THIRD LEGISLATIVE ASSEMBLY, 1928



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CONTENTS.

VOLUME II—8th March to 27th March, 1928.

	PAGES.
Thursday, 8th March, 1928—	
Message from the Council of State	1159
The General Budget—General Discussion— <i>concl'd.</i>	1159-94, 1196-1219
Statement of Business	1195
The Steel Industry (Protection) Bill—Presentation of the Report of the Select Committee	1195
Saturday, 10th March, 1928—	
Questions and Answers	1221-33
Unstarred Questions and Answers	1134-39
Motion for Adjournment—Lockout at Lillooah on the East Indian Railway—Ruled out of order	1239-41
Motion for Adjournment—Announcement made by His Excel- lency the Commander-in-Chief on the 8th March, 1928, in con- nection with the Report of the Sandhurst Committee—Leave granted	1241-44
The Indian Territorial Force (Amendment) Bill—Presentation of the Report of the Select Committee	1244
The Auxiliary Force (Amendment) Bill—Presentation of the Report of the Select Committee	1245
The Indian Succession (Amendment) Bill—Presentation of the Report of the Select Committee	1245
The General Budget—List of Demands—	
Demand No. 16—Customs—	
Abolition of the export duty on raw hides	1245-56
Continuous increase in expenditure	1256-59
Export duty on jute	1259-66
Using the income derived from the protective duties for the general expenditure of the Central Government	1266-74
Policy: Viramgam Customs Cordon	1274-82
Rebate of Customs Duty on Scientific Instruments and Chemicals imported for the <i>bona fide</i> use of Educational and Scientific Institutions	1282-83
Motion for Adjournment—Announcement made by His Excel- lency the Commander-in-Chief on the 8th March, 1928, in connection with the Report of the Sandhurst Committee— Adopted	1283-1306
Monday, 12th March, 1928—	
Questions and Answers	1307-13
Unstarred Questions and Answers	1313-21
The Indian Mines (Amendment) Bill—Presentation of the Report of the Select Committee	1321

CONTENTS—*contd.*

PAGES.

Monday, 12th March, 1928—*contd.*The General Budget—List of Demands—*contd.*

Demand No. 16—Customs— <i>concl'd.</i>	1321-39
Export duty on rice	1321-26
Inadequate and insufficient representation of minorities and the Mussalmans in all branches of the Customs Services	1326-39
Demand No. 17—Taxes on Income	1339-66
Conditions of recruitment, qualifications, pay and promotion of officers in the Income-tax Department, Bombay	1339-41
Grievances of the Assessees	1341-52
Defective Working of Devolution Rule No. 15	1353-55
Equitable Share to Provinces	1355-58
Incomes of Shipping, Insurance and Banking Concerns	1358-64
Levy of Income-tax in Upper Burma	1364-66
Appendix	1367

Tuesday, 13th March, 1928—

Member Sworn	1369
Questions and Answers	1369-71
Unstarred Questions and Answers	1371-78
The General Budget— <i>contd.</i>	
List of Demands— <i>contd.</i>	
Demand No. 72—Miscellaneous	1379-1407
The Indian Statutory Commission	1379-91
Delegation to the International Labour Conference and allowances paid to Delegates and Advisers	1391-98
Delegation to the Assembly of the League of Nations	1399-1407
Message from the Council of State	1407
The General Budget— <i>contd.</i>	
List of Demands— <i>contd.</i>	
Demand No. 82—Expenditure in England under the control of the Secretary of State for India	1408-22
Powers of the Secretary of State for India	1408-11
The India Office being a reactionary ^c body not wanted by India	1411-22
Demand No. 40—Central Board of Revenue	1422-28
Lack of uniformity in the system and incidence of tax collection	1422-27
Non-appointment of Burmans to the superior grades of the departments under the control of the Board	1427-28

Wednesday, 14th March, 1928—

Questions and Answers	1429-39
Unstarred Questions and Answers	1439-42
The General Budget—List of Demands— <i>contd.</i>	
Demand No. 74—North-West Frontier Province—	
Introduction of Reforms in the North-West Frontier Province	1443-63
Necessity of strengthening the judiciary	1463-68
Demand No. 38—Army Department—	
For obvious reasons (The policy and expenditure)	1468-90

CONTENTS—*contd.*

Thursday, 15th March, 1928—

	PAGES.
Bill passed by the Council of State laid on the table	... 1491
The General Budget—List of Demands— <i>contd.</i>	
Demand No. 38—Army Department— <i>concl'd.</i>	
For obvious reasons (The policy and expenditure)	... 1491-1532
Demand No. 28—Executive Council.	
On the principle that there should be no square pegs in round holes	... 1532-48
Demands Nos. 18—27	... 1549-51
Demands Nos. 29—37	... 1551-52
Demand No. 39	... 1552
Demands Nos. 41-71	... 1552-57
Demand No. 73	... 1558
Demands Nos. 75—81	... 1558-59
Demand No. 83	... 1559
Demands Nos. 84—94	... 1559-61

Friday, 16th March, 1928—

Member Sworn	... 1563
Statement of Business	... 1563
Statement laid on the Table	... 1563-71
The Indian Finance Bill—Discussion on the consideration of clauses adjourned	... 1572-1632

Saturday, 17th March, 1928—

Questions and Answers	... 1633-39
Unstarred Question and Answer	... 1639
The Indian Finance Bill—Discussion on the motion to pass adjourned	... 1639-89

Monday, 19th March, 1928—

Questions and Answers	... 1691-1706
Unstarred Questions and Answers	... 1706-16
The Indian Finance Bill—Passed	... 1716-57
The Indian Merchant Shipping (Amendment) Bill—Passed as amended	... 1758-66
The Indian Tariff (Amendment) Bill—Discussion on the consi- deration of clauses adjourned	... 1766-72

Tuesday, 20th March, 1928—

Questions and Answers	... 1773-76
Unstarred Question and Answer	... 1776-77
Resolution <i>re</i> Financial Irregularities relating to the Sambhar Salt Improvement Scheme—Negatived	... 1777-1805
Resolution <i>re</i> Export of Sacred Objects and Indian Antiquities —Withdrawn	... 1805-13
Resolution <i>re</i> Sugar Industry in India—Discussion adjourned for want of a quorum	... 1813-26

CONTENTS—*contd.*

	PAGE:
Wednesday, 21st March, 1928—	
Questions and Answers	1827-29
Unstarred Questions and Answers	1829-32
The Indian Tariff (Amendment) Bill—Passed as amended	1833-39
The Steel Industry (Protection) Bill—Passed as amended	1839-63
The Indian Territorial Force (Amendment) Bill—Passed as amended	1863-91
Election of the Standing Finance Committee	1891
Election of the Standing Finance Committee for Railways	1891
Election of the Panel for the Central Advisory Council for Railways	1891
Election of the Public Accounts Committee	1892
The Auxiliary Force (Amendment) Bill—Passed as amended... ..	1892
Thursday, 22nd March, 1928—	
The Hindu Child Marriage Bill—Presentation of the Report of the Select Committee	1893
The Indian Succession (Amendment) Bill—Passed as amended	1893-94
The Reservation of the Coastal Traffic of India Bill—Motion to circulate adopted	1894-1901
The Special Marriage (Amendment) Bill—Motion to circulate adopted	1901-17
The Hindu Inheritance (Removal of Disabilities) Bill—Passed	1917-18
The Indian Merchant Shipping (Amendment) Bill—Motion to circulate adopted	1919-20
The Indian Divorce (Amendment) Bill—Motion to circulate adopted	1920-22
The Indian Penal Code (Amendment) Bill—Immunity of Members of unregistered Trade Unions, etc., from the consequence of the Conspiracy Law—Motion to circulate adopted	1922-24
The Hindu Marriages Dissolution Bill—Introduced	1924
The Hindu Law of Inheritance (Amendment) Bill—Introduced	1924
The Indian Life Assurance Companies (Amendment) Bill—Introduced	1925
The Hindu Marriages Dissolution Bill—Motion to circulate adopted	1925
The Hindu Law of Inheritance (Amendment) Bill—Passed	1925-26
Monday, 26th March, 1928—	
Member Sworn	1927
Questions and Answers	1927-54
Unstarred Questions and Answers	1954-63
Messages from the Council of State	1963-64
Election of the Standing Finance Committee	1964
Election of the Public Accounts Committee	1965
The Land Acquisition (Amendment) Bill—Withdrawn	1965-66
The Child Marriage Restraint Bill—Motion to circulate adopted	1966-79
The Caste Disabilities Removal Repealing Bill—Motion to circulate negatived	1979-84

CONTENTS—*concl'd.*

PAGES.

Monday, 26th March, 1928—*concl'd.*

The Interest Restriction Bill—Withdrawn	...	...	1984-89
The Indian Limitation (Amendment) Bill—Motion to circulate adopted	...	...	1989-90

Tuesday, 27th March, 1928—

Member Sworn	...	...	1991
Questions and Answers	...	...	1991-2004
Unstarred Questions and Answers	...	...	2005-18
Election of the Public Accounts Committee	...	...	2018
Election of the Standing Finance Committee for Railways	...	...	2018
Election of the Panel for the Central Advisory Council for Railways	...	...	2019
The Chittagong Port (Amendment) Bill—Passed	...	...	2019-27
The Indian Mines (Amendment) Bill—Passed, as amended	...	...	2027-48
Demands for Excess Grants	...	...	2048-52
Demands for Supplementary Grants	...	...	2052-62
Resolution <i>re</i> Draft Conventions and Recommendation of the Tenth International Labour Conference regarding Sickness Insurance—Adopted	...	...	2063-77

LEGISLATIVE ASSEMBLY.

Monday, 12th March, 1928.

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

QUESTIONS AND ANSWERS.

EXTENSION OF THE PROVISIONS OF THE PROVIDENT FUNDS ACT, 1925, TO PROPERLY CONSTITUTED PROVIDENT FUNDS OF FIRMS, COMPANIES AND ASSOCIATIONS.

412. ***Sir Walter Willson**: Will Government be pleased to state if they contemplate taking steps to give effect to the resolution passed at the meeting of the Associated Chambers of Commerce of India and Ceylon in December, 1926, recommending that the Provident Funds Act, 1925, be amended so as to extend its provisions to properly constituted provident funds of firms, companies and associations?

Mr. V. K. Aravamudha Ayangar: Sir, may I answer question No. 412? I am sorry the Honourable the Finance Member is not here.

Mr. President: The Honourable Member should have informed the Chair.

Mr. V. K. Aravamudha Ayangar: The Government have recently resumed active consideration of the matter: they have come to certain provisional conclusions and will now consult Provincial Governments.

AMOUNT COLLECTED FROM EACH PROVINCIAL GOVERNMENT AS INCOME-TAX PAYABLE ON SECURITIES ISSUED INCOME-TAX FREE.

413. ***Mr. M. S. Aney**: Will the Government be pleased to give the amount collected under the second proviso to section 8 of the Income-tax Act (1922) from each Provincial Government separately, as income-tax payable on securities issued income-tax free, for each year from 1920-21 to 1926-27?

Mr. V. K. Aravamudha Ayangar: The information has been called for and will be furnished to the Honourable Member when received.

NON-OFFICIAL BILLS IN THE LEGISLATIVE ASSEMBLY.

414. ***Maulvi Muhammad Yakub**: Will the Government be pleased to state, how many non-official Bills were admitted for introduction since 1921 to January 1928, how many of them received leave for introduction, how many of them were circulated for opinion, how many reached the Select Committee stage, how many of them were finally disposed of by the House and how many of them lapsed?

Mr. L. Graham: Sir, I lay on the table a statement giving the information the Honourable Member requires.

Statement showing the number of non-official Bills admitted for introduction and their subsequent stages from 1921 to Simla Session, 1927.

Sessions.	Valid notices for leave to introduce received.	Introduced.	Circulated for opinion.	Referred to Select Committee.	Passed by the Assembly.	Lapsed after introduction.	Notices lapsed before introduction.
<i>1st Assembly.</i>							
1st Session (February to March 1921)	7	4	..	..	1		3
- 2nd Session (September 1921 to March 1922).	31	14	4	2	1	9	17
3rd Session (September 1922 to July 1923).	23	10	4	11	9		13
<i>2nd Assembly.</i>							
1st Session (January 1924 to September 1924).	41	13	3	5	1		28
2nd Session (January 1925 to March 1925).	46	10	3	1	2		36
3rd Session (August and September 1925).	32	..	1	1	1	26	32
4th Session (January to March 1926).	49	17	..	1	2		32
5th Session (August and September 1926).	14	..	..	..	..		14
<i>3rd Assembly.</i>							
1st Session (January to September 1927).	45	13	3	1	2	..	32
Total	288*	81	18	22	19	34	207*

* This number includes several Bills the notices of which were renewed from session to session.

NON-OFFICIAL RESOLUTIONS IN THE LEGISLATIVE ASSEMBLY.

415. *Maulvi Muhammad Yakub: Will the Government be pleased to state, how many non-official Resolutions were admitted for discussion since 1921 to January 1928, how many of them were ballotted for, how many were discussed in the House and how many lapsed?

Mr. L. Graham: Sir, I lay on the table a statement giving the information the Honourable Member requires.

Statement showing number of Resolutions admitted, ballotted and moved.

Sessions.	Number of non-official Resolutions admitted.	Number of non-official Resolutions ballotted.	Number of non-official Resolutions moved.	Number of non-official Resolutions which could not come up for discussion.	Remarks.
<i>1st Assembly.</i>					
Delhi session 1921 . . .	120	54	*25	95	*In addition 15 Resolutions were moved by Sir Sivaswamy Aiyar on a Government day in connection with the Esher Committee's Report.
Simla session 1921 . . .	195	61	20	175	
Delhi session 1922 . . .	221	149	35	186	
Simla session 1922 . . .	229	24	9	220	
Delhi session 1923 . . .	363	20	13	350	
Simla session 1923 . . .	137	24	11	126	
<i>2nd Assembly.</i>					
Delhi session 1924 . . .	403	71	18	385	
May-June session and September session 1924	647	26	4	643	
Delhi session 1925 . . .	919	64	11	908	
Simla session 1925 . . .	591	13	5	586	
<i>3rd Assembly.</i>					
Delhi session 1926 . . .	340	47	8	332	
Simla session 1926 . . .	105	24	4	101	
Delhi session 1927 . . .	313	25	4	309	
Simla session 1927 . . .	196	23	4	192	

N.B.—In cases where several Members gave notice of the same Resolutions the notice by each Member has been counted as a separate Resolution.

QUESTIONS NOT PUT OWING TO THE ABSENCE OF THE QUESTIONERS, WITH ANSWERS TO THE SAME.

IMPORT OF ARTIFICIAL GHEE INTO AJMER-MERWARA.

403. ***Rai Sahib Harbilas Sarda:** (a) Are Government aware that the people of Ajmer in public meeting assembled have protested against the unrestricted importation of a foreign product called artificial or *Vanaspati* ghee into that province and have asked that a heavy duty be levied on it?

(b) Are Government aware that this product has been reported by Chemical Examiners not to possess the nourishing qualities of pure ghee and that it is being sold to unsuspecting people as pure ghee without any measures being taken by Government or the Municipalities to ensure that those who ask for pure ghee in the bazar are not sold this foreign product in the name of ghee?

Mr. G. S. Bajpai: (a) Yes.

(b) As regards the nutritional quality of this article the attention of the Honourable Member is invited to the reply given to part (d) of Raja Raghunandan Prasad Singh's starred question No. 13 on the 1st February 1928. Government have not received complaints from Ajmer-Merwara that vegetable ghee is fraudulently used to adulterate pure ghee. They have read of such complaints being made in some provinces.

INTERMEDIATE CLASS COMPARTMENTS ON THE GREAT INDIAN PENINSULA MAIL.

404. ***Mr. Mukhtar Singh:** (a) What is the average number of intermediate class passengers that travelled by the Great Indian Peninsula Mail that leaves from Delhi at 8-30 P.M., during the last six months?

(b) What is the average capacity of the intermediate class compartments attached to the Great Indian Peninsula Mail?

(c) Are the Government contemplating to increase the number of intermediate class compartments in the Great Indian Peninsula Mail?

Mr. A. A. L. Parsons: (a) and (b). The Government of India do not maintain figures to show the number of passengers travelling and accommodation available on individual trains.

(c) The Government of India cannot undertake to interfere in details of this nature. A copy of the question is being sent to the Agent within whose competence it is to take such action as is necessary and possible.

TRAINING OF INDIANS IN THE PRINTING SECURITY PRESS, NASIK.

405. ***Mr. Mukhtar Singh:** Has the proposal to train Indian youths in the Printing Security Press, Nasik, and then send them to England for further training for ultimate appointment in that line, matured? If so, from which province and community and how was the last recruitment made? What are the prospects of that line?

The Honourable Sir Basil Blackett: What the Government have sanctioned is the training of apprentices in the Press in fine printing work. The course of apprenticeship will run over 5 years, during which period the apprentices will be given a stipend of Rs. 30, 35, 40, 50 and 60 per mensem, subject to the satisfaction of the Master as to the progress made. It is hoped that apprentices who complete the course satisfactorily will, if not absorbed in the Press itself, be in a position to obtain

employment in private printing establishments. The maximum number of apprentices that may be trained at one time is four, and two will be taken from each province by turn. There is no arrangement for sending any one to England for training, nor is it proposed to take any one as an apprentice with a view to appointment in the Press.

The above scheme, though sanctioned, has not yet been given effect to, since it has been found possible to employ promising youths on a daily wage as required. These youths work as ordinary press hands and thus receive a complete grounding in their work. There are at present 10 such apprentices, working on daily wages.

RECRUITMENT TO THE IMPERIAL AGRICULTURAL SERVICE OF POST-GRADUATE STUDENTS OF THE AGRICULTURAL RESEARCH INSTITUTE AT PUSA.

406. *Mr. Mukhtar Singh: (a) How many post-graduate students are taken each year in the Pusa Agricultural Institute and how many have so far been trained since the existence of the Institute and how have they been provided for?

(b) Is it a fact that no post is guaranteed to these students as is done in Roorkee and other colleges? If so, why not?

(c) What is the procedure employed to get recruits for training?

(d) Has any student after qualifying himself from this Institute been taken in the Imperial Agricultural Service?

(e) Do the Government propose to recruit their future Imperial Agricultural Service men from this Institute? If not, why not?

Mr. G. S. Bajpai: (a) About 12 post-graduate students are admitted to the Agricultural Research Institute each year. In all 102 such students have so far been trained, and nearly all of them now hold appointments in the Provincial Departments of Agriculture.

(b) The Government of India cannot guarantee these students employment, since "Agriculture" is a transferred provincial subject and most of the posts to which the students can be appointed are filled by the Local Governments. The Government of India do not at present give any guarantee of employment to students passing out of Roorkee.

(c) The courses are advertised in the newspapers, and likely candidates are interviewed by a Selection Committee of officers of the Institute.

(d) Yes; six.

(e) Government will consider in connection with the Report of the Royal Commission on Agriculture the question of recruiting from the Institute such men as they require for any new Central Agricultural Service which may be established.

ADMISSION OF STUDENTS TO THE SCHOOL OF MINES AT DEANBAD.

407. *Mr. Mukhtar Singh: (a) While admitting students to the College of Mines at Dhanbad, do the Government recruit a proportionate number of candidates out of each community and province every year?

(b) How was the recruitment made last year?

(c) What is the procedure adopted to secure the candidates for training?

The Honourable Sir Bhupendra Nath Mitra: (a) and (c). Students are admitted to the School mainly on the results of an entrance examination and not on communal grounds. A certain number of admissions is reserved for each province, but the remaining admissions are open to the best candidates without regard to domicile.

(b) The procedure indicated above was followed last year.

RECRUITMENT OF HINDUS IN THE JULLUNDUR POSTAL DIVISION.

408. ***Mr. Mukhtar Singh:** (a) Is it a fact that Mr. Booth when he inspected the Jullundur Post Office Division noted down in the book in 1925 that Hindus should not be taken in that Department?

(b) Since then how many Muhammadans and Sikhs have been taken in that Division?

(c) For how long will this remark stand as a bar to the recruitment of Hindus?

The Honourable Sir Bhupendra Nath Mitra: (a) The orders in question related to the Jullundur Post Office Division only and were cancelled in February 1927.

(b) Muhammadans	.	.	.	.	.	.	.	.	.	8
Sikh	.	.	.	.	.	.	.	.	.	1
Hindu	.	.	.	.	.	.	.	.	.	1

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

RECRUITMENT TO THE CLERICAL ESTABLISHMENT OF THE RAILWAY BOARD.

409. ***Mr. Mukhtar Singh:** Will the Government please state whether the Railway Board has been permitted to recruit its own staff in the upper, lower and third division, and that it does not take the help of the Public Service Commission which is the recruiting agency for the Government of India staff? If so, why?

Mr. A. A. L. Parsons: The work of most branches of the Railway Board's office is of technical nature and it is, therefore, necessary that the Railway Board should be free to recruit men from railway administrations.

PUBLICATION IN THE VERNACULAR OF LISTS OF FARES ON STATE RAILWAYS.

410. ***Mr. Mukhtar Singh:** (a) Do the Government issue their coaching tariff rates on the State Railways in the vernaculars of the province?

(b) Are they published and kept for sale on the railway bookstalls?

(c) Have the Government made any arrangements for the tariff schedules and rates published in English or in the vernacular of the provinces to be sold at the bookstalls on the railway stations?

Mr. A. A. L. Parsons: (a) Lists of fares are exhibited in the vernacular at each station.

(b) No, but I understand that some railways are considering publishing timetables in the vernacular.

(c) So far as I am aware, goods tariffs are not on sale at station bookstalls either in English or vernacular.

SUPPLY OF ANNUAL REPORTS OF THE DIFFERENT DEPARTMENTS OF THE GOVERNMENT OF INDIA FREE OF CHARGE TO MEMBERS OF THE LEGISLATIVE ASSEMBLY.

411. ***Mr. Mukhtar Singh:** Do the Government supply annual reports of the different Departments of the Government of India free of charge to the Members of the Legislative Assembly? If the answer be in the negative, are Government prepared to issue instructions to supply the annual reports free of charge to those Members who apply for such publications?

Mr. G. S. Bajpai: An inquiry has been made from the various Departments of the Government of India in regard to the point raised in the first part of the Honourable Member's question. The Honourable Member's suggestion for the free supply of the annual departmental reports to Members of the Legislature will be considered.

UNSTARRED QUESTIONS AND ANSWERS.

NUMBER OF MUSLIMS AND HINDUS IN THE POLICE OF THE NORTH-WEST FRONTIER PROVINCE.

354. **Mr. Mukhtar Singh:** (a) Will the Government be pleased to state the number of Hindus and Muslims (i) Constables, (ii) Sub-Inspectors, (iii) Inspectors, (iv) Deputy Superintendents and (v) Superintendents, employed in the Police Department in the North-West Frontier Province?

(b) Did the Government give any undertaking after the Kohat riots that a certain percentage of Sikhs and Hindus will be employed in the Police Department? If the answer be in the affirmative, will the Government be pleased to lay on the table the copy of that statement? Will the Government be further pleased to state the steps taken in this behalf to fulfil the undertaking given?

(c) Will the Government be pleased to state if any Hindu police officer has been put in charge of the police station at Peshawar since 1901? If the answer be in the negative, will the Government be pleased to state the reasons why a Hindu officer has not been appointed?

The Honourable Mr. J. Orerar: (a) The number of Hindus and Sikhs and of Muslims in the Police Department of this Province are as follows:

Rank.	Hindus and Sikhs.	Muslims.
Superintendents and Assistant Superintendents of Police . . . . .	..	1
Deputy Superintendents of Police		12
Inspectors	4	23
Sub-Inspectors	51	116
Head Constables	74	502
Constables	665	4,053

(b) The reply is in the negative except as regards Kohat city, but since the Kohat riots every effort has been made to maintain 30 per cent. of Hindus and Sikhs in all cities and cantonments of the North-West Frontier Province.

(c) Hindu and Sikh police officers have been placed in charge of various police stations in Peshawar city and cantonments at various times since 1901. In the absence of any information regarding the particular police station at Peshawar to which reference is made a more detailed reply cannot be given.

PERCENTAGE OF SIKHS AND HINDUS IN THE DIFFERENT PROVINCIAL SERVICES OF THE NORTH-WEST FRONTIER PROVINCE.

355. Mr. Mukhtar Singh: (a) Will the Government be pleased to state the percentage of Sikhs and Hindus in the different Provincial Services of the North-West Frontier Province?

(b) Have the Government taken any steps to increase the percentage of Sikhs and Hindus in the Provincial Services?

(c) Is it a fact that when a vacancy occurs in the provincial cadre of the North-West Frontier Province the recruitment is made generally through the Muslim Association, Peshawar? If so, why?

Sir Denys Bray: The information required is being collected and will be supplied to the Honourable Member in due course.

NUMBER OF HINDUS AND SIKHS IN THE EDUCATIONAL SERVICES IN THE NORTH-WEST FRONTIER PROVINCE.

356. Mr. Mukhtar Singh: (a) Will the Government be pleased to state the percentage of Hindus and Sikhs in the Indian and Provincial Educational Service in the North-West Frontier Province?

(b) Will the Government be pleased to state the number of middle and High Schools in the North-West Frontier Province and how many of them have got a Hindu or a Sikh headmaster?

(c) Will the Government be pleased to state the number of Hindu or Sikh Sub-Deputy and Deputy Inspectors of Schools in the North-West Frontier Province?

Mr. G. S. Bajpal: (a) No Hindu or Sikh holds any of the three Indian Educational Service or of the seven Provincial Educational Service posts in the North-West Frontier Province.

(b) There are five Board Anglo-vernacular middle schools and nine Government high schools. One Anglo-vernacular middle school and one Government high school have a Hindu headmaster. No Sikhs are employed as headmasters.

(c) Three Hindus and no Sikhs are serving as Assistant District Inspectors of Schools. There are no Deputy Inspectors of Schools.

APPLICATION OF THE LAND ALIENATION ACT TO THE PESHAWAR DISTRICT.

357. Mr. Mukhtar Singh: (a) Will the Government be pleased to state as to when the Land Alienation Act was made applicable to the Peshawar District?

(b) Was there any deputation or memorial sent by the people of the District in this connection or did the Government apply the Act on their own initiative?

(c) Will the Government be pleased to place on the table the correspondence on this subject between the district authorities and the Chief Commissioner of the North-West Frontier Province?

(d) Did the Government make any enquiry as to how the Land Alienation Act will affect the people of the District? If the answer be in the affirmative, will the Government be pleased to lay on the table a copy of the report of such an enquiry? If the answer be in the negative, will the Government be pleased to state the reasons why such an enquiry was not considered to be necessary?

(e) Will the Government be pleased to state the average of sale transactions of five years before and after the Act came into force?

(f) Are Government aware that by the introduction of the Land Alienation Act in the Peshawar District all the Hindus and Sikhs are debarred from purchasing land in that District?

Mr. G. S. Bajpai: The information requested by the Honourable Member is being collected and will be supplied to him later.

FUTURE POLICY OF RECRUITMENT TO THE PUBLIC SERVICES IN THE NORTH-WEST FRONTIER PROVINCE.

†358. **Mr. Mukhtar Singh:** (a) Will the Government be pleased to state the future policy of recruitment to the public services in the North-West Frontier Province?

(b) What is the proportion of Hindus and Sikhs in the Provincial and Imperial Services?

VACANCY IN THE PESHAWAR MUNICIPAL BOARD.

359. **Mr. Mukhtar Singh:** (a) Will the Government be pleased to state since when a seat has been vacant in the Peshawar Municipal Board?

(b) Will the Government be pleased to state the name of the gentleman whose seat is left vacant?

(c) Why has the seat not been filled so long?

Mr. G. S. Bajpai: (a) and (b). A seat on the Municipal Committee of Peshawar has been vacant since the death of Rai Sahib Lala Bashe-shar Nath Talwar in October 1926.

(c) The Government of India understand that the delay in filling the seat is due to certain difficulties connected with new claims for representation by various bodies in Peshawar City.

RAISING THE STATUS OF THE POST OFFICE OF CHITTODE VILLAGE TO A SUB-OFFICE.

360. **Mr. R. K. Shanmukham Chetty:** (a) Will the Government be pleased to state whether any *nasars* were received from the merchants of Chittode Village in Coimbatore District by the Postmaster General, Madras, requesting him to raise the status of the Office from a Departmental Branch Office to a Sub-office?

† For answer to this question, see answer to question No. 355.

(b) Was the proposal recommended by the Superintendent of Post Offices, Nilgiri Division; and what action do Government propose to take in the matter?

(c) Are Government aware of the grievances of the public of Chittode that insured letters, money orders, etc., are long delayed on account of the Post Office being a branch office? What steps have been taken to allay these grievances?

Mr. H. A. Sams: (a), (b) and (c). The information has been called for and will be supplied to the Honourable Member in due course.

NUMBER OF BRANCH AND SUB POST OFFICES OPENED IN THE RURAL PARTS OF THE COIMBATORE DISTRICT DURING 1927-28.

361. Mr. R. K. Shanmukham Chetty: Will the Government be pleased to state the number of Branch Offices and the number of Sub-Offices newly opened in the rural parts of the Coimbatore District during the official year 1927-28?

Mr. H. A. Sams: Number of Branch Offices, 11.
Number of Sub-Offices, *nil*.

COMMUNAL REPRESENTATION IN THE VARIOUS SERVICES UNDER THE CONTROL OF THE GOVERNMENT OF INDIA.

362. Lala Rang Behari Lal: (a) Will the Government be pleased to state if an annual return showing the communal composition of the clerical staff is called for by the Home Department from all other Departments and attached and subordinate offices to examine and redress communal inequalities?

(b) If the reply to (a) above be in the affirmative, will the Government be pleased to state if it is their policy to prevent the preponderance of any one class or community amongst the clerical establishment only and not in the services other than clerical?

The Honourable Mr. J. Crerar: (a) Yes.

(b) No.

COMMUNAL COMPOSITION OF THE INDUSTRIAL STAFF IN THE GOVERNMENT OF INDIA PRESSES AT SIMLA, DELHI AND ALIGARH.

363. Lala Rang Behari Lal: Is any return called for from the Government of India Presses at Simla, Delhi and Aligarh showing the communal composition of the industrial staff such as compositors, distributors, operators, machinemen, etc.? If not, will the Government be pleased to state if it is their policy not to remove communal inequalities in the industrial establishments and factories in their charge?

The Honourable Sir Bhupendra Nath Mitra: No. It is not contemplated at present that appointments should be made on a communal basis where special or technical qualifications are required.

COMMUNAL REPRESENTATION IN THE VARIOUS SERVICES UNDER THE CONTROL OF THE GOVERNMENT OF INDIA.

364. Lala Rang Behari Lal: Is it a fact that the Government have laid down that the claims of all minority communities such as Muhammadans, Christians, Sikhs, etc., in the services other than Imperial under the Central Government will ordinarily be limited to 33 per cent. of the total strength in an office or Department?

The Honourable Mr. J. Crerar: No. The figure mentioned by the Honourable Member represents the proportion of vacancies ordinarily reserved in the interest of minority communities.

STATE PRISONERS DETAINED UNDER REGULATION III OF 1818.

365. Mr. Satyendra Chandra Mitra: Will the Government be pleased to lay on the table a statement giving the names of the State prisoners under Regulation III of 1818, the period of their detention up to the end of February, 1928, names of Jails in which they are at present detained, their age, their height, names of different Jails to which they were transferred from time to time, their present weight and state of health?

The Honourable Mr. J. Crerar: I lay on the table a statement giving the names, period of detention and state of health of the Bengal prisoners at present detained under Regulation III of 1818.

List of persons in detention under Regulation III of 1818.

Name.	Date from which detained.	Health.
1. Satish Chandra Bhattacharji <i>alias</i> Pakrashi.	25th September 1923.	Good.
2. Bepin Behari Ganguli . . .	9th March 1924	Indifferent. Has been under treatment for pyorrhoea. Suffers from dyspepsia.
3. Jyotish Chandra Ghosh. . .	25th September 1923.	Indifferent. Has suffered from dyspepsia and neurasthenia, but recent reports show some improvement.
4. Pratul Chandra Ganguli . . .	22nd August 1924.	Good.

PERSONS DETAINED UNDER THE BENGAL CRIMINAL LAW AMENDMENT ACT IN JAILS OUTSIDE BENGAL, ETC.

366. Mr. Satyendra Chandra Mitra: Will the Government be pleased to lay on the table a statement giving the names of the Detenus confined in Jails outside their own Province under the Bengal Criminal Law Amendment Act (Supplementary), the period of their detention up to the end of February, 1928, their age, their height, names of Jails in which they are at present detained, names of different Jails to which they were transferred from time to time, their present weight and state of health?

The Honourable Mr. J. Orerar: I am making enquiries and will communicate to the Honourable Member the names of the persons at present detained in jail under the Bengal Criminal Law Amendment Act outside their own province, the period of their detention and their present state of health.

REFUSAL OF A PASSPORT TO MR. KESHORAM SABARWAL TO RETURN TO INDIA.

367. Mr. Satyendra Chandra Mitra: (a) Will the Government be pleased to state whether Mr. Keshoram Sabarwal of Peshawar City, now residing at Tokyo in Japan, for the last 12 years repeatedly applied to the British Ambassador at Tokyo for a passport and he was refused a passport to come back to India and it has been persistently refused?

(b) Is it true that his mother submitted several petitions to the Chief Commissioner of the North-West Frontier Province for permitting her son Mr. Keshoram Sabarwal to come back to India but that she was not even favoured with a reply and that she died of broken heart?

(c) Is it a fact that Mr. Sabarwal's widowed sister also submitted petitions to the Chief Commissioner of the North-West Frontier Province to permit her brother to come back to India and to look after their estate?

(d) Will the Government be pleased to state the grounds for the refusal of passport to Mr. Keshoram Sabarwal? Are Government now prepared to consider the desirability of granting a passport to Sabarwal?

Sir Denys Bray: (a) and (d). The Honourable Member is referred to the answers given on the 22nd January 1925 and 21st January 1926, respectively, to similar questions on the subject by Lala Duni Chand and Mr. Chaman Lall. The reasons for refusing to issue a passport to Mr. Sabarwal are the same as those then given for Government's refusal to give an assurance that he will not be prosecuted. They still hold good.

(b) and (c). Government have no information but are making enquiries.

LIMITING OF THE SCOPE OF THE FRONTIER CRIMES REGULATION OF 1921 TO THE TRIBAL POPULATION.

368. Mr. Satyendra Chandra Mitra: Will the Government be pleased to state if they are contemplating to take up legislation to limit the scope of the Frontier Crimes Regulation of 1921 in the North-West Frontier Province to be confined to the tribal population only?

Sir Denys Bray: The answer is in the negative.

CASE OF AKBAR KHAN OF HARIPUR IN THE NORTH-WEST FRONTIER PROVINCE, CONVICTED UNDER SECTION 121A, INDIAN PENAL CODE.

369. Mr. Satyendra Chandra Mitra: (a) Will the Government be pleased to state how long Mr. Akbar Khan of Haripur, District Hazara in North-West Frontier Province, now in the Raipur Jail in the Central Provinces, is under confinement?

(b) Is it a fact that he was first convicted on 31st May, 1922, for a term of 3 years' rigorous imprisonment? When did that sentence expire and how much remission of sentence did he earn under the Jail Code?

(c) Is it a fact that while he was confined in jail he was again charged with conspiracy against the State under the same section 121A, on the allegation that he tried to send some letters across the Frontier and that he was sentenced to 7 years' rigorous imprisonment?

(d) Is it a fact that Mr. Akbar Khan was confined in jail at the time of the alleged conspiracy to send letters?

(e) Is it true that the C. I. D. made an investigation in the Peshawar Jail in order to discover the means by which these letters could have been conveyed from the jail, and that the investigation was unsuccessful?

(f) Is it a fact that Mr. Akbar Khan denied that he was the author of any of those letters and that admittedly none of those letters were in his handwriting?

(g) Is it true that Mr. Akbar Khan has been prosecuted under section 121-A., I. P. C., within a couple of months of his conviction under the same section and that in the intervening period he was all along in jail and kept in solitary cell?

(h) Is it true that he has undergone the full term of his sentence under the former conviction and that his conduct in jail has been found entirely satisfactory?

(i) Is it a fact that Mr. Akbar Khan is denied the ordinary remissions and the privileges granted to prisoners under the Jail Code?

(j) Will the Government be pleased to lay on the table a copy of the judgment of Mr. Akbar Khan's case in which he was sentenced to 7 years' rigorous imprisonment?

(k) Is it a fact that remission of the rest of his sentence was recommended by the jail authorities?

The Honourable Mr. J. Orerar: The person in question was convicted under section 121A, I. P. C., and sentenced to 3 years' rigorous imprisonment on the 31st May 1922. He has been in jail since. On the 27th April 1923, he was again convicted under the same section for attempting to communicate from within the Peshawar Jail with revolutionaries abroad, and sentenced to 7 years' rigorous imprisonment. The information asked for in parts (e) and (f) of the question is contained in the judgment of the learned Sessions Judge, a copy of which I will send the Honourable Member if he desires. I have no information as to his treatment and behaviour in jail or as to the remissions he has earned. As regards the last part of the question I must refer the Honourable Member to the answer that I gave on the 13th September last to part (b) of his question on the same subject.

EMPLOYMENT OF BIHARIS AND ORIYAS IN THE GOVERNMENT OF INDIA SECRETARIAT AND OTHER OFFICES.

370. Mr. Amar Nath Dutt: Will the Government be pleased to state whether there are any men from the Province of Bihar and Orissa, serving either as clerks or as officers in the Central Government's offices, recruited through the Public Service Commission? If so, what is their proportion as compared with the men from the other Provinces of India?

The Honourable Mr. J. Orerar: The information is being collected and will be furnished to the Honourable Member in due course.

EMPLOYMENT OF ORIYAS IN THE GOVERNMENT OF INDIA SECRETARIAT AND OTHER OFFICES.

†371. **Mr. Amar Nath Dutt:** (a) Is it a fact that there is not a single Oriya serving either as a clerk or as an officer in any of the Central Government's offices which are within the scope of the Public Service Commission?

(b) If so, will the Government be pleased to state whether they propose to take at least one man from Orissa into the Central Government's offices as a candidate subject to the passing of the examination held by the Public Service Commissioners?

EMPLOYMENT OF ORIYAS IN THE GOVERNMENT OF INDIA SECRETARIAT AND OTHER OFFICES.

†372. **Mr. Amar Nath Dutt:** (a) Will the Government be pleased to state how many candidates from the Province of Bihar and Orissa have applied in the last year as well as in the current year for service in the Central Government's Offices not recruited by the Public Service Commissioners?

(b) Will the Government be pleased to state the number of the Bihari and Oriya applicants?

EMPLOYMENT OF BIHARIS AND ORIYAS IN THE OFFICE OF THE AUDITOR GENERAL.

373. **Mr. Amar Nath Dutt:** (a) Is it a fact that there is a rule in the Auditor General's office that no one from the Province of Bihar and Orissa is to be taken for service into that office? If so, will the Government be pleased to state the reasons therefor?

(b) Will the Government be pleased to state how many men from the Province of Bihar and Orissa are serving at present in the Auditor General's office and what is their proportion to the total number of the employees in that office from the other Provinces of India?

(c) Is it a fact that there is not a single Oriya in the Auditor General's office? If so, are the Government prepared to consider the desirability of taking at least one candidate from Orissa for service into that office?

The Honourable Sir Basil Blackett: Enquiries are being made and the information will be supplied to the Honourable Member in due course.

EMPLOYMENT OF ORIYAS IN THE OFFICES OF THE RAILWAY BOARD, DIRECTOR GENERAL OF POSTS AND TELEGRAPHS AND THE AUDIT OFFICER, INDIAN STORES DEPARTMENT.

†374. **Mr. Amar Nath Dutt:** (a) Is it a fact that there is not a single Oriya in any of the Central Government's offices which are outside the scope of the Public Service Examination, *viz.*, (1) Railway Board, (2) Director General of Posts and Telegraphs, (3) Audit Officer, Indian Stores Department?

(b) If so, are the Government prepared to consider the desirability of taking at least one candidate from Orissa for service into each of the above-mentioned offices?

† For answer to this question, see answer to question No. 370.

FILLING UP OF VACANCIES IN THE OFFICE OF THE ACCOUNTANT GENERAL,
CENTRAL REVENUES.

375. **Mr. Amar Nath Dutt:** Is it a fact that in recruiting candidates to fill up vacancies in the office of the Accountant General, Central Revenues, advertisements are made to the effect that no graduates from the Universities of Calcutta, Dacca, Patna, Allahabad and Madras should apply and that it is specially mentioned that the vacancies shall be filled up by graduates of the following Universities, namely, (1) Delhi, (2) Punjab, and (3) Agra? If so, will the Government be pleased to state the reasons therefor?

The Honourable Sir Basil Blackett: Enquiries are being made and the information will be supplied to the Honourable Member in due course.

THE INDIAN MINES (AMENDMENT) BILL.

PRESENTATION OF THE REPORT OF THE SELECT COMMITTEE.

The Honourable Sir Bhupendra Nath Mitra (Member for Industries and Labour): Sir, I beg to present the Report of the Select Committee on the Bill further to amend the Indian Mines Act, 1923, for certain purposes.

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

SECOND STAGE—*contd.*

Expenditure charged to Revenue—contd.

DEMAND No. 16—CUSTOMS—*concl'd.*

Mr. President: The House will now resume further consideration of the Demand under "Customs".

Export Duty on Rice.

U. Tok Kyi (Burma: Non-European): Sir, I beg to move:

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

Sir, the object of my bringing forward this motion is to draw the attention of Government to the desirability and advisability of removing the export duties in general and the export duty on rice in particular. The other day when the Honourable the Finance Member replied to the debate on the motion regarding the export duty on jute moved by my Honourable friend Mr. Neogy, he stated that there was no complaint against the jute duty by Bengal and to show this he quoted some of the words of the Indian Fiscal Commission's Report, and I am afraid, Sir, that on this occasion too the Honourable the Finance Member will raise the same objection, for there are words to the same effect in the Fiscal Commission's Report regarding Burma. And just to save the Honourable the Finance

[U. Tok Kyi.]

Member the trouble of reading that portion of the Report I will quote the passage myself. Sir, this is what the Report says:

"It is noteworthy that in Burma, which is the source of nearly all the rice exported from the Indian Empire, no objection at all was raised before us to the continuance of the export duty and it appears to be generally believed in Burma that the duty is so small that it is not felt by the cultivator. In these circumstances, we consider that there is no necessity to recommend the abandonment of this long-standing source of revenue."

Sir, it is true that there was no complaint against the rice duty at the time when the Fiscal Commission visited Burma, but, as in the case of the jute duty, there has been complaint since. I raised objections against the rice duty last year and I now propose to raise my voice against this duty this year too. Sir, the question for the House to consider is not whether there is a complaint against any particular duty or not but whether the duty in question is sound or not. It is a great pity, Sir, that, even at this time of the day, the Honourable the Finance Member has not been able to come to a decision as yet as to whether or not the export duty, such as the duty on jute, has been a bad tax or a good tax. I think it will be admitted on all hands that the export duty is a bad tax, is a tax which affects injuriously the interests of the producer.

Mr. B. Das (Orissa Division: Non-Muhammadan): Not always.

U. Tok Kyi: Sir, in support of my statement I am going to quote an authority which I am sure is more authoritative than Mr. B. Das. That the export duties are bad has been admitted even by the Fiscal Commission. They say in 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 would 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. When an export duty falls on the home producer it naturally has a tendency to reduce the production of the commodity on which the duty is imposed. The generally injurious effect of an export duty on the producer is recognised in the constitution of the United States, which prohibits absolutely the imposition of export duties."

I think, Sir, Mr. B. Das will be satisfied with the quotation I have just read out. I think no one can deny the injurious effect on the producer of the export duties in general. Not only is export duty harmful in that respect but it also affects adversely the foreign trade in general. In another place the Report says:

"Apart from the question of incidence there is a general objection to export duties which in the case of India deserves special notice. Export duties tend to diminish exports and thus to produce an adverse effect on the balance of trade. If this effect is pronounced, it may cause for a time at least difficulties in regard to foreign exchanges."

Sir, the export duties, according to this report, affect adversely the foreign exchanges. The producers are adversely affected not only by the export duties generally but by the ratio fixed by the Honourable the Finance Member last year. There is no denying the fact that the ratio has adversely affected the producer as well as the exporter. That ratio I am perfectly convinced is not the natural ratio and I am tempted to call

it the "Blackett ratio". I regret to say that that ratio has an injurious effect on the producers and cultivators of the country. Apart from that injurious ratio we have got what is called the Bollinger pool in Burma. This is a sort of combine conducted by half a dozen foreign firms just to put down the price of paddy. Sir, in this way, Burma, which contributes no less than 80 or 90 per cent. of the export of rice from India, suffers in several ways. We suffer not only from the export duty on rice but from the "Blackett ratio" and also from the operation of a powerful ring. Sir, I may be told, as I was told last year about this time, that this particular duty on rice does not fall on the home producer but passes on to the foreign consumer. Sir, what are the premises that have led to this inference? The Honourable the Finance Member said last year that the only other countries in the world that can compete with India in the rice export are Siam and Indo-China, but Siam and Indo-China levy export duties just as India does at practically the same rate and therefore there is a practical monopoly which is shared between India, Indo-China and Siam. These are the premises which have led to the conclusion that the duty raised on rice is passed on to the foreign consumer. Sir, I am not prepared to accept that argument. We have to consider other factors which are operating against India's interests in this matter. The first factor is freight. The Honourable Member himself will not deny the importance of freight in foreign trade. Amongst the countries which take rice from India are the Straits Settlements, the Dutch East Indies and Japan. They take a good portion of the exported rice from India. These countries, as you are well aware, are situated nearer to Siam than to India. Therefore, Siam is more advantageously situated for the export of rice to these countries than India herself. There is another factor. Siam has a national government. That national government in Siam would not allow such powerful rings as I have mentioned a little while ago to live even for a day. Sir, these two factors are militating against India in the matter of the rice trade as compared with Siam.

Sir, I think I have sufficiently made out a case for doing away with the duty on rice. I think export duties in India have a better claim to abolition than any import duty. Government have however paid their attention to import duties first. Only a few months ago they removed the import duty on mill stores and machinery, causing a loss of no less than Rs. 40 lakhs to the revenue. As I have said, export duties have a prior claim to abolition and I hope the Government will see their way to take the first opportunity of removing the export duty on rice.

Mr. T. Couper (Burma: Nominated Official): Sir, the motion raises a question of almost vital importance to Burma. In Burma we have two things that India has not got. One is this tax on the export of rice and the other is our greater criminality, and I do not think, Sir, that it is unscientific to trace a relation of cause and effect between the two. Sir, while I am in sympathy with my friend U. Tok Kyi I cannot agree with him that the tax on the export of jute furnishes any parallel to this tax on the export of rice. Jute, Sir, whether it commands a monopoly or not, is grown only in India. It is not grown like rice all over the world. The true parallel to the tax on the export of rice would be a tax on the export of wheat from Karachi.

It is of course true that rice exported from an Indian port pays this tax, but the volume of trade is so small that the amounts collected are almost negligible. In the last year for which figures are available, namely,

[Mr. T. Couper.]

1926-27, the amount collected at Bombay was under Rs. 5 lakhs, and the amounts collected in Calcutta and Madras were under Rs. 6 lakhs. Sir, what are these figures compared with the crore of rupees which this tax takes out of Burma every year? In Bengal, which is the province after Burma that has the largest export of rice, the tax is 1 per cent of the aggregate revenues, provincial and central; in Burma it amounts to 5 per cent. There is one other point. The value of the rice exported from India, the so-called Patna rice, is on the London market £30 a ton. The value of the Burma rice is £15 a ton. An article which, when its value is £30 a ton, can bear without difficulty a uniform tax on bulk, will probably find it very harassing to pay that tax when its value is only £15 a ton. I submit that the differences in the amounts which this tax raises in Burma and in India, the difference in the proportion which the tax bears to the aggregate revenues in Burma and in India, and the difference in the degree of incidence are such as to make this tax different not merely in degree from the tax as levied in India but also different in kind. It is not straining the truth to say that the tax is peculiar to Burma, and that being so, unless it is a tax on a monopoly I venture to submit that it is not far removed from being an unconstitutional tax.

The Government of India have maintained for many years, and I think that the argument was adopted by the Honourable the Finance Member when he addressed the Rangoon Chamber of Commerce in October last—the Government of India have maintained that the tax is a tax on a monopoly and can do no harm to the Burma farmer. The argument has been sketched by my Honourable friend, U. Tok Kyi. It is said that Burma rice does not compete actively with the rices grown in any part of the world except Siam and Indo-China. It is stated that Siam and Indo-China levy a tax on export which is not less than the tax levied in Burma, and it is argued that so long as this is true then the foreign purchaser must pay the tax. Sir, in point of fact I do not think that the argument is quite correct. The tax levied in Siam is only Rs. 3-9-0 a ton. Rice is now-a-days exported exclusively in the shape of white rice, and the tax on white rice in Siam is, as I have stated, Rs. 3-9-0, and in Burma it is Rs. 5-1-0. This difference of a rupee and a half must be paid by the Burma farmer. Rice is exported from Carolina, Valencia, from the north of Italy, and from Java to London, Rotterdam, Hungary and other Continental parts. It may be true that in the past these rices have not competed actively with rice exported from Burma. I do not think it is quite true, but it is not a matter which I have knowledge enough to develop. This part of the argument is true that Burma rice is a low fellow; he is not welcome at the tables of the well-to-do, it is the people at the lower end of the social scale who are its best patrons, the pig and the Hottentot. The pig is a scientific feeder. He knows all that there is to know about proteids, fats and starches, and if he has a sovereign to spend and he can get more carbo-hydrates in the shape of maize than he can get in the shape of rice, he buys maize every time. Sir, the Hottentot is similar. When he has a sovereign to spend he considers whether he can better fill his stomach with mealies than with rice, and if he can get mealies at a lower price he does not buy rice. The same is true of the housewife in the west. When she goes to buy bazaar and when she is considering what pudding she will give her household, she asks what is the price of sago, and what is the price of tapioca, and if any of these

enables her to fill her pudding dish more cheaply than rice, then she does not buy rice. So far as I know, mealies, maize, tapioca, sago are not subject to any export tax, and it is a fact not without significance that in the section of a newspaper which deals with market prices the part in which the prices of rice are set out also sets out the prices of tapioca and of sago and makes reference to the prices of feeding stuffs. If the course of business is as I have attempted to describe, can it be seriously contended that the exporter in Burma can add the amount of the tax to the price of rice which he exports? If he does so, no one will buy his rice. They will buy the Siamese rice or sago or some other substitute. If that is so, then the exporter, though he may pay the tax into the Treasury, safeguards himself by paying to the farmer a price which is lower by the amount of the tax than he would otherwise have paid for his rice. The tax is, in substance, a form of land revenue, and it is a bad form of land revenue. It taxes at a uniform rate a basket of paddy grown at a high cost on a sandy soil and the basket grown at no great cost on a retentive loam.

If I am in order, I should like to say something about crime. Sir Charles Innes, in opening the Burma Legislative Council the other day, pointed out that the ratio of murders to the population in Burma was greater than in any other civilised country in the world with one exception. And the Honourable Judges of the High Court in their review of the judicial administration for the year 1926 pointed out that in that year one person in every 100 of the population had been haled before a criminal court on a criminal charge. I do not think that India has any such record, and it cannot be put down to communal disturbances, for Burma is free from communal disturbances. It cannot be put down to lack of vigour in dealing with crime. The Government of Sir Harcourt Butler took very strenuous measures to deal with crime. It strengthened the law and strengthened the magistracy and it improved the police.

Mr. President: Order, order. What has all that got to do with the tax on the export of rice?

Mr. T. Couper: My argument is this. The tax on the export of rice reduces to the farmer the price which he would have otherwise got. The farmer constitutes 70 per cent. of the agricultural classes in Burma, and this tax by taking a crore of rupees out of the country accentuates the economic depression and gives rise to a state of things in which crime flourishes. Sir, I regret that I am not permitted to develop this part of the argument. The Honourable the Finance Member hinted that next year if the monsoon was auspicious there might be a reduction in the general revenue tariff. Sir, I venture to submit, desirable though a reduction would be, it is more desirable to abolish this tax on the export of rice. It is peculiar to Burma, it discriminates unfairly against Burma and works great harm to the welfare of Burma.

The Honourable Sir Basil Blackett (Finance Member): Sir, on the general subject of export duties we had a fairly long discussion on Saturday. I am in entire agreement with the last speaker that there is a considerable difference between the export duty on rice and the export duty on jute. It certainly cannot be contended that rice is the absolute monopoly of Burma and it is the existence of export duties in the other countries which are her principal competitors that seems to me to form a justification, if there is a justification, for the retention of the export

[Sir Basil Blackett.]

duty on rice. The statistics of exports of the last few years do not bear out the contention that this duty is serving to check the export trade or to make it difficult for the cultivator in Burma to compete with Siam or other countries; but I am sure all those who heard him must have been impressed with the speech of Mr. Couper as well as the earnestness of U. Tok Kyi in putting forward his case. For myself I can say that the moment I was convinced that any part of this duty was falling upon the cultivator I should be in favour at once of either reducing or abolishing the duty. I do not think that I can go further than that. We obviously cannot undertake to alter the present position at the present moment, but I am quite willing to agree, on behalf of the Finance Department, that a special investigation will be made in the course of the year into the question of the incidence of this duty to see whether there is justification for the view that it is not falling on the purchaser abroad and perhaps also the investigator will look into the question how far the duty is the cause or one of the causes of the large numbers of murders that take place in Burma.

U. Tok Kyi: In view of the reply of the Honourable the Finance Member, I beg to withdraw my motion.

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

*Inadequate and Insufficient Representation of Minorities and the Mussal-
mans in all Branches of the Customs Services.*

Mr. Anwar-ul-Azim (Chittagong Division: Muhammadan Rural): Sir, I move:

“That the Demand under the head ‘Customs’ be reduced by one rupee.”

It appears that the items put down for discussion are not to come up in their usual and proper order and I believe a decision has been arrived at to suit the convenience of the groups in this Assembly as a result of which there has been a reshuffling and re-arranging of the order of demands. I do not know, Sir, whether we, who occasionally seem to be interested in certain items, would be debarred from our say on those subjects. I will not emulate the example of gentlemen who delight in using unparliamentary language and who, when speaking with gusto, forget that they are gentlemen. By this motion for a token-cut I do not for a single second question the honesty of purpose of the Government of India to help the minority communities who live in this vast continent. I am second to none in my admiration for what the Finance Member has done for this country and if I may bestow my encomium on him I can say that he would adorn any Chancellorship in any part of the world. This token cut is only meant to be a sort of flapping to the Government of India who seem to have been slumbering for a long time. So far as the subject-matter of this cut was concerned. If I am not incorrect, a subject of this nature was debated on the floor of this House as late as 7th March 1926 at the instance of my friend Mr. Ahmad Ali Khan who then represented the Assam Mussalman here in this House. One gentleman who represented the Government of India then in this House, and I think it was Mr. Lloyd, said that it was not the case that suitable and qualified Mussalman were not available but that others were more handy and near at hand. To him a Muhammadan gentleman from Bengal said that if he had any real

desire in his mind he might consult the Central Muhammadan Association in Calcutta and the Assistant Director of Public Instruction. These two agencies were available to Mr. Lloyd and he might have taken advantage of them. I find, Sir, that this instance is not singular in itself. Gentlemen of key position do not or cannot care whether suitable Moslem candidates were near at hand. If they sincerely wanted Moslem recruits thousands would be available these days. In September 1924 the grievances of Mussalmans in this particular department and other departments were brought before His Excellency Lord Reading. Later on, several deputations of Moslem members waited on the Government and drew attention to the matter and, as a result of these importunities, I find that in March 1927, when H. E. Sir Alexander Muddiman was Home Member, some sort of orders were issued to the departments of Government for giving consideration to the just and proper claims of minority communities in this country. The circular in question directed that the minorities be given their due share of the Government services, but it did not specifically mention that amongst these minorities the Moslems should have a first preference. That particular circular did not make any mention whatsoever of people of my community. That is my grievance. On a perusal of history you will find, Sir, that the attention of Government was drawn to this matter of the representation of minorities as early as 1833. When the Crown first assumed the responsibility of Government in this country they found that practically the whole of the subordinate services in this country were the monopoly of one class of people only and therefore it was decided that one class rule should be discouraged by all means. But if it is said that the Government has not been idle, then how is it that this inequality exists even to-day? Perhaps the answer is that the Government orders and communiqués on the subject are not given effect to by the people to whom they are directed. Perhaps that is natural, there being people of the majority communities at all key posts.

(At this stage Mr. President vacated the Chair which was occupied by Sir Darcy Lindsay, one of the panel of Chairmen.)

That being the situation my humble opinion about this is that even an enactment of this Assembly regarding the representation of minorities and Mussalmans in the services of the Crown would not remove the grievance, because there is a huge monopolistic interest pervading the whole land and they will thwart it at every step. Unless the Government can put pressure on the people to whom their orders are sent I do not think anything will ever come of them. The late Mr. C. R. Das, whose loss we all deplore, declared from his seat as the head of the Swarajists in this country that he would be willing to concede to the Mussalmans their due right in all places in the public administration. But Mr. C. R. Das is no more in the land of the living. He said that he would even go to the length of seeing that the Mussalmans had the opportunity of filling every new vacancy that occurred till they had come into their own. I do not however imagine for a moment that liberal ideas of that kind will be shared by the gentlemen opposite. If this vexed question, Sir, had been taken up in a proper and conciliatory spirit I dare say there would not have been any trouble whatsoever anywhere. So my appeal to the Government and to my friends opposite is this. You must take your courage in both your hands and tell the Mussalmans that you

[Mr. Anwar-ul-Azim.]

do not grudge them their proper share in the administration of the country. Unless this state of things is remedied, I do not know what our position will be. The Budget which Government has published is full of facts, and no one can honestly say that Moslems have any place in this and other Departments of Government. I would conclude by saying that if Government is really sincere with regard to the representation of Mussalmans, they must have the courage of their convictions. I am not willing to believe that they do not desire well of us, but wishing is not sufficient, Sir. If it is known to Government that their circulars are not given effect to, and if even a legislative enactment is not likely to have any effect, I am certain that they must explore other avenues and try to do some justice to my community whose forefathers ruled this country for so many hundred years.

The Honourable Sir Basil Blackett: Sir, the Honourable Member has quite rightly taken advantage of the first opportunity that has come to him to raise the question of the representation of minorities, and particularly of his own community, in the public services. Although the motion that he has made refers particularly to the Customs Department, what he was evidently driving at was not so much the Customs Department in particular as the services in general. We had a debate, as he mentioned, very much on the same subject just two years ago on the same grant, and it was pointed out then that the Government had issued a circular or more than one circular on this subject and were doing their best to see that their instructions were enforced. The Government have no reason to suppose that it is not being followed out. The Honourable Member suggests that there is a power which is too strong for the Government within the offices which prevents the minority communities, and in particular his own community, from getting their fair share of the positions. I would suggest to him that it is a question of a little bit of patience. He knows that his community came rather late into the field, and an argument that is used in another connection and is generally repudiated in this House is equally true here. You cannot make a change of this sort all in a day. If the Honourable Member will have patience, he will, I am sure, see that the Government of India are determined to see that their directions generally shall be carried out. The Government of India have every reason to believe that they are being carried out. We have full sympathy with the demand that reasonable representation should be given to all the minority communities wherever possible in the services of Government with due regard to efficiency. We are doing our best to see that our directions in that matter shall be carried out. More than that we cannot do, and I do not think the Honourable Member has produced any evidence that we are not carrying out to the best of our ability the programme that we have set before us. If the Honourable Member's purpose was to draw attention to this point, I can assure him that the Government have it fully in mind and will not allow it to slip from their memory. In these circumstances I would ask him to be good enough not to press the motion at this stage.

Mr. Fazal Ibrahim Rahimtulla (Bombay Central Division: Muhammadan Rural): Sir, I am not at all satisfied with the reply given to the amendment of my friend Mr. Anwar-ul-Azim. I think, Sir, that the

Honourable the Leader of the House has told us nothing new. It is what we have always heard. "Have patience and perseverance and we shall do what we can. We have done all we can by issuing a circular and paying attention to your needs, but you have come late into the field and must bide your time." If that is the argument of the Leader of the House, then why should we not also say that the lip sympathy which the Government of India have shown up to now should be clearly stated, namely, that "though we would like by circulars to show that we have sympathy with the aspirations of the Mussalmans for due representation in the services, we regret we are not able to give effect to it." I think, Sir, the time has now arrived when Government should clearly state their policy and should tell us whether they are going to give effect to the circular letter which they issued to all their departments concerned or not. I do not think, Sir, that the Government are right in saying that my friend Mr. Anwar-ul-Azim should be satisfied by drawing attention of the Government to this matter. He should not be prepared to withdraw his amendment unless a clear assurance is given on the floor of this House. My friend Mr. Anwar-ul-Azim has been charged for not giving figures to substantiate his argument, namely, insufficiency of representation of the Mussalmans in the services. I thought that the Leader of the House, who possesses all the facts and figures, would be able to convince this House as to how far the action of the Government of India on the circular which they have issued has been justified. What steps have the Government of India taken to put forward the claims of the Mussalmans in the various services or their representation in the various services? How can my friend Mr. Anwar-ul-Azim be expected to give figures when the Government of India themselves do not give figures to convince us of the sympathy which they have for minorities and the representation of Mussalmans? I do not think, Sir, that my friend Mr. Anwar-ul-Azim would be well advised at this juncture, without a definite assurance on the floor of this House, to withdraw his motion.

Kawab Sir Sahibzada Abdul Qatium (North-West Frontier Province : Nominated Non-Official): This is a question, Sir, in which as Honorary Secretary of a big institution I am vitally concerned. I belong to the minority community of Mussalmans and when I see that the Mussalmans, all over India, are so very poorly represented in Government services, I really do wish that Government would take some effective steps to improve their condition. Sir, there are some departments in which you can scarcely find a single Mussalman. I am not going into details as I have not come ready with facts and figures to take part in this debate, but I can mention several departments where Mussalmans are very scarce and this is one of these departments, I mean the "Customs". Sir, representation in services is really the main issue before the Government. There is this joint property of services lying undivided and unless that joint property is justly and fairly divided, there will be no end to troubles and quarrels over shares in this common property. I think it will lead to the solution of communal riots to a great extent if this question is handled in a more methodical way, Sir. I do not believe that the majority of our quarrels and riots arise from purely religious sentiments. I do not believe that the cow question and music before mosques are entirely the cause of all these riots. It seems, Sir, that there is this question of representation in the services behind all these to a large extent. The rioters, of course, cannot say that they are going to fight over the appointment of a Hindu

[Sir Sahibzada Abdul Qaiyum.]

or a Mussalman to a certain post and have to come forward with the question of cow killing or music before mosque; but I honestly and really believe, Sir, that this struggle for existence is at the very bottom of the whole mischief and it will not only be to the interest of Government but also to the interests of all the communities living in the country, if this question is settled once for all in a more constitutional way and remains part of the law of the country. Sir, I think that according to the belief of the majority community, service is not held very high in the estimation of their society. Among them service is nicknamed *chakari*, and *naukari* is really *chakari*; so I do not believe that there should be any extraordinary craving for this *chakari* in the majority community; they have got other resources to improve their condition with, I mean capital, and if they really command the capital of the country, they need not fight so vehemently for the few extra jobs that may come to their share. Let the poorer people of the minority communities take up this lower profession, I mean *chakari*, and allow the trade and the finances of the country to be run by the majority community. Sir, we are told from time to time that Government are bearing the claims of the minority communities, and especially of the Mussalmans, in mind, but as the latter are backward in education they must be handicapped in securing proper representation in the services. That, Sir, I think is a very old argument. Now-a-days, in every community in the country there are hundreds and thousands of people who are capable of doing any work that these services require and if the matter is properly settled there will be no trouble. Sir, I can make my suggestion about this in a very simple way, and it is this. If definite proportions are fixed for the various communities, the majority and the minority communities, in the country, and if the minimum qualifications for every appointment from the Executive Councillor right down to the lowest peon are fixed and if a test is held of all the candidates for these appointments and a list of all successful candidates is prepared and hung in every office and the head of the office is directed to select his probationer from that list in his office, the difficulty will be solved. But when you leave the selection and the testing of the qualifications of a candidate to an officer, an officer who either belongs to one of the communities or an officer who to a great extent depends on the good noting of a member of one community, you cannot expect that officer to make himself uncomfortable by going against the wishes of his head assistant and selecting a candidate who will have to work under the unsympathetic members of that office. These are the difficulties which have to be faced by members of the minority communities seeking service in the Government Departments and unless a strict law is made by which the officer will have to confine himself to the selection of his men within a certain proportion, from the list before him of accepted and qualified and tested candidates, you can never improve the existing position; and we shall be always hearing this excuse that "you are late in the field or backward in education and so cannot get your proper share in Government services." I will once more repeat my point, Sir, that it is to the interest of Government and to the interest of all concerned that this division of the loaves and fishes of the services should take place as early as possible and be settled once for all, so that it may lessen these communal troubles and frictions and reduce quarrels in the country. With these words, I support the amendment.

The Revd. J. C. Chatterjee (Nominated: Indian Christians): Sir, my Honourable friends have urged the claims of their community and their grievances with regard to the public services and their community is the largest minority community in the country. I therefore feel that it is my duty as a representative of the third largest community in this country to put forward what I think is the just grievance of my community. I do not for one moment ask that we should be given any special privileges. . .

Maulvi Muhammad Yakub (Rohilkund and Kumaon Divisions: Muhammadan Rural): On a point of order, Sir, this cut clearly shows that the intention of the Mover was to represent the insufficiency of representation of Mussalmans only in the services and not the representation

Mr. Gaya Prasad Singh (Muzaffarpur *cum* Champaran: Non-Muhammadan): Minorities and Mussalmans.

Several Honourable Members: Minorities and Mussalmans.

Mr. Chairman (Sir Darcy Lindsay): Mr. Chatterjee.

The Revd. J. C. Chatterjee: My community, Sir, do not ask for any special privileges nor for anything special, but we do take our stand on the principle which has just been stated by the Honourable the Finance Member and the principle which Government are always putting forward, namely, the principle of efficiency and fitness for any particular post. But judging from that, Sir, I believe my community does not get its right share either in the particular service that is now under discussion or in the public services of the country, in the Legislatures, the Army or even local bodies. If Government do take their stand mainly on the principle and the test of efficiency, all that I plead on behalf of my community is this, that when a man is efficient and qualified for any particular post he should not be debarred from holding it because of the particular religion that he professes or because of his belonging to a particular community, specially if that community happens to be small in numbers and therefore does not receive its due attention from the Government or the Legislatures. If it were possible to give figures at this time, I would be able to show that my community, although it is one of the highest literate communities in the country, does not get its rightful share in all departments of public service and public activity. All that I ask at the present time is that when these appointments are made or when the division of seats on Legislatures or on local bodies is made, nobody should be made to suffer because he belongs to a particular community. At the same time I would also say that there are instances when men in public service have been kept back from receiving that advancement which is their due share not because they were not fit or efficient, but because they belonged to a community which was politically not considered important. That is what I want to draw the attention of Government to, that people belonging to a small community like the one which I represent do not ask for special privileges but they do ask that in the name of justice, in the name of good government, they should not be kept back from receiving their due advancement or from their due share in the public services, Legislatures and local bodies in this country.

Mr. N. M. Joshi (Nominated: Labour Interests): Sir, I have great sympathy with those communities who generally complain about want of

[Mr. N. M. Joshi.]

representation in the public service. I feel, that it is necessary that all communities in the country should be able to share in the public services that are open to the people of this country. I also agree with my Honourable friend Sir Abdul Qaiyum that if we analyse the causes of the communal strife in this country, the main cause will be found to be this fight for the jobs in the country. It is on account of this fight for the jobs, in which the educated communities are concerned, that the educated communities rouse the passions of the illiterate masses of both the communities. I am quite sure the illiterate masses, be they Muhammadans or Hindus, stand to gain nothing by this fight for the jobs. They are not going to get any of the jobs for which attempts are being made in this House as well as in the Press. On the other hand, it is educated people of both the communities who want to monopolise the jobs and they excite the masses by taking advantage of their religious devotion. We must therefore do our best to remove this cause of communal strife. If the jobs are fairly distributed among the different communities in the country, communal strife will be over. Sir, I come in contact with a large number of working class Muhammadans and I have found that they are not interested in the distribution of the jobs at all because they know themselves very well that their sons and their daughters are not going to get any of the jobs for which this fight is being made. But lecturers go to them and tell them: Here is the Muhammadan community which does not get its due share; or the members of the backward classes go to their own class and say: Here we are and we do not get our share. I think, Sir, that to some extent this complaint is justified. The sooner, therefore, we take steps to remove this complaint the better for the country. I also admit that in our country or perhaps in all countries, when one community gets an advantage as regards entrance into service over the other, it becomes difficult for the other communities to get their due share. Perhaps this may be more acute in India than anywhere else on account of the religious differences, but the fact cannot be denied that when one community gets an advantage in any department of public service, it becomes difficult for other communities to get their due share. Let us also admit this fact, and it does not happen as regards the Hindus alone that they do not allow the Musalmans to come in, but it also happens in one community of the Hindus as against the other communities among the Hindus. Not only that, when the Muhammadans have a monopoly it becomes difficult for Hindus also to get in. I come into contact with people who get jobs on ships in Bombay and I find that some seafaring Hindu communities are practically going out of service simply because the Muhammadans have a preponderance in that service. So it is not the Hindu community only that takes advantage of its prior entrance into a service. Every community does it. We must therefore take steps to see that this advantage also is not taken. But, Sir, I want to say one or two words to the backward communities who claim their share. It is not always right to blame either the Hindus or any community which is at an advantage for the difficulty which stands in the way of the other communities getting into the service, because in our country there is not only the majority communities and the minority communities, but there is the smallest minority community which holds political power in our country. Most of the important jobs are not filled by the Hindus. Most of the important jobs are filled by the Europeans. So it is not the Hindu really who prevents

the Muhammadan from getting it, but it is the European. Moreover, if the Muhammadans and the backward class Hindus, the community which is represented by my friend Rao Bahadur M. C. Rajah, think over the question it is quite possible that they may come to the conclusion that there are some other reasons which make it difficult for them to get their proper share. My own view is, Sir, that the reason is the backwardness in education of these communities. It is very easy to say that certain minimum qualifications should be laid down and then the jobs should be divided amongst the different communities. But certainly nobody is going to do that. I am quite sure my friend Mr. Fazal Ibrahim Rahimtulla himself will not do it in his own office.

Mr. Fazal Ibrahim Rahimtulla: I wish I was managing a Government Department.

Mr. N. M. Joshi: Sir, I am thinking of his managing his own office—if he has a vacancy to fill.

Mr. Fazal Ibrahim Rahimtulla: Sir, I think I have been misunderstood. The point is that Government say they have issued a circular. I wanted them to carry out the terms of that circular. I have not issued a circular in my office.

Mr. N. M. Joshi: Well, Sir, I think my Honourable friend, though young, should learn to have a little patience and hear others. I was saying, Sir, that even a good Muhammadan like my friend Mr. Fazal Ibrahim Rahimtulla, if he advertises for a post and if he finds that there are two applications, one from a Hindu and one from a Muhammadan, and if he finds that the Hindu boy and the Muhammadan boy hold the same minimum qualifications, but the Hindu has a decidedly better qualification, he may prefer him.

Nawab Sir Sahibzada Abdul Qaiyum: Better qualification inherited from heaven, you mean.

Mr. N. M. Joshi: I am not talking about heaven. But my Honourable friend Sir Abdul Qaiyum as the Leader of his Party will realise. . . .

Nawab Sir Sahibzada Abdul Qaiyum: I am not the Leader of the Party. It is Sir Zulfiqar Ali Khan.

Mr. N. M. Joshi: You are not. Then I was mistaken. Sir, he will realise that if there are two applications from boys who have passed the matriculation examination, there may be a difference in the handwriting if you are employing a clerk, there may be a difference in the capacity to typewrite letters, there may be a difference in their knowledge of English, there may be a difference in several other qualifications. And the employer is going to select the man with the best qualification. Therefore, my Moslem brethren and the other backward communities among the Hindus also

Maulvi Muhammad Yakub: We are not a backward community. I protest strongly against this term being applied to the Moslems. They are the foremost in the country and have always been the foremost—in education, in learning and in culture.

Mr. N. M. Joshi: Sir, if my Honourable friend really feels that his community is the most forward, then certainly he should not take a

[Mr. N. M. Joshi.]

stand that there should be a minimum standard laid down. Then the youth of his community must be able to compete with the youths of other communities.

Nawab Sir Sahibzada Abdul Qaiyum: We want to remove the monopoly.

Mr. N. M. Joshi: Sir, I have a suggestion to make. I know that the suggestion does not meet with the approval of the educated among the minority communities because they want to get Government jobs easily. They do not want to qualify but they want to get jobs more easily. Sir, I do not think it is in the interests of the minority communities that they should take up this stand. What I suggest to them is this, that it is open to them to ask for more and better educational facilities in order that the youth of their communities should compete with the youth of other communities on equal terms. Sir, I come into contact with a large number of Muhammadans, both working class Muhammadans and educated Muhammadans, and although my Muhammadan friends here may not have sufficient confidence in the intellectual competence of these Muhammadan youths, and though my friends like Rao Bahadur M. C. Rajah may not have sufficient confidence in the intellectual capacity of the youths of his community, I have sufficient confidence in their intellectual capacity to say that, if Muhammadan youths get the same facilities as Hindu youths, they will be able to compete with the Hindu youths without the least difficulty. I therefore suggest to my Muhammadan friends, let them by all means ask for their due share in the services but they will not succeed in getting it unless they insist that the Muhammadan youths should have special educational facilities in order that they should be able to compete with the Hindu youths on equal terms. Sir, this is the only way in which this difficulty can be solved. If there are some jobs going, say, for the postal service, or for the customs service, and if you have a sufficient number of Muhammadans who have got a First Class or Second Class or Honours in the B.A., I am quite sure that the Europeans who will have the authority to fill the posts will give preference to the Muhammadans.

Nawab Sir Sahibzada Abdul Qaiyum: But they must follow the advice of their Head Assistants to a great extent.

Mr. N. M. Joshi: Sir, in our country the Executive Councillor is a European. The Secretary is a European. The Deputy Secretary is a European. The Under-Secretary is a European. And sometimes the Assistant Secretary also is a European.

The Honourable Sir Basil Blckett: Can the Honourable Member name any Department of which this is true?

Lieut.-Colonel H. A. J. Gidney (Nominated: Anglo-Indians): What about the Education Department?

Mr. N. M. Joshi: Well, Sir, I do not wish to take up that challenge.

Lala Lajpat Rai (Jullunder Division: Non-Muhammadan): The Political Department, the Army Department.

Mr. N. M. Joshi: My point is this.

Lieut.-Colonel H. A. J. Gidney: Withdraw.

Mr. N. M. Joshi: I do not propose to withdraw. My point is this that if this question is to be solved—and I think myself that this question should be solved because I am interested in the working classes and I find that these poor working class people are misled by the educated members of their communities—the Hindu working class and the Muhammadan working class people have to co-operate, but unfortunately sometimes these people arouse their religious fanaticism and come in the way of the solidarity of the working classes. I am therefore anxious that this problem should be solved and I am anxious that all the communities, Muhammadans, the depressed classes, the Mahratas and all communities should get their due share, but I feel, Sir, that that question will be better solved if all these communities will insist upon better educational facilities. If the Muhammadans insist that 100 boys belonging to the Muhammadan community should be sent either to Cambridge or Oxford every year and if they will cost 50 lakhs of rupees they will have at least my vote, though they may not get the votes of other Members. If they insist that 100 Muhammadan boys should be sent to the Engineering Colleges in India and if that will cost 30 lakhs of rupees, they will have my vote. If they insist that 100 boys from the Muhammadan community should be sent to the Medical Colleges in India and that will require 30 lakhs more, they will have my vote. I feel, Sir, that this is the only way in which this problem will be solved, and my Muhammadan brethren should take their courage in both hands, should have confidence in the youth of the community, and demand that the Muhammadan youths who want entrance into the public service will not suffer for want of money, in order that they should go to Oxford and Cambridge, in order that they should get entrance into the Medical Colleges or the Engineering Colleges, or any other professional colleges, and I am quite sure that this problem will be solved.

Nawab Sir Sahibzada Abdul Qaiyum: It must be noted, Sir, that I never said that there was a lack of fully qualified Moslems.

Mr. N. M. Joshi: But I said it.

Khan Bahadur Sarfaraz Hussain Khan (Patna and Chota Nagpur *cum* Orissa: Muhammadan): As a member of the Congress Party I have always avoided, and wish to avoid as much as possible saying anything communal. Now that this question has been raised and some sort of heat has been produced between Hindus and Muhammadans I must say a few words. I take objection to what the Honourable the Leader of the House has said, namely, that the Muhammadans having come in late, they should wait. That is not the position. If we have come late, better late than never. Look at the Aligarh University. Look at the number of Muhammadans who come from England from the Oxford and Cambridge Universities. If you look at all these facts, you must now say whether the Muhammadans are eligible, qualified and efficient. Do not make an excuse by making the statement that the Muhammadans came late and therefore they must wait. That is not the point at all. What I mean to say is that the Honourable the Leader of the House and the Government should fix some proportion for removing the grievances of the Muhammadans and of the other different classes of the minority communities. But, Sir, the economic question is the chief and fundamental question. There is no doubt that many political questions

[Khan Bahadur Sarfaraz Hussain Khan.]

and other differences are being settled between Hindus and Muhammadans. But the chief question to declare is whether Muhammadans are efficient. The Honourable the Leader of the House has said that Muhammadans have come late and therefore they should wait. But this is not the point. Let Government see if they are really qualified and make an announcement. I do not say that a Muhammadan should necessarily get support because he is a Muhammadan. They are qualified and there is ample evidence that they are qualified. From what I know, I find Muhammadans qualified even in banking and other businesses. The fault of the unemployment may not be due to the Government but may be due to some of the officers there. Government must have some distinct policy and press the claims of eligible and qualified Muhammadans. That is the point on which I put my case. (*An Honourable Member: "Sikhs."*) It may be Sikhs or any other community. My friend Lala Lajpat Rai has put the Hindu-Muhammadan question into his own motion.

Lala Lajpat Rai: Just to point out that there is the other side also.

Khan Bahadur Sarfaraz Hussain Khan: Don't shout. I have already said that Muhammadans should not be given a place simply because they are Muhammadans. What I say is that I take objection to the Honourable the Leader of the House saying that because the Muhammadans came late they must wait. That is not the position. Let him examine the matter fully and if he finds that Muhammadans are qualified and efficient, he must decide on a definite policy. He must decide one way or the other so that his subordinates may not have a chance of manipulating the matter. That is all I have to say on behalf of the Muhammadans and on behalf of the other minority communities.

Dr. B. S. Moonje (Nagpur Division: Non-Muhammadan): Honourable Sir, I had no intention of intervening in this kind of debate because I am never in the habit of looking at the public administration of the country from a communal point of view. (Hear, hear.) I have been long in public life; I have been making speeches in public life; and I hope it will never be said that any of my speeches or any of my actions in public life could be construed to mean that I wanted that the public administration of the country should be looked at from a communal point of view. I can never be charged of that. It was news to me that my friend Sir Abdul Qaiyum said that these Hindu-Moslem disturbances—of which His Excellency the Viceroy spoke only a few months ago that they were on the verge of developing into a civil war—that these disturbances were not due to religion or religious feeling. It was news to me. I was surprised to hear that. I always thought that the Government passed orders prohibiting Hindu music because they always believed that the Moslem's grievance was religious—I have personal experience of it—I always thought that the Mussalman community, in opposing the processions of Hindus, were inspired by a religious feeling—may be a misunderstood feeling; may not be a right feeling; may not be a well-educated, intelligent feeling about religion, but at least I was always of this opinion that it was religious feeling, it was under religious conviction, that they were opposing these processions of Hindus; and here I find my Honourable friend Sir Abdul Qaiyum, the Leader of his Party, come before this House . . .

Dr. A. Suhrawardy (Burdwan and Presidency Divisions: Muhammadan Rural): Leader of which Party?

Mr. K. Ahmed (Rajshahi Division: Muhammadan Rural): He is not a leader now as he has resigned.

Dr. B. S. Moonje: At least I have always regarded him as a leader of the Moslems. I was surprised, therefore, that this leader of his community should come here before this House and in all seriousness and sincerity tell us that this Moslem objection to Hindu music is not based upon religious reasons. Government have got to take note of this fact and to make up their minds in passing their orders

Nawab Sir Sahibzada Abdul Qaiyum: Similarly, Sir, I believe that the objection to the slaughter of cows is not really based on religious sentiments but it is part of the dominance and the kind of Swaraj that the Hindu community wants to establish over the Muslims. (*An Honourable Member:* "You are wrong".)

Dr. B. S. Moonje: I am very glad that he has raised that question from that point of view. I will just come to that. I have a word to say to the Government that henceforward Government will take note in passing orders as regards religious processions of Hindus that the Mussalmans are not inspired by any kind of religious sentiment, and if orders are passed prohibiting Hindu music, it will be said that the Government are intentionally fomenting Hindu-Muhammadan trouble because the Mussalmans have no religious sentiment on that question. As regards the cow question I do not think that my friend Sir Abdul Qaiyum is so ignorant about the real sentiment of the Hindus in this matter

Nawab Sir Sahibzada Abdul Qaiyum: Why make a difference between the two? If you have sentiments about the cow, we have religious sentiments about music before mosques too.

An Honourable Member: Why this passion?

Dr. B. S. Moonje: I am not importing any passion. I am not

Maulvi Muhammad Yakub: May I know, Sir, if we are discussing the cow question now in the Assembly?

Dr. B. S. Moonje: That question has been raised, and if the House and my friend Maulvi Muhammad Yakub are not in a mood to listen to my reply, I am not very anxious to give my reply.

Maulvi Muhammad Yakub: If the question was wrongly raised, I do not think it would be permissible to go on debating a point that was wrongly raised. In fact it was not in the speech about the cut.

Mr. Chairman (Sir Darcy Lindsay): I suggest to Dr. Moonje that he should confine his remarks more to the amendment before the House which is inadequate and insufficient representation of the minorities and the Mussalmans in all branches of the Customs service.

Dr. B. S. Moonje: I am sorry that I have been misunderstood about these communal questions. The causes that have been given are two. The first is the unequal distribution of the loaves and fishes of the Government. It has also been said that it is the leaders and the educated classes that go and excite the masses of every community. I have been working

[Dr. B. S. Moonje.]

in the midst of the Hindu community. I have never known yet myself or any body else of my community going among the masses and exciting them because they have not had a sufficient proportion of the Government loaves and fishes.

Dr. A. Suhrawardy: Ask Mr. Joshi.

The Revd. J. C. Chatterjee: Mr. Joshi said that.

Dr. B. S. Moonje: If Mr. Joshi has said that, Mr. Joshi will have to substantiate it. If that is the idea of Mussalmans, I am here to refute it. If the Mussalman religious sentiment is not concerned I do not know how it is that the masses are excited to fight with the Hindus on questions of religious music and processions. The responsibility at the present moment of the Government of this country is entirely with the Britishers. They know their business well and they can look after this affair of the distribution of the loaves and fishes as they think best. If they will take our advice, we are prepared to give it to them, but they are not in a mood to care for advice from us. One thing however is certain of which my Honourable friends here, the Mussalmans, Hindus and other communities must take note, and that is when the responsibility of the Government will be transferred to the people,—we must know that clearly and definitely,—at that time the administration of the country will not be carried on on communal lines. The loaves and fishes of that Government will not be distributed on communal considerations.

Sir Walter Willson (Associated Chambers of Commerce: Nominated Non-Official): That Government would want a widow's cruse.

(At this stage Sir Darcy Lindsay vacated the Chair which was resumed by Mr. President.)

Mr. Fazal Ibrahim Rahimtulla: There will be riots.

Dr. B. S. Moonje: If there be riots, there are people who can stand those riots. If there are riots there are people who will put down those riots

(At this stage Nawab Sir Sahibzada Abdul Qaiyum rose in his place.)

Mr. President: What is all this heat for?

Dr. B. S. Moonje: But one thing is certain that when the responsibility of the administration will be transferred it will not be carried on from the communal point of view and the loaves and fishes of that administration will not be distributed on communal considerations except on merit and open test, and whoever may stand that open test he will have the loaves and fishes.

Mr. President: I do not think all this is relevant to the narrow issue raised by the proposed cut.

Dr. B. S. Moonje: I have done, Sir.

(Dr. B. S. Moonje then resumed his seat.)

(Mr. W. M. P. Ghulam Kadir Khan Dakhan (Sind: Muhammadan Rural) made a speech in the vernacular, a translation of which appears as an Appendix to these proceedings.)

Mr. President: The question is:

“That the Demand under the head ‘Customs’ be reduced by Re. 1.”

The motion was adopted.

Mr. President: The question is:

“That a reduced sum not exceeding Rs. 72,73,999 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, 1929, in respect of ‘Customs’.”

The motion was adopted.

DEMAND No. 17—TAXES ON INCOME.

The Honourable Sir Basil Blackett: I move:

“That a sum not exceeding Rs. 65,84,000 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, 1929, in respect of ‘Taxes on Income’.”

Conditions of Recruitment, Qualifications, Pay and Promotion of Officers in the Income-tax Department, Bombay.

Mr. N. C. Kelkar (Bombay Central Division: Non-Muhammadar Rural): I move: .

“That the Demand under the head ‘Taxes on Income’ be reduced by Rs. 15,000.”

As stated in brackets, I wish to draw the attention of the Finance Member to the conditions of recruitment, pay and promotion of the officers of the Income-tax Department in Bombay. Sir, this is only a point of inquiry and probably my needs will be met if the Finance Member will give me the necessary information which I shall seek to ask from him in the course of a very short speech. Some time ago I put down a question and got in reply to that a statement showing the strength, pay, position, gradation, etc., of the income-tax officers in the Bombay Presidency. I had an idea that the recruitment to these posts was not done on any systematic basis. I was told that there is no regular examination or test by which people could be recruited into this department. I was told that there was no regular system of promotion. I was told that the head of the department in Bombay enjoyed a large patronage in his hands and that people were being promoted without rhyme or reason. I have no personal information on these matters and therefore I put down a question asking for a whole statement. That statement was supplied to me by the Income-tax Department and they have given me most of the necessary details. The list contains about 55 names and I have taken some trouble to analyse the list and put down the names in that list according to seniority of service. I have analysed them according to years, service put in, etc. After seeing what qualifications were possessed by people holding those posts of income-tax officers, I found that there was something in the complaints I had heard. I think the department owed it to themselves to supply me with further information on the points which were obvious from the very nature of the question I had put in and the nature of the statement they had supplied. There should have been no difficulty for them to find out with what motive I had put the question, and if they had given me clues as to the system of recruitment and promotion, etc.,

[Mr. N. C. Kelkar.]

my purpose would have been satisfied; but as no other clues were provided to me I have necessarily to raise this point in this formal manner, though my point is one of inquiry only. I have no definite complaint to make against any particular person.

The first point that I want to bring to the notice of the head of the Income-tax Department is this. It seems from the statement that there is no minimum qualification required for entry into the service. By service I mean the service of the higher grade of income-tax officers which carries a minimum salary of about Rs. 300—not a small salary. Then, as I find from the analysis, there are 20 matriculates, 3 school finals, 21 University qualified men, 5 of them being B. Com. and 16 Art graduates, one man with a foreign university qualification, three men with foreign accountancy qualifications and 9 people who have passed the revenue examination, higher or lower. That by itself shows that there is no system by which recruitment is made, unless of course there is any explanation which goes deeper than the surface and tells us on what principle recruitment is made. I have grouped the figures under different headings: non-university qualification men, university qualification men, other qualification men. When I look into further details as to the starting pay and the promotion they receive and the salaries they now enjoy, I do not find any rhyme or reason and that leads me to suspect that there must be—I cannot put it higher than that—want of discretion and want of proper observance of guiding rules in the matter of promotion. As I have arranged the figures from the point of view of length of service, I find that only latterly a sense of propriety in this respect has been dawning on the department and the recruitment in the latest years shows that University qualifications are being given some attention to. Of course that may not have been possible in the earlier days, I do not know, but I really do not see why there should not be a regular entrance examination for this department and a minimum public test prescribed. I cannot take it further than that and say that this must necessarily be submitted to the Public Service Commission examination. I do not know whether the qualifications required for the service are of such great importance that the examination should be handed over to the Public Service Commission. I think there must be some test—I do not know whether there is—but that is the matter of inquiry from me. If I go into the thing name by name I could point out that there was a certain method in the madness of irregularity, but I do not obviously like to do it, as when one begins to mention names, one has necessarily to be odious. I found that from recent experience. In the case of the Railway Budget I simply said that Parsi guards and engineers were appointed on the Bombay, Baroda and Central India Railway but I was misrepresented not only by outside people, for whom there might be some justification, but by the Railway Member himself. He in reply said: "You are complaining against the Parsis having a monopoly of this particular service"—which was not the fact. I really mentioned it as an illustration of Indians as against non-Indians. For that reason and some other reasons also I do not want to mention any names but I would only refer to them as A, B, C, and so on. Government have got the statement they supplied to me themselves and if they look into it they will find if there is any justification for the complaint I am making. I do not want to take up the time of the House with figures, but I am prepared in a private manner to hand over the analysis

I have made to the department and they obviously know what my complaint is and what is the nature of the information I want. Therefore, first of all, if I am told what are the conditions of recruitment, then mostly my purpose will be served. Gradation and promotion are matters which may be explained properly or may not be explained properly, and I do not believe that even the head of the department sitting here will be in a position to give me all the information that is needed. I can trust to their sense of fairness to take up this question in the spirit in which I have put it before them and refer the matter to the head of the department in Bombay. My object is to draw attention to the fact that there is a complaint that unfair treatment is meted out to the men of the Department in the selection of the people for the highest posts in the service. I have laid these two or three points before the Honourable the Finance Member and leave the question in his hands. I shall be satisfied with such information as he may be prepared to give me.

The Honourable Sir Basil Blackett: The Honourable Member has put forward what he has to say in a very reasonable manner. Notice of this particular cut did not reach me until Saturday afternoon and I am afraid I have not had time to look into the details. I think perhaps the simplest way will be to promise at once that the Department will be glad to go into the question with Mr. Kelkar with a view to understanding just what objections he thinks exist against the present system and what complaints there may be. I have no reason to suppose that the system is open to any special objection or that it is not working extremely well. Appointments are made by the Commissioner of Income-tax subject to the approval of the Local Government. The last two Commissioners of Income-tax, Mr. Hartley and his successor, Mr. Vacha, are very competent people in whom we have every reason to put our trust. A good many of the men with low paper qualifications, of whom Mr. Kelkar has spoken, are, I think, junior men who are promoted subordinates who have demonstrated their aptness for income-tax work by the best of all tests, by working in the Department. Before an income-tax officer is confirmed he has to undergo a departmental examination in law and so on, and actual experience of a man's work is, I submit, sometimes even more valuable than academic qualifications. However, I am not in a position to answer in detail the points which Mr. Kelkar has raised. I think that his convenience and mine and that of the House will all best be served if I undertake that the points he has made will be immediately followed up by the Department.

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

Grievances of the Assessors.

Pandit Thakur Das Bhargava (Ambala Division: Non-Muhammadan):
Sir, I move:

"That the Demand under the head 'Taxes on Income' be reduced by Rs. 10,000."

Sir, one feature of the Income-tax Department is that its officers are very anxious to increase the income year by year. Every incumbent of the post considers that it is his pious duty to augment the income of this Department by hook or by crook. A new man coming to a district joins his post under the idea that many sources of income are still untapped, and when he arrives in the district he begins his exactions afresh. I do

[Pandit Thakur Das Bhargava.]

not know if in this Department promotion is conditional on an increase in revenue; but anyhow this new feature is there, that every person who belongs to this Department has a fixed determination to increase the income of his department, irrespective of the fact whether particular trades or professions are showing an increase in their own incomes. As soon as any person receives a notice from the Income-tax Department he receives also a form which he has to fill in. Now that form is so complicated that I doubt very much whether all the Members of this House would be able to fill in that form correctly. And if by chance that form is not put in at the required time then the assessee loses his right of filing any appeals. In practice it usually happens that many people do not keep regular account books, especially the village people. In the Punjab the custom of the village people ordinarily is to keep one account book. When that account book is shown to the income-tax officer he can very easily discredit it; he may say there is no *Rokar Bahi* along with it and that is quite enough to discredit that *bahi*. When that is done the assessee is at once at his wits' end; the Income-tax officer can do what he pleases. And this is not so only in the case of those who keep one *bahi*. It is not rare to find that even those who keep three sets of *bahis* are harassed in the same way. I can understand that there may be a certain kind of presumption against those who, while in possession of accounts, do not show those accounts to the income-tax officer. But the principle of law which is generally ignored in practice is that the burden of proof is always upon the income-tax officer who assesses a particular person to show that he is entitled to tax that person for a particular amount. But in practice, when a person is unable to produce accounts, the burden of proof shifts, and unless that person can prove that the secret information of the income-tax officer is wrong, he is assessed arbitrarily at such amount as the income-tax officer chooses to assess him at. Then the question of appeal comes in. If a person has not filed any accounts he is not entitled to appeal. I deprecate very much this system of teaching the public to keep accounts by the Income-tax Department. If it is proved in a particular case that a person has got no accounts, it does not stand to reason that he should be penalised for not having the habit of keeping accounts. In the first place as regards appeals, the assessees have to go too long distances to file appeals. They have to engage counsel and incur very heavy expenses. Then as regards appeals, the same tendency is to be found in the superior officers as in the income-tax officers of the inferior grade. "Himself the accuser, himself the judge" is a principle which is unknown to justice. One income-tax officer assesses a person and then his superior officer, who is as much interested in an increase in revenue, hears the appeal. It is therefore not surprising that appeals are dismissed in a very unsympathetic manner. So far as the question of a reference to the High Court is concerned, a reference can only be made on a point of law. In the ordinary course of things, if there is a decree for even one rupee, the people can take the matter on appeal to the regular courts; but in the case of income-tax the appeal is to an executive officer and not to the regular courts. So that, practically speaking, the provision in regard to appeals is very illusory, and people are taxed in an arbitrary manner. In fact the House will not be surprised to know that even in years of commercial depression when particular trades are working at great loss,

income-tax officers have their own way of taxing those particular trades. They do not take the trouble of going into the accounts and finding out what the real income is, but they fix a certain percentage of income, they conclude this must have been the amount which has been realised by a dealer in a particular article and they assess accordingly. This system of taxation works great hardship to particular people. In fact the whole department seems to be obsessed by the idea that it is the proper function of this department to show an annual increase in income, and this wrong idea is at the basis of the whole mischief. I would therefore move that the Demand under the head "Taxes on Income" be reduced by Rs. 10,000.

Mr. M. S. Aney (Berar Representative): Sir, I have given notice of a motion of a similar nature and I think it would be better for me to speak on this motion itself. Some of the points which my friend Pandit Thakur Das Bhargava has made out will be borne out if we look at the figures which have been published by the Central Board of Revenue in their Income-tax Annual Reports. That there is a tendency to over-assess will be manifest to everybody from the enormous amount which has to be refunded annually. I will just draw the attention of the House to the figures showing the annual demand and the amount of refunds made for the years 1923-24, 1924-25, 1925-26 and 1926-27. The annual demand for the first year was Rs. 13,08,78,718 and the amount for that year refunded is Rs. 1,48,73,738. The demand for 1924-25 was Rs. 12,22,02,868 and the amount refunded Rs. 1,15,70,221. In 1925-26 the demand was Rs. 12,87,72,674, and the amount refunded Rs. 1,48,46,099. So also in 1926-27 the demand shown was Rs. 13,04,60,161 and the amount refunded Rs. 1,67,48,237. The point is that an amount approximating on an average to 150 lakhs has to be annually refunded, while the demand stands somewhere between 12 and 15 crores. This is a pretty large amount that has to be refunded. It means that this demand is reduced by that amount ultimately, and then we get the net figure of what is known as the net demand. Even if we are to compare the figures of the net demand and the actual collections made, we find there is a difference of about a crore. I do not want to enter into detailed annual figures of the net demand and the actual collection; but there is a difference of nearly a crore annually in every one of these years; and between the demand made and the net demand there is always a drop of about 150 lakhs. That means that between the original demand and the actual collection there is a difference of something like Rs. 2 crores and a half. This amount of two crores and a half in my opinion represents the excess which the department wanted to extort from the assesses. That is how I look at these figures. One point which I wish to press particularly is this. When you make a demand and the returns are filed, the demand is realised by the income-tax officer. And then this amount of refund is ultimately returned some time later to them as a consequence of appeals or revisions. Between these two different periods, the date of collection of the money and the date on which the amount is refunded, it must be a period of several months. That means that annually 150 lakhs of rupees of the country's capital is locked up with this department and not available for trade and commerce to those on whom this tax mainly falls. It is absolutely necessary, therefore, that there must be some system devised whereby this discrepancy between the demand as originally made and the net demand ought to disappear gradually. Under the present system there is, I believe, scope for this sort of thing.

[Mr. M. S. Aney.]

So far, Sir, I have only referred to the figures of income-tax; I have not referred to the figures of super-tax. They will go to make an addition of more than 12 lakhs per year to the amount of refunds.

Another point which I wish this House to notice is this: that the income-tax officer is not in a position really to know the amount on which the tax is to be levied. He is not inclined also to accept the returns of the assessees. The figures of returns filed by the assessee and the number of returns which have been accepted by him for the purposes of assessment are also very interesting. The returns of income filed by the assessees for the year 1926-27 were 267,036. Out of this, only 81,477 were found as correct. In the cases of the remaining returns, the income-tax officer was entirely dissatisfied and he had to assess these persons on the basis of something else than the returns filed. This is a very horrible state of things. It means either that there is extraordinary difficulty in properly filing the returns, or there is a tendency on the part of the income-tax officers not to accept the returns generally. It is for the Government to find out which of these two alternatives is correct. What the figures disclose is that there were only 87,000 cases in which returns were capable of being accepted by the income-tax officer. Does this not disclose a state of things which requires to be carefully considered by those who are responsible for the administration of this department? That is one thing.

Secondly, another point in this connection to which I wish to draw the attention of the department is that there are cases in which accounts are called for; either these accounts are voluntarily submitted or they are called for. Now, the total number of cases in which accounts were submitted by the assessees voluntarily or on being called for is given in the report as 156,366. Now, not only were the returns submitted in these cases but the accounts also were submitted with a view to substantiate the figures in the returns. What do we find? Out of 156,366 persons who submitted their accounts, the income-tax officers could only accept 97,383 account-books as correct for the purposes of assessing the tax. In the case of the others, the department treated them as unreliable and incorrect. That means one of two things; the officer has rejected them as incorrect or unreliable. Now, Sir, this is a very serious matter. From the experience I have got at the bar, notwithstanding that there is a general tendency to discount the accuracy of accounts kept by these shopkeepers, small traders and merchants, I am in a position to say that out of 100 cases of account-books put in civil courts, 90 at least are found to be correct and reliable. But the income-tax reports give a percentage which shows that these merchants and traders are in the usual habit of keeping false accounts. That is what it means. I do not know whether directions are issued by the Income-tax Department in regard to this matter—directions to which reference has been made in the Income-tax Report, *viz.*, that the income-tax officer should not insist upon his own method of accounting. He must be prepared to accept the accounts as prepared and maintained by them unless there is some specific reason for him in any exceptional case to regard the same as fraudulent or dishonest. That remark has been made in the report either for 1925-26 or 1926-27. There is a special instruction issued to that effect; but if in

spite of this instruction we find nearly 58,000 account-books have been treated by the Income-tax Department in India as unreliable or fraudulent. I maintain, Sir, that this is a matter for serious inquiry. The real trouble in my opinion is that besides being called upon to do their normal duties as assessors of this particular tax, there is a constant goading going on from time to time from the superior officers to the effect that there is a special responsibility upon them to discover new assesseees every year. And, Sir, it is their zeal for discovering new assesseees that is in my opinion mainly responsible for the sort of treatment that is meted out to those who have the unenviable misfortune to submit their accounts and returns to the income-tax officers. Not only is it the duty of these officers to collect the tax, but something more is expected of him—a point to which my friend, Pandit Thakurdas Bhargava has already referred. On this point of discovering new assesseees there is a significant passage which I find in the report of 1925-26. It says:

“One of the most important duties of the Income-tax Department is to discover new assesseees in India who have hitherto escaped taxation. Since the Income-tax Department in India does not pay rewards to informers, it depends for the discovery of new assesseees entirely upon the vigilance and honesty of the staff, etc., etc.”

This is a point to which their attention is drawn repeatedly. Now, what was the result of this instruction? In the next year we find that there was something like a discovery of 37,000 assesseees in British India; the suggestion was contained in the report of 1925-26, and here we have got a statement in which detailed figures of discoveries of new assesseees per province are given in paragraph 12 of the Central Board of Revenue Income-tax Act Report for 1926-27. In pursuance of instructions or in pursuance of these observations made in the report for 1925-26, we find the actual result of the year reflected in the figures, given in paragraph 12. The total number of assesseees thus discovered or unearthed in the year was 35,873. So many new assesseees have been discovered. Now, Sir, this work of discovery of assesseees is something akin to the work which the Archæological Department is carrying out in the way of excavations. The income-tax officers have now two kinds of responsibility. They have first to conserve; that is, to see that the old assessee does not escape: that is conservation; and at the same time they have got to carry out the work of digging, to discover new assesseees; for the sake of this, the officer employs a band of diggers, men who dig and go with pick-axes in their hands into the bazaar to find out assesseees: that gang of workers is slowly gathering round the departments. The Central Board of Revenue mournfully complained in the report that they had not got men who could be paid for doing that sort of work, but I can assure them that without salary and without payment a certain class of persons have really gathered round the income-tax officers; and every year, after the financial year is over and the time for issuing notices to the assesseees arrives, the bungalow of the income-tax officer is surrounded by persons who themselves have no income to pay any taxes upon, but who are prepared to say that there are such and such persons who can be taxed. I do not want to name any men here or there, but I say this state of things is growing up in extent and volume, and in the interests of those who are taxed and who supply a large and considerable portion of the funds of the Government, it is necessary for the head of the department to find out how an evil of this kind which is growing up can be effectively checked. It has grown up in the city of Calcutta. There is a

[Mr. M. S. Aney.]

shrewd and unequivocal reference to it in the report here. It is said somewhere: "He succeeded in getting 8,000 more assessees in that year". Sir, it has been stated here that the income-tax officers have already collected very valuable information regarding property, because it is property that is in their opinion generally under-taxed; their work was to find out the real nature of the property and its proper value for the purposes of assessment. Whence is this information collected? Either it is collected with the help of the revenue officers or with the help of these informers whom this department deplores it was not able to pay. It may be one of two things. As this is going on in an increasing scale it is necessary for the department to see that the assessee are not made unnecessarily miserable on account of the wrong information supplied to the department by many of these persons whose business is only to inform and not to take on any liability for themselves. The department must try to remain aloof from the contaminating influence of these men and keep its administration pure and above suspicion, from this point of view.

Now, Sir, after that, if we come to another matter, we shall find that there is a good deal of trouble as regards the preparation of our returns themselves. It is very difficult for us to prepare the returns in the way in which the department expects us to prepare them. We do not, and in the very nature of things cannot, receive any help from the income-tax officer on that point. Our accounts are kept in a different manner; the returns require us to show certain figures on a different model. Many have found it impossible to comply with the requirements of the department and so they take the assistance of what are known as professional auditors. And even after their assistance has been taken, what surprises one is this: that even the returns prepared by these professional men, men who are qualified as auditors and whose authority as professional auditors is also accepted by the Government, are held to be untrustworthy. A remark is made in the report that the Income-tax Department regrets that it is unable to accept, in a considerable number of cases, the returns prepared by auditors also as true. Now, I want to know, what should these merchants and commercial men do? They themselves cannot prepare the returns in a way which would satisfy the income-tax officer; nor is the technical assistance they receive from qualified men deemed sufficient to satisfy the requirements of the department. The only thing then for them to do is to file some kind of account, take it back when rejected as incorrect and then ultimately run to the Assistant Commissioner or somebody for appeal; and in that way a good deal of time is wasted.

Mr. Deputy President: Order, order. The Honourable Member will now bring his remarks to a close.

Mr. M. S. Aney: I shall bring my remarks to a close, Sir. I have fortunately come to the stage of the appellate court whose finding, just like your word in this House, is final. I wish to speak a little upon it. The decisions of these appellate courts are generally final, unless there is a point of law. I am closing with the remarks that these appellate powers provided in the law are unsatisfactory. The time of these business men is thus wasted. There is a mention of this point in the Central Board of Revenue report itself. It is stated that much waste of time and energy can be spared if the assessee know their responsibility. My suggestion is "Find out some way to make the assessee understand what you want."

If you can make yourselves intelligible to the assesseees, there is sufficient honesty in the assessee to comply with your requirements. The difficulty is that you are speaking in a language which he does not understand; you are speaking in a formula which he cannot decipher and then you charge him with dishonesty. I want to extricate ourselves from this muddled position.

One point, Sir, in one sentence only and I have finished. A learned Judge was once asked, with reference to the income-tax law of England, as to what was the principle underlying it and he made a very significant observation which I wish to quote here, and I say with approbation that probably that observation holds good even of our income-tax law and our Income-tax Department. The name of that authority is Sir Josiah Stamp and he said once that "he sees in the law only one principle, *viz.*, that of the Donnybrook fair, *i.e.*, 'see a head, hit it'." So it is a looking out for heads with a view to hitting, is it not the principle underlying the income-tax law, and its administration in this country too?

Mr. Gaya Prasad Singh: Sir, I gave notice of a similar motion which stands lower down on the list; but I think it will be convenient for the House if I were permitted to speak on the present motion. The two previous speakers have already referred to the exorbitant assessments which take place in almost all the provinces; and if I remember aright, my Honourable friends, Sir Hari Singh Gour and Mr. Amar Nath Dutt also in their budget speeches last year, brought this point to the notice of the House. As representing my own province of Bihar and Orissa, I wish to associate myself with the remarks made by previous speakers by saying that the tendency generally among the income-tax officers is to unduly increase their assessments every year. There is a saying in the criminal courts about magistrates: No conviction, no promotion. The saying among the income-tax officers is: No increment in the income-tax, no promotion. Small traders and commercial people especially, such as the marwaris, etc., in small places, are specially aggrieved by these unfair assessments which are imposed upon them, and which are increased year by year. My Honourable friend Mr. Aney has quoted some figures to substantiate his statement. It is not necessary for me to give more figures in this connection. Account books of assesseees are sometimes disbelieved without any rhyme or reason. In cases where no account books are produced—as a matter of fact small traders and other people do not always keep account books,—they are pressed to produce account books. If the accounts are not forthcoming, their right to appeal is interfered with; and if their account books are produced, without any rhyme or reason they are often disbelieved. That is the grievance which is very largely felt among a large number of assesseees in almost all the provinces. In my own province, Sir, the Commissioner of Income-tax went to the length of issuing a circular which is tantamount to asking his subordinates to increase their assessments. I brought this matter up on the 24th August last, and I quoted a circular and asked my friend, the Honourable the Finance Member to explain what is meant by that? In course of that circular, which was issued by the Income-tax Commissioner, and addressed to the Income-tax officers, his subordinates, he said:

"You should take the view in any particular case which is favourable to the department, and leave the assessee to press for a decision on a reference to the High Court, if he is so advised."

[Mr. Gaya Prasad Singh.]

Now, Sir, if this is not a direct incitement to increase income-tax I do not know what it is. It is just as if a district magistrate were to issue a circular to the subordinate magistrates asking them to convict in all cases that come up before them, and leave those convicted to press their appeals in the higher courts, if they are so advised. My Honourable friend, Sir Basil Blackett, instead of meeting this point fairly and honestly, couched his answer in a rather bantering tone. He said it was a confidential circular, although in the course of his reply he said he was not aware of it. Now, in reference to that statement I want my Honourable friend to tell me in the first instance as to how he came to know that this was a confidential circular. My next point is, assuming that it was a confidential circular, I maintain that no officer of Government is entitled to issue a circular which is against the law or otherwise objectionable, whether in an open manner or in a surreptitious manner; and this circular especially contravenes the Income-tax Manual, in which it is said:

"It is desirable that, with due regard to the fiscal interests of Government, all Income-tax officials should administer the Act in a sympathetic spirit."

Now, this injunction is specifically laid down by law; but it has been trampled under foot, and a circular has been issued asking the income-tax officers to increase the assessments and leave the assessees to their own fate

Mr. B. Das: What about the harassment of the Maharaja of Darbhanga?

Mr. Gaya Prasad Singh: There is a case pending—I do not know whether the case has been decided or not,—between the Maharaja of Darbhanga and the Income-tax Department, a case which he has brought against the Income-tax Department.

Mr. Deputy President: Nothing should be mentioned about it when the case is before the courts.

Mr. Gaya Prasad Singh: Therefore, Sir, I was not going to refer to that case at all. But so far as this circular is concerned, I want to know from my Honourable friend, the Finance Member, who is the head of this department, as to the circumstances under which this circular has come to be formulated, and whether it has been withdrawn or not? If it has not been withdrawn, on what principles of justice and equity and good conscience my friend is prepared to justify a circular like that, and whether it is not tantamount to giving a carte blanche to the income-tax officers to make exorbitant assessments of incomes?

The Assembly then adjourned for Lunch till Half Past Two of the Clock.

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. President in the Chair.

The Honourable Sir Basil Blackett: Sir, considering that we are discussing the grievances of the assessees, I think it is fortunate, considering their strength, we have had an attack the strength of which can

only be described as rather remarkably mild. My friend Mr. Aney quoted the figures of refunds, the effect of which was apparently in his opinion to show that it was the habit of the income-tax authorities to collect too much revenue and then be forced to repay it on appeal. I think he has misunderstood the full meaning of those figures in regard to refunds. They are set out on page 16 of the Return from which he quoted. I take the figures for 1926-27:

Refund of rebate of tax:

- (a) under section 48 Rs. 7,52.
- (b) on dividends of companies under section 48 Rs. 17,06.
- (c) to partners of firms under section 48 Rs. 4,53.
- (d) under section 49, Rs. 1,06 lakhs.
- (e) other refunds Rs. 32,45,000.

Now, it will be seen that the biggest refund is that under section 49 which is refund in respect of double income-tax. That has nothing whatever to do with over collection at any particular place or by any officer. Similarly, all the other refunds, except the last, are the natural result of our income-tax system. It is only the last figure of Rs. 32,45 which represents to any extent entirely refunds on appeal. I have got the actual figures of refunds on appeal, together with the number of appeals, for the year 1926-27.

Appeals disposed of (these are appeals heard by Assistant Commissioners from the Income-tax Officers)	Assistant	18,585
Successful		8,537
Review petitions disposed of		2,434
Successful		855
References to High Courts		35
		Rs.
Refunds as a result of appeals		30,94,000
Less for repaying enhancements		1,17,000
	Net refunds	<u>29,77,000</u>

I think the Honourable Member must have been misled by the figures, and I would point out to him that his argument somewhat disposed of the argument of the previous speaker who said that the income-tax authority was a judge in its own case. Our experience with the Assistant Commissioners is, if anything, that they show a tendency to interfere with the income-tax officers on inadequate grounds and the statistics prove our impartiality, and that so far from an appeal to the Assistant Commissioner being a forlorn hope, it does result in quite a considerable proportion of cases in a reduction of the assessment made.

Among other grievances mentioned, I think the one to which most prominence was given was the question of the non-acceptance of accounts. The rejection of an account does not necessarily mean that the account is incorrect. All that it means is that it is not sufficiently full to satisfy the requirements of the income-tax authorities. There is no kind of suggestion that because an account is rejected for income-tax purposes it is therefore entirely false. I do not say that in some cases it is entirely

[Sir Basil Blackett.]

true. I have an interesting quotation from the Commissioner of Income-tax, Mr. Vachha, in Bombay which throws some light on the question.

"The weak income-tax staff employed in the past, especially before 1922, is chiefly responsible for this attitude of the tax-payers, most of whom can still recall their past experience as to how tax was avoided by adopting some such method. Time was when Bombay city had only one Examiner of Accounts as against 26 at present. Such an attempt to check the accounts of the businessmen of the whole of this big city kept the door of evasion so widely open that even saints were tempted to enter it. Even now the staff is not such as to ensure detection of each and every case of fraud . . . It will take years and years before the assesseees will unlearn what they have learnt in the past and forget their experience prior to 1922."

I am afraid it still remains true that the main explanation of the comparatively large proportion of cases in which full accounts are not supplied by the assesseees is that it is still their experience that on the whole they get off more lightly if they do not supply accounts. The position is improving in that respect. With reference to one of the remarks that was made, I should like to assure the House that income-tax officers are instructed to work with the assesseees and to help them to frame their accounts in the right form. There is, I think, increasing understanding that the income-tax officers are there to collect the amount due, and that if they are approached in the right spirit and if all the facts are laid before them, they have no desire whatever to collect on any basis other than that of facts.

Another question that was raised by Mr. Gaya Prasad Singh, I think, was about the circular issued by the Income-tax Commissioner in Bihar. My protest at the time when Mr. Gaya Prasad Singh asked a question last Session on that subject was that that circular was an entirely confidential departmental document, and I would put it to Honourable Members of this House that if a departmental document that is not for publication comes into their hands they should not mention it on the floor of this House, at any rate, without giving an opportunity, first of all, to the department concerned to deal with any question that it raises and dispose of it privately. After all, a document of this sort can only come into the hands of Mr. Gaya Prasad Singh through somebody's failure to observe proper discipline, and Honourable Members of this House should not encourage officers of the Government not to observe proper discipline . . .

Mr. Gaya Prasad Singh: How can anybody know that it is of a confidential nature or that it is a confidential document? Is there anything on the face of the document to show that it is of that nature?

The Honourable Sir Basil Blackett: All circulars by Income-tax Commissioners addressed to their officers are confidential. I would only ask the House to help the Department and help themselves by not springing on the House a document that is departmental. It is very bad for discipline that there should be a market for documents which are not public property . . .

Maulvi Muhammad Yakub: Is it really fair that such pernicious confidential orders should be issued?

Mr. Gaya Prasad Singh: That is the point.

The Honourable Sir Basil Blackett: I have dealt so far only with the question of the confidential character of that document . . .

Mr. Gaya Prasad Singh: It was not confidential I maintain.

The Honourable Sir Basil Blackett: I have dealt only so far with the confidential character of the document. I am free to admit that it is worded in some parts of it in a manner that did not entirely meet with the approval of the Central Board of Revenue. When their attention was drawn to it, they took the necessary steps, and if the Honourable Mr. Gaya Prasad Singh or any other Honourable Member, again, on any other occasion, has any feeling that in a document of that sort there is some question as to the propriety of the language used, I do beg of him just to bring it straight to me or my successor or to the Central Board of Revenue, and I assure him that we shall only be too anxious to remedy any mistake that has been made. In so far as a mistake was made it was merely a question of the wording . . .

Mr. Amar Nath Dutt (Burdwan Division: Non-Muhammadan Rural): Mistake or intentional?

Mr. Gaya Prasad Singh: Has the circular been withdrawn?

The Honourable Sir Basil Blackett: I am not quite sure exactly what steps have been taken because the matter was only raised again to-day. Undoubtedly we did immediately call the attention of the Commissioner to the matter, and that is, I submit, the way that the thing should happen and not that a confidential document should be produced on the floor of this House. If any Honourable Members have any doubt as to the confidential character of a document let them only ask the Member in charge before they produce it in the House if they are not sure whether it is confidential or not.

(At this stage two or three Honourable Members said something in a low voice.)

I cannot hear a word that the Honourable Members are murmuring. I have dealt with the case. The general position is really quite simple. Undoubtedly it is true that an undue proportion of assessments is still made without full accounts being rendered, and my complaint against income-tax officers, in so far as I have one, is that they are still apt to be too lenient, and that was the meaning of that circular. The fact that they are still apt to be lenient is fairly well proved by the fact that people still prefer not to submit accounts, because they have only to submit accounts properly, and if they are really being overcharged that is immediately proved. But in spite of the fact that their accounts have not been submitted, they are still paying a less sum than they would pay if they submitted accounts, and their failure to submit accounts is at least intelligible. I do not remember any other points that were raised, but I do submit that it is in the interests of this House that it should secure that income-tax is properly collected. In the interests of all the assesseees it is not desirable that some of them should get off too lightly; equally it is most important that assessment should be just and that no individual should be paying more income-tax than he ought to pay, and if he will take to submitting accounts and if he will treat the income-tax officer as his friend rather than as his enemy, I think that will be secured.

Mr. Ram Narayan Singh (Chota Nagpur Division: Non-Muhammadan): Sir, I support the cut moved by my Honourable friend, Pandit Thakurdas Bhargava. Sir, I do not want to repeat what my friends have said on behalf of this cut. I only endorse every word of it. It is the experience of my constituency that this department is being used as

[Mr. Ram Narayan Singh.]

an engine of oppression. Income-tax officers are dealing with the assesseees there in a most careless, cruel and high-handed way. They do not pay proper attention to the accounts submitted to them. Besides, the questions of appeal and bringing matters to the notice of higher authorities, have proved to be too costly as well as too difficult an affair to be resorted to. Sir, I bring it to the notice of the Central Government that this is a department which most urgently requires purification as well as improvement in every way. With these words, Sir, I support the cut moved.

Mr. President: The question is:

“That the Demand under the head ‘Taxes on Income’ be reduced by Rs. 10,000.”

The Assembly divided:

AYES—35.

Aney, Mr. M. S.
Badi-uz-Zaman, Maulvi.
Belvi, Mr. D. V.
Bhargava, Pandit Thakur Das.
Chetty, Mr. R. K. Shanmukham.
Das, Mr. B.
Das, Pandit Nilakantha.
Dutt, Mr. Amar Nath.
Dutta, Mr. Srish Chandra.
Gulab Singh, Sardar.
Haji, Mr. Sarabhai Nemchand.
Iswar Saran, Munshi.
Iyengar, Mr. S. Srinivasa.
Jayakar, Mr. M. R.
Kelkar, Mr. N. C.
Kunzru, Pandit Hirday Nath.
Lajpat Rai, Lala.
Mitra, Mr. Satyendra Chandra.
Moonje, Dr. B. S.

Murtuza Saheb Bahadur, Maulvi Sayyid.
Nehru, Pandit Motilal.
Neogy, Mr. K. C.
Sarda, Rai Sahib Harbilas.
Sarfaraz Hussain Khan, Khan Bahadur.
Shafee, Maulvi Mohammad.
Shervani, Mr. T. A. K.
Siddiqi, Mr. Abdul Qadir.
Singh, Mr. Gaya Prasad.
Singh, Mr. Narayan Prasad.
Singh, Mr. Ram Narayan.
Singh, Raja Raghunandan Prasad.
Sinha, Kumar Ganganand.
Sinha, Mr. Sidheswar.
Tok Kyi, U.
Yakub, Maulvi Muhammad.

NOES—44.

Abdul Aziz, Khan Bahadur Mian.
Abdul Qaiyum, Nawab Sir Sahibzada.
Ahmad, Khan Bahadur Nasir-ud-din.
Alexander, Mr. William.
Allison, Mr. F. W.
Anwar-ul-Azim, Mr.
Ashrafuddin Ahmad, Khan Bahadur Nawabzada Sayid.
Ayangar, Mr. V. K. Aravamudha.
Bajpai, Mr. G. S.
Blackett, The Honourable Sir Basil.
Bray, Sir Denys.
Chatterji, Rai Bahadur B. M.
Coatman, Mr. J.
Cocke, Mr. H. G.
Cosgrave, Mr. W. A.
Couper, Mr. T.
Courtenay, Mr. R. H.
Crawford, Colonel J. D.
Creer, The Honourable Mr. J.
Dalal, Sardar Sir Bomanji.
Graham, Mr. L.
Irwin, Mr. C. J.
Joshi, Mr. N. M.

Jowahir Singh, Sardar Bahadur Sardar.
Kabul Singh Bahadur, Captain.
Keane, Mr. M.
Kikabhai Premchand, Mr.
Lamb, Mr. W. S.
Lindsay, Sir Darcy.
Mitra, The Honourable Sir Bhupendra Nath.
Mukherjee, Mr. S. C.
Parsons, Mr. A. A. L.
Rainy, The Honourable Sir George.
Rajah, Rao Bahadur M. C.
Rao, Mr. V. Pandurang.
Roy, Mr. K. C.
Sams, Mr. H. A.
Shamaldhari Lal, Mr.
Shillidy, Mr. J. A.
Svkes, Mr. E. F.
Taylor, Mr. E. Gawan.
Willson, Sir Walter.
Yamin Khan, Mr. Muhammad.
Young, Mr. G. M.

The motion was negatived.

Defective Working of Devolution Rule No. 15.

Mr. K. C. Neogy (Dacca Division: Non-Muhammadan Rural): I beg to move:

“That the Demand under the read ‘Taxes on Income’ be reduced by Rs. 1,000.”

My intention is to refer to the defective working of Devolution Rule No. 15, to which I drew the attention of the Honourable Member for the first time in 1925. It is not necessary for me on the present occasion to go into all the details of the history of this rule. I will content myself with observing that this rule was designed by the Joint Parliamentary Committee for the purpose of giving the provinces a share in the income from income-tax in each province. Although the rule was made generally applicable to all the provinces, the main intention was to benefit the industrial provinces of Bengal and Bombay which had asked for a share of the income-tax revenue and had been turned down by the Meston Committee. When I drew the attention of the Honourable the Finance Member to this question in the winter of 1925, he was frank enough to admit that the rule had broken down in practical working. He assured the House further that he would have the matter investigated and would see whether it could be put right. Next year, I drew his attention once again to this matter, particularly in connection with certain recommendations of the Taxation Inquiry Committee, for this was one of the questions that had been referred to that body for their opinion. And the Honourable Member on that occasion assured the House that the entire question of assigning a share of the income-tax revenue to the provinces was engaging his attention. Later on, he observed, only the other day, that at a recent conference of the Finance Members of the different provinces, the question was raised; and that, as the Government of India were in a position to offer only a very small amount for distribution, certain provinces, I believe the provinces of Bombay and Bengal, were rather reluctant to have any relief of that kind. I do not know what the present intention of my Honourable friend is in this matter. Here is an admitted grievance of two industrial provinces, who are not benefiting under the special device intended to benefit these two provinces. I would for a moment draw the attention of the House to the figures as they appear in the Explanatory Memorandum on the present Budget. The figures first of all show the amount of revenue that is expected to be collected in each province, and the share of the income-tax revenue that falls to the lot of each province under Devolution Rule 15. Honourable Members will see that, although Bengal is expected to contribute 6 crores 19 lakhs in the shape of income-tax revenue out of a total of 17 crores of income-tax revenue, which the Government expect for the whole of India, Bengal does not find a place in the list of the provinces which are benefited by the Devolution Rule at all. So also is the case of Bombay. Bombay is expected to contribute 3 crores and 45 lakhs, in the shape of income-tax in the budget year, and Bombay also does not find a place in the list of provinces to which a share of the income-tax revenue goes under Devolution Rule 15. Now let us turn to Madras. Madras is expected to yield a revenue of 1.47 crores in income-tax in the budget year, and Madras is allotted 6.50 lakhs out of that. Then take the case of the Punjab. The Punjab is expected to raise 70 lakhs in the shape of income-tax revenue during the budget year, and she will get 4 lakhs out of it under the Devolution Rule. Burma is expected to find 2.06

[Mr. K. C. Neogy.]

crores of income-tax revenue and will get 14 lakhs under the Devolution Rule. I will leave the other provinces alone. My grievance is that the two provinces for whose benefit this rule was mainly intended do not come in for a share of income-tax revenue at all. I know that under the terms of the Devolution Rule itself, it is not possible to give any special relief to those two provinces in this matter; but, Sir, I do hope that it will not be beyond the ingenuity of the Honourable the Finance Member to find some means of remedying this very legitimate grievance of the two great industrial provinces.

Mr. Arthur Moore (Bengal: European): Sir, I should like very briefly to support my friend Mr. Neogy's point. Our grievance is so glaring and has been so repeatedly put to this House year after year by Mr. Neogy himself that I do not propose to go over that ground and expose the grievance once again. But I should like very seriously to ask the Honourable the Finance Member what he is going to do about it? Year after year this question has come up. I remember that when this difficulty was considered by the Joint Committee—the Joint Committee of the Parliament of Westminster—at the time of the inauguration of the Montagu-Chelmsford Reforms, they attached immense importance to the view of the Secretary of State's Council. Well, I should like to point out to the Honourable Member that three years ago in this House a Resolution similar to this was carried by an overwhelming majority. I think the figures of those who voted against the Government on that occasion were something over 70, and they included one who is now a distinguished member of the Secretary of State's Council, Sir Campbell Rhodes. What the Honourable Member then told us was that in about two years Bengal and Bombay might hope to be getting something. That was three years ago. But neither Bengal nor Bombay have ever had a pie since. They do not even appear in the list, and there is absolutely no immediate prospect—in spite of all the stout efforts of the Finance Member to tighten up income-tax—apparently no prospect whatever, in any future we can see, of either Bombay or Bengal touching the figures for income-tax of the datum year 1920-21. The Honourable Member told us that he was prepared to discuss it with Provincial Finance Members at the annual conference. There must have been three annual conferences since then, and I have no doubt it has been discussed. But so far nothing has been done at all to do away with this admitted grievance. Nothing has been done to meet the representations of this Assembly. Sir, we here join with the Honourable Member in his desire to take this House seriously. We also wish to take ourselves seriously. We come here and year after year bring up this matter, and we say that by ignoring it you are hampering the progress of this country. We do expect some notice to be taken of this. I should explain that we have no desire at all to take anything away from the other provinces. We are extremely glad that they have had their windfall. But we all know that the working of this Devolution Rule No. 15 is an absolute travesty of the original intention of the framers of that rule. It was definitely framed to produce something for those two great industrial provinces, Bombay and Bengal, and they are the two provinces who have never had anything, unless perhaps a little at the beginning, when the boom was still on, in 1920-21. They have certainly had nothing since,

and there is no immediate prospect of their having any. Well, Sir, one answer which will definitely not satisfy us is that this is all part of the Meston Settlement, and must wait to be considered by the Simon Commission. We do not accept that answer at all. This thing could be changed to-morrow. Devolution Rule 15 has nothing whatever to do with the ultimate consideration of the Meston Settlement. The suggestion of the Taxation Inquiry Committee is no doubt an ideal one. They want the consideration of Devolution Rule 15 to be taken up with the whole question of federal taxation and the question whether income-tax should be central or provincial. We know already that that question is decided against the provinces. That may be right. We are not complaining of that. The Finance Member told us the other day that he definitely regarded income-tax as a subject which should be central. Very well; let it continue to be central. But, as, I think, the Meston Committee pointed out, you cannot permanently expect these great industrial provinces to be deprived of all share in their own expanding industries. Therefore, when a special provision was made for them under this rule, we did expect that the rule would be made to work according to the intentions of the original framers of that rule. The only question which here concerns the Simon Commission—and it is a very pertinent question for that Commission to consider—is the relation between the Central Government and this House,—as to why year after year on a subject like this, upon which there is complete agreement and where everybody knows that an injustice has been done, no notice whatsoever is taken of the strong representation of this Assembly.

Mr. H. G. Cocke (Bombay: European): Sir, I have spoken on this question several times in this House and I am not really anxious to do so again. But coming from a province different to that of my two Honourable friends who have just spoken, I think perhaps I ought to say one word on behalf of Bombay. So far as that province is concerned, we are just as anxious and just as keen to-day on getting the Meston Settlement altered as we have ever been. The Finance Member is about to leave for climes where Meston Settlements are unheard of, and he will be bothered very little longer with this question. But, Sir, we wish to know the policy of the Government of India on this question. We know, as has been said, that it has been discussed several times at conferences of the Finance Members, and we wish to know what the policy is with reference to this matter. It is very unsatisfactory going on year after year without any real policy being announced. We know of course that the Finance Member has been concentrating for all he is worth on the reduction or elimination of provincial contributions. But that is only in a way half the tale. It does help but it does not help sufficiently the two industrial provinces of this country, and we are very anxious that some rectification of this act of injustice should be made as early as possible.

Equitable Share to Provinces.

Mr. B. Das: I have a motion similar to this and I would like to speak.

Mr. President: Which is that motion?

Mr. B. Das: *Motion No. 18. Sir, I rise on behalf of my province, Bihar and Orissa, to join my voice in this matter. I claim equitable

* "That the Demand under the head 'Taxes on Income' be reduced by Rs. 100."

[Mr. B. Das.]

adjustment of the revenues of the Central Government and the Provincial Governments. Sir, I will not speak of the effects of the Meston Award on my province, but I will just draw the attention of the House to one passage in the Meston Report where it says:

"In Bihar and Orissa the local government is quite the poorest in India, and very special skill will be required in developing its resources. Heavy initial expenditure lies in front of what is still a new province; and there is a wholly abnormal want of elasticity about its revenues."

Sir, a year or two ago, I quoted from the letter of the Government of Bihar and Orissa to the Meston Committee in the matter of equitable adjustment of the finances between the Bihar Government and the Government of India. Sir, in the year 1912 Bihar and Orissa was separated from Bengal, but the financial resources were not properly adjusted; while Bengal got Rs. 13 lakhs for a million of people, Bihar and Orissa got Rs. 8 lakhs for a million of people, and that left my province in a very bad condition. (An Honourable Member from Bengal: "Come back to us.") All right, if you will give us more money, we will come back. I quoted then a passage and I take the liberty of quoting it again:

"Bihar and Orissa stands upon a different footing from the other provinces in that it has never received a quasi-permanent financial settlement and has not yet been fully equipped with the adjuncts of a self-contained province. When the province was constituted in 1912, it was recognised that as soon as the administration was in full working order, the revenues assigned would be insufficient and it was intended, if the war had not supervened, to revise the financial settlement after five years and provide resources adequate for its maintenance and development."

I claim that adequate resources and elasticity of revenue have not been provided for the proper development of my province. The Taxation Enquiry Committee, to which reference was made by my friend Mr. Neogy, mentioned that a certain portion of the income-tax ought to go to provinces. Unfortunately though my province is an industrial province, most of the companies that manage those industrial concerns are situated in Bombay or Calcutta. Although my province contributes a good deal of income-tax revenue, we do not get any share from the income-tax paid by those companies situated in Calcutta and Bombay. I claim that Rs. 46 lakhs that comes from income-tax from the province of Bihar and Orissa should go to the Provincial Government and whatever super-tax the Government might collect should go to the Central revenues. When my province was separated it had a revenue only of Rs. 4½ crores; now it has expanded, but at what cost? The revenue from excise was Rs. 1.24 lakhs at the time of separation; to-day it stands at 2 crores. The Government of Bihar and Orissa have no flexibility in their income and so they have to raise their revenue from excise, and that is not a good revenue. We cannot go on drinking just to educate our boys and children. Sir, that is my argument, and I hope that before the Honourable the Finance Member leaves this country he will either give us a bigger share of the revenues of the Central Government or he will institute a policy whereby my ill-financed province will get sufficient income, at least to the extent we used to get when we were with Bengal before 1912, so that we can be a prosperous province.

The Honourable Sir Basil Blackett: Sir, Mr. Moore asks what the Government are going to do about it. My answer is that at the special request of the Government of Bengal we are leaving it to the Statutory

Commission. A proposal, a carefully worked out proposal, was put before the last meeting of the Provincial Finance Members, and a proposal which involved in the first year a sacrifice of about Rs. 65 lakhs of revenue to the Central Government was put before the last meeting of the Provincial Finance Members. Three provinces, of which that represented by my friend Mr. B. Das was one, accepted the scheme and were anxious that we should go ahead with it. Some of the others were neutral, but the opposition came fairly strongly from one or two, particularly from Bengal, who said that they would rather have the matter referred to the Statutory Commission to be settled by them than accept the proposal as put forward by the Central Government at that stage. Not that the acceptance of the Central Government's proposal would have prevented them from going before the Statutory Commission, but they seemed to think that it would prejudice their case if they were to accept such a settlement. If Mr. Moore has a complaint against anybody for nothing being done at the moment, it is in particular against the Government of the province for whom he is speaking. There is a real difficulty about this. I found Devolution Rule 15 in existence. I have never defended it; I have tried to change it, but it is going to remain unchanged after I have left, until the Statutory Commission has reported. The reason is a fairly simple one. Except when you have a Committee like the Meston Committee or a Commission like the Statutory Commission sitting you cannot go into a question of this sort because you cannot make a change in the Devolution Rule in favour of one province at the expense of another province; you can only make a change at the expense of the Central Government. You can also only possibly make a change if it is agreed to by all the provinces concerned, or reasonably agreed, unless it is a comparatively small change. Neither of those necessary conditions has been fulfilled. Further, we have had up till this year provincial contributions and it was obvious that for good or for ill the Central Government had undertaken an obligation to get rid of those provincial contributions with priority over any other scheme that individual provinces might have in the matter of change in the Meston Settlement. The Government of India, therefore, I think, have nothing to apologise for in what has happened in this matter. They have been unable to secure sufficient unanimity among the provinces to make a change and they obviously could not of their own fiat take money away from Madras and the Punjab to give it to Bombay and Bengal, even if—which of course I do not admit, I do not argue the question—even if there was a good case for an equitable scheme on behalf of those provinces for extra funds. That has been the simple position and I think that there is everything to be said now for leaving it until the Statutory Commission can deal with it. Another difficulty of course in the current year was that, even if we had come to an agreement with the provinces, it involved Rs. 65 lakhs extra. I was not sorry, therefore, when I came back from England to find that the problem of finding out the extra Rs. 65 lakhs had been solved for me. But of course it was made clear that any proposal for a change must be dependent on general agreement by the provinces and it could only come into effect as from such date as there was a sufficient surplus in the Central Government to meet it. But I do not think it would have been the wish of this House that we should impose additional taxation to the extent of Rs. 65 lakhs or so with a view to remedying the grievances in the matter of Devolution Rule 15. I am sure the House will recognise that the Government

[Sir Basil Blackett.]

of India have every sympathy with the necessity for finding a solution for this matter. And, when the matter is put before the Statutory Commission—I do not think I can speak for the Government of India in this matter—I do not think that there will be any disposition on the part of the Government of India to deny that Rule 15 has not worked well and that it is desirable that some additional share in the income-tax should be placed at the disposal of the provinces in the future settlement. I do hope, however, that the Provincial Governments will, now that they have got rid of the bogey of the provincial contributions, realise that they cannot continually look to raiding the Central Government's taxes for the purpose of finding the additional funds that they require for their local needs. To some extent, I am afraid, the provincial contributions have been a whipping boy. The problem however must remain that if you want to go in for additional and expensive nation-building expenditures—I am, of course, all in favour of that being done,—you must somehow or other find additional means of taxation for the purpose of paying for them. And as that to a very large extent is a service that will be undertaken locally and beneficially, the right place to look for the additional taxation will be within the localities and within the provinces within which the extra expenditure is to be incurred.

Mr. President: The question is:

“That the Demand under the head ‘Taxes on Income’ be reduced by Rs. 1,000.”

The motion was negatived

Incomes of Shipping, Insurance and Banking Concerns.

Mr. Sarabhai Nemchand Haji (Bombay Central Division: Non-Muhamadan Rural): Sir, I beg to move:

“That the Demand under the head ‘Taxes on income’ be reduced by Rs. 1,000.”

In making this motion I have to draw the attention of the House to the unsatisfactory nature of the attitude taken up by the Government of India in connection with questions relating to the profits made in this country and the income-tax paid thereon by the foreign shipping, insurance and banking concerns. Sir, when on the 2nd of September, 1927, in Simla I asked a question with regard to the amount of income-tax and super-tax paid by British companies and by other non-Indian companies carrying on business in India in banking, shipping and insurance, I was told that statistics distinguishing between these three items were not maintained by the Government. At a later stage, in course of the supplementary questions, some information was given to my friend Mr. Kabeer-ud-din Ahmed, to whom I should in this connection like to express my sense of gratitude for the fact that it was he who soon after the introduction of the Reforms and the reformed Legislatures drew the attention of the Government of India to that utter indifference to the Indian financial side in so far as they did not assess British shipping companies and foreign shipping companies for the purposes of income-tax. Now, my friend Mr. Kabeer-ud-din Ahmed, who has been taking interest in the subject from

the beginning of the Reforms, namely, 1921, asked a supplementary question to the effect:

“What is the amount that the Indian Exchequer has suffered owing to the negligence of the Government of India in exempting the British shipping companies from payment of income-tax prior to 1922?”

And the Honourable Sir Basil Blackett replied:

“I hope the Indian Exchequer never has suffered in that way.”

That answer conclusively shows that at the moment of making that reply Sir Basil was not aware of the immense inroads that must have been made for years together upon the Treasury of the Government of India in so far as the British and foreign shipping concerns remained unassessed for the purposes of our Indian income-tax. But under the impression that possibly everything was all right in the Department of which he was the head, even when I asked whether in view of the seriousness of the question he would make arrangements to get the details, he said that the answer was in the negative. I was rather surprised that he should have said so because immediately before he had stated that he did not know whether it was a fact or not that income-tax was levied on the British shipping companies operating in this country after the attention of the Government was drawn to their not paying income-tax by an Honourable Member in this House in 1922. So, here you have a clear case where the Government of India have been indirectly for a series of years exempting the non-Indian shipping concerns from paying an Indian income-tax. When further information is desired on the subject, the representative of the Government of India in this House and in the Finance Department gets up and says that he does not know these things; he does not care to know them; and he will not ask for further information. I am sure that when I draw his attention, as I propose to do, in a little fuller detail to the history of this problem, he will realise that as an expert and hard worker that he is, he will come to know that in his department, so far as the assessment of foreign shipping companies was concerned, full and proper attention was not paid to the requirements of the Indian Exchequer.

Coming to the history of the problem, we find that it was in 1886 that under the stress of the Burmese War and the falling exchanges, the Government of India had to introduce a general system of income-tax to take the place of the previously prevailing licensed tax which was operating in the country. Under this general income-tax of 1886 the following items were made assessable, namely, (1) salaries, (2) profits of companies, (3) interest on securities, and (4) other sources of non-agricultural income. In the original amending Bill it was laid down that all companies making profits in this country were to pay the income-tax, but the Member who represented the interests of the European commercial community in this country in the old Imperial Legislative Council objected to the shipping companies having to pay this income-tax, and the Government of India, and the Finance Member of those days yielded on that point. The ground on which he yielded is rather interesting as it shows to us the mysterious connection that has always been maintained between European commerce

[Mr. Sarabhai Nemchand Haji.]

and the British Government in this country. In accepting the suggestion of the Honourable Member who was representing European interests, the Government Member said:

"We felt ourselves the more bound to give our respectful attention to the objections and remonstrances urged on us in this respect inasmuch as they came from a quarter whence great support and assistance has been afforded us, so that we could rest fully assured that the criticism was made in no captious or idle spirit."

Because the suggestions came from a quarter that had been giving consistent support and assistance to the Government of India in their management of the old Council, I suppose the interests of the Indian Treasury were sacrificed and large sums of money which were every year carried out of this country remained unassessed from 1886 right down to 1916. And even in 1916, Sir, when one of the non-official Members of the then Council drew the attention of the Government to this matter, he was told that "the Government will consider the question and amend the Act accordingly". The point I want to lay stress on in this connection, Sir, is that, though the facts were known to the Government, though it was clear to everyone in the know that the non-Indian shipping companies did not pay any income-tax to the Government of India, the Government on their own initiative ever since 1886 have not done anything to remedy the evil until their attention was pointedly drawn to the subject by non-official Members of the Council or the Assembly, as the case may be. In 1916, as I said before, when after 30 years of continuous neglect of Indian Treasury interests resulting from the mysterious relations between British commerce and the British Government of this country, attention was drawn to this question the Government said in reply, Sir William Meyer speaking, that:

"in the meantime we have omitted from the Bill the existing exemption so that when the time comes we may have a free hand to deal with the matter. So long as war conditions continue we do not however propose to take any active steps to tax these companies and the existing exemptions will be maintained by a notification in clause 44 of the Bill."

Sir, during war time, when money was badly needed by the Government of India, as by all other Governments, the Government of this country in the interests of non-Indian concerns definitely refused to take any steps even though their attention was pointedly drawn to the losses incurred by the Indian Treasury in this connection. But when their hands were forced in 1916, as I have stated, they once again deferred the matter and said that nothing could be done so long as the war was on. And, Sir, even when the war ended, what did they do? They withdrew the exemption from foreign shipping concerns, but the privilege of paying no taxes to the Indian Treasury was still allowed to the British shipping companies that made annually huge profits in India. This brings me, Sir, to that important question put by my friend, Mr. Kabeer-ud-Din Ahmed, on the 15th September, 1921, when he asked:

"If the Government will be pleased to state whether any notifications were issued under section 44 of the Indian Income-tax (Amendment) Act, 1916, exempting British shipping companies from paying income-tax and state the reasons for such exemptions."

And the Honourable Mr. W. M. Hailey, in reply, stated:

"In accordance with the statement"

—which was made by Sir William Meyer in the old Imperial Council—

"a notification was issued on the 28th March, 1918, exempting from the tax all non-resident shipping companies. When rules for assessing such companies were framed,

the exemption was withdrawn with effect from the 1st April, 1919, except as regards shipping companies incorporated or registered in the United Kingdom or in any of His Majesty's dominions."

And for these British companies running steamers along the Indian coasts and in Indian trade, this privilege was extended up to the 22nd April, 1921, because it is stated here by the Government Member that "the exemption in favour of the latter companies was also withdrawn on the 22nd April, 1921, and all shipping companies are now liable to the tax." So far so good, Sir. But, as I have shown, the earlier history of this shipping income-tax is so shady that there is no reason why we should not insist upon knowing the exact figures regarding it and also knowing the exact figures of the amount which goes out of this country annually in the way of profits to British shipping concerns and non-British shipping concerns which exploit the trade of India; and particularly when we realise the very large annual drain which the country suffers owing to the practical monopoly of foreign concerns in shipping, banking and insurance, I feel we are justified in demanding from the Government of India that it should provide us with a proper statement, under the heads suggested in my question, of the income-tax that was obtained from these concerns by the Government of India in different years in order that we might assess the more fully the drain that keeps on eating into the economic vitals of this country.

The Honourable Sir Basil Blackett: Sir, beyond the statement that something is eating into the economic vitals of this country, the Honourable Member who has made this last speech has produced absolutely no kind of evidence that everything is not all for the best. His grievance has something to do with the assessment of income-tax upon shipping, insurance and banking. He dealt chiefly with shipping. The law on the subject is quite clear, as he himself said, since under section 44 of the Indian Income-tax Act, 1922, an income accruing or arising or received in British India or deemed to have accrued or arisen or received in British India is liable to income-tax. As the Honourable Member is perhaps aware, we made an effort to improve the section of the Act, section 42 which deals with incomes deemed to have accrued or arisen, but we were unsuccessful in improving it. I am rather inclined to think that he or at any rate his friends are supporting a proposal which would increase instead of reduce our difficulties in collecting so far as we are. But I have no reason to suppose that we are not collecting in full any income-tax liability to which is incurred in this connection. The question exactly what profits are earned exactly where by a steamship company trading all over the world is, as the Honourable Member knows, though he did not inform the House, an extremely difficult one. Exactly where do the profits arise?

Mr. Sarabhai Nemchand Haji: What about the profits in the coastal trade, Sir?

The Honourable Sir Basil Blackett: I am dealing with the general question. I have no reason to suppose that profits in the coastal trade are not being duly assessed to income-tax. The Honourable Member has produced no evidence whatever to the contrary and I believe that it is entirely untrue to say that they are not being properly assessed. There is a certain difficulty always, as I say, in assessing profits of this sort and in getting at non-residents. But he had no evidence to suggest that we are not successfully doing so and there is no kind of justification for the

[Sir Basil Blackett.]

suggestion that the profits of shipping, insurance and banking earned by non-residents in India are not being fully taxed in exactly the same way as other non-residential profits in India. I have nothing to add.

Mr. Sarabhai Nemchand Haji: On a point of personal explanation, Sir, I was not speaking with regard to the assessment. What I was concerned with was why the Finance Department refuse to give us the figures under the separate heads as demanded. That was the point. If they have got the figures, let us have them.

The Honourable Sir Basil Blackett: As the Honourable Member is aware, we do not keep separate statistics showing the extraordinary detail that he suggests and I do not see any reason why we should. The Honourable Member has made a series of charges which he has entirely failed to substantiate.

Sir Purshotamdas Thakurdas (Indian Merchants' Chamber: Indian Commerce): Sir, I should not have got up to speak on this subject at all, but I feel that the Finance Member's reply to my Honourable friend Mr. Sarabhai Nemchand Haji is vague and, if I may say so, extremely unsatisfactory.

Mr. Gaya Prasad Singh: As usual.

Sir Purshotamdas Thakurdas: My Honourable friend Mr. Haji never complained about the amount collected for income-tax from shipping companies. How could he? He has not the material. He does not know what Government are collecting from any or all shipping companies, whether they recover too little or too much. All that he wants is that the figures should be made available to us, and, in view of the solicitude of the Government of India in the past for foreign shipping, I think it is only right that this Assembly should insist that we should know how much the Government of India recover from the shipping interests which make their living out of, or make their profits by working and touching at the Indian ports. Nobody wishes to minimise the difficulty of assessing accurately what profits a shipping company makes when it touches various ports from, shall we say, Japan right up to America. But, Sir, Mr. Haji is quite right when he says that the ships which ply on the coast of India present a much less difficult problem. I wish that the Finance Member could have given a more direct reply than he chose to give and I think that the question that has been brought up by Mr. Haji is a genuine one and is conceived in the best interest of the Indian Treasury, an interest in favour of which I should have thought the Finance Member himself would have welcomed Mr. Haji's speech.

Sir Walter Wilson: Sir, I would like to make a few remarks at this stage. It is, as the Finance Member pointed out, a most extraordinarily difficult and often impossible thing to say whether, when and how either a shipping company or a ship makes its profits. Very often it does not make profits, and if you take shipping as an investment over a long period of years, I, who have spent all my life in shipping, have always recommended every one of my relatives never to invest a shilling in it, and they have no shares whatever. The average return is very unsatisfactory. But Sir Purshotamdas Thakurdas said that it should be easy, if I understood him correctly, . . .

Sir Purshotamdas Thakurdas: Comparatively easy.

Sir Walter Willson: comparatively easy to say what are the profits made in the coasting trade of India.

Sir Purshotamdas Thakurdas: That is it.

Sir Walter Willson: It is just as difficult as anything else. Ships round the coast of India take up their cargo there and take it to Japan, Dunkirk, America,

Sir Purshotamdas Thakurdas: May I make myself clear, Sir? Are there not shipping companies which are restricted to the coastal ports of India alone? Why does my Honourable friend Sir Walter Willson want to make the question look more difficult than the facts justify?

Sir Walter Willson: I am sure the Honourable Member is entirely wrong in thinking that there are shipping companies whose trade is "restricted" to the coastal ports of India. There may be an odd shipping company here or there, but he appears at the moment to be displaying an amount of ignorance which I should hardly have thought he possessed.

Mr. Sarabhai Nemchand Haji: Is it not true, Sir, that certain ships only regularly trade on the Indian coast?

Mr. President: Order, order. Sir Walter Willson.

Sir Walter Willson: The coastal trade of India is a very valuable trade for this country.

Mr. Sarabhai Nemchand Haji: For the British company.

Sir Walter Willson: Imports are received at every port between Karachi and Singapore and I have been to every one of these ports myself. Exports are similarly sent away. The trade is an enormously valuable one and everybody through whose hands that trade passes makes, I hope, trust and believe, his share of profit. But because of that, to say that you can tell what profit belongs to the portion which a ship takes up at the French port of Pondicherry and discharges in Colombo, under the Ceylon Government, is quite impossible. The position is full of difficulties. My experience of shipping goes a great deal beyond the restricted shores of India. Various Governments the world over have taken every possible opportunity to tax all ships trading to and from their ports, and during the War many Acts impossible of carrying out were enacted in various countries. I have myself had to wrestle with some of them. I was asked, in connection with a company that I was connected with, to give the profits arising out of our trade with a certain foreign country. I found in the end that the only way in which we could come to any settlement with that Government was to work out the proportion that the outward freight we took out of their country bore to our total earnings and the relation between that and the dividend paid. Well, Sir, it was so unsatisfactory that in course of time it was all dropped. I speak subject to correction on this point because all this happened some years ago. My impression is that those inter-colonial taxes are not now imposed.

Mr. Haji went on to deal with insurance companies. Now, it surely must be equally difficult to say how much profit is definitely made, let us say, by a foreign company out of a risk underwritten in this country. Supposing an insurance company here writes a large line of say 10 lakhs on a certain building. It is not the practice for the foreign company to carry the whole of that risk. It reinsures portions of the risk and of business which is obtained here it gives a portion to some company, say in New York, in exchange for a portion of the business done by that other

[Sir Walter Willson.]

company in New York. How, therefore, is it possible to know exactly what profit has been made out of the risk underwritten here by any particular company? It seems to me that it is an extraordinarily difficult question. There is, I think, a very considerable degree of misunderstanding as to the profits that shipping companies make out of even the freight that they collect in any particular country. My memory is not a very good one, but I was sufficiently curious some years ago to look into the accounts of one or two ships that came to India, I saw what freight they earned definitely in this country, and I can assure you that there were many cases in which they spent more in the country than they took out. It seems extraordinary—and I do not suggest to you that they were doing it for the purpose of losing money for the benefit of this country or any other country—but it happens that the percentage of their earnings spent in this country is simply enormous. Unless you have been connected with a shipping company, the ratio of expenses to income, I think, beats one's imagination, in order to earn a small dividend of 5 or 6 per cent. After all, take some of your biggest British companies, the Cunard Line. What do they do? Except in the war time I doubt if they have paid more than 6 per cent. average for some years, and I very well remember a time when they could only pay 2 per cent., when they had to go to the British Government and get a guaranteed loan of several millions sterling in order to carry on their business.

Mr. Sarabhai Nemchand Haji: What does the British India Company pay?

Sir Walter Willson: What does the British India Company pay? Would I be wrong in saying 8 per cent.?

Mr. Sarabhai Nemchand Haji: 12 per cent.

Sir Walter Willson: Well, I think that is a very good figure. But has my Honourable friend forgotten where it comes from? Does he suggest that that comes entirely and solely from their trade in India? Does he not know that it is a world-wide company, that its capital bears a very scanty relation to the value of its fleet, and that the 12 per cent., although it may be the dividend declared on its ordinary capital, is certainly not anything in the nature of a good dividend on the value of its fleet? The Honourable Sir Basil Blackett has assured the House that all the income-tax which may be traced to shipping companies trading here is collected and I think that that is an assurance which the House should certainly accept. For my part I have never found Sir Basil Blackett so pleased about his collections and my difficulty with him has always been that he is out to find new avenues upon which he could put on the screw. So, if he is satisfied in this particular case I have no doubt that the House also may be.

Mr. President: The question is:

"That the Demand under the head 'Taxes on Income' be reduced by Rs. 1,000."

The motion was negatived.

Levy of Income-tax in Upper Burma.

U. Tok Kyi (Burma: Non-European): I move:

"That the Demand under the head 'Taxes on Income' be reduced by Rs. 100."

The object of this motion is to bring to the notice of the Honourable the Finance Member that income-tax should not be levied in Upper Burma

any longer. This morning I happened to move for the abolition of the export duty on rice in which Burma is vitally concerned. Now I have to move again for the abolition of another duty and you may think that I am very avaricious in my desire for having all duties imposed on Burma removed. In this connection I should like to bring to the notice of the House the fact that Burma pays no less than Rs. 14 per head towards revenue, whereas India as a whole pays only Rs. 5.7 per head. From these figures you can at once see how Burma has very unjustly and unfairly been treated in the matter of taxation. Sir, the Indian Income-tax Act was extended to Upper Burma four years ago. As soon as it was proposed to extend it to Upper Burma, I tried by means of questions to bring to the notice of the Honourable the Finance Member the undesirability of doing so. Over and above income-tax in Upper Burma we have got what is called the *thathameda* tax, a sort of household tax. This kind of tax, I believe, has not been imposed in any other part of the Indian Empire than Upper Burma. The people in Upper Burma are more or less very poor people. They find even the burden of the *thathameda* tax a very heavy one and there has been a movement for the abolition of that tax. For a number of years that movement has been afoot in the whole of Burma, but that has not brought about any tangible results so far

Mr. President: Does the Honourable Member make a complaint against the administration of the existing Act?

U. Tok Kyi: No, Sir.

Mr. President: To repeal it?

U. Tok Kyi: Not to enforce the Act in Upper Burma. To exempt Upper Burma from the operation of the Income-tax Act. This morning my Honourable friend, Mr. Couper, in his fine maiden speech, on which I should like to offer my congratulations to him, has pointed out the sad economic condition of Burma. He has dealt with the prevalence of murders and other violent crimes in that part of the country. I am convinced that the prevalence of violent crime in my part of the country is very largely due to the economic conditions obtaining there. Upper Burma is poorer than I think any other part of the Indian Empire. It is not a fertile country like Lower Burma: it is barren country except the portion where the oil wells are situated. But people residing in the oil wells area have to pay taxes of their own. They pay to the Central revenues over Rs. 1½ crores in the shape of excise duty on motor spirit and excise duty on kerosene. Those who reside in the rest of Upper Burma are extremely poor people and it is not meet and proper to make them pay income-tax over and above the *thathameda* tax they have been paying all along. As I said before, the Indian Income-tax Act was extended to Upper Burma four years ago, that is, in 1924-25. In that very same year the central Income-tax Department was reorganised. The number of assesseees in that year has increased from 17,080 persons to 25,093 persons and the collection of income-tax has increased from Rs. 1,02,68,025 to Rs. 1,20,12,643. These increases are not due, as might be expected, to the extension of the Income-tax Act to Upper Burma, but according to the Report on the Administration of Burma in 1924-25 the increases are reported "to be due in the main to better assessment". None of the income-tax authorities has claimed that the increases in that year have been due to the extension of the Income-tax Act to Upper Burma. As I said a little while ago, people in Upper Burma are

[U. Tok Kyi.]

very poor and they should not be made to pay any increased taxation. And another point which I should like to bring before the House is that only a few months ago—I speak subject to correction—the office of the Assistant Commissioner of Income-tax which was established three years ago in Mandalay, the capital of Upper Burma, has been abolished. It seems that work in Upper Burma is very light and there is no need for the services of a superior officer like an Assistant Commissioner of Income-Tax. With these words I commend my motion.

Mr. W. S. Lamb (Burma: European): Sir, at all times, I would like to support anybody who tries to lighten taxation in Burma. but on this occasion I cannot agree with my friend U. Tok Kyi. I would like to point out to him that he is not very well acquainted with income-tax and its history in Upper Burma. He stated that the Income-tax Act was applied to Upper Burma four years ago. I would like to tell him that when I left Rangoon in the year 1906.—that is nearly 20 years before the Income-tax Act was made applicable to Upper Burma—then I left Rangoon and moved to Upper Burma. I did not escape income-tax. I paid then and like every other European in Upper Burma have continued to pay down to the present day. (*U. Tok Kyi*: “Government officials also had to pay”.) U. Tok Kyi proposes that the tax might be repealed so far as Upper Burma is concerned. The effect of that would be that European firms and their assistants and Government officials would continue to pay income-tax and everybody else would go scot free. My friend referred to oil wells. He should thank the Finance Member for refraining for so many years from bringing the tax into all Upper Burma. In 1906-08 many of the Burmese well owners were getting a revenue of something like a lakh of rupees a month. They continued drawing many lakhs of rupees from the oil companies for a good number of years, but never at any time paid more than the *thathameda*. That is to say a man whose income was 50 to 60 thousand rupees a year would possibly be called upon to pay Rs. 40 as *thathameda* and in the matter of this *thathameda* tax, to which U. Tok Kyi has referred, it is perfectly well understood that if a man is called upon to pay it, the amount he pays is taken out of the amount of income-tax to which he is assessed.

Sir, I oppose the motion.

Mr. President (addressing the Honourable Sir Basil Blackett): Is it necessary for the Honourable Member to speak?

The Honourable Sir Basil Blackett: No, Sir.

Mr. President: The question is :

“That the Demand under the head ‘Taxes on Income’ be reduced by Rs. 100.”

The motion was negatived.

Mr. President: Mr. Anwar-ul-Azim.

Mr. Anwar-ul-Azim: I do not move my motion*, Sir.

Mr. President: The question is :

“That a sum not exceeding Rs. 65,84,000 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, 1929, in respect of ‘Taxes on Income’.”

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Tuesday, the 13th March, 1928.

* “That the Demand under the head ‘Taxes on Income’ be reduced by Re. 1.”

APPENDIX.*

Translation of a speech delivered in the vernacular by Mr. W. M. P. Ghulam Kadir Khan Dakhan.

I should like to begin my speech by quoting a few lines from a Persian Poet, which translated run as follows:

"Be afraid of the cry of the tyrannized because, whatever they pray for in times of grief—there is even a demand from God for such prayer—such prayer is sure to be accepted."

Sir, I am extremely sorry that our Mussalman community is so backward and become so weak that its claims and reasonable demands are not paid attention to or heard. We were the rulers of India for a long time; at the present even our cries for service are not heard. I am very sorry for my Hindu brethren who instead of helping are going against us, and they are hindering us in our demands according to our population. It appears that they are bent upon opposing us, as even in this trifling thing they are vigorously opposing us. This attitude of theirs grieves our hearts. Hindu leaders have been asking us to work with them, and when they oppose our claims and reasonable demands, it is clear that they do not like us in their hearts and hate us.

Mr. President: Order, order. The Honourable Member should confine his remarks to the question of the representation of Muslims in the service.

Mr. W. M. P. Ghulam Kadir Khan Dakhan: Sir, before this Dr. Moonje has spoken on these points to which I want to reply. Sir, I want to bring to the notice of this House that in the constituency I represent, the Mussalmans form 75 per cent. of the population and the service given to them is between 10 and 13 per cent. If such were the treatment meted out to our Hindu brethren I am sure they would never have liked it or remained silent. The Government of Bombay, finding our claims reasonable, have issued a circular that 50 per cent. of appointments should be given to Mussalmans and even that circular has had no effect in my province owing to Hindu friends of the officers.

Mr. President: The Honourable Member should confine himself to the customs service only.

Mr. W. M. P. Ghulam Kadir Khan Dakhan: Sir, it is dark in the Customs Service, but I wanted to bring to the notice of the House that even in other departments of Government there is no light as regards service for Muslims. The Customs Department is full of Europeans, Anglo-Indians and Hindus, as these appointments are created for them only, which is very unfair to the Mussalmans. We are also grieved to find that Government are neglecting our claims. I hope that now our Hindu brethren will support us and even Government will help us by giving us a proper share in the services, for which I shall be grateful to both.

* Vide page 1338 of these Debates.