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**LEGISLATIVE ASSEMBLY DEBATES**  
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OF THE  
**THIRD LEGISLATIVE ASSEMBLY, 1929**



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# LEGISLATIVE ASSEMBLY.

Tuesday, 19th March, 1929.

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

## QUESTIONS AND ANSWERS.

### INTRODUCTION OF THE ELECTIVE SYSTEM INTO THE MUNICIPALITY OF PESHAWAR CITY.

1123. \***Maulvi Sayyid Murtuza Saheb Bahadur:** (a) With reference to the reply given to part (b) of my unstarred question No 382, asked on the 18th September, 1928, will Government be pleased to state whether it is a fact that the North-West Frontier Province Administration have recently sanctioned the introduction of the elective system in the Municipality of Peshawar City?

(b) What is the full strength of the Municipal Board?

(c) How many seats have been thrown open for election?

(d) Is it a fact that Peshawar Cantonment has been denied the privilege referred to in part (a)?

(e) If the answer to part (d) is in the affirmative, will Government be pleased to state the reasons for it?

(f) Is it a fact that the rate-payers of Peshawar Cantonment have submitted a memorial to the Local Government and the Government of India in the Foreign and Army Departments on the subject? If so, will the Government be pleased to state what action they have taken thereon?

**Mr. G. M. Young:** (a) No. The matter is still under consideration.

(b) According to the Report on the working of the Municipalities in the North-West Frontier Province for year 1927-28, the Municipal Committee of Peshawar consists of 20 members.

(c) None yet.

(d) The Cantonment Board is nominated and not elected.

(e) The discretion in this matter is vested in the Local Administration under section 14 of the Cantonments Act.

(f) The Government of India have received no memorial. Nor have they any information about a memorial to the Local Administration.

### PUBLICATION IN MUSLIM NEWSPAPERS OF ADVERTISEMENTS FOR APPOINTMENTS IN OFFICES UNDER THE RAILWAY BOARD.

1124. \***Maulvi Sayyid Murtuza Saheb Bahadur:** (a) Is it a fact that there is not a single Muslim newspaper in the list of those that have been selected for advertisements by the Railway Board's Office?

(b) If the answer to part (a) is in the affirmative, are Government aware that the Muslims are placed at a disadvantage, as they have no opportunity of knowing anything regarding the recruitment of officers and subordinates especially in connection with the appointments resulting from the separation of audit from accounts?

(c) If the replies to parts (a) and (b) are in the affirmative, what steps do Government propose to take in the matter?

**Mr. P. R. Rau:** Railway Board advertisements do not at present appear in any exclusively Muslim newspaper. The newspapers in which these advertisements appear are selected solely for their publicity value, which depends mainly on their circulation, and Government cannot admit that the communal character of a paper has any bearing on the matter. Government have no reason to believe that the Railway Board advertisements fail to reach the Moslem public who are interested. **If they were satisfied that there was ground for complaint in this respect, they would be prepared to publish their advertisements relating to appointments in the Muslim papers.**

#### PROMOTION OF MUSLIMS IN THE OFFICE OF THE RAILWAY BOARD.

1125. **\*Maulvi Sayyid Murtaza Sahab Bahadur:** (a) What is the present strength of the Railway Board's Office, as regards officers, subordinates and menials?

(b) How many in that Office are Muslims?

(c) What promotions, if any, were given to the ministerial staff since October, 1928?

(d) Is it a fact that not a single Muslim has been given any promotion?

**Mr. P. R. Rau:** (a) The staff of the office of the Railway Board, permanent and temporary, consists at present of 17 officers, 138 subordinates and 100 menials.

(b) 28.

(c) 49.

(d) No. I understand 10 Muslims have been promoted during the period.

#### RETIREMENT OF THE CASHIER OF THE OFFICE OF THE RAILWAY BOARD.

1126. **\*Maulvi Sayyid Murtaza Sahab Bahadur:** (a) Is it a fact that the promotions in the Office of the Railway Board generally depend on the goodwill of the cashier of the Railway Board's office?

(b) Will Government be pleased to state what amount of service he has at his credit?

(c) Is it time for him to retire?

(d) Was the case of granting him an extension of service considered?

(e) Is there any special reason why he should not be retired?

**Mr. P. R. Rau:** (a) The fact is not as stated.

(b) 30 years.

(c) No. He has not yet reached the age of superannuation.

(d) and (e). Do not arise.

#### PROCEDURE UNDER WHICH TWO CLERKS IN GOVERNMENT SERVICE EXCHANGED OFFICES.

1127. **\*Maulvi Sayyid Murtaza Sahab Bahadur:** (a) Will Government be pleased to state the procedure followed regarding the exchange agreed to between any two clerks of the different offices of the Government of India?

(b) Is it a fact that two clerks were exchanged between the Offices of the Accountant General, Railways, and the Railway Board?

(c) If the reply to part (b) is in the affirmative, have the liens of both these men been suspended in their respective offices?

(d) Is it a fact that both the clerks have been provisionally confirmed in the Railway Board's Office? Will Government be pleased to state the ruling which authorises such a procedure?

**Mr. P. E. Rau:** (a) So far as I am aware, there is no specific procedure laid down for such cases.

(b), (c) and (d). The answer is in the affirmative. I am not aware of any ruling which this procedure has infringed.

REMOVAL OF OBJECTIONS AND DEFECTS IN THE CLEARING HOUSE SCHEME.

1128. \***Maulvi Sayyid Murtuza Sahab Bahadur:** Will Government be pleased to state whether all the objections and defects in the working of the Clearing House scheme raised by Mr. O'Callaghan have been removed or not? If not, why?

**Mr. P. E. Rau:** It is not clear what are the objections and defects referred to by the Honourable Member, for, so far as I know, Mr. O'Callaghan was never required to report on the general working of the Clearing House scheme.

EMPLOYMENT OF MUSLIMS IN THE OFFICE OF THE FINANCIAL COMMISSIONER, RAILWAYS.

1129. \***Maulvi Sayyid Murtuza Sahab Bahadur:** Will Government be pleased to state how many Muslims have applied for employment in the offices organized by the Financial Commissioner, Railways, during the last six months and how many of them have been afforded a chance of showing their ability?

**Mr. P. E. Rau:** With your permission, Sir, I will reply to questions Nos. 1129 and 1130 together. Detailed rules regulating the recruitment of candidates for Railway Accounts Offices, and promotions in these offices, are under issue, and I shall send a copy to the Honourable Member very shortly. These rules, which have been framed after discussion with the Standing Finance Committee for Railways, contain provision for rectifying communal inequalities in recruitment. They do not contain any restriction regarding the number of candidates that may appear for the examination for entry into the Accounts Department, nor do they contain any minimum educational qualifications. In view of these new regulations, I do not think that any practical purpose will be served by making inquiries into the number of applications received in the past.

RESTRICTIVE EXAMINATIONS IN THE OFFICE OF THE FINANCIAL COMMISSIONER, RAILWAYS.

†1180. \***Maulvi Sayyid Murtuza Sahab Bahadur:** (a) Is it a fact that certain restrictions, such as passing the matriculation examination in the 1st division have been keeping a number of members of the minority communities out of the offices organized by the Financial Commissioner, Railways?

† For answer to this question, see answer to question No. 1129.

(b) Are such restrictions imposed in other departments? If not, is there any justification in enforcing them in this Department?

(c) Is it a fact that even in the I. F. C. and I. C. S. examinations graduating in the 1st division is not insisted on?

#### NOMINATION OF CANDIDATES FOR THE RAILWAY TRAINING SCHOOL.

1131. \***Maulvi Sayyid Murtuza Saheb Bahadur:** (a) Will Government be pleased to state whether the nomination for the Training School was confined to the departmental candidates only?

(b) Will Government be pleased to state what suggestions were made by the Auditor General at Calcutta as regards the proposal of a Railway Training School? Have all of them been given effect to?

**Mr. P. R. Rau:** (a) No. There was a small number of candidates who were recruited from outside.

(b) The Auditor General made a number of suggestions for the improvement of the draft rules relating to the Training School. These were carefully considered by Mr. Parsons, and most were accepted.

#### PAY OF A CLERK IN THE RAILWAY CLEARING ACCOUNTS OFFICE.

1132. \***Maulvi Sayyid Murtuza Saheb Bahadur:** (a) Has the attention of Government been drawn to an article in the *Siyasat* of the 27th October, 1928, and to *Muslim Outlook* of the 28th December, 1928, regarding the Railway Clearing Accounts Office?

(b) Is it a fact that a near relation of the Rai Bahadur is working as a clerk and drawing the pay of a stenographer?

**Mr. P. R. Rau:** (a) I have not been able to obtain a copy of the first of the articles referred to.

(b) No.

#### MAINTENANCE OF CATTLE AND CALVES IN MILITARY DAIRIES.

1133. \***Mr. Siddheswar Prasad Sinha:** (a) Will Government be pleased to state the approximate amount they have to spend in purchasing (i) one cow; (ii) one bull; (iii) one buffalo, for the military dairies?

(b) Will Government please state the amount they have to spend in maintaining one calf for a month in a military dairy?

(c) How many calves have been maintained in the military dairies during the last five years?

(d) Are Government prepared to rear calves for two months and then sell them at Re. 1, on condition of their being maintained for milking purposes, instead of being sold to butchers?

(e) Will Government be pleased to state the quantity of beef used yearly in military rations during the last five years, stating also the quantity that is generally given to one man?

**Mr. G. M. Young:** (a) (i) Eight Harijana cows were bought in 1927 for Rs. 220 each.

(ii) Indian bulls were bought in 1928 for Rs. 800 and buffalo bulls for Rs. 275. Bulls imported from South Africa cost about Rs. 1,340 each.

(iii) The average cost of a buffalo cow is Rs. 233.

(b) Approximately Rs. 37-8-0 per month.

(c) 1,444 calves have been reared during the last four years.

(d) No, Sir. Government could not afford to do so.

(e) Approximately 8,600 tons in 1924, 8,580 tons in 1925, 8,510 tons in 1926 and 8,340 tons in 1927 and in 1928. The ordinary daily ration is 1 lb. for each man. The foregoing figures include the weight of bone.

**NUMBER OF COWS, ETC., EXPORTED FROM INDIA DURING THE LAST FIVE YEARS.**

1134. \***Mr. Siddheswar Prasad Sinha:** Will Government kindly state the number of (i) cows, (ii) bulls, and (iii) buffaloes, exported during the last five years from India?

**The Honourable Sir George Rainy:** The only information which Government possess is contained in the Annual Statement of the Sea-borne Trade of British India for 1927-28, a copy of which is in the Library.

**IMPORT OF BEEF FROM AUSTRALIA.**

1135. \***Mr. Siddheswar Prasad Sinha:** With reference to my starred question No. 890 of the 4th March, 1929, will Government be pleased to state the reasons that led them to reject the scheme to import beef from Australia?

**Mr. G. M. Young:** The reason was given in my answer to the question to which the Honourable Member refers. The extra cost of the beef alone, apart from the cost of cold storage and of freight in special refrigerator cars is estimated at over half a crore of rupees a year.

**NUMBER OF COWS, ETC., MAINTAINED IN, AND CALVES SOLD FROM, MILITARY DAIRIES.**

1136. \***Mr. Siddheswar Prasad Sinha:** With reference to my starred question No. 886 of the 4th March 1929, will Government be pleased to lay on the table a statement showing:

- (a) the number of cows, bulls, and buffaloes, maintained in military dairies; and
- (b) the number of calves disposed of from military dairies during the last five years, (i) immediately after birth; (ii) at an age below a month, and (iii) after a month?

**Mr. G. M. Young:** (a) I have already furnished the Honourable Member with statistical tables containing this information for the years 1924-25, 1925-26 and 1926-27. The tables contain about 30 columns each, and could not conveniently be printed up in the proceedings of this House. Copies of the annual reports on the administration of Military Dairy Farms, from which these statistics are taken, will however be placed in the Library.

(b) Statistics of the kind required by the Honourable Member are not maintained, but the statement which I have supplied to him gives the number of calves under one year which have been sold during the three years I have mentioned.

**DECLINE IN THE PRODUCTION OF SALT AT KHARAGHODA.**

1137. \***Mr. Gaya Prasad Singh:** (a) Has the attention of the Government been drawn to the following passages in the Salt Committee Report, 1904:

(i) "The brine-springs at Kharaghoda are failing." "It is estimated that the salt at Kharaghoda will be exhausted in twenty years" (page 12).

(ii) "It appears to have been assumed that an increase in the sales of Kharaghoda salt conferred some benefit upon the Government, and upon consumers, an assumption,

which in view of the possible exhaustion of the existing works, and of the quality of the salt, as shown by chemical analysis, does not appear to have had any sufficient foundation" (page 15).

(iii) "When the works were extended to Udu, however, the Government of India expressly requested that the sale price of Kharaghoda salt should be re-calculated with reference to the heavy expenditure which was being incurred at the works; and in our opinion, all sidings to the salt pans for the storage of salt at the Kharaghoda Station, are items of expenditure which should be taken into account in calculating the cost of production, and which should be recovered from the sale price of salt" (page 40).

(b) Are the above items of expenditure taken into account in fixing the sale price of salt? If not, why not?

(c) Are Government aware that the production of salt at Kharaghoda is showing a decline since about 1924-25, as shown below:

	Maunds,
1916-17	30,28,278
1917-18	27,94,356
1918-19	32,18,888
1919-20	33,95,925
1920-21	49,44,762
1921-22	41,25,756
1922-23	45,27,110
1923-24	29,63,786
1924-25	15,61,131
1925-26	15,06,710
1926-27	12,64,079
1927-28	20,30,261

(d) Will Government be pleased to give a comparative statement on equal basis of the cost of production, and the selling price of salt at Kharaghoda, Sambhar, Khewra, and other places of manufacture?

**The Honourable Sir George Schuster:** (a) Yes; but I would draw the Honourable Member's attention to the fact that the passages quoted by him in parts (i) and (ii) occur in a minute of dissent, and not in the Report proper. The writer's remarks regarding the exhaustion of the brine-springs at Kharaghoda itself have been justified by events, but experience has shown that it has been possible to shift the actual pans farther to the west, while storing the salt at Kharagodha itself, without increasing the cost of production unduly.

(b) The items of expenditure in question are now taken into account in fixing the selling price of salt. The second part of the question therefore does not arise.

(c) The figures given by the Honourable Member are correct; but the decrease in production since 1924-25 is not due to any decline in the productive capacity of Kharaghoda, but to deliberate curtailment of production in order to work off accumulated stocks. The normal demand for Kharaghoda salt is about 28 lakhs of maunds per annum, and the heavy production in the six years from 1918-19 to 1923-24, represents an effort to meet the shortage of salt in the country immediately after the war. This special effort was apparently continued too long and it is now clear that it would have been better to have curtailed production from 1921-22 or 1922-23.

(d) A statement is laid on the table, but I should warn the Honourable Member that, in view of the changes in methods of accounting in recent years, the figures given in that statement cannot be worked out on a strictly uniform basis.



Source.	1924-25.		1925-26.*		1926-27.		1927-28.		Present selling price.	Remarks.
	Cost of production.	Selling price.	Cost of production.	Selling price.	Cost of production.	Selling price.	Cost of production.	Selling price.		
	Rs. As. Ps.	Rs. As. Ps.	Rs. As. Ps.	Rs. As. Ps.	Rs. As. Ps.	Rs. As. Ps.	Rs. As. Ps.	Rs. As. Ps.		
Northern India Salt Revenue.										
Khewra	0 3 5-14	0 3 0	0 5 9-66	0 3 0	0 4 10-53	0 3 0	0 6 1-4	0 3 6	0 3 6	(a) Price raised from 0-3-0 to 0-3-6 from 20th Feb., 1927.
Warcha	0 2 6-52	0 3 0	0 5 5-23	0 3 0	0 4 9-97	0 3 0	0 3 10-35	0 3 6	0 3 6	(b) Price reduced from 0-3-6 to 0-3-0 from 1st July, 1926.
Kalabagh	0 3 9-64	0 3 0	0 5 11-67	0 3 0	0 5 5-93	0 3 0	0 4 2-27	0 3 6	0 3 6	(c) Price raised from 0-4-0 to 0-4-3 from 7th June, 1927.
Sambhar	0 3 5-23	0 4 0	0 2 7-27	0 4 0	0 5 11-77	0 4 0	0 5 2-61	0 4 3	0 4 3	(d) Price raised from 0-2-0 to 0-2-6 from 27th May, 1928.
Didwana	0 3 10-55	0 2 0	0 3 3-65	0 2 0	0 6 3-50	0 2 0	0 2 8-4	0 2 0	0 2 6	(e) No salt manufactured during the year.
Pachbedra	1 4 2-69	0 3 6	0 5 3	0 3 6	1 15 2-47	0 3 6	(e)	0 2 6	0 3 3	(f) Price raised from 0-3-0 to 0-3-3 from 7th June, 1927.
Bombay.										
Kharghoda	0 4 7-19	0 4 3	0 4 8-8	0 4 3	0 4 11-8	0 4 3	0 3 9-7†	0 3 3	0 4 3	(g) Price reduced from 0-4-8 to 0-4-0 from 6th May, 1927 and was again resorted to 0-4-3 from 1st November, 1927.

\* Form of commercial accounts changed in the Northern India Salt Revenue Department only from 1925-26; prior to that year "Weightment" charges about 4 pice a maund, not included in cost of production.  
 † Form of account changed in Kharghoda in 1927-28.

REMOVAL OF AN ARSENAL FROM THE VICINITY OF THE SHWE DAGON  
PAGODA TO MINGALADON.

1138. \*U. Tok Kyi: (a) Will Government be pleased to state if the arsenal has been removed from the neighbourhood of the Shwe Dagon Pagoda to Mingaladon?

(b) If not, when will it be removed?

Mr. G. M. Young: (a) Yes on December 1st, 1928.

(b) Does not arise.

AMOUNT OF LOANS MADE BY THE IMPERIAL BANK OF INDIA TO CHETTYARS  
OF RANGOON.

1139; \*U. Tok Kyi: What are the amounts of loan made by the Imperial Bank of India to the *Chettyars* of Rangoon for the years 1926, 1927 and 1928? And what is the amount outstanding against them at the end of January, 1929?

The Honourable Sir George Schuster: I regret that I am unable to supply the answer to the Honourable Member's question. The Government have no information and are not in a position to obtain it as the Imperial Bank of India is not a Government institution.

INCLUSION OF THE SHAN STATES AMONG THE INDIAN STATES.

1140. \*U. Tok Kyi: Are the Shan States part of British India, or Indian India? If the former, will the Government be pleased to state why they cannot be included among the Indian States?

Sir Denys Bray: The Shan States are part of British India and their Chiefs and their inhabitants are British Indian subjects. Obviously, therefore, the Shan States cannot be included among the Indian States.

REFUSAL OF SANCTION TO THE ELECTRIFICATION SCHEME AT HSIPAW  
IN THE NORTHERN SHAN STATES.

1141. \*U. Tok Kyi: Is it a fact that the Government of Burma have turned down the electrification scheme put by the *Sawbwa* of Hsipaw in the Northern Shan States for lighting his capital? If so, will Government be pleased to state the reason why?

Sir Denys Bray: No, Sir. The facts are that an Engineer applied for the electrical license for Hsipaw State, but a license could not be granted in the form as drafted. Another application is now under consideration by the Local Government.

NUMBER OF BURMANS IN THE ARMY.

1142. \*U. Tok Kyi: (a) Will Government be pleased to state how many Burmans there are in the Army now,—only Burmans, not Karens, Chins or Kachins?

(b) Is it not a fact that Kachins form the majority of the Army in Burma? Are Government aware that they are the most backward tribe in Burma?

**Mr. G. M. Young:** (a) 268 Burmans were serving in the Indian Army on the 1st January.

(b) There were 1,199 Kachins, 698 Chins, and 679 Karens serving in the Army on the same date. Government do not share the view expressed in the latter part of the question.

**APPOINTMENT OF MR. JACOB MATHEW AS DIVISIONAL INSPECTOR OF THE WATCH AND WARD STAFF OF THE NORTH WESTERN RAILWAY AT DELHI.**

1143. **\*Mr. Mukhtar Singh:** (a) Is it a fact that Mr. Jacob Mathew is the Divisional Inspector of the Watch and Ward staff on the North-Western Railway at Delhi? If so, since when has he been appointed in the Railway Department?

(b) Is it a fact that the above mentioned gentleman was convicted and sentenced to three months rigorous imprisonment and 500 Rupees fine for keeping unlicensed cocaine with him in 1924?

(c) Was the above conviction brought to the notice of the Railway authorities by the said gentleman at the time of his appointment? If so, will Government be pleased to state their reasons for giving him the appointment? If the answer be in the negative, will Government be pleased to state the date when they got the above information? Will Government be further pleased to state the action taken after the fact of his conviction had been brought to their notice?

(d) Is it the policy of Government to keep convicted persons in their employ?

(e) Is it a fact that certain persons brought this fact to the notice of the railway authorities and on account of that those subordinates were dismissed?

**The Honourable Sir George Rainy:** (a) Yes. He was appointed on the 10th December, 1925.

(b) Yes.

(c) The circumstances of his conviction were fully explained to the Divisional Superintendent, who took them into his consideration together with his record of service in the Army as a Subedar in a Punjabi regiment, and the fact that he had won the Indian Distinguished Service Medal for a gallant act. The Divisional Superintendent felt that, in view generally of his good record of service, he might be given another chance.

Government are not yet satisfied that the circumstances were so exceptional as to justify the appointment and have called for a full report from the Agent. As soon as this is received, the question will be considered by the Railway Board and by the Government of India.

(d) No.

(e) No. The facts with which he was already acquainted were again brought to the notice of the Divisional Superintendent by a discharged subordinate after the date of his discharge.

**RULES FOR THE APPOINTMENT OF OFFICERS TO THE WATCH AND WARD DEPARTMENT OF THE NORTH WESTERN RAILWAY.**

1144. **\*Mr. Mukhtar Singh:** (a) Does the Railway hold any competitive examination for recruiting officers and subordinates in the Watch and Ward Department of the North Western Railway?

(b) If the answer to part (a) be in the affirmative, will Government be pleased to lay on the table a copy of the rules for the recruitment in the Watch and Ward Department of the Railways? If the answer be in the negative, will Government be pleased to state the qualifications required for holding different posts in this Department?

**Mr. P. R. Rau:** The information is being collected and will be communicated to the Honourable Member on receipt.

**RECKONING SENIORITY FOR PROMOTION ON THE BASIS OF KING'S COMMISSIONS GRANTED DURING THE WAR TO OFFICERS IN THE ARMY IN INDIA RESERVE.**

1145. **\*Mr. Mukhtar Singh:** (a) Is it a fact that, previous to 1928, officers who held King's Commissions at any time during the period, 4th August, 1914—11th November, 1918, were entitled to count seniority for promotion and for all other purposes, though they might have resigned or relinquished their Commissions?

(b) Is it a fact that this concession has now been withdrawn? If so, will Government be pleased to state the reasons therefor?

(c) Are Government aware that the withdrawal of this concession works very hardly on officers in the Army in India Reserve, especially in the case of those who have been forced by circumstances beyond their control to resign or relinquish their Commissions?

**Mr. G. M. Young:** (a) Officers, who held King's Commissions during the period mentioned by the Honourable Member, are permitted to count double such service for promotion and all other purposes in the Army in India Reserve of Officers.

(b) No.

(c) Does not arise.

**COUNTING OF PREVIOUS SERVICE IN THE INDIAN TERRITORIAL FORCE FOR PURPOSES OF SENIORITY IN THE ARMY IN INDIA RESERVE OF OFFICERS.**

1146. **\*Mr. Mukhtar Singh:** (a) Is it a fact that, before the year 1928, the previous King's Commissioned service in the Indian Territorial Force was counted in full towards seniority in the Army in India Reserve of Officers?

(b) Is it a fact that this does not count since 1928, but that service in the Auxiliary Force in India still counts as heretofore?

(c) If the answers to parts (a) and (b) be in the affirmative, will Government be pleased to state the reasons for this distinction between the services in the Auxiliary and Territorial Forces?

(d) Do Government propose to restore the old rule and to remove this legitimate grievance of the officers?

**Mr. G. M. Young:** (a) No, Sir.

(b) The first portion of this question does not arise. The answer to the second portion is in the affirmative.

(c) Till recently, all officers of the Indian Territorial Force have been junior grade officers holding the Viceroy's Commission and an Honorary King's Commission. Honorary rank does not count as King's Commissioned service for the purposes of the Army in India Reserve, but service in the substantive rank of Jemadar, Subedar and Subedar-Major in the Indian Territorial Force is reckoned as half Commissioned service for the purposes of the Army in India Reserve of Officers.

Senior grade officers of the Indian Territorial Force in future will hold ranks equivalent to those of officers of the Auxiliary Force and will be eligible to count their full period of service in the Territorial Force towards seniority in the Army in India Reserve.

(d) The grant of senior grade Commissions removes all distinctions between the two forces in this respect.

**SERIOUS ALLEGATIONS MADE IN A LETTER IN THE WEEKLY MAZDOOR.**

1147. **\*Mr. Mukhtar Singh:** (a) Has the attention of Government been drawn to the very serious allegations made in a letter in the *Weekly Mazdoor*, dated the 5th January, 1929, on pages 6 and 7?

(b) If the reply to part (a) be in the affirmative, will Government be pleased to state the action taken upon the aforesaid letter? If the answer be in the negative, are Government prepared to investigate into the allegations made in the said letter and place the results of their inquiry before the Assembly?

**Mr. P. R. Rau:** (a) Yes.

(b) The matters are within the competence of the local railway authorities and a copy of the Honourable Member's question is being sent to the Agent.

**OVER-PAYMENT TO MEMBERS OF THE MILITARY TEST AUDIT BY MR. L. J. PECK, DEPUTY AUDITOR GENERAL, PERSONNEL.**

1148. **\*Mr. Ram Narayan Singh:** Is it a fact that Mr. L. J. Peck, the present Deputy Auditor General, Personnel, while working as Deputy Accountant General, Central Revenues, was responsible for an over-payment of several thousand rupees to certain members of the Military test audit staff.

**The Honourable Sir George Schuster:** The reply is in the negative. Mr. Peck was not concerned with the case at any stage.

**INSISTENCE BY MR. L. J. PECK, DEPUTY AUDITOR GENERAL, PERSONNEL, MILITARY ACCOUNTS DEPARTMENT OF MEDICAL CERTIFICATES FOR LEAVE OF STAFF SIGNED BY GOVERNMENT DOCTORS.**

1149. \***Mr. Ram Narayan Singh:** (a) Is it a fact that applications for regular leave on medical grounds, and accompanied with medical certificates from qualified medical practitioners, are rejected, and that Mr. L. J. Peck persistently insists upon the production of medical certificates from doctors in Government service?

(b) If the answer to part (a) be in the affirmative, do Government realize the difficulties in complying with such orders in places where qualified doctors in the Government service are not available?

(c) Is it a fact that Mr. L. J. Peck is in the habit of requiring such medical certificates from the members of the staff, even when leave reserve is available, and that during the period known as "slack season"?

**The Honourable Sir George Schuster:** I must explain, in the first instance, that in the Office of the Auditor General, as in other offices, the Deputy merely gives effect to the policy and practice authorised by the head of the Office. It is therefore unnecessary, and I do not propose, to bring Mr. Peck personally into my reply.

On the points of substance contained in the Honourable Member's question the reply is as follows:—

- (a) It is not the invariable, but it is a frequent, practice in the Office of the Auditor General to require a second medical opinion when the first medical certificate presented is not the certificate of a Government doctor. Discretion to do so has been expressly conferred upon all authorities competent to grant leave.
- (b) Government are informed that if clerks on leave are in places where they cannot easily arrange to be examined by a Government doctor, due consideration is given to this circumstance.
- (c) The reply is in the negative.

**ALLEGED USE OF OFFENSIVE LANGUAGE TO SUBORDINATE STAFF BY MR. L. J. PECK, DEPUTY AUDITOR GENERAL, PERSONNEL, MILITARY ACCOUNTS DEPARTMENT.**

1150. \***Mr. Ram Narayan Singh:** (a) Are Government aware that Mr. L. J. Peck is in the habit of using offensive language while speaking to his subordinate staff, and that there is great heart-burning and discontent therein owing to the same?

(b) Do Government propose to remedy this state of affairs?

**The Honourable Sir George Schuster:** (a) Government have no information to this effect. On the contrary, they have reason to suppose that the Honourable Member has been seriously misinformed. Those who are personally acquainted with Mr. Peck know that he is an officer of the highest character.

(b) Does not arise.

**Mr. President:** Before we proceed further with the consideration of the motion of the Finance Member, I should like to say a few words on a ruling which I gave yesterday when the Honourable Member from Burma, Mr. Lamb, was addressing the House. He was referring to the views held in Burma regarding the question of the separation of Burma from India and I ruled him out on the ground that such reference was a reflection on the vote of the House recorded the other day. I have since ascertained that the vote recorded by the House was on the question of the non-employment of Burmans in the Indian Army and not on the question of separation of Burma from India. The mistake arose out of the fact that both motions were on the paper in the name of Mr. Munshi and the Honourable Member had seen me in my chamber in connection with his motion regarding the separation of Burma from India. The conversation I had with the Honourable Member was fresh in my mind and I was led to think that the House had recorded a vote on that question. I am therefore sorry for the mistake and still more so that no one drew my attention to that mistake at the time . . .

**Mr. K. Ahmed** (Rajshahi Division: Muhammadan Rural): I am sorry, Sir, I was not here at that time yesterday. (Laughter.)

**Mr. President:** Under the circumstances I have decided to allow Mr. Lamb to speak again on the motion of the Finance Member to enable him to make such observations as he likes on the question of the separation of Burma from India.

**Mr. W. S. Lamb** (Burma: European): I thank you, Sir, for your permission. I also regret my inability to correct you then. As a matter of fact I was ill last week and therefore I could not say anything. Sir, I shall not occupy the House for any long time. In the first place, I should like to add a little to the remarks I made yesterday concerning the question of separation of Burma from India. I regret very much that my Honourable friend, U. Hla Tun Pru, is not with us today. I am sure he would have dealt faithfully with U. Tok Kyi, I regret that he is not here because naturally it might possibly seem to Honourable Members that I, as a European, opposing U. Tok Kyi, and pleading for the separation of Burma, might give the impression that the Europeans whom I represent are inspiring this demand. Now, Sir, nothing could be further from the truth than that. There are people like myself who consider that separation is a positive need of the Province; but notwithstanding our feeling we have remained silent lest the fact that we were urging the demand might prejudice the case. Similarly the Burma Chamber of Commerce who represent business firms have not made any pleading for separation. They have said to the Simon Commission that if the next financial settlement is not satisfactory, in their opinion, then they may have to consider the question of separation. Therefore, Sir, U. Ba Pe, the national leader, who moved a motion in the Legislative Council the other day was entitled to say, as he did say, that at no time had he received any assistance from Europeans. The House and Honourable Members may therefore take it that this demand for separation is a truly national demand and as such it should make instant appeal to the Simon Commission, to the Government of India and to the Benches

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opposite, notwithstanding the sentiments expressed by my Honourable friend, U. Tok Kyi, whose friends, as a matter of fact, are in the minority, desiring to remain attached to India only until Indians can assist them to secure Home Rule; so soon as they secure that, at once they will demand separation. One can see that from a telegram appearing in a daily paper this morning which closes with this statement that this demand for Home Rule is the demand of the minority in Burma. I think, as a matter of fact, I am justified in saying that if the people in Burma were told that they would secure as great a measure of self-government if separated from India as they would if they remained attached to India, at once there would be complete unanimity in the demand for separation.

Sir, I have declared that the Europeans have not put forward this demand for separation. I would also say that they have not opposed it. It is for the Burmese community to speak and it is not for the Europeans, nor the Indians nor the Chinamen to oppose it.

Before, Sir, I come to matters which are strictly germane to the motion before the House, I should like to draw the attention of the Honourable the Finance Member to a certain request of the Government of Burma for figures which would assist them in coming to a conclusion as to the financial effect of the separation of Burma from India. Speaking two years ago in the general discussion of the budget, I asked for these figures, but neither myself nor the Government of Burma have received any response from the late Finance Member. I would ask my Honourable friend, Sir George Schuster, just to look back a year or two, so that he can see the nature of the request and I trust that once he has taken an interest in the subject, we shall shortly have those figures which we very much desire.

Now, Sir, I desire to draw the attention of the Honourable the Finance Member to another tax in addition to the rice duty. That also was the subject of a Resolution which was passed at a meeting of the Associated Chambers of Commerce,—I refer to the double super-tax. The late Finance Member, Sir Basil Blackett, told us that, of the 20 lakhs which accrues to the Central Government, 80 per cent. is paid by the Province of Burma. Now both Sir Basil Blackett and the present Finance Member have always exhibited a certain amount of nervousness in approaching this question of double super-tax because, as they said, of the potential evils of the so called one-man company. Now, that, I think, is out of the way, at least the legislation which, I trust is to the entire satisfaction of our Honourable friend, Sir George Schuster, will be on the Statute-book before the end of this Assembly. Therefore, Sir, it is clear that there is nothing in the way of removing a tax which Burma commercial men regard as iniquitous as the rice duty. And, Sir, while speaking on the income-tax question, I should like to say a word to the Honourable the Finance Member. When he is surviving his kingdom, I suggest to him to note the extraordinary efficiency with which income-tax is collected in Burma. I refer here to this efficiency and to the manner in which the duties of the Income-tax Department are carried on by that Department, because I think he should inspire the other provinces to a like profitable effort. There is no doubt in my mind that if the



Honourable Sir George Schuster succeeds, and I have no doubt in my mind about his abilities to succeed, he will secure not merely a crore of rupees which represents the rice duty and the double super-tax, but he will get several crores. I suggest to him, Sir, that if he can remove the rice duty and the double super-tax which fall so heavily on Burma, he will be able to approach the consideration of the financial position between Burma and India if not with an absolutely clear conscience, at least with a comfortable feeling, that in these two matters strict justice has been done. Sir, I support the motion before the House.

**Mr. Ghanshyam Das Birla** (Benares and Gorakhpur Divisions: Non-Muhammadan Rural): Sir, from the speeches delivered during the general discussion on the Budget and on the Finance Bill, one thing is very clear, and it is this, that every speaker who spoke from this side of the House struck a note of warning emphasising the seriousness of the situation and telling the Finance Member definitely and firmly that if he had to approach this House with any proposal for fresh taxation, at any rate this side of the House will oppose it tooth and nail. Sir Purshotamdas Thakurdas very pertinently, Sir, asked the Honourable the Finance Member whether he had any data to produce to show that the country was not passing through as severe a depression as we on this side of the House thought, and that if he had any figures to prove that the picture was not so dark as painted by some of us. Sir, I was not at all disappointed that the Honourable the Finance Member had no figures or data to produce because there was none and consequently like his predecessor he also had to form his judgment of the prosperity or otherwise of the country on the basis of the Railway Budget. Because there is no deficit in the Railway Budget, he has been trying to persuade himself to believe that things are not so dark as we on this side of the House suggest.

Sir, I would place a few figures before the House which will go to show that things are much worse than the Honourable the Finance Member considers them to be. Let us take the figures of registration of new Joint Stock Companies in India during the last three years and we find that there has been practically no increase in the total capital of the joint stock companies. The total paid-up capital of the joint stock companies in India in 1924-25 stood at a figure of 266 crores, and, Sir, in 1926-27 it stood at 267 crores—practically no increase. Compared with 1925-26 the total capital of the joint stock companies has rather decreased from 267 crores 79 lakhs to 267 crores 9 lakhs. Sir, is that the proof of any prosperity in the country? The Honourable the Finance Member might point out that this was due to the world depression; and that in the phenomenon thereby nothing peculiar to India. But, Sir, that is not a fact. If we compare the figures of the capital raised by the joint stock companies in England with that of India, we find that things are moving in quite a different direction there. We find that the Joint Stock Companies were able to raise £218 millions of capital in 1927, and £288 millions of capital in 1928. Sir, the year 1920, which was boom time, was the best period for industries, and if we except that year, namely 1920, we find that the capital raised by the joint stock companies in 1927-28 was the largest of any year from 1911 onwards. Further, I may read an extract from the speech of the Chairman of the Lloyd's Bank which he delivered at the last annual meeting of the Bank, from which it could be seen that England is not suffering from the same depression as we are suffering from in this country. He says in his speech that, "The number of new accounts

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opened during the year show a net increase over last year by more than 50,000", and he then goes on to say that, "Our acceptances are more than double the figure at which they appeared last year. This is an undoubted sign of increasing trade for this country, and it is perhaps partly caused by the higher rates ruling in the United States of America." Sir, this very clearly proves that England is not passing through the same depression as we are passing through and that our problems, being peculiar, require special handling. I may point out to the Honourable the Finance Member that it is not Indian industries alone which are suffering from this depression peculiar to India, but the whole country, including the agricultural population, which consists of 75 per cent. of the total population, is passing through a very severe state of depression and poverty. And, as such, the matter requires special urgent and careful handling.

Sir, the very fact that, excepting the industries of jute and tea, which depend mainly on foreign customers, all other industries which have to depend more on their Indian customers are passing through a very severe state of depression, clearly goes to show that, not only the industries but the whole country is passing through a very severe state of depression. The fact could not be disputed, Sir, that the prosperity of an industry depends very largely on the prosperity of its customers, and the fact that only those industries which have to depend on the Indian buyer are in a state of severe depression goes to show that the purchasing power of the Indian masses has gone down immensely during the last few years. Apart from the fact that there has been a very serious fall in the imports of treasures, it has been calculated that the consumption of cloth, which used to stand at 18 yards per head in pre-war days, has come down to 10 yards per head in 1926-27, although the inclination of the masses is to buy more cloth as compared with pre-war times. The purchasing power having gone down immensely, they are not in a position to buy even as much cloth as they used to buy in pre-war days. This should clearly convince the Honourable the Finance Member that the situation is very, very serious, and that if proper steps are not taken to restore the prosperity of the masses, if proper steps are not taken to deal with the situation, I am afraid the Government, as well as this House, will come to grief. Sir, the fact could no longer be disputed that, on account of depreciation in the value of agricultural products due to an appreciated rupee, the profit of agriculturist has been reduced practically to nil. It cannot be disputed that, if the agriculturist does not get sufficient net profit in producing various kinds of raw products, the natural result will be that he will have to make retrenchment in various directions; he will have to make retrenchment in his requirements, in his necessities of life, and even in such things as fertilisers, better cattle and better agricultural implements which go to increase the production of the country. And the fact that the cultivator has not been able to realise sufficient value for his products has very largely affected his profits, and if I may point out, Sir, this is the secret why the purchasing power of the masses has gone down immensely and why the industries of this country are suffering so severely as a consequence thereof. The situation has become so alarming that India, which used to export wheat and rice in very large quantities has had to import wheat and rice during the last two years. What is most disgraceful is that, in the very same year, India, while exporting wheat and rice through one port, was importing them through other ports. The Honourable Member in charge of Railways is

not here or I should have liked to have an explanation from him as to why it was necessary for the grower of wheat in the Punjab to export his product to be sold in the United Kingdom while the consumer in the United Provinces had to import wheat for his consumption from Australia. . . . .

**Mr. K. Ahmed:** Because Government have no power of control over Providence.

**Mr. Ghanshyam Das Birla:** Surely, Sir, he should have been able to adjust the railway rates in such a manner as to make it possible for the consumer in the United Provinces to import wheat from the Punjab. I ask Government, who paid the freight for exporting wheat from the Punjab and importing wheat for the United Provinces? Of course, the Indian cultivator and the Indian consumer; and if the Government had taken care to adjust the railway rates in such a manner as to make it possible for the consumer in the United Provinces to import his wheat from the Punjab, so much money which India had to pay to the steamship companies would have been saved.

Sir, now I ask the Honourable the Finance Member as to what proposal he has got to restore the prosperity of the country, which has gone down immensely during the last few years. I want to make it definitely clear that, in order to restore the prosperity of the industries, you will have to restore the prosperity of the agriculturist. Unless you increase his purchasing power, unless you increase his profits, it is impossible for the Indian industries to prosper at all. Therefore, I would enquire of the Honourable the Finance Member as to what proposal he has got to put before the House by which he proposes to increase the purchasing power of the masses and thus restore his prosperity and thereby the prosperity of the industries and eventually the prosperity of the Government finances.

**Mr. K. Ahmed:** The report of the Agricultural Commission.

**Mr. Ghanshyam Das Birla:** I think the Honourable Member would be well advised to be more discreet and keep silent because he is dabbling in a subject which he does not understand at all.

Sir, Government, in order to restore the prosperity of the agriculturist, may have to spend money on irrigation. They may have to spend money on improving the waterways of the country. They will have to make it possible for the cultivator to get loans at cheap rates, in order that he may spend more money on better implements of agriculture, on better cattle, and on fertilisers. But, Sir, until the financial policy of the Government is so framed as to make it possible for the bankers or the *sowcars* to attract money freely, this programme of the provision of cheap money could not possibly be put into effect. Sir, I do not want to touch on the question of inflation or that of deflation, but we are placed in such a vicious circle that, however much we may try to forget the question of inflation and deflation, unfortunately in the circumstances in which we are placed it cannot be ignored. We are in such a vicious circle that if we want to remedy the depression of industry we have to face the fact that the depression in the industries is due to the low purchasing power of the cultivators, and when we inquire into the causes of the low purchasing power of the cultivator we have to face the fact that it has been so on account of reduced profits, which are due to reduced prices, which again are due

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to the persistent policy of deflation. Therefore, Sir, until this policy of deflation is stopped, all these measures could not be adopted; they could be of no use; they could not be put into effect.

**Mr. K. Ahmed:** It is the capital. . . .

**Mr. Ghanshyam Das Birla:** I want to make it clear that I do not want the Honourable the Finance Member to launch on a policy of inflation; but what I want is this, that he ought to stop the policy of deflation which his predecessor pursued so persistently and give sufficient currency to the country for its ordinary needs. That much only I want, and I demand an assurance from the Government to this effect.

Sir, the other day, the Honourable the Finance Member remarked in his speech that India was suffering not from the shortage of currency but from the shortage of capital. This, Sir, is a view not shared by the mercantile community. I have a very interesting statement before me made by the President of the Lloyd's Bank in his annual speech to which I have already referred. He said that "the total amount of deposits received in that country largely exceeds the amount of our advances and no portion of our deposits at home is used for the purpose of making loans in India." That shows that the foreign exchange banks, at least Lloyd's Bank, receives more money in this country as deposits than it advances. This must mean only one thing, and that is that the surplus of the money that they so received through their Indian branches is possibly remitted to England in order to finance English trade and commerce.

**Sir Hugh Cocks** (Bombay: European): Not necessarily.

**Mr. Ghanshyam Das Birla:** Now Sir, I should like to know where that money goes. If the exchange banks get more money in India through their Indian branches than what they advance to the Indian customer, surely they do not hoard, sink or bury the same. Surely they remit that money to England or to any other country where it could be invested with a better security and more profitably. That very clearly proves that it is the financial policy of the Government which is responsible for the diversion of the capital of India into such channels. What may be true of the Lloyd's Bank may be equally true of other banks, and therefore I should like to ask the Honourable the Finance Member to find out the cause of this diversion of Indian capital to other countries. There may be a shortage of capital, but I submit, Sir, that the shortage of capital has been created on account of the financial policy which the Government have been pursuing during the last so many years. But for the sake of argument, assuming, Sir, that there is a shortage of capital in the country, may I ask the Government, Sir, why the huge funds at the disposal of the Secretary of State—I mean the Gold Standard Reserve and a part of the Paper Currency Reserve—are kept in England? About 60 crores of rupees are being invested out of these two Funds on short and also on long-term loans in England. May I ask the Honourable the Finance Member if, as he believes, there is a shortage of capital in the country, why does he keep such a large amount of money in England? This is not a new demand. We have been pressing for so many years that a substantial portion of the reserve funds should be transferred to India, and taking into consideration the fact, as the Honourable the Finance Member himself believes, that we are suffering from a shortage of capital, I see no justification for keeping such a huge amount

of money in England, and therefore I would ask the Honourable the Finance Member to take the earliest opportunity of transferring a substantial portion of it to India. Sir, I might be told that this large amount is kept there in order to maintain the exchange. That may be so, but I might reply, Sir, that if we went into the trade figures of the last twenty-eight years, we should find that, except about 1921-22, when we had abnormal causes for an adverse balance of trade, when the Government had fixed exchange at 2s., the balance of trade was never against India. It was always in favour, and if we except abnormal times and abnormal causes we come across the fact that, except in 1908, we never required to sell Reverse Councils in order to maintain the exchange. I submit, Sir, that the contingency of having an adverse trade balance and that of having to resort to Reverse Councils is very very remote and I submit therefore that there is no justification for keeping such a huge amount in England, particularly when we are suffering here from a shortage of capital. I therefore request the Honourable the Finance Member to take the earliest opportunity of transferring a substantial portion of this amount to India.

**Mr. K. Ahmed:** You don't propose to throw out the Finance Bill?

**Mr. Ghanshyam Das Birla:** The Honourable the Finance Member suggested that he had to increase the Imperial Bank rate because of the increase in the rate of the Bank of England. He said that if we had not done that the result would have been an outflow of capital from India. Now, Sir, I wish to draw the attention of the Honourable the Finance Member to the bank rates of other countries. He would agree with me that many of the European countries are as closely connected with England and with the London money market as India is and we find that the Swedish bank rate is 4½ per cent., the rate of Denmark 5 per cent., of Switzerland 3½ per cent., of Belgium 4 per cent. and of France 8½ per cent., while the Imperial Bank rate of India has been put up to 8 per cent., and Heaven knows whether it will be put up to 9 per cent. or 10 per cent. I ask the Honourable the Finance Member whether he has not been unnecessarily alarmed and whether he will not take the earliest opportunity of bringing down the Bank rate lower. He knows very well what hardship it has inflicted on the Indian industries and the tightness which it has created in the Indian money market. Therefore I hope that, after seeing all these facts,—after considering that the other countries have not increased their bank rate,—he will realise that he was unnecessarily alarmed and that he will bring down the bank rate as early as possible. We are not passing now through a tight season. It is the slack season and therefore I do not see any justification for maintaining such a high rate.

Sir, I have got nothing more to say on these points. In concluding my speech, I may just refer to the very splendid, lucid and remarkable speech which my friend Sir Purshotamdas Thakurdas delivered on the floor of this House yesterday. It was not a random speech. It was a speech made with full deliberation. We merchants never like to be drawn into the vortex of politics because we know that the politics of this country are quite safe in the hands of its political leaders. But, Sir, the time has come when it should be conveyed to the Government in this country as well as to the British Government that we are not prepared to put up with the present system of the Government. We want to make it clear that we can no longer stand this pose of trusteeship and that, if there is to be a cordial relationship between the two countries, the role of friendship

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must be substituted for the pose of trusteeship. The speech was made in order to express the well-considered and definite opinion of the Indian mercantile community and it should be duly conveyed to His Majesty's Government in England that, if the national demand is not met in time, it will become impossible even for the Indian mercantile community to co-operate any more with the present system of Government.

**Pandit Motilal Nehru** (Cities of the United Provinces: Non-Muhammadian Urban): Mr. President, two sets of speeches have been made on the floor of this House in the course of the debate—one supporting the motion of the Honourable the Finance Member, and the other opposing that motion. I may at once say that I belong to the latter category, and I most strongly oppose the motion that this Bill be taken into consideration. Sir, what is a matter of surprise to me is that both these sets of speeches condemn the financial policy of the Government and the Government itself in unmeasured terms, and yet we find that some speakers give the assurance that they are supporting the consideration of this Bill, while others make it equally plain that they are opposing it to the best of their ability. What is even more surprising is that both sets advance practically the same reasons and reach precisely the same conclusions, and yet they are not willing to go into the same lobby. Ever since I heard the masterly exposition of the financial position made by my esteemed friend, the Honourable Sir Purshotamdas Thakurdas, I have been wondering how he could possibly get up and say that he was supporting this motion. In fact, Sir, there is not a single argument advanced by my Honourable friend which I do not endorse thoroughly, except, of course, the reasons for his supporting the Bill. I could almost sign the whole of his speech, if it were put before me in writing. (Hear, hear.)

Then there was a very scathing criticism of the financial position by my friend, Mr. Rangaswami Iyengar, but he came to the opposite conclusion and declared that he was opposing the Bill.

**Mr. K. Ahmed:** Take the middle course!

**Pandit Motilal Nehru:** That is for you who have no opinions of your own.

Then, Sir, unwilling as I always am to differ from such an authority as my friend, Sir Purshotamdas Thakurdas, I have the satisfaction that I am differing from him not upon what is his strong point, but upon what is my strong point. The Honourable Mr. Birla has just said—and I express my thanks to him and those of my fellow workers—he would rather leave the political interests of the country in the hands of the political leaders. In the same way, Sir, I am perfectly willing to leave the financial interests of the country in the hands of the financial leaders. But my difficulty arises on another ground, and that is that I, who am a mere worker for the political freedom of my country, have no use for high finance, so long as my countrymen have no voice or hand in it, and so long as it is controlled by the alien bureaucracy. The one point which we emphasise by raising a debate of a constitutional nature on this Bill is precisely the same, as may be gathered from and really is the net result, and upshot of the speech of Sir Purshotamdas Thakurdas.

What is our complaint and why do we take up this motion when we know that supplies we refuse will be restored? We say that we are acting on the principle underlying refusal of supplies. That is perfectly right, but it is so in theory only, because really and truly we have not the power to refuse supplies. If we had the power, we would not hesitate in exercising it, but as things stand, we have not got that power. What then is the idea in moving refusal of supplies? The idea is simply this. We know that you can have your own autocratic will, we know that any cuts that we may make will be restored—and they have as a matter of fact been always restored—we know that if we reject this Bill it is bound to be certified. But what is the point we make by objecting to it? The one point that we make is this, that you are governing the country, not by our willing consent and co-operation, but against our deliberate and declared will (Hear, hear). That is the point. We are not enabling you to govern us of our own free will. It is you who usurp our assets, our finances, our resources, and you use them in misgoverning us. That is the point.

Now, there never was a stronger reason for opposing this motion in this House than we have on the present occasion. Remember what we have done. We have carried every cut that was actually debated on the floor of this House. Amongst those there is one under the head "Executive Council"; and we have also totally rejected the Demand—or at least such part of the Demand, as is votable—under the head "Army Department". Well, on the analogy of free countries, this would amount to withholding supplies from the Executive Government, both for the civil and military administration of the country. Where would the Government be after that? Now my friend, Sir Purshotamdas Thakurdas, argued yesterday that when we did that, when we refused supplies to the Executive, we had done our part of the business. It is not necessary to repeat our protest. Now Sir, as a matter of fact, we do repeat it year after year, and my learned and Honourable friend does take part in that repetition. Must there always be a year's interval between one motion and another of this kind? But leaving that alone I say that what we have done is not only not enough, but on the present occasion if you do not go further and do not throw out this Bill, you will be undoing what you have done. (Hear, hear.) In fact what you have done has already been undone by the Government. They have restored the grant, and what does the adoption of this motion mean after the Government have restored the grant? It means submission to the action of the Government. You say, "We have done our part of the business, we don't submit. You can do what you like." What else but submission does it mean, if, after refusing a certain grant and the Government over your head restoring that grant you pass the Finance Bill? Leave aside all consideration of financial and political wisdom, is it manly for this House which, by a majority, has rejected the grant, to acquiesce when the very next day it is restored, in spite of the House? Is it consistent with the self-respect and the dignity of those who voted for the cutting down of the Demand, to sit quietly and support the Bill? I submit it is wholly inconsistent; it is stultifying ourselves if we do that. What is our position? Our position is that, as far as it lies in our power, we shall not by any act of ours, signify our assent to the continuance of this system of Government. (Hear, hear.) If that is so, are we or are we not signifying our assent to this system of Government if, after putting our foot down on the

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Demands for the Executive Council and the Army administration, the wherewithal for the administration and the Army is, by our consent, to be raised by taxation provided for by the Finance Bill? Some of us say on considerations of high financial policy that they are not opposing the motion. Now, Sir, it seems to me that there is really no difference between those who are supporting and those who are opposing this motion. Perhaps a little difference of mentality. There are those who, like myself, have devoted themselves to work for the freedom of the country, and to achieve it at all costs. It does not really matter to them what happens if that freedom is not attained. Let it be the deluge, so far as I am concerned, I do not care. But there are those who are not inclined

12 NOON. to go as far as that, and they have to take stock of their surroundings, and perhaps of their bank balances, and they put themselves the question: "Well, how is the Government to be carried on? Good, bad or indifferent as it is, it has got to go on, and therefore we must enable it to go on." My answer is that, if it is not fit to go on, it had better stop and come to a dead stop now and here.

**Mr. K. Ahmed:** Then, how can you get through your Khaddar Protection Bill?

**Pandit Motilal Nehru:** I will ask for protection from you. (Laughter.) Now, the second reason that was advanced by my Honourable friend, Sir Purshotamdas Thakurdas, was that we were not merely taxing British India, but that we were taxing the whole continent of India. Now, that is a proposition which I cannot follow. If he means that the customs duties are levied on goods which are meant for the whole of India, not only for British India, surely it is not taxing any part out of British India.

**Sir Purshotamdas Thakurdas** (Indian Merchants Chamber: Indian Commerce): Post Office more than Customs.

**Pandit Motilal Nehru:** If it is Post Office, it is not taxing any part out of British India where British post offices are maintained. It might as well be said that a common carrier, that a taxi-driver who drives through the Indian States, carries passengers for them and gets his fares and freights, is taxing the Indian State. That is not a tax. They are rendering service, and they are paid for their services; payment for services is not a tax. If you take Customs, of course, any country which chooses to import goods, or rather to bring goods into British India whether it is an Indian State, or France, or Germany, or Russia or any other country, that country has to pay our customs duties. That is not taxing that country. It has no voice in our taxation. I cannot understand, I cannot follow the idea of this House, or this Government, being in a position to tax anybody outside British India. They may, by agreement and mutual arrangement have post offices and railways, and motor services and aeroplanes, and all the rest of them, but that does not come in the category of taxation.

**Mr. K. Ahmed:** Then do you want to utilise bullock carts.

**Pandit Motilal Nehru:** Then, my Honourable friend said that finance was the bed-rock of political life. I thoroughly agree with him. Not only political reform, but everything in the world depends upon finance. Finance is the bed-rock of anything that you take in hand. But, I suspect



that what my Honourable friend means is not the general proposition in which I agree, and the very use of the words political reform puts me on my guard at once. Yes, for any reform of the existing political system if you simply want reform of some kind or other, of course financial reform is part of it. But when it is a question of freedom you have got to get your freedom and nothing less—then I submit that no considerations of financial reform can come in the way of attaining freedom. They will all follow of course. It will be indeed the very first consideration for a free India, as I hope it will be in course of time, to attend to her economic conditions, to attend to her finance. What I object to is that the finance of my country is to be controlled and administered without my consent. I have no voice, no hand in it, and whatever little liberty I am allowed to take with it, I am at once deprived of it the moment I begin to exercise it. Indeed, what my Honourable friend said about finance being the bed-rock of political reform, was really to support the argument of the Honourable the Finance Member and the appeal he made to us in the concluding portion of his speech. I have answered that appeal partly the other day on the floor of this House, and I do not want to repeat myself. But on the general question of the financial prosperity of India, I should like to refer the House to a recent book by Dr. Sunderland, who was the President of the India Information Bureau for America, Editor of *Young India*, Special Commissioner and Lecturer on India, Author of *India, America and World Brotherhood*, and so on. After an extensive tour of India and a prolonged stay and a careful study of the conditions, he says:

"Who owns the steamship line by which we came to India? The British. Who built that splendid railway station in Bombay? The British. Who built the railway on which we travelled to Calcutta? The British. To whom do these palatial buildings in Calcutta belong? Mainly to the British. We find that both Calcutta and Bombay have a large commerce. To whom does the overwhelming bulk of this commerce belong? To the British. We find that the Indian Government, that is the British Government in India, has directly or indirectly built some 40,000 miles of railway in India; has created good postal and telegraph systems, reaching practically throughout the country; has founded law courts after the English pattern, and has done much else to bring India in line with the civilisation of Europe. It is not strange that visitors begin to exclaim, 'How much the British are doing for India!' 'How great a benefit to the people of India British rule is!'"

"But have we seen all? Is there no other side? Have we probed to the underlying facts, the foundations upon which all this material acquisition is based? Are these signs of prosperity which we have noticed, signs of the prosperity of the Indian people or only of their English masters?"

Then, he goes on in that strain. I need not trouble the House with any more quotations, the one I have already read gives a fair idea. There are some other very valuable passages in this and there are extracts from the sayings of great men.

**Sir Darcy Lindsay** (Bengal: European): Why not read the whole book?

**Pandit Motilal Nehru**: Is it so very distasteful to you?

**Sir Darcy Lindsay**: No, it is very interesting.

**Pandit Motilal Nehru**: I commend this book to the serious and earnest attention and study of Sir Darcy Lindsay. It will remove many misconceptions that the Honourable Member has about this country in spite of his long stay and familiarity with the conditions.

[Pandit Motilal Nehru.]

Now, what is the cause of the pitiable conditions which have been described, both by my friend Sir Purshotamdas Thakurdas and the Honourable Mr. Birla? Why are we so low? This is answered in the words of John Bright who says:

"If a country be found possessing a most fertile soil and capable of bearing every variety of production, yet notwithstanding, the people are in a state of extreme destitution and suffering, the chances are there is some fundamental error in the government of that country."

Then there is another general pronouncement of the same kind coming from a very high American source, *viz.*, Abraham Lincoln, which is reproduced here. It answers the argument which, day after day, we hear in this House and outside. Abraham Lincoln said:

"No man is good enough to rule another man, and no nation is good enough to rule another nation. For a man to rule himself is liberty; for a nation to rule itself is liberty; but for either to rule another is tyranny. If a nation robs another of its freedom, it does not deserve freedom for itself."

(Hear, hear.)

"and under a just God it will not long retain it."

Again,

"In all ages of the world, tyrants have justified themselves in conquering and enslaving peoples by declaring that they were doing it for their benefit."

Just the theory of trusteeship. (Laughter.)

"Turn it whatever way you will, whether it comes from the mouth of a king, or from the mouth of men of one race as a reason for their enslaving the men of some other race, it is the same old serpent. They all say that they bestride the necks of the people, not because they want to do this, but because the people are so much better off for being ridden. You work and I eat. You toil and I will enjoy the fruit of your toil. The argument is the same and the bondage is the same."

"Any people anywhere, being inclined and having the power, have the right to rise up and shake off an existing government which they deem unjust and tyrannical, and form a new one that suits them better. This is a most valuable, a most sacred right, a right which we hope and believe is to liberate the world."

Now, Sir, talking of this prosperity, what are the most obvious instances that stare us in the face? We have had 70 years of railways in this country; yet, is there a single industry or a factory which produces today the railway material necessary, the machinery that we require? It is an accepted fact that, in other countries where a railway has been introduced, within 15 or 20 years industries have sprung up and factories have been built up, which have made that country almost self-contained in respect of all the requirements of the railways. And yet what happens to us here? After all these 70 years, there was some attempt made. The House will remember that about two years ago I raised a debate on the wagon question. Without going into details, I may just mention the salient facts. First of all, a company, an Indian company, was started for the manufacture of locomotives under some sort of a guarantee from the Government that they would take up a proportion of the locomotives produced by them. Well, soon after, the Government found that there was a surplusage of locomotives in the country and that therefore they were not needed any more. But, Sir, within two years, it was discovered that there really was a shortage of locomotives and not a surplus; and orders were at once placed in Europe and elsewhere. Then what was

to happen to this locomotive industry? Well, it was converted into a wagon factory; and again promises were made by the Government of the purchase of a considerable quantity at stated intervals. History repeated itself, and what happened was that it was again discovered that there was a very great surplusage of wagons in the country. The company was told, with great regret, that no more wagons were wanted, because there were too many. Now, Sir, the last phase of it is the very significant observation of the Honourable Member for Commerce, in his speech the other day, in which he has foreshadowed again a repetition of this history. What he has said was that there was a shortage of wagons. Now, we are all prepared to hear one of these days—not perhaps in this session or even the next, but sometime or other I am sure,—that wagons have to be ordered from Europe. Meanwhile this company has ceased to exist, perhaps after being given some compensation. That is the one thing on which great insistence has been placed—the railway prosperity of the country.

Now, Sir, I find in the recent Press messages, a message stating—although it is not included in this budget, or perhaps it is just going to be—that the expenditure on the Butler Committee of £16,000 will have to be paid by British India. Why should it be paid by British India? British India never asked for a Butler Committee; it is the Princes who asked for it. Why has British India to pay? Is it the price of segregating British India from the native India, as there are more than enough signs to show?

We have been talking of the reduction of our huge Army Estimates. Of course this cannot be done with safety to India; but look at the Home Estimates. We find that there is no less than £4,000,000 reduction in the Army expenditure during the last five years, as stated in the House of Commons and £50,000 on the Air Estimates alone. The purpose of the Army in India is of course, not only to defend India from foreign external invasion, but to keep the Indian people under subjection for ever. In fact, my Honourable and gallant friend, Colonel Crawford, intimated the other day, on the floor of this House, that it would be perhaps necessary, to increase the Army if the non-co-operation movement was started. The difficulty is this: that while, on the one hand you are depriving the people of India of their elementary and just rights, on the other, in the other parts of the world, you are behaving in a manner which is the least likely to inspire respect for you. What have you done recently? The House will remember that Russian Oil was denounced as stolen property because, forsooth, the Russian people had had to expel the bourgeois and capitalists from other countries who held shares in those concerns. Therefore it was described as stolen property. Now for a time they stood against it. They thought that they would put down the Russian trade or bring Russia to her knees, so that she would make over possession or make her products easy of reach to the other nations of the world. But what has happened? Only two or three days ago I read in the papers that all that righteous indignation about stolen property has been swallowed, and a three years' agreement has just been arrived at by an Anglo-American Oil Combine and Russian Oil Products. What does that agreement provide? Equal treatment, equal markets for Soviet kerosene and other oil companies' products. In short they admit Soviet Russia upon equal terms in their

[Pandit Motilal Nehru.]

own market. And yet we have to have a Safety Bill put before us. It is the dread of the Soviet and its agents, we are told, and therefore a new chapter of repression has to be opened in the history of this country.

**Mr. K. Ahmed:** They will cause forfeiture of Dr. Sunderland's book.

**Pandit Motilal Nehru:** I shall not dilate at any length or at all upon the repression, which is a very old story, or upon the recent repression which has begun, the various arrests that have been made in different parts of the country, and the deliberate and open hostility to the Youth Movement that has been shown. I will also not dwell upon the latest toys which have been held out to us, namely, the Royal Commission on Labour or the Banking Inquiry, which my Honourable friend the Finance Member is instituting. These are toys. They are very good to look at, and perhaps to play with for a time, but they are not going to bring us any relief or bring us our freedom. The great objection and the great complaint is, what can the British Government do? What will happen if they go away tomorrow? We are not fit to look after our own affairs. Now, Sir, in that connection I wish to read to the House an extract from an address delivered by President Masaryk of the Czecho-Slovak Republic. He tells us exactly what has happened there in the first ten years of the independence of the country. Remember, please, that it is a very small country, with a population of a little over 12 million, which would be a little less than one-third of the United Provinces. Let us see what their condition was before they came by their liberty and what they were 10 years after that date.

**Mr. K. Ahmed:** Were there any Hindus and Muhammadans there?

**Pandit Motilal Nehru:** Well, there were worse people than that: "It is ten years ago"

—this is what he says:

"It is ten years ago since the emancipated nation took into its hands the administration of its own affairs; it is ten years ago since the conclusion of a struggle that lasted not for four years but for centuries, a struggle against foreign rule, misrule and servitude; a struggle which was part of the universal striving for a better, freer and more democratic world order."

"Then:

"We began with empty hands, without an army, without constitutional traditions, with a rapidly falling currency, in the midst of economic chaos and the universal decline of discipline, with the heritage of Dualism, with irredentism within our frontiers, and in the midst of States shaken by upheavals from the Right and from the Left; handicapped by small resources, unaccustomed to govern, little inclined to obey, and almost unknown to the world."

I may pause here to observe that we are far better off in regard to these things. We are not handicapped by small resources or unaccustomed to govern or little inclined to obey, or unknown to the world. The address proceeds:

"And yet we have stood the test and acquitted ourselves with honour. We gave the restored State a constitution, we organised the administration and the army; we faced the economic depression, the nationalist struggle, and the international conflicts. Our tasks were heavier than we admitted to ourselves; and yet we have built up a State which enjoys the confidence of foreign countries and—what is still more important—of ourselves, of us all."

This, Sir, is what can be done within ten years in a country where there was previously chaos, where they were wholly unaccustomed to govern, where their resources were small, and where there were internal quarrels. But here may I again give a last quotation from this book (*India in Bondage*)—as a contrast? In Lord Curzon's words—I quote from this book because they are all collected here,—Lord Curzon said in 1901:

“Powerful Empires existed and flourished here (in India) while Englishmen were still wandering painted in the woods, and while the British Colonies were still a wilderness and a jungle. India has left a deeper mark upon the history, the philosophy, and the religion of mankind, than any other terrestrial unit in the universe.”

Then the author of this book proceeds:

“It is such a land that England has conquered and is ruling as a dependency. It is such a people that she is holding without giving them any voice whatever in their own destiny. The honored Canadian Premier, Sir Wilfrid Laurier, at the Colonial Conference held in London in connection with the coronation of King Edward, declared: ‘The Empire of Rome was composed of slave states; the British Empire is a galaxy of Free Nations.’ But is great India a free nation? In a speech made in the League of Nations in Geneva, in September, 1927 . . . .”

(at which by the way I happened to be present)

“ . . . Sir Austin Chamberlain described the British Empire as ‘a great Commonwealth of Free and Equal Peoples’. Why do these statesmen use such language when they know how contrary to the facts it is? India, which constitutes more than four-fifths of the Empire, is not free; it is in bondage. Its people are not allowed ‘equality’ with the free minority, the free one-fifth, but are ruled without their consent. Thus we see that, in truth, the British Empire is to a four or five times larger extent a ‘Slave Empire’ than it is a ‘Galaxy of Free Nations’ or a ‘Great Commonwealth of Free and Equal Peoples’.”

and so on.

Now, Sir, I will not detain the House at any length but I will just say one word about the Congress Resolution. We all know what that Resolution is. It has been described as an ultimatum. Well, in one sense, you may call it an ultimatum, but it is really an invitation to you to make up your minds within the time given in the Resolution. If you make up your mind within that time to fulfil your oft-repeated promise to put India on her own legs well, the Resolution says that we shall accept full responsible government within that time. But if you show no inclination, and on the contrary events intervene which show that you will not, either at the end of the year, or at any time, be ready to accord full responsible government to India, the Resolution says we shall try to follow our own programme. We are willing to keep up the British connection only on honourable terms and those honourable terms are stated in the Resolution as being the same as Dominion status. That is the very least. If you are not going to grant this, at least make up your minds and have the courage to say “No”! Promises unaccompanied by action will not satisfy anybody; and until the matter remains within the range of promise, I say that it is the duty of every Indian Member of this House—at least every elected Indian Member of the House—not to signify his assent in any way by supporting any financial measure of the Government, and least of all the Finance Bill. You may continue your present system as long as you think you can, but you cannot continue it for ever. Nemesis may be slow, but it is always sure.

**Mr. M. S. Anay** (Berar Representative): Sir, as you were pleased to declare that the whole question of the administration of the Government of India is open to discussion in this debate on the motion moved by the Honourable the Finance Member, I take advantage of this opportunity of offering a few observations on some of the questions which have been previously discussed, but only on those aspects of the question which, I believe, have not been sufficiently touched. The financial position, as it has been represented to us by the Honourable the Finance Member, has been criticised from many points of view and considered also by those who are competent to give an authoritative opinion on that question. It has been regarded as a serious position no doubt. It has been conceded that our sources of income show a tendency either to be stationary or to yield diminishing returns. At the same time, the expenditure side is daily showing a tendency to grow and increase; and the question of balancing the two is therefore a problem which the Finance Member has to face seriously. He has even given us a remote suggestion, if not a warning, that possibly some scheme of proposals for fresh taxation will have to be considered by him in the near future if circumstances do not turn out very favourable, as he expects or hopes they will.

Now, Sir, when the position is like that, and when we find that our sources of income are showing a tendency to yield diminishing returns, then the only hope for this country to escape from further additional burdens of taxation lies in the vigilant eye of the Finance Member on what is known as the side of expenditure. From that point of view also there is one serious obstacle thrown in the way of the Honourable the Finance Member by the so-called arrangement between the Finance Department and the Military Department. For a period of four years at any rate the Honourable the Finance Member does not or cannot hold out to us any hope of any kind of retrenchment there. That financial arrangement is, as the House knows, that the military budget has been stabilised at a figure of Rs. 55 crores for a period of four years. Even if it be conceded that there may be circumstances which have necessitated the Government of India to accept that arrangement and stabilise the military budget at a figure of 55 crores, it will have to be said that the people of India and the taxpayers cannot but look upon this arrangement as a very unsatisfactory one in their interests. In the first place, they feel, as has been very rightly pointed out by my Honourable friend, Mr. Rangaswami Iyengar, and also by the authors of the Public Accounts Committee Report, that such an arrangement virtually means the relaxation of the Parliamentary control over the military budget itself during the agreed period. When the Finance Department gives the Army authorities free and unrestricted liberty to spend the amount as they like within that limit, they, to that extent, do not exercise that vigilant watch over the expenditure which they ought to do in the interests of the taxpayers. If they only see that a certain limit is observed and within that limit the spending authorities are given full opportunity to spend in any way they like, the watch on the detailed expenditure which is the one possible way of enforcing and exploring the possibility of some kind of retrenchment in the expenditure, is naturally and virtually relaxed, and the House also, to that extent, loses its control. Apart from this technical aspect which is undoubtedly of vital importance, whether this arrangement will really lead to any economy at all is to my mind a very questionable proposition. One of the main reasons on which the Finance Member seems to have accepted this arrangement is, as it has been stated in his speech, that it

is likely to encourage a tendency to economy in the Military Department and retain harmonious relations between the Finance Department and the Military Department. Now, Sir, I want to examine that again a little bit more closely. We are given the figures in Appendix 1 of the Memorandum on military estimates from the year 1922-23 down to the year 1929-30, and they are all arranged in a gradually descending order, showing that the military expenditure has gone down from 65 crores to 55 crores now. It is a graded statement showing a tendency to decrease every year. In my opinion these figures of net military expenditure are to a great extent misleading. Whether there is really any economy or even any tendency towards retrenchment in the military expenditure during these years or not, is a proposition that cannot be properly appreciated or understood by the House only by looking at the figures of net expenditure, because net expenditure virtually means no real transaction but only a mathematical calculation. There is gross expenditure and there are certain military receipts and what remains after deducting the latter from the former is known as net expenditure. The proper criteria to judge of the tendency for economy in military expenditure on the part of the military authorities is therefore not the figure of that net expenditure, but the figure of gross expenditure; and if you find that the figures for gross expenditure are not showing any tendency to go down during these years, then I do not think that anybody can seriously maintain that there is any tendency to economy at all on the part of the military authorities. Military receipts are bad for various reasons which are not at any rate the result of economy; they are the result of many other factors beyond the control of the military authorities. So, if on account of extra military receipts or a sudden and adventitious rise in the military receipts, you get certain amounts by which the extra expenditure is met or covered—thus helping you to show a diminishing or reduced figure of net military expenditure, you cannot take or claim any credit for economy. The Finance Department cannot certainly take the credit of having exercised its influence towards economising that expenditure, and for that purpose I wish to draw the attention of this House to the figures of gross expenditure during the three years which are referred to in the military estimates, a copy of which is furnished to us. The figure of gross expenditure during the year 1927-28 is 56 crores 33 lakhs 94 thousand and odd, and the figure of gross expenditure during the year 1928-29 is 58 crores 4 lakhs and 12 thousand. That was the budget figure, and the revised figure for 1927-28 is 58 crores 46 lakhs and 44 thousand, and the estimated gross expenditure for the year 1929-30 is 58 crores 58 lakhs and 71 thousand. Now, Sir, I ask, where is the ground to hope that by accepting this arrangement, there will be a greater tendency on the part of the military authorities to economising their expenditure and thereby enable the Finance Member, after the period of four years, to find out what should be the proper figure of normal expenditure for the Military Department to incur per annum. If the figures of gross expenditure during these three years are consistently showing, as I have shown they are, that there is an increase from 56 crores and odd to 58 crores 58 lakhs,—an increase of nearly 2 crores and 28 lakhs and something more—if there is an increase in the military expenditure by leaps and bounds like that, I do not think that even the staunch apologists of the Army Department can seriously maintain that they are really making any effort towards economising their expenditure since 1927-28. That is the position, and I fear that is a very serious position. So if there is no tendency on their part towards economising their own expenditure, then the only other way by which the Army

[Mr. M. S. Auey.]

Department can be forced to economise is by a vigilant watch being kept by the Finance Department, and by this House closely observing and scrutinising what and how the military authorities have been spending the money that is allotted to them. And I unhesitatingly maintain that from that point of view, at least for a period of three years, the House is put in a position of utter helplessness and despair, and I do not think whatever may be the merits of the arrangement between the Finance Department and the Army Department for the time being, that anybody can congratulate either the Honourable the Finance Member or those who were parties to accepting that arrangement with regard to this matter. So far as the powers of this House to influence the expenditure are concerned, I apprehend that the only possible chance for this House to bring pressure of public opinion to bear upon the Army Department by submitting it to criticism during the budget-debate is entirely gone,—we are left in great difficulty inasmuch as the annual debate on Army estimates will be unreal during this period. Now, Sir, I do not know why the Government should take the figure of 65 crores for the year 1922-23 as the starting point and claim that they have successfully reduced the expenditure by 10 crores by bringing it down to 55 crores? A very great claim is made that the Government of India has done so much towards economising their military expenditure. I think, Sir, the year 1922-23 was also one of those years during which the after effects of the Great War continued and efforts were being made to relieve the country by disbanding certain regiments formed during the period of war and ridding the country of the extra burdens imposed during the war. Sir, the military expenditure has risen by leaps and bounds during the war period, and the proper criteria, and the proper measure to judge of the efforts made for putting down the military expenditure, is to go back to the pre-war period, and compare the expenditure then with what it is at present.

Now, let us see what was the military expenditure of this country in 1913-14. Now, Sir, I have examined the budget estimates today for those years, and I find that, for the previous three years, and the year 1913-14, the average stood somewhere between 21 or 22 crores. Now, from 22 crores we have jumped up to 55 crores, taking only the figure of net expenditure,—I am not speaking of the figure of gross expenditure;—so there is a jump from 22 crores to 55 crores at any rate, and that means a jump of not less than 150 per cent. over the original or pre-war expenditure. That is the increase in the military expenditure which this country has to bear now in normal times as compared with the expenditure which this country had to bear in the year 1913-14. Sir, I venture to ask, is that an indication of any honest endeavour on the part of this Government to restore normal conditions in this country? Or is it not on the other hand clearly indicative of an attempt to keep up to some extent at least those troubled and abnormal conditions of expenditure which unfortunately were ushered in during the war time? We are practically living in a semi-war condition, if not in an entirely war condition. The Army is maintained on more or less a war footing as if there is going to be another war in the very near future, otherwise there is no reason why we should not be in a position to go back to the condition of 1914 and have our figures somewhere near about 22 crores. We have been told that it is impossible to go back even to 50 crores, which was the sum recommended by the Incheape Committee. Now, with regard to this, let us see what is the position which this country



occupies in point of her military expenditure as compared with that of other civilised countries. There are certain figures which I have collected as regards other civilised countries, and what I find is this. Let me read out a passage from the book *Where Freedom Falters* :

"As a matter of fact, in France the military Budget is not unduly great. Out of a total expenditure of 400 billions of francs, only 7.6 billions wanted for military charges; while the percentage for the total 1925 budget for the same purposes was 15.8 per cent., as compared with 19 per cent. in the United States Budget and 14.5 per cent. and 14 per cent. in the Budgets of Great Britain and Italy, respectively."

These are the figures of the countries which were interested and affected most vitally at the time of the war. In the year 1924-25 they succeeded in bringing down their budgets to such an extent that they would not exceed 15 or 16 per cent. of their total expenditure. But what is our position? Where does our military expenditure stand as compared to our total revenues or expenditure? Need I answer the question? Then, after that we find, in the same book, a comparison of the figures of military expenditure of different countries between the year 1913-14 and the year 1924-25 which certainly disclose a very instructive story. I will read the passage :

"Still more instructive are the figures recently given by M. F. Francois Marsal, formerly French Minister for France, regarding the increases or decreases in military expenditure incurred by the various countries in 1924-25 as compared with their expenditure in 1914-15.

In Great Britain the increase was .. .. . + 32 per cent.

In India .. .. . +96 per cent.

(If we compare this year's figures the increase is somewhere about 150 per cent.)

In the United States the increase was something less than India—

In Japan the increase was .. .. . 89 per cent.

In Belgium .. .. . +74 per cent.

In Italy .. .. . —10.6 per cent.

In France it is given as .. .. . —41 per cent.

So in a country like France which has at its very door one of its biggest enemies, they have succeeded in putting down their military expenditure very considerably, in fact they have gone down so far as to reduce it to minus 41 per cent. of the expenditure in 1913-14. That is really an example of the serious effort which a national Government can make to relieve their country from an intolerable burden. Sir, only at normal conditions can justify such an extravagant expenditure as India is incurring on her Army, and if no serious effort is made to reduce its military expenditure, it clearly means that there is no honest or earnest or sincere desire on the part of the powers that be to restore the country to its normal and pre-war conditions, or at any rate, it shows that there are certain other extraneous reasons which compel the Government to keep up the military expenditure of this country on such a high level as that.

Apart from this position, there is also another point which I would like this House to consider. What is the exact burden of our military expenditure? My friend Mr. Jamnadas Mehta has casually mentioned certain factors which are never taken into account by us in understanding the exact military burden. We only go by the figure of 55 crores. Apart from that, there is in the budget the Military Finance Branch, which comes under the Finance Department. Add that amount. There is again expenditure which you incur on account of frontier watch and ward which, in the

[Mr. M. S. Aney.]

language of Mr. Coatman in his book, *India in 1927-28* at page 288, is virtually, "The civil defence forces". It is really a military expenditure although it is classed as expenditure incurred for civil defence force in the budget estimates. Being really a military expenditure, it is a mistake to show it under the category of civil administration in the North-West Frontier Province budget and exclude it from Military Budget. That expenditure is estimated to be something like Rs. 95,62,000 for the next year. We have got an expenditure of Rs. 6,75,900 on the Military Finance section in the Finance Department. Then take the losses which we incur on account of strategic lines. They come to about 32 lacs for Working Expenses. And coupled with the loss incurred for interest on the capital it will come to . . . . .

**Mr. Jamnadas M. Mehta** (Bombay City: Non-Muhammadan Urban): It is one crore and sixty eight lakhs.

**Mr. M. S. Aney:** Yes, it is one crore and sixty *three* lakhs, I believe. That is the correct figure. If you only add these figures, you will find, leaving aside the question of exchange, which I have not taken into account at all—if it is calculated on that basis, the whole thing may come to about Rs. 76 crores or something like that. But I leave that calculation to the financier who can do it more efficiently than myself, but I only take the figures as they occur to a layman who is not initiated into the intricacies of the exchange question and other connected matters. Even then it comes to nothing short of Rs. 61 crores. That is the position.

Is it justifiable for you to keep this heavy mill-stone hanging round the neck of the poor taxpayer of India? Is he capable of bearing that burden? That is the point. When you consider that it is the taxpayer of British India alone that has to pay this amount of 61 crores, which comes to something more than Rs. 2-8-0 per head, a burden which every Indian has to bear for the sake of maintaining this huge machine of the Indian Army. He has to contribute something like that amount per head in order to maintain this huge machine of the Indian Army. It is well known, that the average income of the Indian does not exceed Rs. 70, according even to the most extravagant estimate. It therefore means that he has to starve for more than a week every year for the sake of maintaining this Army of occupation. This is the position. Is it human, leaving aside any other considerations—is it human, on your part, I ask Members on the Treasury Benches, to see this starvation of millions of those whom you regard as your loyal subjects, simply to maintain a huge Army of this nature? It is therefore necessary and incumbent that the Government of India should try to bring all its resources, all its ability and ingenuity to bear on this question to find out what are the possibilities of further retrenchment in this subject. From that point of view it is strange that the arrangement which was arrived at last year between the Military Department and the Finance Department should have been submitted to so easily by the new Finance Member, who was expected to bring a fresh mind to bear upon the entire financial problems of the country. It is not a contract between one nation and another; it is merely an arrangement between one Department of the Government of India and another; and therefore I hope that

the Honourable the Finance Member will go into the question over again in the interests of the people of India. That is the position to which the Indian taxpayer has been reduced. It is a matter of satisfaction that the Honourable the Finance Member intends to go through the whole question of Indian Finance, and I hope that after his study and comprehensive review of financial position he will discover numerous other ways of retrenching expenditure and that he will not feel any necessity to think of coming forward in this House with any proposals for fresh taxation.

There is another matter which I wish to deal with briefly while speaking on this motion. In my opinion, as there is a paramount necessity on the part of Government to economise their expenditure, so also there is a necessity on their part to find out some ways of improving the economic condition of the people of this country. I do not wish to refer to the industrial aspect of this question in general now, because it has been dealt with by some of my Honourable friends here who preceded me. It is that great body of people who live upon land—that is the agriculturists,—the real masses whose interests you must take into consideration. Is it not surprising to find, after 150 years of British rule in India, that the Government of India have got no such thing as what may be called a definite land policy at all? While that has been the main source of Government's income, they have not yet succeeded in evolving or even cared to evolve what may be called any scientific principles of land settlement. They have left that land settlement policy to be developed in an unprincipled manner according to the whims and caprices of the executive officers in the different provinces. Every effort on the part of the leaders of the people to shape that policy in accordance with or reduce that policy to some well-ascertained scientific principles is being stoutly resisted throughout this period by the Government of India. Every student of Indian economics knows that whenever they made any serious attempt to understand what was the exact ratio which the Government could claim as their share out of the profits of the land, Government invariably pointed its finger to the notorious Saharanpur rule, the 50 per cent. rule, without explaining in any manner the method or the system in which they wanted to calculate these profits. The commercial system of accounting, which now finds so much favour with the Government of India, and is being introduced for working out the accounts of the different commercial departments of the Government of India, is considered entirely impracticable if we want them to hold fast and adhere to those principles in determining the net agricultural profits of the cultivators, and then fixing a definite fraction thereof as the Government's legitimate maximum share. The Government is not willing to do that. I assure the House that I am not speaking on this question without realising my responsibility. I am speaking on the strength of my own experience. When the Berar Land Revenue Bill came up for consideration before the Berar Legislative Committee, the representatives of the people on that Committee, according to their best understanding, made a genuine attempt to evolve certain principles as to how the net profits of cultivation should be calculated. They wanted the Government first to fix the capital value of the land, the live-stock agricultural implements, cattle shed and the sundry articles required and purchased for cultivation, make due provision for repayment of all that capital and

[Mr. M. S. Aney.]

the annual interest thereon within a certain number of years, by fixing the life of the wasting assets by creating a depreciation fund and fixing an annual contribution to that fund as the first charge on the annual products. They wanted to fix the amount, the net profit, after making calculation on that basis first and then taking the recurring expenses and the value of labour into consideration they were prepared to fix some formula for ascertaining the net profit. They said "We were prepared to concede to the Government even 50 per cent; if they perversely insist upon the full pound of flesh, viz., the Saharanpur rule; we are prepared to go to that extent". But when calculations were being made in the Committee, it was found out that there was not only no scope for further revision, but they would be compelled to reduce the existing assessment which they are levying upon land today by 10 or 20 per cent. Finding that to be the position, Government expressed themselves unwilling to subscribe to any of those principles and they only wanted to go by the general method in vogue of calculating the thing. The theory underlying the land policy is briefly this. If there are new roads, railways and markets and such like things, they are all considered as indicative of the progressive economic conditions of the people, and some vague conjecture is made on this basis about the unearned increments on land. Then they look at the rise in competitive rentals and auction prices of the land; some guess figure of enhancement is decided upon. It will thus be seen that the whole arrangement rests upon a conjectural basis rather than on any scientific tangible tests. That is the difficulty.

The entire agricultural problem or the economic problem of the cultivator is so much mixed up with the question of the land policy that, unless Government is prepared to go into the question, any hope of emancipating them from their present miserable position of indebtedness is simply futile. And no scheme can ever yield any tangible results in that direction. You have to tackle the problem in a scientific way. What is the present indebtedness of the agriculturist? It is simply horrible even to think of that. The rate of interest which he pays as well as the amount in which he is indebted are matters, which, if the Honourable the Finance Member will have the occasion to study for himself, will convince him that he is dealing with a problem the like of which he has never tackled before in all his varied experience as an economist, financier or business man. It is a very serious problem. The average agriculturist is unable to pay off even a fraction of his debts. What the cultivator should in

the ordinary course be held as entitled to keep in order to maintain himself and his family he has to give away to the *Sowkar* and the *Sirkar*; and for maintaining himself and for performing the ceremonies of his house he goes out and borrows again. It is thus virtually the original debt that he has incurred for the purpose of cultivation, which continues in one form or another and grows up in a vicious circle. The fact that he is unable to pay this original debt has never been taken as a serious factor by the Government of India, in fixing the land policy at the very beginning, and so long as this capital debt which he has incurred and which he was bound to incur like any other beginner in a new business is never taken into consideration by the Government of India, in fixing the land policy. I regard every attempt of the Government of

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India to help the cultivators out of their present state of indebtedness as nothing more than mere tentative measures which have no permanent value. Now, the Berar Committee did all that twice. Twice they reaffirmed their opinions. The Bill was sent back and twice they asserted their conclusions. And what did the Government of India do? The Government of India, after receiving the Bill from the Committee for the second time, brushed aside the main recommendations and followed their own hobby and issued a Resolution. In my Province, the position is this. The laws are not made by the Central Provinces Legislative Council and the Berar Legislative Committee is only an advisory committee. It debates and discusses and formulates proposals and sends them to the Government of India with their recommendations. Here the Government of India can reject all those proposals summarily and unceremoniously. They think that the unaided wisdom of the Government of India is superior to the aggregate wisdom of all the members who have settled upon some almost unanimous conclusions. That is the position.

**An Honourable Member:** That is always the case.

**Mr. M. S. Aney:** I see that the land Bills are more or less getting the same fate in different provinces also. In Bombay the Bill is held up. In other places, inquiries are being made and no further progress. The Government of India must certainly know what to do in a matter like this. It is no use leaving matters adrift in this way. It is no use appointing costly Agricultural Commissions. I admit that the Agricultural Commission has certainly come to very important conclusions on certain matters, but I maintain that it was certainly sheer injustice to the cultivators that this important question of land settlement was not even brought within the scope of their inquiry. This should have been the most important problem to be tackled with, but that was left out of the scope of the Commission. That only means that, so far as their methods of taxing the people, of extorting money from the people, are concerned, Government do not want to submit those methods to the examination of anybody; not even of a Royal Commission consisting of their own men. The Agricultural Commission has certainly made some valuable suggestions of which the co-operative societies and the agricultural departments of the Local Governments can take some advantage in future.

All these are tentative and superficial remedies. But I say without hesitation, that you leave out the radical remedy, so long as you do not pay attention to this important question of land settlement. All your solicitude for the interests of the cultivators will be taken merely as lip-service or lip-sympathy and no one will take it seriously even at its face-value. That is the position. These are the two main questions on which I wanted to offer my observations. When one looks at the indifference of the Government in these important things, one is tempted to ignore anything that the Government of India professes to do for the people. The main questions are left untackled and unsolved. What is the use of co-operating with them in this little thing and that? That is an inevitable mood for men of normal temper. So my Party has decided now not to support the Government of India on the present measure,—the Finance Bill. Let the Government pass it on their own responsibility and not on the support of our vote. That is the attitude which my Party has taken up, and I say that it is perfectly justifiable under the circumstances.

**Diwan Chaman Lall** (West Punjab: Non-Muhammadan): I do not remember any debate in which there have been such strong denunciations of the policy of the Government as the debate on this question. It is my firm opinion that these denunciations are not only well deserved but exceedingly opportune. We are discussing not a technical matter, but after the speech delivered by Pandit Motilal Nehru and the fervent speeches made by Sir Purshotamdas Thakurdas and Mr. Aney, we are discussing the main problem of the constitutional development of this country and the effect of British rule upon the people, the peace and prosperity, and the happiness of the people of this country. I should like to say a few words in regard to the position of the industrial and agricultural classes in this country, and to draw a picture of the conditions under which the industrial and agricultural classes exist. My friend Mr. Aney, in a very able speech, has dealt with the question of the indebtedness of the agricultural classes. I want to deal with that problem in a very brief manner and to remind the Finance Member that the Finance Member of this country must not convert himself merely into a totalisator machine, adding up figures and subtracting figures. If he has the interests of this country at heart, his main business is to see that the people of this country are prosperous and that the policy which he supports is a policy in favour of the happiness and prosperity of the people of this country. Having had personal experience of another Finance Member, I cannot build high hopes either of this Finance Member or any other member of the Government.

**Lieut.-Colonel H. A. J. Gidney** (Nominated: Anglo-Indians): Why not?

**Diwan Chaman Lall**: My friend asks me "Why not"? I ask him to review the actions of Government during the last few years, and then put that question to himself. Have any plans that we have formulated upon the floor of this House been carried out by Government? Have any of our censure motions been listened to? Have they done anything in the shape of increasing the prosperity of the people of this country? I say deliberately it is the set policy of the Government of India to do absolutely nothing to bring prosperity to the people of this country, because their whole attitude of mind has been to secure their position as the rulers of this country, and it is obvious, as Mr. Aney said, from the huge inflated figures for military expenditure, that their policy is to secure their position and not to worry themselves about the happiness of the people of this land. Now, Sir, it is generally conceded that there is tremendous distress in this country and that the majority of the people of this country are living from hand-to-mouth and that the great masses of the peasant classes are not only poverty-stricken but in a condition of irretrievable indebtedness. I hold in my hand a very important book, and I hope the Finance Member, during his term of office, will read many such books in order to enlighten himself about the condition of the people of this country. It is called *Wealth and Welfare of the Bengal Delta*, and is edited by a gentleman named Panandikar. He says:

"The indebtedness of the agricultural population may be divided into two classes, temporary and permanent. The former is larger, more than half of the cultivators resorting to temporary loans at one time or another. These loans, although temporary, involve a great economic loss to the cultivators, and many of them tend to become permanent. This temporary borrowing is largely the result of improvidence. Many of the cultivators are in the habit of spending all the proceeds of one harvest before those of the next are secured. They roof one of their huts with corrugated iron,

purchase ornaments for their womenfolk, purchase the best available cattle, which they cannot keep during the rainy season on account of the lack of fodder, and spend the remaining proceeds in social ceremonies. When the sowing season arrives, they are forced to borrow in order to purchase seeds; during the flood season they have to sell their cattle on account of the great shortage of fodder at less than  $\frac{1}{4}$  of the price for which they were purchased; at the approach of the harvesting season they have to borrow again as their food supply is exhausted."

I want Honourable Members to remember when I read this quotation, the first portion of it, the word "improvidence", that there is a commentary on that word "improvidence" which I shall deal with later. It is not really improvidence; it is actually lack of finances:

"The loans are generally obtained on the security of the sown crops or by pledging ornaments. As the cultivators invest their savings in ornaments, borrowing on the security of ornaments may be said to be their way of realising investments. But it involves a heavy loss, as a high rate of interest has to be paid. One or two annas per rupee per month are commonly charged, and this makes a very heavy interest on loans for even three months. Borrowing on the security of crops upon the ground also involves a heavy loss, as the loans have to be paid back to the money-lenders in the form of unduly large proportions of the crops, and it is common for the money-lenders to obtain in this way in two or three months' produce worth three or four times the original loans."

Now, this is in regard to the permanent indebtedness:

"The permanent indebtedness is the result of the working of a number of factors. It is partly the result of poverty, but the importance of this factor is less than is generally assumed. The cultivators in actual want have little credit, and as the supply of loanable money falls short of the demand for it on the part of the cultivators possessing better credit, the money-lenders have no need to risk a large portion of their money by lending it to the indigent cultivators. Thus Mr. Jack"

--who investigated the economic conditions of this particular district--

"found from his inquiries that in Faridpur the percentage of cultivators seriously involved in debt was largest in the two intermediate classes of cultivators who lived neither in comfort nor in actual want."

This, I submit, has been the experience, not only of Mr. Jack who investigated the economic condition of the agricultural classes in this particular district, but has also been the experience of Mr. Calvert, who has written an interesting book on Wealth and Welfare of the Punjab.

This is the condition of these classes. I would like to draw the attention of the Honourable the Finance Member further to another quotation from this very book. The author of this book says:

"Finally, a large part of the agrarian debt consists of accumulated interest at a high rate. The highest rate that the writer has come across is 150 per cent. per annum, but the rates usually charged vary from 24 to 75 per cent. largely according to the security offered, the need of the borrower, and the season of the year at which the loan is required."

Now I submit that this is the general condition of the agricultural classes throughout India, that they are heavily in debt, and that that debt is due not merely to the fact that they have to indulge in certain social ceremonies, but mainly due to the factor that they are living from hand to mouth and there are certain expenses they have to meet which they cannot meet from the income they derive from the land. It has been discovered in another survey that the majority of families with an income

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of Rs. 75 or less are in debt. We have a table here prepared by Mr. Brij Narain, a very famous economist. He says:

"The majority of the families with an income of Rs. 75 or less were found to be in debt. The percentages of families in debt and free from debt to the total were as follows:"

And he takes Gujrat, Konkan, Deccan, Karnatak and Sind and makes a survey of these tracts and discovers that the majority of families living on Rs. 75 were in debt.

Now I want to ask, what is the real reason for all this misery, this destitution that we have in the villages in India. I wish to ask the Government, the Treasury Benches, what is their remedy for this destitution that prevails in this country? May I remind the Honourable the Finance Member that, when I mentioned these facts, I am taking merely typical cases which can be discovered, in every part of India, and that there is not a village in India which will not tally with the facts, which will not provide a similar state of affairs as disclosed by this investigation. I want to give the Honourable the Finance Member not only family budgets but village budgets in order to show to him that my remarks are correct and that the actual state of destitution in the country borders upon the danger point.

Now in the Deccan a survey was once made by another economist and he discovered that the total income of 108 families in a particular village was Rs. 21,450 per annum, and that the income of each family was Rs. 208 per annum.

Now this, as Honourable Members will note, works out to something like Rs. 208 per annum per family and the family unit, according to the census of this village, has been found to be 4.95, or roughly 5 members per family, so that 5 members of this family have to support themselves for a period of one year on an income of Rs. 208 per annum.

Now I want to draw the attention of Honourable Members opposite to the actual expenses incurred by these people. Let me first of all take Food. I find as regards Food for such families the following supplies are considered necessary, and the supplies consist purely of the barest necessities of life, things like *bajra*, wheat, pulses, chillies and oil and spices. Nothing more, nothing beyond that—that which is the ordinary absolute minimum subsistence allowance for a human being. The value of this comes to, per year, Rs. 142-8-0. Now let me take the question of the cost of food per family, which comes to Rs. 142-8-0 or Rs. 11-14-0 per month. Now the figures work out, as far as the expenses are concerned, to this:

Food for man, wife and children of a family of five Rs. 142-8-0 per annum. Clothing Rs. 40-8-0, other expenses Rs. 10. Food, clothing, and Rs. 10 extra for a family of five people, to be spent on medicines, social dues, amusements, making a total of Rs. 202-8-0. If we add certain other expenses, very legitimate expenses, it has been discovered that the actual amount that is spent by these families comes to a little over the sum of Rs. 208 which they earn.

Now, from this it is apparent that the majority of people in this country and in the villages are living upon a subsistence allowance which does not



afford sufficient nourishment for them, and that the majority of these people, whenever there is a bad harvest, or a failure of rain, actually suffer untold hardships and die sometimes of starvation. If that is the state of affairs in this country, can the Honourable the Finance Member turn round and say that this country is a prosperous country, or that this country is such a country that it can afford to pay him Rs. 6,000 and odd as his salary? I say that the administration of this country is top-heavy, in view of the fact that the people of this country are living on the margin of starvation. Now, let us see exactly what is the food that these people eat, and how it compares with the food that is given in jails to the prisoners:

“The quantity of food consumed by the industrial workers in Bombay”

—this is a matter which might interest my Honourable friend Sir Purshotamdas Thakurdas—

“the quantity of food consumed by the industrial workers in Bombay is insufficient,”

—I am quoting from a report in regard to this matter—

“and the general conclusion is that the industrial workers consume the maximum of cereals allowed by the Famine Code and less than the diet prescribed by the Bombay Jail Manual.”

So, Sir, even a prisoner in His Majesty's prison receives better food than is available for a free, independent man in this country. Naturally the average Indian is not averse to becoming a guest of His Majesty the King in one of His Majesty's prisons.

**Mr. K. Ahmed:** So you are better off in jails.

**Diwan Ohaman Lall:** I hope one of these days my Honourable friend will follow me there. (Laughter.)

It is further stated in that book:

“The following table shows the daily consumption of cereals and other articles of food per adult male in lbs. as arrived at from 2,473 budgets of working class families in Bombay and the jail allowance.”

On a comparison of these two, I find that the jail allowance is much better, and much healthier, than the allowance that is available even for an industrial worker in Bombay, who is again much better off economically than the agricultural population in the villages. If this is the state of affairs, then I say, Sir, some serious steps will have to be taken not to reform, as Sir Purshotamdas Thakurdas said, the present system of Government, but I say, Sir, that some serious steps will have to be taken, not to mend but to end this system, under which so much misery and unhappiness is being caused to millions of my countrymen.

Allied with this problem of the misery that is being caused to agricultural classes is the question of the present system of land tenure and the heavy incidence of taxation, as well as the question of the agriculturists being badly treated by the landlords. Your system of land tenure is such that it would be no exaggeration to say that the average peasant in the villages is not different in his position and status today to the ancient bondsman who was attached, according to the old Latin tag, to the land, *i.e.*, *adscripti glebæ*.

**Mr. K. Ahmed:** But the Swarajists were in favour of the landlords, and with your help the Bengal Tenancy Bill was passed last year in the Bengal Legislative Council, against the interests of the tenants.

**Diwan Chaman Lal:** I should like to remind the Honourable Members on the Treasury Benches of one thing, that is the incidence of landlordism upon the tenants, by taking a typical example of a Dacca village showing exactly how landlordism operates upon the peasantry and in what manner it turns them from freemen into bondsmen. What are the onerous burdens that have to be borne by the peasants? This is what Mr. Panandikar says in his book, *The Wealth and Welfare of the Bengal Delta*:

"Another evil largely connected with the evil of indebtedness is the prevalence of the *barga* system or the system of produce rent, under which some cultivators have to pay as rent to their landlords far more in produce than their fellows do in cash."

This was referred to by my Honourable friend, Mr. Aney, and I want to make my position perfectly clear in this matter. I am not in agreement with my Honourable friend, Mr. Aney, when he says that we must reform the system of produce rent. I think there are much better ways than the one suggested on the floor of this House. It was suggested that we must tax not produce but value.

**Mr. M. S. Aney:** I did not say so. What I meant was not produce rent.

**Diwan Chaman Lal:** My Honourable friend corrects me and says that he did not want to tax produce. I am very pleased to hear that and I am very glad that I have a convert to my theory of the taxation of land values. (Laughter.) The author goes on to say:

"Another evil largely connected with the evil of indebtedness is the prevalence of the *barga* system or the system of produce rent, under which some cultivators have to pay as rent to their landlords far more in produce than their fellows do in cash, and which therefore leads to careless cultivation involving considerable loss. The system is the result of the acquisition of landed property by tradesmen and money lenders either by regular purchase or by foreclosures of mortgages, on the security of which loans have been advanced, the new occupants resettling the holdings at a high produce rent with the former occupants, who become *dhakidars* or *bargadars* without any occupancy rights and liable to ejection at will. In some cases a fixed amount of produce of these holdings has to be paid as rent, in other cases a fixed proportion of the produce. The former method is more pernicious than the latter, because a season of insufficient rainfall or of overflowing is sure to lead either to the immediate ruin of those cultivators, who have to pay a fixed amount of produce, or to their overwhelming indebtedness and ultimate ruin. According to the latter method, the landlords usually receive half of the produce; when jute is grown, they take only 1/3 on account of the higher cost of producing jute, but they take 3/4 in the case of grass lands. However, in these cases also, the landlords have discovered a method of keeping the *bargadars* in their clutches. At the outset the latter are compelled to take loans from the landlords ostensibly for the purchase of cattle, implements and seeds, but really to make them remain on the land until the loans are repaid. The loans can be seldom repaid, the interest on them is paid to the landlords in the shape of an additional share of the produce, while the capital remains as a weapon in their hands to be used for keeping the *bargadars* permanently under subjugation. Another method of achieving the same object is to force the *bargadars* to deposit sums of money with the landlords, which are forfeited if the *bargadars* give up the land. On the whole, the *bargadars* do not form a distinct class. It is true that there are a few places in which they are largely landless labourers cultivating *barga* land only, but in the vast majority of cases they also cultivate land with regard to which they possess occupancy rights."

This is one of the methods. Here is another method:

"The rapacity of landlords is responsible for another evil,"

—and mind you, Sir, this typical evil does not merely relate to a village in Bengal, but it is a method that is prevailing practically throughout India, and hurts the interest of the agriculturist classes throughout India—

"The rapacity of landlords is responsible for another evil, viz., the prevalence of levies from the tenants in addition to the rent. Of these, one, consisting of a premium (*salami*) on the transfer of a holding or on the creation of a new tenancy in old or newly formed lands, does not appear to be illegal."

—It is not illegal under the present law. It may appear to be immoral—

"When a holding is transferred, the premium exacted by the landlord varies from 15 to 33 per cent. of the purchase price. In the case of new *chars*, the premium varies with the condition of the *chars*, the title of the landlord and the extent of the help which the landlord requires from the tenant for enforcing and retaining his title."

Another form of levy by the landlords is described as follows:

"Routine *abwabs*, in the shape of annual levies for the purpose of covering all costs of collection and for the upkeep of the landlords' agents, are universal under the names of *takari*, *rashami*, *namuli*, *variana*, *tahasilana*, *sahana*, *pyadgan*, *rajdhuti*, etc., and frequently two or three of these are imposed on the same land. The majority of them are assessed on the rent and vary between 1 and 4 annas in the rupee, but the others are assessed on holdings. Besides these general levies, there are special ones."

If a tenant wants a receipt for the payment of his rent, a certain amount is levied.

"*Dakhila kharach* is levied for the grant of a receipt for the payment of rent. Other annual levies are *punya* and *nazarana* at the rate of a rupee or more per tenant, and *bhes* or gifts of garden and farm produce. In some estates, the system of *begar* or forced labour for a certain number of days in the year still prevails, and the tenants have to clear the jungle on the landlords' land, to plough their arable land, to work on their orchards, to excavate tanks, to dig ditches, to construct temporary buildings, and to carry the material for permanent buildings. This system is most unpopular, and even those tenants, who pay the *abwabs* without any grumbling, complain bitterly against it.

The second class of *abwabs*, the ceremonial *abwabs*, consists of the exactions by the landlords of money, commodities or labour from their tenants on certain occasions. Thus *sadiana* or marriage taxes are levied upon the fathers of every bridegroom and bride. The rate not only differs from estate to estate, but it is also different for tenure holders and *raiyats*, for Hindus and Muhammadans, and sometimes the different castes among the Hindus."

I want to know what the Government of India has been doing in regard to this matter. They appointed, as my Honourable friend Mr. Aney said, some time ago, they appointed the Agricultural Commission, and in the terms of reference to the Agricultural Commission, the Government left out of account all questions relating to land tenure. The only thing that really did affect the peasantry in India was left out of consideration of the Agricultural Commission, and the result is, we have a voluminous Report, a series of volumes, giving evidence tendered before the Commission, and another result is a recommendation for a Research Institute, as if it is going to bring happiness and prosperity to the agricultural classes in this country.

I submit that the first duty of the Government of India, if it were a national Government, is to the people of this country who are subsisting

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on the soil. They have surely neglected that duty; and when an opportunity did arise for them to take cognisance of that duty to the peasantry of India, they failed miserably to do that duty. Sir, the result of all this, so far as the land tenure problem throughout the country is concerned, is that the holdings of the peasants have all become uneconomical and they cannot get a sufficient amount of subsistence from the lands which they hold. That is the problem, which is at present facing India everywhere, and it is stated by one of the investigators that:

"the economic organisation of the village is defective by the fact that many of the agricultural holdings are uneconomic in size, in shape and in constitution. The standard test for an economic life depends upon the number of factors such as the nature of farming, . . . the pressure of population on the soil and the laws of inheritance."

But this uneconomic problem which has arisen in regard to the holdings could again have been easily met, if only the Government had taken proper steps to investigate the possibilities of co-operative farming. We find that, in a country like Canada, only four years ago, they set up what is known as the Wheat Pool that is, they set up an organisation which was joined by all the farmers, and they set up purchasing, selling and storing agencies for the benefit of all the farmers, thus eliminating the rapacious middlemen. I find Sir, they succeeded there in Canada, with the assistance of the Government—not without the assistance of the Government. I ask, why was it not possible for the Government of India to take steps here in that direction? Although they say they are very eagerly concerned with the military establishment of this country, they are very eagerly concerned about giving the Lee Commission concessions to the members of the Civil Services and the giving of various concessions to the officers in the Army, the one thing they are least concerned with is the peasantry of the soil. I say the least concern of theirs is the indigent worker in this country. They have no regard, they have no care for the interests or the comforts of the people who are working on the soil of this country. We find, as a result of all this, that even in the so-called prosperous Province of the Punjab, in a particular village called Kotkapura nearly one twentieth of the cultivable portion of the land in that village has been mortgaged by the peasants, because they could not get the wherewithal from it on which they could live.

Now, Sir, let me turn now for a moment from the peasantry whose condition, as I have stated, is abject and miserable in the extreme, to the condition of the industrial classes in this country. Let me first take the question of wages. It is obvious that wages in this country have not kept pace with the rise in the price of foodstuffs. That is a statement which I do not think any man, whether he be a capitalist or an official, can challenge. In fact we have found that the cost of living as measured by the changes in the price of the necessaries of existence, has risen by at least 83 per cent., whereas the wages during the same period have risen by not more than 22.5 per cent. Now, that in a period of acute economic distress. The actual worker has now to pay for his necessities, for food and other things, nearly 83 or 84 per cent. more than what he had to pay a few years ago. But what has he got in return? His wages have increased by not more than 22.5 per cent.

**Mr. K. Ahmed:** But in spite of that, you collect subscriptions from those people for your own funds.

**Diwan Chaman Lall:** Well, Sir, if my friend Mr. Ahmed is willing to pay something, we will have no necessity to collect any amount from them. Apart from that, Sir, the question I come to is this. If that is the state of affairs at present, what has been done by the Government, what has been consciously done by them in order to raise the standard of life of the average worker? I shall give one example. It was a few years ago that I brought before this House a Bill known as the Weekly Payments Bill. I brought it before the House because I discovered that there was a legitimate and very serious grievance on the part of the mill hands of Bombay in that their wages were withheld for a longer time than was actually necessary, and because wages were actually paid only six or seven weeks after they fell due, with the result that they had to borrow large sums of money at high rates of interest from the money-lenders in order to keep themselves and their families going for the period of six or seven weeks during which they had not received their wages. I brought that Bill before this House, and at the third reading stage, I was informed by the Government that they were willing to institute an inquiry, and that after the inquiry, they would be quite willing to bring forward legislation in regard to that matter, if any necessity for such legislation arose. I discovered subsequently that the Government themselves had issued a pamphlet on the subject in which the necessity for bringing forward a Bill of that nature was made amply clear. I have waited all these years and I have not yet heard one word either in regard to that inquiry or one word in regard to the intentions of the Government in this matter. I submit that this is the woeful manner, this is the tragic manner in which the Government of India have been neglecting the interests of the working classes of this country.

**Mr. President:** Order, order. I hope it will not inconvenience the Honourable Member if I adjourn the House at this stage.

The Assembly then adjourned for Lunch till a Quarter to Three of the Clock.

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

**Diwan Chaman Lall:** Sir, I have to thank you for the indulgence you have shown me with regard to this debate. There was a time—an ancient time—when a very great Finance Member, I think, of the adjoining country of Persia, Haroun-al-Raschid (Laughter)—had the habit of disguising himself and going about the city trying to investigate the grievances of his subjects. The modern Finance Member merely disguises himself with a pair of tortoise-shell glasses, and instead of investigating the actual condition of the people, he examines the figures in the budget which he presents before this House. Unfortunately the Honourable the Finance Member is not present in his seat, but I hope his colleagues will convey this message to him, that I want him to look at those figures not as mere matters of detail, but to visualise the human beings, the men, women and children, that are represented by these figures—who are behind the scenes, who are the people upon whose blood and sweat the Government of India subsist today; and it is because of that that I stood up

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this morning to speak on this subject, detailing, as far as I could, visualising as far as I could, the economic condition of the people of this country. I have already dealt, as Honourable Members are aware, with the peasant, and I intend now to deal with the industrial classes; and the first subject I intend to touch on this afternoon is the question of housing, to see what the Government have done in regard to that matter, in regard to the housing of the industrial classes of this country, and how far they have failed in their duty to provide civilised amenities for the millions of workers of this country.

Now, Sir, there are in this country, if Honourable Members will examine the situation, four or five different types of houses inhabited by the working classes. Mr. Burnett Hurst, an authority on labour, has written an amazingly good book on the subject of housing in Bombay, and when my Honourable friend Sir Purshotamdas Thakurdas was speaking about his desire to see that the condition of the working classes is made better in this country, I could not help feeling that there is a great deal to be done in the matter of housing, in the matter of the conditions of life of the working classes, even those belonging to the city which he represents. There are first of all the *chawls* or buildings let out in separate tenements. Then there are sheds built of corrugated iron, empty kerosene tins, wood, etc., and there are the *zavli* sheds and huts constructed from dry leaves of the date or the cocoanut palm; and it is no exaggeration, Sir, if we were to add a fourth category, the mud huts. Ninety-nine per cent. of the working classes of this country inhabit, not the palaces in which the officials live in Delhi, but these tumble-down huts, and eke out a miserable existence in them. Now it has been said that, wherever the Port or Improvement authorities have taken action in the City of Bombay, all the tenements that they have built are of a better design, better on the whole than the tenements that are provided by the private employer or the private landlord. But the fact remains that in all of them, the majority of the people live with no sort of comfort. The majority of them live in these one-room tenements, and there is no comfort for them even in those improved tenements which have been provided for them by the Port and Improvement Trust. It is said that:

"when workers cannot find room in the *chawls* set apart for them, they live in sheds or huts. Many of these sheds have roofs and walls made from flattened-out kerosene tins. There are no windows; holes in the rusty tin walls and roof provide the interior with a sufficiency of light and air. The floor is only about 3 inches from the ground. The sheds vary in size, some being sufficiently large to be divided into compartments each more spacious than the average room in a *chawl*. The rent paid in 1917-18 for a room in a 'tin shed' was Rs. 1-12 per month, but in addition to this Rs. 10 to Rs. 15 were required to be spent annually on replacing some of the tins, and, once in four years, thorough renewal is required."

That comes out of the income of the worker and not out of the income of the landlord or the employer.

Now, Sir, in this wise do the working classes live. These tenements in which they live have been described as "pestilential plague spots". I will give one example:

"The room was occupied by two adults, a boy of 3 years and an infant. The tenants had been paying Rs. 2 per month for the room, but in 1918 the landlord demanded double the amount, finally agreeing to Rs. 3-8"

--which amounts to an increase of 75 per cent. An increase of 75 per cent., for this miserable little tenement! These converted dwelling houses—these

pestilential plague spots—are most insanitary. I am referring to the City of Bombay now; and "pestilential plague spots" is by no means too strong an expression for them—

"No matter how graphic a picture is drawn, it is impossible to convey to the reader any true conception of the actual state of affairs."

This, Sir, is how the citizens of the great British Empire are being herded together and housed. Now what is the result? The result is that there is tremendous overcrowding in these *chawls*. It was found in 1917-18 that approximately 97 per cent. of the working class households in Parel were living in single rooms, a figure which was confirmed by an inquiry conducted by the Bombay Labour Office. Ninety-seven per cent. of the workers who are responsible and have been responsible in the past for the prosperity of the mill industry in this country have been living in one-room tenements. And what is the consequence of that? The consequence of that is that there has been a terrific amount of mortality among the infants. In this respect the conditions that we find today in India are really not much better than the conditions that prevailed many years ago, even as far back as 1892.

One Report which was published by the Government stated that nothing could be worse than the insanitary conditions in which these people, namely, the workers, were herded together. The Bengal Factory Report of 1892 laid stress on the danger to public health in the houses occupied by the workers from overcrowding:

"Considering the provisions for better latrines and disposal of garbage were inadequate . . . ."

**Mr. W. A. Cosgrave** (Assam: Nominated Official): What year was that? 1892?

**Diwan Ohaman Lall**: If the Honourable Member had carefully listened he would have heard 1892. I do not see any reason why he should ask me to repeat it again. This is what I am saying; if the Honourable Member will only pay attention to what I am saying, I say that the conditions today are not much better than the conditions that prevailed in the year 1892 . . . .

"It is not unusual to find ten or twenty persons herded together in one-room tenements."

Here is a very important thing. These men who build magnificent palaces in Bombay for our millowners to live in, who work for the Government on the railways, who work in the mills and the Port Trust—how do they live? The density of the population in that area, per acre, in 1921 in Bombay—not in 1892, but in 1921—was computed to be over 700 persons per acre; whereas the density in Bombay town was 78 persons per acre. Mr. Burnett Hurst remarks that amongst the working class quarters you find some of the most insanitary buildings—(that was discovered, as I have already stated, in 1892)—that 97 per cent. live in one-room tenements: more than 60 per cent. of the households were living in an overcrowded condition, although, according to a stricter calculation, this percentage rose to 94. In September 1866 the *Bombay Builder* stated:

"Coolies and other workmen were finding the greatest difficulty in housing themselves even in the most miserable and unwholesome lodgings: Let any one visit the purliens of the Byculla tanks and examine for himself the wretched rows of Cadjan huts

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occupied by human beings but only raised by a few inches above the fetid mud of the flats and he will be no longer astonished to hear that two out of three coolies that come to Bombay for employment do not return to their homes, but are carried off by fever or other diseases."

Sir, that was said years ago, and I challenge any Honourable Member to get up on the floor of this House and deny the charge that the conditions today are very similar to those that prevailed in those years.

**Mr. F. W. Allison** (Bombay: Nominated Official): Does the Honourable Member say that there has been no improvement in the state of Bombay since then?

**Diwan Chaman Lall**: The only trouble, Sir, is that the Opposition cannot provide intelligence for the Treasury Benches. (Laughter.) If the Honourable Member had only heard what I had said—and I challenge any Member and I repeat the assertion—I challenge any Member to get up and say that the conditions are not very similar to what they were in those days

**Mr. F. W. Allison**: I say the conditions in Bombay are a great deal better than they were in 1892.

**Diwan Chaman Lall**: I will explain to the Honourable Member in a minute that the conditions are not much better, if my Honourable friend knows anything at all about Bombay. Here is a report—and I want the Honourable Member to listen carefully—dated not 1862 but 1925:

"In outside *chawls*, I have several times verified the overcrowding of rooms. In one room on the second floor of a *chawl* measuring some 15 feet by 12 feet I found six families living."

—I am sorry that the Honourable Member is not paying attention to what I am saying:

**An Honourable Member**: Read it again:

**Diwan Chaman Lall**:

"In one room on the second floor of a *chawl* measuring some 15 feet by 12 feet I found six families living. Six separate cvens on the floor proved this statement. On inquiry I ascertained that the actual number of adults and children living in this room was 30."

**An Honourable Member**: Shame.

**Diwan Chaman Lall**: Does the Honourable Member have the courage to repeat that statement again that conditions are much different from what they were before?

**Mr. F. W. Allison**: I do not know anything about this; but if you give a man a two-room tenement, the first thing he does is to sub-let a portion to his friends.

**Diwan Chaman Lall**: That, Sir, is an absolutely *ex-parte* statement.

3 P.M. He has got no authority whatever to make that statement. I am quoting from statements which have been public property for a long time, and I would ask him to give me the authority for what he is stating, before he asks me to accept his mere *ipse dixit*.

"Bamboos hung from the ceiling over which, at night, clothes or sacking were hung, helped to partition each family allotment. Three out of the six women who lived in this room."



—(I want the Honourable Member to exercise his sense of humanity when he listens to this)—

"were shortly expecting to be delivered. All three state they would have the deliveries in Bombay. When I questioned the district nurse who accompanied me as to how she would arrange for privacy in this room, I was shown a small space some three feet by four feet, which was usually screened off for the purpose. The atmosphere at night in that room filled with smoke from the six ovens, and other impurities, would certainly physically handicap any woman and infant both before and after delivery. This was one of many such rooms that I saw."

This, Sir, is the report of the lady doctor appointed by the Government of Bombay to investigate the conditions of women industrial workers in Bombay in the year 1922. Does the Honourable Member still assert that things are better? Has he any authority for that statement? I repeat once again that the conditions of housing of the industrial classes in India today are very similar to those that were prevailing years ago. And, Sir, whose is the responsibility? I say in any other civilised country, where there was representative government, there would have been a revolution. I do not think that the Honourable Members who sit on the front Treasury Benches would have gone about their work in peace in quiet, in comfort and in safety. If things of this nature had been allowed to exist year after year, decade after decade, in any other country with a representative government, Honourable Members opposite would have taken their courage in their hands and come out with a programme for better housing for the working classes of this country, instead of coming out with programmes for inflated expenditure for the military, because their security depends upon the standing army in this country. I say there is no more shameful record than the record of the Government of India in regard to the working classes of this country. I will give one more example of this. We had only recently, last year I believe, an example of a ratification which was made at Geneva, brought up here on the last day of the session. Time and again it has been the same story, namely, the utter indifference of the Government of India to the crying needs of the working classes of this country. Is it not time, if they cannot manage this business, that they handed this business over to others who can manage it properly?

Now, Sir, what is the result of this state of affairs? One of the results is terrific infantile mortality. Let us compare other countries and the rates that prevail of infantile mortality in other countries, with the rates that prevail in this country, and then ask ourselves whether it is not our duty, to take steps in order to put an end to this massacre of innocents that is going on in this country. In New Zealand, which is a self-governing Dominion, the infantile death-rate is 64·3 per thousand births. In Sweden it is 84·4. In Australia—another self-governing Dominion—it is 87·4. In Bengal it is 270 per thousand! What has the Government of India done in regard to this matter? Have they taken any steps to improve the housing conditions of the working classes or to provide such conveniences for the working classes as to put an end to this massacre, as I described it? Have they done so? What steps have they taken all these years? Have they taken any steps? I say they have miserably failed in their duty. Bombay, Sir, according to Dr. Sandiland, the Health Officer of Bombay, has a most inglorious reputation in this matter. Here is Mr. Burnett Hurst saying:

"It is generally recognised that infant mortality is the most sensitive index we possess of social welfare and sanitary administration. In Bombay the average infant

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mortality during the five years 1918 to 1922 was 522 deaths per thousand births, while in 1921 the rate reached the high figure of 667. In the special inquiries conducted by the Medical Officers of the English Local Government Board into the incidence and causes of infant and child mortality, the highest recorded infant death-rates among 245 provincial towns and twenty nine metropolitan boroughs during the 4 years 1911-1914 was 172 deaths per 1,000 births—a figure regarded as excessive in England. The statistics for Bombay appear incredible, and one is inclined to question their accuracy."

Nevertheless, the fact is there.

Now, Sir, I would like to know who is responsible for all this.

Now, let me read what Dr. Sandiland, the Health Officer of Bombay, has to say about infant mortality. This is what he says:

"The number of births registered in the City, probably under-states by some 6,000 the average number of infant lives at risk during the year. If the infant lives at risk during the year be taken in round numbers at 25,000, that is to say, as equal to the estimated number of births, the recorded infantile death-rate would be reduced from 667 to 510 per 1,000 infants under 1 year or per 1,000 births."

But he states:

"The fact has to be faced that for the City as a whole, including as it does an unduly large proportion of the very poorest class, the infantile mortality cannot, after every allowance has been made for various sources of fallacy, be fairly estimated at less than 500, which means that one out of every two infants born has to die before reaching the age of 12 months."

And I want Honourable Members over there, and particularly my friend Mr. Allison, to note this, that one out of every two infants has to die before reaching the age of 12 months. Accordingly, Bombay has the inglorious distinction of possessing probably the highest death rate in the world.

Now, I was surprised, Sir, when my friend Mr. Allison interrupted me, because he ought to know the conditions that prevail in Bombay considering the fact, if I am not mistaken, that he himself was the author, was the literary father, of a Bill which has now been enacted into law, called the Maternity Benefits Bill, Bombay, the first measure, I think, of its kind in the whole of India, and although the gentlemen who adorn the front Benches turned down a similar proposition when it was mooted here on the floor of the House, yet I am glad to say that, while Bombay has the unique distinction of possessing the highest death-rate in the world among the infants, it has also the distinction of having this beneficent measure.

**Mr. F. W. Allison:** On a point of personal explanation, Sir. The Honourable gentleman referred to me as the author of this measure, but it is not a fact. This was a private Bill, on the Select Committee of which I had the honour to sit as a Member. I do not claim to be the author of the Bill.

**Diwan Chaman Lall:** I did not know, Sir, that the Honourable Member over there blushed so easily; but I will spare his blushes in future. (Laughter.)

Now, Sir, this is the state of affairs in regard to housing conditions. Let me come to another very pertinent part of my observations, namely,

the question of the minimum subsistence which is enjoyed by the working classes in this country, and before I do so I want to draw the attention of Honourable Members opposite to what they themselves consider to be a necessary minimum subsistence wage for men who have given their lives for Government in fighting to uphold their honour and their interests in other parts of the world, I mean the soldiers who were killed in the Great War. There is a gentleman who wrote a very pathetic article some time ago. It is on record. This is what he says:

"In the month of August 1921 a gentleman in charge of the famine relief fund wrote about the famine-stricken people, not of Russia, but the famine-stricken people of Kangra Valley. This is what he says:

"They take a seer or two of wheat or maize, mix it with about the same quantity of mango stones and husk of rice and get the three powdered together and eat. Cholera, which is the natural concomitant of famine, has re-appeared. The power of resistance has gone, and the people have been obliged to live on leaves of various vegetables mixed with some sort of grain."

And he goes on to say:

"One difficulty has been"

—I am sorry to find, Sir, that the Army Secretary is not here,—

"one difficulty has been that the young men of that part who died in the Great War left, not hundreds but thousands of widows of good birth."

And what are they getting according to the estimates of the Honourable Members opposite? They are getting Rs. 3 to Rs. 4 a month as pension! Can that be denied? Is that not true? I have seen with my own eyes, Sir, ex-soldiers who have fought in the war, who have lost a limb and are walking with an artificial limb that has been generously provided for them by the Army Department, given pensions of Rs. 5 to Rs. 6 a month. This is considered by Honourable Members who sit over there a fit subsistence allowance for the working classes of this country. This is their estimate. I said on a previous occasion that I wished Honourable Members had tried to live on this minimum subsistence allowance to see how they succeeded in keeping their body and soul together. The Report further says: "One aged Rajput is supporting 15 widows in his family on a total pension of Rs. 40 a month"—15 widows in his family, "the sons and the nephews that he provided through the generosity of his heart to be made cannon fodder of in the Great War". Now, this is what they say: "We cannot get more than 2 seers of rice per rupee in places." These are the men who are called heroes and who are promptly forgotten in their unknown graves, and what have they left behind them? Hunger, famine, pestilence and death.

Now, Sir, in 1917, some very philanthropic gentlemen, one of them was a missionary who is now unfortunately dead, investigated the conditions of the working classes down in Madras and made their own estimates of what these working classes were living on in Madras. This missionary gentleman got together a band of energetic and selfless young men round him, who helped him to produce a report, and I am giving the House the benefit of his observations. He arrived at the result that the cost for food of an adult male prisoner doing hard labour was Rs. 5-2-6 in a month of 30 days, and according to the estimate of the late Revd. D. G. M. Leith and his noble band of workers, the cost of feeding one man, his wife and two children came to about Rs. 28-10-8. Now, he confessed himself

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that he was trying to discover, not what a man needs in order to be comfortable, but what a man needs for the barest minimum in the City of Madras to maintain him in physical efficiency, so that, from a purely physical point of view he may be able to discharge his duty to the community "without that starved, furtive look we so often see in the eyes of the Madras labourer today". That was one of his objects. But I consider his estimate to be very low, because, judged by the standard of starvation *versus* subsistence, it is obviously low. It is not necessary for me to point out that food, clothing, light, fuel, etc., cost much more outside prison. They cost still more when the worker is (and he usually is) in the hands of the unscrupulous money-lender, or the shark of a shop-keeper who adds his 50 to 200 per cent. for the benefit of supplying goods on credit. In Madras, after very careful consideration, he came to that conclusion. Now, I ask, is it possible for any human being to subsist on the wages that are allowed to the working classes down there? We have pressed time and again for a law of minimum wage to be enacted in this country for the benefit of these working classes. What have we been told? We have been told that it is utterly impossible for the Government to move in the matter; the matter is not of a very complicated nature. It was not difficult for the Government, when pressure was put upon them, to move in the matter of giving protection to the steel industry and calling together a special session of this Legislature in order to give protection to the steel industry. But when matters of this nature,—which sink into the heart of every Indian who has got a heart to beat—when matters of such great importance to the physical, moral and mental well-being of the people of this country are concerned, there is no word of encouragement uttered. I sometimes believe that there must be a very definite policy, not of the Members who sit opposite, but of the system which controls them, and controls us,—there must be a deliberate policy to keep this country emaciated, weak, starved, because it is easier to rule over an emaciated, weak and starved population than to rule over a manly race. If that be the policy of the Government, I say it is up to us to condemn the Government in no measured terms and to register our condemnation of that Government by voting against it over this Bill.

**Mr. K. Ahmed:** But you supported the Steel Industry Bill.

**Mr. President:** Order, order.

**Diwan Chaman Lall:** I did not. Let me proceed from the question of wages to the question of the condition of the working classes down in the coal-fields. I think it was Mr. John Burns who once, when he travelled down to Chicago, was asked what he thought of Chicago as he arrived at Chicago. He said, "Chicago appears to me to be an epitome of hell". A fortnight later, when he was leaving Chicago, newspaper representatives went up to him again and asked him whether he had revised his verdict of Chicago. He said, "Yes. I have revised my verdict of Chicago. Hell must be an epitome of Chicago". (Laughter.) That, Sir, is the condition that exactly applies to towns like Jharia and Raneeunge, where thousands upon thousands of workers live, live not decent human lives, but live worse than cattle, huddled together in one-room tenements. We find, on the other

hand, that the profits that are earned by these coal companies are astounding. It must be understood that the majority of these coal companies, the larger ones, are not Indian concerns at all. There is a regular invasion of Jharia by Scotland, by Scotch managing agents mostly.

**Sir Darcy Lindsay:** But who are the shareholders?

**Diwan Chaman Lall:** My Honourable friend, Sir Darcy Lindsay, knows a great deal more about shareholders than I do and I leave that matter to him. I give just a few instances of the tremendous profits that have been earned by these companies. Take the Bengal Nagpur Coal Company. I do not know if Sir Darcy Lindsay is interested in it or not. . . .

**Sir Darcy Lindsay:** I am not.

**Diwan Chaman Lall:** The Bengal Nagpur Coal Company paid a dividend of 70 per cent. in 1926. I want him to remember that. In 1925, it was 90 per cent.; in 1924, 90 per cent.; in 1923, 85 per cent.; in 1922, 65 per cent. This is one of the companies and I think Messrs. Andrew Yule and Co. are the managing agents. Has my Honourable friend, Sir Darcy Lindsay, any connection with Messrs. Andrew Yule and Co.?

**Sir Darcy Lindsay:** I have not.

**Diwan Chaman Lall:** This is but one of them. There is another company. Let me take the Bengal Coal Company. It paid the following dividends from the years 1922 to 1926:

65 per cent., 57 per cent., 50 per cent., 40 per cent., 40 per cent.

I can take Honourable Members through the entire list of these companies to show why it is that Honourable Members sitting on those Benches look so prosperous and happy. The reason is obvious. I refrain from doing so, except to mention just two or three instances. Let us take now the Bengal Nagpur Coal Company which I have mentioned already. It has paid dividends up to 90 per cent.

**Mr. K. Ahmed:** You are beyond the time limit.

**Diwan Chaman Lall:** On the other side, what do we find? What is the condition of the working classes? In the year 1921, when I went down to Jharia, I made up my mind that the Trade Union Congress which had been in existence only one year should hold its next session in the coal-fields of Jharia. As soon as I announced my intention of holding the second session of the Trade Union Congress in Jharia, I was informed that there was a great deal of agitation amongst the employers there. Finally, when we arrived there, we were faced with a very peculiar situation. I was told that there were machine guns planted in the streets. I was told that extra police had been drafted into that area because the employers said that, if the Trade Union Congress was allowed to hold its session in Jharia, there was every likelihood of a breach of the peace and of bloodshed. Not content with that, they went beyond that,

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and this is a resolution which the Secretary of the Indian Mining Association forwarded to the Government of India. This is what the resolution said :

“At a special representative meeting of the Indian Mining Federation and the Indian Mining Association (Indian as well as European) this day the following resolutions were unanimously adopted :

‘Resolved that this special joint sitting of representatives of the Indian Mining Association and the Indian Mining Federation is of opinion that in view of the present disturbed state of labour, and the general political unrest throughout India the proposed holding of the All India Trade Union Congress at Jharia on the 30th November to the 2nd December, 1921 is likely to lead to serious trouble and imminent danger of a breach of the peace, and that the holding of the proposed meetings anywhere within 200 miles of the coalfields should be prohibited’.

‘Resolved that in the event of the Government being advised that they have no powers, or considering it inadvisable to prohibit the meetings referred to in the above resolution, this joint meeting demands that full and adequate provision be immediately made for the protection of the lives and property of peaceful European and Indian residents and employers of labour in the coalfields’.

Such was the condition to which the employers there had been reduced in regard to the holding of the Trade Union Congress there. The reason of that is obvious. Never before 1921, had there been any attempt made to organise the coal-miners of Bihar or Bengal, and in their own sweet way the employers had gone on, with the connivance of the Government of India, exploiting the two hundred thousand workers in the coal fields, permitting, as no civilised country in the world had permitted, the employment of women in the coal mines. And the wages that they were getting were from 7 annas to 9 annas a day, and they were wages paid on piece work! That is to say, a man and his wife had to go down and dig out coal enough to fill one tub and the employers were not content with that—not content until a man and his wife had built a pyramid of coal above the limit provided for according to their sweet will; and for that they got a handsome wage, an average wage of 7 to 9 annas a day! I mentioned once, on another occasion, on the floor of this House, that between the years 1897 and 1922, although the price of wheat in that district had gone up by 260 per cent., yet the wage had gone up from .54 of a rupee per day to .58 of a rupee per day. That is to say, the wages in the coal-fields, during that period, had practically remained stationary, whereas the price of the staple diet of the people, working in the coal-fields, had gone up by 260 per cent.

What action, I ask, have the Government of India taken during these years? Are they not aware of the fact that the organised trade union movement of this country called upon them to take action for the betterment of the conditions of life and labour in the coal-fields? The only reply that we get from the Government of India is this, that 12 hours is, at the present moment, the daily limit of the number of hours. This is the civilised method in which the Government of India are acting at the present moment. We had a Bill brought in to limit the shifts—I admit there was no daily limit before. They have taken this generous action, and confined it to one shift of not more than 12 hours, but I ask, is that a humane method of dealing with the vast labouring population? I know, when my friends over there desire that their interests

should be protected, we have special sessions of this Legislature; we have a banking inquiry set up; we have various measures introduced; we have a special tribunal set up to settle rates, because they affect the commercial classes. What have the Government of India done during all these years to alleviate the distress and the misery and the poverty of the working classes? What they have done is to swell the military budget and draw the last drop of blood from the average poverty-stricken taxpayer. Is that a benevolent government? Is that trusteeship, or is that a failure of all Government? Is that efficiency, or is that a failure of efficiency? Is that humanity or, I am loath to use the expression, is it brutality?

Now, Sir, I want to show you the mentality of the officials who were in charge of this business? I remember the Health Officer in charge of that area was asked by us to let us have a few statistics disclosing the information regarding the ravages of cholera in that particular area among the miners, and it is on record that this gentleman refused, although he was the health officer of that area, to supply the information, but later on when the official reports had to be published, the information had to be given, and we discovered that, between the 1st of May and the 10th of September, 1921, there were 48,946 deaths from cholera. That was the time when newspapers, particularly British newspapers, were full of the horrors of Soviet Russia, because so many thousands of people had died from cholera in that country. So far, has one word been uttered either by the Government of India or by the employers in condemnation of the state of things which prevailed in our own country? Were any steps taken to prevent the recurrence of cholera in that particular area? If the charges I am making are correct, is it too much to ask Honourable Members on this side of the House to register their verdict against the Government by voting against the Finance Bill, because it is the only manner in which they can ventilate their grievances against the Government, by refusing to be parties to the raising of any revenues for the continuance of the present form of government.

**Mr. K. Ahmed:** If you throw out the Finance Bill. . . . .

**Mr. President:** Order, order.

**Diwan Chaman Lal:** Now, let me take next the question of the textile industry, before I go on to a subject which is very dear to Honourable Members sitting over there, namely, tea. Now, the textile industry in India has passed through various stages of prosperity and of lack of prosperity. It is obvious that, even during the lean years, as they call them, between 1918 and 1926, a dividend amounting to 178 per cent. on the total invested has been earned; but then, I ask, if the Government of India, who are anxious to protect that industry, to help that industry to stand on its legs, have done anything for those who produce the wealth of that industry. I said this afternoon that the Finance Member, when he looks at the budget, and the figures represented in his budget, must look at them, not as mere numericals but as figures representing live human beings in this country. He must look at this matter of finance, not with the spectacles of the capitalists, not with the spectacles of the officials, but with the spectacles of the people of this country. He said, in his speech, that he wants to be known as the true servant of India. There is no higher honour that any one of us can claim than to be known as the true servants of our country. If those words mean anything at all, Sir, they must be carried

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into effect, and the only honest manner in which those words can really be carried out is, not only to do all that lies in his power for the poverty-stricken masses of this country, who form 98 per cent. of the people of this country, but by doing what is almost an impossible thing to suggest under present circumstances—almost a ridiculous thing to suggest—to walk across from those Benches and come and sit here. There is no other way. Either the Government of India continue in this irresponsible manner, or the Government of India are robbed of all the powers they possess, and become a real Government of Indians by Indians, and not merely a Government of India. Now, my friend Sir Darcy Lindsay interrupted me when I was talking about the coal-fields of Jharia and Raneeunge and he asked me a question which is a hardy annual with him—"Who are the shareholders?" I hope he will ask me the same question when I come to deal with an industry which is purely European, namely, the tea industry in Assam

**Sir Darcy Lindsay:** It is not purely European.

**Diwan Chaman Lall:** My friend knows perfectly well, that when I said, purely European, what I mean is that it is mainly in the hands of Europeans. Committees have from time to time been set up to look into this matter of tea cultivation. Before the year 1884 there was no tea in India. I think I am fairly correct in this matter. There was hardly any tea produced in India, but in 1884 it was suggested that a committee be set up to examine the possibilities of tea-growing in the country, and from that day to this day, the tea growing industry has been more or less completely in the hands of Europeans. How is it that they are running this industry? Many of the tea-planters in Assam—I think Mr. Cosgrave will bear me out—or some of them, at any rate, have got magisterial powers. Is that correct? I take it that it is correct.

**Mr. W. A. Cosgrave:** Since my Honourable friend has put me that question, I may say that a few senior planters have third class magisterial powers only.

**Diwan Chaman Lall:** I never gave them credit for being first class in anything at any time. (Laughter.) Now, Sir, I want to give a few instances as to what is happening in these tea districts in Assam. In July 1920 a woman applied to the Deputy Commissioner (and I would remind you that labour that is recruited for tea plantations is mostly Indian labour, under special legislation, under special contracts. Men and women are taken away from Madras and other provinces to Assam). In July 1920 a woman applied to the Deputy Commissioner for a discharge certificate on the ground that she had finished her period of contract. The Manager was asked to report by 9th August if the garden had on her any claim. On that date the Manager filed a complaint against her for absconding, and she was arrested in court. The Deputy Commissioner ordered her to return to the garden on the ground that the agreement still existed, with a balance of 27 days' work. The woman refused and was sentenced to six weeks hard labour.

How is the Government going to justify this? I am making all these charges against Government to show their utter lack of humanity, as far as the working classes of India are concerned.



On June 1st, 1928, a gang of more than 20 coolies came to complain before the Deputy Commissioner, Jorhat-Sibsagar districts, that they were recruited from the Nasik District of the Bombay Presidency under one year's contract, whereas they had already served the garden more than 18 months, and that they were paid such low wages that they could save nothing even for one week's feeding expenses, and that they no longer desired to work in the garden and should be sent back to their country at the cost of their employer, as per the terms explained to them before they were recruited. The Deputy Commissioner wrote to the Manager of the Estate (Gabrujan) to come. Both the Sahebs had their private conference and the result was that the Deputy Commissioner ordered these coolies to go back to the garden and serve for another 11 months, should they require their passage back, for he said that their contract was for two years. The poor innocent coolies with family and children, weak, sickly and starving, as they were, undertook the most economic method to walk back to their country nearly 2,000 miles away, while the Government report on immigrant labour in Assam says, regarding these coolies, that they have no information as to what became of them after a certain distance, for nothing has been reported.

Now what became of them? I know what becomes of our big magnates. They are the special concern of the Government of India, because the Government of India know that they must keep in with the vested interests of this country. What became of these poor coolies who walked back to their district? Up to a certain point the Government had some information. But did they die of starvation? We have instances in which people have walked back from these plantations because of a lack of means and died of starvation.

Now, Sir, compare the wages of these plantation coolies. I appeal to every Member of this House to regard this as the acid test of his honesty, that if he talks about patriotism and nationalism, he has to devote his life to the betterment of these classes before any other class. What are the wages of these people? The wages of these garden coolies vary in the districts. The average for men, for the year 1926-27, was, Rs. 12-9-9, and for 1927-28, Rs. 12-11-4. The monthly wages paid to women was in 1926-27, Rs. 10-4-7, and in 1927-28, Rs. 10-0-6, an actual reduction of wages paid to women in 1927-28. Children in 1926-27, Rs. 6-10-8, and in 1927-28, Rs. 6-12-4. That is as far as the Assam Valley is concerned. In the Surma Valley, the wages are lower still. For men in the first year, Rs. 9-14-9, and in 1927-28, Rs. 10-4-7. Women, Rs. 8-2-1 for 1926-27, and Rs. 8-6-4 in 1927-28. Children, Rs. 5-1-7 in 1926-27 and, Rs. 5-4-0 in 1927-28. These are the handsome wages paid to the inheritors of a very great civilisation. This is how the working classes in this country eke out a miserable existence, and there are hundreds of thousands of workers, in these plantations who are living on these miserable pittances, and I hope Mr Cosgrave, when he drinks his hot cup of tea, first thing in the morning, thinks of them and thinks of them generously and not in a carping spirit, and that when he comes and demands on the floor of this House a better system of Government he will demand a system which will have as its sole regard the happiness and prosperity of those who produce the wealth of his nation. It was because of these conditions of life and labour in these plantations that Mr. Purcell, a Member of Parliament, and Mr. Hallsworth, were deputed by the British Trades Union Congress last year

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to come to India and investigate labour conditions. It was because of these conditions that they said that these plantations virtually are "slave-plantations", and they added that they found there "the most wretched species of humanity that are to be found in the civilised world". Now when these charges, in black and white, are made by a Member of Parliament, are made by a representative of one of the biggest working class organisations in the world, what action has been taken by the Government in regard to this matter? Has the Government moved its little finger to assist the working classes in these plantations to better the conditions of their life or labour? They have left them to the tender mercies of Mr. Cosgrave's Third Class Magistrates.

Now, Sir, with your permission, I will mention one or two more cases, heart-rending cases of the type I have already referred to. The case of Dasarath has been immortalised by my friend, Mr. Joshi. He was the first to bring the case of this man to the notice of the public. This man was a worker on the tea plantations, and one day he happened to have annoyed his European employer.

**Mr. K. Ahmed:** That is too old a story.

**Diwan Chaman Lall:** What was the result? His spleen, according to the report which I have in my hand, his spleen—I want Honourable Members to give me the proper interpretation of it—"automatically gave way at the gentle touch of a European planter!"

There was the case of Sakrumani, who died from a brutal assault committed on her by another white planter. These are not isolated instances. Is it not up to the Government of India to own up to their responsibility in this matter? Is it not up to them to realise that they cannot, for the mere benefit of the capitalists of Europe, who own the tea plantations, doing a flourishing trade, and making an enormous profit out of the misery of these poor men, is it not up to the Government to say to these capitalists that they cannot be allowed to go on in this fashion? Is it not time that we must cry halt to the methods that prevail in the tea plantations? The Government of India may plead ignorance, or may plead the facts which may be instilled into the ear of my Honourable friend Mr. Lall, by my Honourable friend Mr. Cosgrave, but they will not be in a position to deny that the conditions, as witnessed by judicially-minded observers, by impartial observers, men like Mr. Purcell and Mr. Hallsworth, they will not be able to deny that the conditions are, as they have been painted and that they themselves cannot disown responsibility.

Here is another case of a coolie who was brutally assaulted by a planter and the case was filed in the Court of the Deputy Commissioner. The coolie was beaten and robbed of the little property and the little cash he had, and was driven out of the garden, his wife being kept in the garden. He was sheltered by the Trade Union Congress representative; the case was posted for the 3rd September, 1928, for trial, when, on the 1st September, the representative of the Trade Union Congress, who was sent down, was kidnapped, and as the coolie was too ill to move, he could not attend the Court, and so the case was discharged. The next day application for revival was made under the law, but was rejected. The dark deeds

of this nature that happen in Assam under the so-called civilised Government, under the British Government in India, indeed give a great deal of food for thought, because they show the relevancy of the fact that, wherever the British employer is in power, the British Government will not move its little finger to ameliorate the conditions of the working classes. The sole object and the sole reason why they exist in this country is, not because they have any love for this country, not because of the theory of trusteeship, an immemorial theory, that has been the excuse of every exploiter and of every Government, it is not because of any of these reasons that they exist in India, but because they know perfectly well that their compatriots can get raw material cheap, and human material cheap in this country. Why is it, Sir, I ask, that the British Government have not planted the Union Jack on the burning sands of the Sahara desert? Because they can get no raw material excepting sand, because they can get no human material there. It is because of this—what shall I call it—it is because of this greed for wealth and for profit that this Government has established itself in this country, and these are the instances which prove the fact that the Government has established itself here for this reason, in order to help the interests of the exploiting classes. I ask are we going to permit this state of affairs to continue, or are we going to put an end to this system that prevails in this country.

Another instance which I may quote, in proof of the allegations that I make, is this. We have here three Chambers, we have the Council of State, we have the Legislative Assembly and we have the Princes' Chamber. I think it was my Honourable friend Mr. Duraiswamy Aiyangar who described the Council of State as a museum of dead bodies. (Laughter.)

**Mr. President:** Order, order.

**Diwan Chaman Lall:** I bow to your decision and shall not refer to it.

**Mr. K. Ahmed:** What about your own museum?

**Diwan Chaman Lall:** Sir, we have here in this Legislative Assembly certain representatives who have been chosen under the scheme under which we are acting. Among the vested interests, we find that, as far as labour is concerned, one nominated seat is allotted to the representation of the working classes in this country, whereas what do we find in the Provincial Legislatures? We find a similar state of affairs, that is one or two representatives of the working classes. We find in Bengal, five seats for Europeans, five for Landholders, fifteen for Commerce and Industry, thus a total number of 25 seats. We find in Bombay a similar state of affairs. They have 12 seats in Bombay, in Madras a total of 13 seats, in Bihar and Orissa a total of 9 seats, in the United Provinces a total of 9 seats, in the Punjab 7 seats, in the Central Provinces 3, and in Assam 6 seats, and out of these six seats, one goes to Commerce and Industry and five seats go to the colleagues of my Honourable friend, Mr. Cosgrave, that is the planters in Assam. Who is the labour representative in Assam representing the working classes, he is one of their henchmen. This shows the deliberate intention of the Government of India in this matter, namely, pay no heed whatsoever to the needs and the desires and the happiness and the prosperity of the working classes.

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of this country. You carry on from day to day as best as you can until the day of reckoning arrives.

**Mr. K. Ahmed:** Why don't you go to Assam and live there?

**Diwan Chaman Lall:** Now, it is because I want to hasten that day, when they can carry on no longer when they can turn round and say to us, "yes, we were mistaken, we admit we were there for our own benefit, it is impossible for us to carry on any longer", it is because I want to see that day dawn in this country, that I want the assistance of every honest man in this country to make the Government realise, to make the Honourable the Finance Member realise, and to make all his colleagues realise, that, if they will only look at this problem with our eyes, if they will only see things that we see, if they will only feel things that we feel, they will themselves, in course of time, understand that we are not far wrong when we say that we must utilise every weapon in our power in order to set upon this soil a government of the people of this country for the benefit of the people of this country. (Applause.)

**Sir Darcy Lindsay:** Sir, I move that the question be now put.

**Mr. President:** Mr. Tarit Bhusan Roy.

**Rai Bahadur Tarit Bhusan Roy** (Bengal Mahajan Sabha: Indian Commerce): Sir, I am glad that my Honourable friend, Sir Purshotamdas Thakurdas, made it absolutely clear in his speech yesterday, that he does not stand here today for the purpose of throwing out the Finance Bill. I listened to my Honourable friend with the closest attention. I am glad that he has condemned the policy of depending upon the vice of intemperance as a growing source of revenue in the provinces in India. I believe every right-thinking man will share his feelings irrespective of creed, caste or colour in this respect. I trust that the Honourable the Finance Member will keep his eyes open on this point.

Sir, I take this opportunity to point out that Bengal and Bombay are smarting under a sense of grave injustice done to them by the Meston settlement. I am voicing the feelings of my province—of officials as well as non-officials—when I say that, to save the administrative machinery from a break-down, it is essential that the financial settlement should be readjusted and placed on an equitable and just basis.

I do not use the language of exaggeration when I say that the peculiar structures of provincial administration which have been erected upon pompous and costly pillars, rest upon a weak and uncongenial foundation. In order that such structures may not totter to an early fall, the cracks in them have been plastered up with fresh lime and mortar. New taxation has been imposed in the provinces in order that the administrative machinery might go on working. This is the position in the provinces. I therefore hope that the Meston settlement will be readjusted and placed on an equitable basis so that the provinces may go on in the meantime under the dyarchical system of administration which has been introduced. Sir, it is clear to the meanest intellect that, even under serious stress, the Government cannot go beyond a

certain limit in the matter of taxation. Where was there a good Government whose finances were in a bad condition? Is there, after all, a better test of a good Government than the state of its finances?

**An Honourable Member:** Can good Government and high taxation go together?

**Raj Bahadur Tarit Bhusan Roy:** I know my friend's feelings in this respect; but the normal financial condition of every province is practically a state of bankruptcy. That is the position everywhere. This being so, I believe the remedy lies more in economy and retrenchment in the cost of administration than saddling this poor and impoverished country with further taxation. Every year we are being perilously brought nearer to the brink of the precipice. We are doomed if the necessity for economy and retrenchment is not seriously kept in view. Lord Salisbury has observed—and rightly I should say—that, “As India must be bled, the lancets should be directed to the parts where the blood is congested, or at least sufficient, and not to those parts already feeble from the want of it.”

Sir, a persistent demand has been made by some of the industrial magnates of India for relief to the textile industry. I sympathise with them in their distress. One of them has pleaded for labour, the toiling millions of factory workers. In his exuberance for making a suitable provision for them, he has, with all the ingenuity of a shrewd business man, made a fervent appeal to the Government for protection to capital. Sir, I am myself interested in the industries. In spite of that, I do say this, that if I knew that the industrialists of our country would not revel in high prices and high profits, as they have done, I would support them in their demand. But are they really honest in their demand? Do they really mean what they say? Some of my Honourable friends have waxed eloquent over this question of providing relief to the industries. I am surprised, however, that none had anything whatever to say regarding the revival of the cottage industries, the home industries of India. (Hear, hear.) For myself, I think, that the salvation of our country lies in the revival of our home industries. We all know how the Home Industries Association was started in Bengal, under the inspiring patronage of Lady Carmichael, immediately after the appointment of the Industrial Commission. In Bengal, as a matter of fact, up to now, about 226 *Mohila Samities* have been started, and they are interesting themselves actively in the revival of the cottage industries. They are doing excellent work all round. We know how the captains of industries—I am very sorry to refer to them—in Bombay and Ahmedabad—I will give you the figures if you want them—made huge profits in 1921. These figures show that the value of the cotton mill shares soared up to 600 per cent. in Bombay, and 850 per cent. in Ahmedabad. We know, Sir, how catchwords and stock phrases in modern politics are used with great advantage by some interested industrialists and business men in India. The starving and toiling millions of India, however, are suffering still in silence. Sir, no one will perhaps deny that there was a time, not in the remote past, when India produced cotton goods solely by handlooms in large quantities. These products, in cheapness, in durability and in fineness, could not be equalled or excelled anywhere. In 1813 Calcutta alone exported to London about two millions sterling worth of cotton goods; but in 1820

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Calcutta imported about 2 millions sterling worth of cotton manufactured goods. I do not desire to take up the time of the House by quoting all these figures which I have in my possession . . .

**An Honourable Member:** No, no. We would like to hear all of them.

**Rai Bahadur Tarit Bhusan Roy:** I am myself an ardent exponent of the revival of the cottage industries of India on an extensive scale. I believe I am voicing the feelings of the entire House when I say that the millennium will not come until we do this. It is said that the foreign capitalists are exploiting the country. But is there anything to choose between the foreign industrialists and the Indian industrialists in this country? The starving millions of India are between the devil and the deep sea (Hear, hear). It is a well-known fact that the cultivators of the soil, throughout all the provinces of India, are in a condition of great impoverishment, in a state of great dejection and great misery. That has been admitted from time to time, from year to year, by all schools of thought in India; but what is the remedy? What have you done to relieve their distress? My plain answer is an emphatic, nothing. The agriculturist represents 71·7 per cent. of the population of India. Sir, I am referring to the Mont-Ford Report from which it is clear that "226 out of 244 millions of people in British India lead a rural life, and the proportion of those who ever give a thought to matters beyond their immediate horizon in the villages is very small. Agriculture is the one great occupation of the people. In normal times in a highly industrialised country like England only 8 per cent. of the people are devoted to agriculture. But what is the position in India? India gives, out of every 100 of the population, 71 to agriculture or pasture, 12 to industry, 5 to trade, 2 to domestic service, 1½ to the professions, and 1½ to Government service or the Army. In the whole of India the soil supports 225 out of 315 and 208 millions of them get their living directly by or depend directly upon, the cultivation of their own or others' fields." What concerns them most is the rainfall. If this is good, they are able to pay their rent to the landlord, or repay the advances they have got from the village banker.

Sir, it is a well-known fact that the usual rate of interest at which these agriculturists, who are dependent upon the soil, get money is very high. They have to pay not less than 75 per cent. for the loans which they take from these village bankers. From my own experience as a banker I can say this that that is the minimum rate at which these agriculturists borrow money from the village bankers. Interest as high as 140 per cent. is very frequently demanded by these modest bankers from these poor men. What is there to save these inarticulate and illiterate cultivators unless immediate steps are taken by the Government to relieve their distress? (*An Honourable Member:* "Co-operative Banks!") Sir, my friend Mr. Chatterji has suggested that co-operative banks ought to be started. Well, in Bengal a large number of co-operative banks have been started but they ought to be popularised in the villages themselves and my humble suggestion and earnest appeal to the Government and to the Honourable the Finance Member is this, that steps ought to be taken at once to open branches of the Imperial Bank in villages, so that advances could be made to these agriculturists, to these poor men, at easy rates of interest and for

longer periods. Otherwise what generally happens is this. The village bankers, after making these advances to the cultivators, at high rates, go to the Court after about six months as there is no time-limit in the bonds, and unless they are paid off they start execution proceedings against these poor men, and they are ruined. That is the position in the villages. I myself have seen as to how my tenants in many Zemindaries feel. As a matter of fact, I think, the proper course will be for us to press the Government to start branches of their banks and banking corporations all over the villages, so that advances can be made to these poor men at very low rates of interest, say, for instance, between 6 and 9 per cent. per annum. This would be considered by them to be very reasonable. I really do not understand why my friend is smiling. Is it, because the rate they now actually pay, as I have pointed out, is 75 per cent. and sometimes even 140 per cent.? That is the position everywhere, in every village in India. My experience of course is confined to Bengal but my friend Mr. Aney will be able to tell us as to what is the position of things in his Province. I come from a province where we have the blessing of a permanent settlement; but as a matter of fact the tenants everywhere are very poor, and they have got to be saved. At present urban trade, industry and commerce are monopolising the attention of the Imperial Bank, while the rural interests of the cultivators of the soil are sadly neglected and sacrificed. How can these home industries, these cottage industries thrive until and unless advances are made to them by the Bank on easier terms? I therefore appeal to the Honourable the Finance Member to consider the claims of these rural interests, and to give them relief. The interests of rural banking should be represented by all means. Let us be on our guard against urban interests swallowing everything. Sir, I do not desire to take up any more time of the House.

**Sir Darcy Lindsay, Mr. Webb and Others:** The question may now be put!

**Mr. President:** Mr. Jamnadas Mehta.

**Mr. Jamnadas M. Mehta:** Sir I rise to oppose the consideration of the Bill. A Finance Bill in a free country has a meaning. It means that the representatives of the people, having voted certain demands for grants, the expenditure of the State has the sanction of Parliament, the Finance Bill being simply a consequential thing, a mere matter of course. The public voice is behind it. It is an expression of the will of the people that, in the coming year, the Executive will spend so many crores of rupees, and indicates the way in which that amount is to be found. Thus in a national Parliament, a Finance Bill is a thing that should pass as a matter of course. But in a country like India, where Parliamentary government is merely a farce, where the representatives of the people are kept at arm's length from any real power, where taxation is simply the amount of money that can be exacted at the point of the bayonet, and where legislation simply expresses the will of a few foreigners—in such a country, a Finance Bill is merely an insult, and it is somewhat hard for Government to expect this House to agree to the passing of the Finance Bill, or even to agree to its consideration. In any country where Parliament does not express the national will, the Finance Bill is simply a demand by an army of occupation for so much money for its continued

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occupation, and what is British rule in this country but an army of occupation? It does not owe its stability to the moral consent of the people. It is based on brute force and nothing more. If a plebiscite were taken, Sir, the people of this country would demand the packing off of this Government without bag and baggage from India. (*An Honourable Member*. "Hear, hear.") If a plebiscite were taken, 99 per cent. of the people would have nothing to do with the British exploiters of this country. (*An Honourable Member*: "Question.") We do not want them here, and if they are here it is in spite of us. We simply do not want them; and therefore, as a corollary, we do not want to finance the operation of this foreign army of occupation. As I said, Sir, 99 per cent. of the people of this country . . . . .

**An Honourable Member:** Cent. per cent.

**Mr. Jamnadas M. Mehta:** I accept that amendment. An overwhelming majority of the people of this country do not want this Government to rule over them. That being the case, for us to vote for the Finance Bill is an absurdity, when we remember that that Finance Bill wants us to provide money for matters over which we have no control, e.g., 65 crores of military expenditure which the people's representatives are not even allowed to vote.

We do not expect any miracles from the Finance Members of the Government of India which is a subordinate branch of a cabinet six thousand miles away. That cabinet safeguards the vested interests of foreign capitalists, imperialists, civil servants, military officers and, what is more, all the interests of British Imperialism in the East. Only after these interests have been safeguarded, comes the turn of the people of this country. The Honourable Sir George Schuster is the Finance Member of a Government whose interests are not identical with the interests of the people, and therefore I do not expect him or his successor or his predecessor to perform any miracles. He wishes that, when he lays down his office, he should be able to say that he had done his best to serve the people of this country. I remind him that he cannot do so. His limitations are immense. Although his capacity may be great and his desire sincere, the very condition of his appointment makes it impossible that he can give first consideration to the interests of the people of this country. If the Finance Member really desires to serve us he ought, first of all, to put his foot down on the military expenditure; and, if his advice was not accepted, he should resign. Can he honestly claim that he has any share in limiting the amount of military expenditure of this country? He has either to give up his opinions or to give up his job: that is the condition under which the Finance Member of the Government of India works and for that reason I ask him to excuse us if this side of the House cannot be a party to the consideration of the Bill.

Sir, the Germans were supposed to be the greatest enemy of mankind between 1914 and 1918 and the war which they waged for four years, was against the liberties, as it was said, of mankind; and yet that enemy of mankind will soon be forgiven, when under the Dawes Settlement, the war debts and reparations are paid, Germany will be once more a free nation. With all its sins during the war this enemy of mankind may expect, within a reasonable number of years, to be free and at liberty to



mould her future destiny. Can the people of India look forward to any time when our masters, who call themselves trustees, will leave this country to itself? In fact, their view has always been that they cannot visualise the time when India will be fit to govern herself. For these reasons it is not possible for us to give our assent to the consideration of the Finance Bill.

Now, Sir, even if we keep out of account this very fundamental condition in the politics of India, namely, that it is an alien government serving alien interests, which wants funds for its own safety, even if we leave that out of account, let us see, whether it is possible for any self-respecting Indian Member to agree to the consideration of the Finance Bill. Look at any Department of the Government of India. Start from the Honourable the Home Member and end with the Foreign Secretary . . . .

**Mr. President:** Is the Honourable Member going to do all that?

**Mr. Jamnadas M. Mehta:** Yes, Sir.

**Mr. President:** The House stands adjourned till tomorrow morning at Eleven of the Clock.

The Assembly then adjourned till Eleven of the Clock on Wednesday, the 20th March, 1929.