

5th March 1930

THE

LEGISLATIVE ASSEMBLY DEBATES

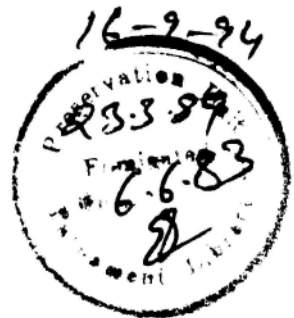
(25th February to 20th March, 1930)

SIXTH SESSION

OF THE

THIRD LEGISLATIVE ASSEMBLY, 1930

Chamber Fumigated. 18.10.73.....



DELHI
GOVERNMENT OF INDIA PRESS
1930

Legislative Assembly.

President :

THE HONOURABLE MR. V. J. PATEL.

Deputy President :

MAULVI MUHAMMAD YAKUB, M.L.A.

Panel of Chairmen :

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SIR ZULFIQAR ALI KHAN, KT., C.S.I., M.L.A.

Secretary :

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

Assistant of the Secretary :

RAI SAHIB D. DUTT.

Marshal :

CAPTAIN SURAJ SINGH BAHADUR, I.O.M.

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LEGISLATIVE ASSEMBLY.

Wednesday, 5th March, 1930.

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

QUESTIONS AND ANSWERS.

EMPLOYEES DISCHARGED FROM THE EAST INDIAN RAILWAY.

444. ***Maulvi Muhammad Yakub:** Will Government be pleased to state how many railway employees on the East Indian Railway, Moradabad Division, were served with notice under paragraph 2, or otherwise discharged after an inquiry was made by Mr. Hayman, Member, Railway Board, in August last? What were the charges against these persons and were they given charge sheets under the rules and afforded an opportunity to explain their cases? If not, why not?

Mr. A. A. L. Parsons: The information will be obtained and supplied to the Honourable Member.

Maulvi Muhammad Yakub: Will the Honourable Member supply the information on the floor of this House or put the papers on the table of the House?

Mr. A. A. L. Parsons: I will consider that after I have got the information.

Maulvi Muhammad Yakub: Are Government aware that the information which is supplied privately to the Members does not come to the record and afterwards we do not find any trace of it in the proceedings of the Assembly? (Hear, hear.)

Mr. A. A. L. Parsons: We always place copies in the Library.

Maulvi Muhammad Yakub: Are Government aware that they are not printed in the proceedings of the Assembly and the public does not get any information about those communications? (Hear, hear.)

Mr. A. A. L. Parsons: They are certainly not printed in the proceedings, but copies are placed in the Library.

Maulvi Muhammad Yakub: Are Government aware that the public cannot go into the Library of the Assembly to read the answers?

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

PROMOTIONS ON THE EAST INDIAN RAILWAY.

445. ***Maulvi Muhammad Yakub:** How many Station Masters, Traffic Inspectors, Loco. Foremen and Fitters-in-charge were promoted to the posts of Assistant Superintendent Transportation, Assistant Superintendent Commercial, and Assistant Superintendent Power, during the last three years and how many of them were East Indian Railway officers and how many old Oudh and Rohilkhand Railway officers?

Mr. A. A. L. Parsons: Three subordinates of the East Indian Railway were promoted to the superior services during the three years 1926-27 to 1928-29. Two of them belonged to the (old) East Indian Railway and one to the (old) Oudh and Rohilkhand Railway.

PROMOTIONS ON THE EAST INDIAN RAILWAY.

446. ***Maulvi Muhammad Yakub:** Is it a fact that Messrs. J. C. Mossely, Station Master, Moradabad, and Elias, Traffic Inspector, Lhaksar, officiated as Assistant Traffic Superintendent, before amalgamation, but after the amalgamation their juniors belonging to the East Indian Railway were promoted over their heads?

Mr. A. A. L. Parsons: With your permission, Sir, I propose to reply to this and the next question together.

I am making inquiries from the Agent, and will communicate with the Honourable Member on receipt of his reply.

PROMOTIONS ON THE EAST INDIAN RAILWAY.

†447. ***Maulvi Muhammad Yakub:** Is it a fact that Messrs. Ramsingh, Bashir-ud-din and William Haney, drivers, officiated as Loco. Foreman and Shedman-in-charge before the amalgamation for many years, but after the amalgamation when the post of Assistant Running Shed Foreman was newly created none of them was promoted to that appointment and their juniors from the East Indian Railway were appointed as Assistant Running Shed Foremen over their heads?

Maulvi Muhammad Yakub: The same supplementary question, Sir. Will this information be put on the table of the House?

Mr. A. A. L. Parsons: The same supplementary answer, Sir. (Laughter.)

TRAINING AND APPOINTMENT OF RAILWAY ACCOUNTANTS

448. ***Khan Bahadur Sarfaraz Hussain Khan:** Will Government please say:

- (a) what the total expenditure on account of the class for the training of railway accountants in Calcutta has been as compared with the budget estimates;
- (b) what number of the students of the said class passed the training class examination qualifying for promotion to officiating accountants;
- (c) if it is a fact that the selected candidates for the training class were given in writing to understand that they would be entitled to become accountants in an officiating capacity on their passing the examination meant for the training class;
- (d) if it is a fact that none of the passed students of the class has so far been provided for as an accountant;
- (e) if it is a fact that, in almost all State Railway accounts offices, a certain number of the posts of Junior Accountants are held by such unqualified men who have been taken directly in-

†For answer to this question, see answer to question No. 446.

these posts from outside the Railway Departments, besides those unqualified men who were taken over from the civil accounts offices;

- (f) how many posts of accountants and sub-heads in each railway accounts office are held by men of the two classes mentioned in part (c) above who have not so far passed the examination qualifying for accountants;
- (g) if the answers to parts (d) and (c) above are in the affirmative, will Government please explain why the taxpayer's money was spent in starting and running the training class for railway accountants when there were no posts of accountants to offer them on their qualifying themselves for such posts; and
- (h) what steps are now being taken to redeem the promises given to these men of the training class at the time of their selection, as stated in part (c) that, on passing the training class examination, their position would improve?

Mr. A. A. L. Parsons: (a) The total expenditure incurred on the training class for Accountants at Calcutta up to date is Rs. 86,892 against a total grant of Rs. 94,000.

(b) Nineteen.

(c) No. They were told that they would be eligible for appointment as Accountants after passing the examination.

(d) and (h). Yes. None has actually been promoted to officiate as an Accountant yet, but they are all eligible for promotion as Accountants as vacancies occur. In the meantime, they have all been appointed as clerks, Class II, with a minimum initial pay of Rs. 80 a month. This was the only definite prospect that was held out to them on their passing the examination.

(e) Yes. This is due to the fact that there was no system of examination for qualifying for promotion as Accountants on the three Company railways which have been taken over by the State within the last few years.

(f) It would take time to collect and compile this information, and in view of the answer given to part (e) of the question the statistics would serve no useful purpose.

(g) At the time the training class for railway accountants was started there was the prospect of a large number of posts of accountants being vacant in the next twelve months. As a matter of fact, forty-eight such posts did fall vacant during these twelve months. Of these, forty-one were filled by men who had passed the subordinate Railway Accounts Service Examination some months before the training class students were available; and seven by clerks who passed the same examination as the training class students but were senior to them in service. The result is that there is no vacancy left for the training class students. They, however, continue to form a Reserve of qualified men available for appointment as vacancies occur.

PROMOTION OF RAILWAY ACCOUNTANTS.

449. ***Khan Bahadur Sarfaraz Hussain Khan:** (a) Is it a fact that men of the Training Reserve, started by the Auditor General, on passing

the qualifying examination were not only given the officiating promotion as accountants, but also the benefit of five years of qualified service over their compeers of the regular establishment in the matter of fixation of seniority, and that the same condition of service has been recognised by the Accounts Department in the case of some of those Training Reserve men who were taken over by the latter Department from the Audit Department?

(b) If the answer to part (a) be in the affirmative, will Government please explain why the same privileges, as were recognised in the case of the Training Reserve, are not extended to the qualified men of the Accounts Training Class?

Mr. A. A. L. Parsons: (a) and (b). Men of the Training Reserve with the Auditor General had also to wait for vacancies, after passing the qualifying examination. Whilst such men were given the benefit of five years additional service in the grade under the Auditor General, men of the Accounts Training Class have been given a minimum pay of Rs. 80, *i.e.*, they have been fixed as clerks, class II, over the head of all the clerks class III. The question of their relative seniority in class II itself is still under consideration.

NON-STOPPAGE OF FAST PASSENGER TRAINS AT BARARA STATION.

450. ***Mr. Abdul Latif Sahib Farookhi:** With reference to the reply to Lala Duni Chand's question No. 1128, regarding the non-stoppage of fast passenger trains at Barara when the Honourable the then Railway Member promised on the 9th March, 1926, that a copy of the question would be sent to the Agent, North Western Railway, will Government be now pleased to state whether they sent a copy of the question, as promised, to the Agent? If so, when and what action has the Agent taken thereon?

Mr. A. A. L. Parsons: A copy of the question was sent to the Agent, North Western Railway on the 23rd March, 1926. He reports that, in April 1926, five up and five down trains used to stop at Barara railway station. From the 1st March, 1930, four up and six down trains stop at that station.

INFORMATION ABOUT MATCH FACTORIES IN INDIA.

451. ***Sardar Gulab Singh:** (a) Will Government be pleased to lay on the table the information promised by the Honourable Member in charge of the Industries and Labour Department, as "being collected" in response to my unstarred question No. 91 of the 20th January, 1930, about the match factories in India?

(b) If the required information has not yet been collected, will the Honourable Member please state as to when it will be available at the earliest?

The Honourable Sir Bhupendra Nath Mitra: (a) A statement is laid on the table giving the information required as far as it is available with the Government of India.

(b) Does not arise.

Information promised to be supplied to Sardar Gulab Singh on the 20th January, 1930, in reply to unstarred question No. 91.

Question by Sardar Gulab Singh.—(i) Will Government be pleased to state how many match factories there are in all in (a) British India, and (b) the Native States in India, respectively?

(ii) What is the total output of each of these in (a) British India, and (b) the Native States in India?

(iii) What is the capital invested in each of these?

(iv) How many of these factories are owned by (a) foreign capitalists, and (b) Indian capitalists?

(v) What are the facilities provided by the State for the encouragement, support and uplift of the indigenous match trade?

(vi) Will the Honourable Member in charge of the Industries and Labour Department please state (a) from where the most up-to-date, economic and efficient machinery can be had, and (b) whether any such information or literature has freely been given to the public at large through the Press?

Answer.

(i) According to the latest information available with the Government of India, there are 45 match factories in British India and 6 in Indian States.

(ii) The required information is not available for all the factories.

(iii) and (iv). Complete information is not available. A statement is appended showing the names, authorised and paid-up capital of the Joint Stock Match Manufacturing Companies at work in India at the end of each of the official years 1927-28 and 1928-29.

(v) The attention of the Honourable Member is invited to the statement which was placed in the Library of the Legislature in February, 1928, in answer to starred question No. 760 by the Honourable Mr. B. Das.

(vi) The Director of Industries of the Province concerned may be consulted in the matter.

Statement showing the names, authorised and paid-up capital of Joint Stock match manufacturing companies at work in India at the end of the official years 1927-28 and 1928-29.

(Compiled from published reports and special returns received in this Department from the Registrars of Joint Stock Companies).

Serial No.	Name of Company and province where registered.	1927-28.		1928-29.	
		Authorised.	Paid-up.	Authorised.	Paid-up.
		Rs.	Rs.	Rs.	Rs.
BENGAL.					
1	Aurora Match Factory.	3,00,000	..	3,00,000	
2	Kishoreganj Match Factory	20,000	..	20,000	..
3	Bengal Match Factory and Saw Mills .	5,00,000	12,599	5,00,000	12,599
4	East Bengal and Assam Match Factory .	50,000	2,339	50,000	3,004
5	Standard Match Works*	20,000	7,500	20,000	7,500
6	Lucifer	1,00,000	29,580	1,00,000	29,580
7	Islamia Match Factory	20,000	..	20,000	..
8	Jalpaiguri Industries .	50,000	11,810	50,000	11,810
9	Bengal Safety Match Works and Medical House	1,00,000	5,948	1,00,000	5,948

*Private.

Serial No.	Name of Company and province where registered.	1927-28.		1928-29.	
		Authorised.	Paid-up.	Authorised.	Paid-up.
		Rs.	Rs.	Rs.	Rs.
10	Assam Match Company	7,00,000	4,99,925	7,00,000	5,00,000
11	New Sunderban Match Factory	5,00,000	..	5,00,000	10,470
12	Small Industries Development Company (in liquidation 26th July 1923)	4,00,000	93,280	4,00,000	93,280
13	Sunderban Match Works (in liquidation 24th October 1926)	10,90,000	1,13,987	10,00,000	1,13,987
14	Bharat Match Factory (in liquidation 10th July 1927)	20,000	3,583	..	..
15	Hindusthan Union Match Company	..	..	3,00,000	..
	Total, Bengal (excluding Companies gone into liquidation)	23,60,000	5,69,701	26,60,000	5,80,911
	MADRAS.				
1	East India Match Company	8,00,000	6,600	8,00,000	19,818
2	Malabar Match Manufacturing Company	3,90,902	2,17,568	3,90,902	3,47,568
3	South Indian Match Factory	3,00,000	1,83,785	3,00,000	1,85,440
4	Sri Brigannayaki Match Factory (gone into liquidation on 1st November 1929)	1,50,000	1,962	1,50,000	1,962
	Total, Madras	16,40,902	4,09,915	16,40,902	5,54,788
	BOMBAY.				
1	Gujrat Islam Match Manufacturing Company	1,00,000	97,070	1,00,000	97,070
2	Belgaum Match Manufacturing Company	1,00,000	39,880	1,00,000	39,880
3	Western India Match Company*	75,00,000	47,00,800	75,00,000	47,00,800
4	Match Manufacturing Supply Company*	50,000	40,500	50,000	40,500
5	Kemmendine Match Company*	3,00,000	91,700	3,00,000	91,700
6	Burma Match Company*	10,00,000	7,31,500	10,00,000	7,31,500
7	Mandalay Match Company*	3,00,000	2,77,510	3,00,000	2,77,510
8	Eastern Match Manufacturing Company	..	..	2,50,000	..
9	Kurla Match Works*	..	..	1,50,000	..
	Total, Bombay	93,50,000	59,78,960	97,50,000	59,78,960

* Private.

Serial No	Name of Company and province where registered.	1927-28.		1928-29.	
		Authorised.	Paid-up.	Authorised.	Paid-up.
1	Swedish Match Company	£ 10,000,000	£ 10,000,000	£ 10,000,000	£ 10,000,000*
	BIHAR AND ORISSA.				
1	Puri Match Industries Company†	Rs. 20,000	Rs. 8,526	Rs. 20,000	Rs. 9,095
	MYSORE.				
1	Mysore Match Manufacturing Company	20,00,000	4,05,310	20,00,000	3,98,260
2	Karnataka Match Factory	..	..	50,000	2,172
	Total, Mysore	..	..	20,50,000	4,00,432

* Return for 1928-29 not received ; figures for 1927-28 repeated.

† Private.

APPOINTMENT OF SIKHS AS SUPERINTENDENTS IN THE RAILWAY MAIL SERVICE.

452 *Sardar Gulab Singh: (a) Will Government please state:

(i) the total number of Sikh Superintendents in the Railway Mail Service, Northern Circle, Ambala;

(ii) if it is a fact that not a single Sikh has ever been recruited to the above post for several years past?

(b) If the reply to part (a) (ii) be in the affirmative, will Government please state reasons why such an important minority of Sikhs has so far been ignored and not been represented in this Department so far?

The Honourable Sir Bhupendra Nath Mitra: (a) (i). The Railway Mail Service, Northern Circle, was abolished in April, 1929. At that time there was one Sikh Superintendent attached thereto. He is now working under the Postmaster General, Punjab and North West Frontier Circle.

(ii) No. Direct recruitment is made only to the cadre of Probationary Superintendents to which cadre two Sikhs have been recruited in the last five years, *vis.*, one in 1925 and the other in 1928.

(b) Does not arise in view of the reply to part (ii) of (a).

LETTERS FROM THE KHALSA DIWAN, AMRITSAR, TO THE POSTS AND TELEGRAPHS DEPARTMENT.

453. *Sardar Gulab Singh: Has the attention of the Honourable Member in charge of Industries and Labour been drawn to the letters No. 1492-B of 5th June, 1929, and No. 526 of 26th January, 1930, from the Chief Khalsa Diwan, Amritsar, addressed to his Secretary for the Posts and Telegraph Branch?

The Honourable Sir Bhupendra Nath Mitra: The numbers and dates quoted by the Honourable Member appear to be inaccurate, but I have seen the letters to which I understand he refers.

APPOINTMENT OF SIKHS AS SUPERINTENDENTS OF POST OFFICES.

454. *Sardar Gulab Singh: (a) Will Government please state:

(i) the total number of the Superintendents of Post Offices appointed since January 1929,

(ii) if it is a fact that some Muhammadans have been taken merely on the communal basis since then?

(b) If the reply to part (a) (ii) be in the affirmative, will Government please give reasons why Sikhs were not appointed on these grounds?

(c) Is the Honourable Member in charge of Industries and Labour prepared to issue necessary instructions to his subordinates concerned in the aforesaid departments to give special consideration to the claims of Sikh candidates for filling up the said vacancies in future from out of the true and real Sikhs, who not only believe in the tenets of the Sikh Gurus and profess no faith in any other religion, but strictly observe the outward form of the Sikhs by keeping long hair and observing *Raihats*?

The Honourable Sir Bhupendra Nath Mitra: (a) The Honourable Member is apparently referring to recruitment of Probationary Superintendents of Post Offices, as vacancies in appointments of Superintendents of Post Offices are filled by promotion of Probationary Superintendents or of qualified departmental clerks. If so, the answers are:

(i) Seven;

(ii) Yes, namely three.

(b) No Sikh was considered for the appointments as there was no candidate belonging to that community in the list received from the Public Service Commission of youths who had obtained qualifying marks at the Indian Audit and Accounts Service Examination of 1928 to whom recruitment to posts of Probationary Superintendents is now confined.

(c) In making selections for the appointments of Probationary Superintendents of Post Offices in future due consideration will, as usual, be paid to all minority communities provided that qualified candidates are forthcoming. No special consideration can, however, be given to any one community, or to particular sects of a community.

APPOINTMENT OF SIKHS IN THE COMMERCE DEPARTMENT.

455. *Sardar Gulab Singh: Will Government be pleased to state:

(i) the number of (a) permanent and (b) temporary vacancies that occurred in the First, Second and Third Divisions, respectively, in the Commerce Department, since January 1929, and how many of them were filled by Sikhs;

- (ii) if none of the above appointments was given to the Sikhs, the reasons why this important minority was ignored?

The Honourable Sir George Rainy: (i) The following vacancies have occurred in the Commerce Department since January 1929:

				Permanent.	Temporary.
First Division	..	..	..	1	9
Second Division	..	..	..	1	2
Third Division	..	..	..	3	8

A Sikh was taken in one of the permanent vacancies in the Third Division.

- (ii) Does not arise.

LACK OF SIKHS IN THE STAFF OF THE DIRECTOR, COMMERCIAL AUDIT.

456. ***Sardar Gulab Singh:** Will Government be pleased to show cause for the total absence of the Sikhs from the staff of the Director, Commercial Audit, although this irregularity has been brought to the notice of the Department times out of number?

The Honourable Sir George Schuster: I would refer the Honourable Member to the final reply to starred question No. 867 asked by Sardar Kartar Singh on the 25th September, 1929, a copy of which is in the Library of the House. I may add that there are at present 3 Sikhs out of 48 clerks in the Commercial Audit Branch. They were appointed in November, 1928, April, 1929, and December, 1929, respectively, that is, after the issue of the orders of Government regarding the reservation of one-third of all permanent vacancies for the redress of communal inequalities. As I stated in reply to part (2) of Sardar Kartar Singh's question No. 828, on the 24th September, 1929, it is not the policy to earmark any of the reserved proportion of posts as reserved for a particular community nor is there any mathematical ratio which Government have undertaken to maintain between the various communities.

LACK OF SIKHS IN THE STAFF OF THE OFFICE OF THE DIRECTOR GENERAL OF POSTS AND TELEGRAPHS.

457. ***Sardar Gulab Singh:** Will Government be pleased to state:

- (i) the total number of vacancies that occurred in the Office of the Director General of Posts and Telegraphs since January, 1929, and how many of those were filled by Sikhs;
- (ii) if it is a fact that there is not a single Sikh in the whole of the staff of that office; and
- (iii) if it is so, how do Government justify in not taking up any member of this important minority in that office upto this time?

The Honourable Sir Bhupendra Nath Mitra: (i) Owing to reduction in establishment, no recruits have been entertained in the office of the Director-General, Posts and Telegraphs, since January 1929, except one stenographer who is a Madrasi.

- (ii) No.

- (iii) Does not arise.

APPOINTMENT OF SIKHS IN THE OFFICE OF THE RAILWAY BOARD.

458. ***Sardar Gulab Singh:** (a) Will Government please state:

- (i) the total number of officers, subordinates, clerks and menials employed in the Railway Board's Office;
- (ii) how many of these are Sikhs and in what positions;
- (iii) the nature and total number of promotions given to the fore-said staff since the 1st January, 1929; and
- (iv) how many of these promotions were granted to Sikhs?

(b) Will Government be pleased to state:

- (i) the total number of permanent vacancies that occurred in the Upper, Lower and Third Divisions of the Railway Board Office since January, 1928;
- (ii) if it is a fact that not a single Sikh has been given any permanent post in any of the above grades since that time; and
- (iii) why this important minority is always being overlooked in spite of the Home Department's instructions for safeguarding all sorts of minority interests?

(c) Will Government please state:

- (i) the total number of temporary vacancies that have occurred in each of the three divisions of the Railway Board Office, and how many of these were filled up by Sikhs, Muhammadans and Hindus, respectively, since January, 1928;
- (ii) if any more Sikhs have been added to their number than already existed in January, 1928; if not, why not;
- (iii) if there is a reduction in that number, what were the causes that led to it; and
- (iv) in case there is an addition, the number and names of such persons?

Mr. A. A. L. Parsons: I am sending the Honourable Member a statement giving the information required.

APPOINTMENT OF SIKHS IN CERTAIN OFFICES OF THE GOVERNMENT OF INDIA.

459. ***Sardar Gulab Singh:** (a) Will Government be pleased to state:

- (i) if it is a fact that there is not a single Sikh in the Upper Division of the following offices:—(a) Home Department, (b) Imperial Agriculture Research Office, (c) Assembly Department, and (d) the Legislative Department;
- (ii) the number of total vacancies that occurred in each of the fore-said offices, and the respective communities to which the men entertained belonged?

(b) Will Government please state if they are prepared to take steps for safeguarding and insuring the interest of the important minority of the Sikhs in case of such appointments in future?

(c) Will Government please state if they are prepared to recruit Sikhs from outside, subject to their passing the qualifying examinations, in cases when no qualified Sikhs are available through the Public Service Commission?

(d) Do Government propose to take steps to encourage the important minority of the Sikhs by appointing a sufficient number of its members in the aforesaid offices whenever vacancies occur in future?

The Honourable Sir James Crerar: (a) (i). Yes.

(ii) I shall be glad to send the information to the Honourable Member if he will indicate the period for which he wants it.

(b) and (d). I would refer the Honourable Member to the reply given in this House to question No. 563 on the 17th September, 1929.

(c) Government do not consider this necessary. The application of the new system of recruitment sanctioned in 1928 will doubtless increase the opportunities of Sikh candidates from outside.

RACIAL DISCRIMINATION AT THE CIVIL AERODROME.

460. ***Mr. Gaya Prasad Singh:** (a) Has the attention of Government been drawn to a letter published in the *Hindustan Times*, dated the 20th February, 1930, (page 6) from Mr. Laxmi Narain Gadodia, regarding the alleged racial discrimination and insulting treatment meted out to him on the 16th February, at the civil aerodrome where the joy rides were taking place?

(b) What are the facts of the case, and how far was the Aero Club of India and Burma responsible for the arrangements made on the occasion?

(c) Is it a fact that the flights given to the wife and child of Mr. Gadodia lasted not more than five minutes each, while the European ladies and gentlemen were given rides that lasted up to ten minutes?

(d) What is the total amount of financial or other assistance which the Aero Club has received up to date from Government, and what steps do Government propose to take to put down sternly any tendency to racial discrimination, or improper behaviour in connection with this institution?

The Honourable Sir Bhupendra Nath Mitra: (a) Yes.

(b) and (c). The attention of the Honourable Member is drawn to the letter of the Honorary Secretary, which appeared in the *Hindustan Times* of February 22nd. The Aero Club of India and Burma is not responsible for the flying arrangements on these occasions.

(d) The amount paid to the Aero Club of India and Burma up to date is Rs. 52,500. Government have no information that the Aero Club displayed any tendency to racial discrimination, nor can they agree that this incident would justify any such charge.

Mr. Gaya Prasad Singh: With regard to answer to (b) and (c), has the attention of the Government been drawn to the rejoinder published by Mr. Gadodia in the *Hindustan Times*, dated the 24th February, 1930, in which he calls the explanation of the Secretary "hardly convincing?" (Hear, hear.)

The Honourable Sir Bhupendra Nath Mitra: Sir, that is a question of opinion. I have a recollection that the *Hindustan Times* itself thought that the explanation of the Secretary was satisfactory.

Mr. Gaya Prasad Singh: You are relying upon the opinion of the *Hindustan Times* in support of your answer?

The Honourable Sir Bhupendra Nath Mitra: I am not relying on anybody's opinion. I submitted, to start with, that this was a matter of opinion.

Mr. Anwar-ul-Azim: Does the Honourable Member take his inspiration from the columns of the *Hindustan Times*?

The Honourable Sir Bhupendra Nath Mitra: I do not think that implication arises out of any of my answers.

PROHIBITION OF THE BURNING OF DECEASED HINDUS IN THE BELGIAN CONGO.

461. ***Mr. Gaya Prasad Singh:** With reference to my short notice question of the 18th September, 1929, regarding the order of the Belgian authorities prohibiting the burning of deceased Hindus in Belge Congo, will Government be pleased to state the result of the representation made to His Majesty's Government, and the steps taken to communicate the result to the public, as promised by Sir Denys Bray in his reply?

Mr. E. B. Howell: The matter is still under correspondence with His Majesty's Government.

Mr. Gaya Prasad Singh: When is the decision likely to be arrived at, because it is a grave matter affecting the religious rites and ceremonies of the Hindus in that particular territory?

Mr. E. B. Howell: Government are doing all that they can.

Pandit Hirday Nath Kunzru: Is it a fact that the Government of India communicated their representation to His Majesty's Government by cable?

Mr. E. B. Howell: I cannot remember, but I think they did.

Pandit Hirday Nath Kunzru: Is it a fact that the Government drew the attention of His Majesty's Government to the great urgency of this question?

Mr. E. B. Howell: I must have notice of the details of the correspondence.

Pandit Hirday Nath Kunzru: Has any further communication been sent to His Majesty's Government since the one sent in September last?

Mr. E. B. Howell: Yes, Sir.

Pandit Hirday Nath Kunzru: When was the last communication sent?

Mr. E. B. Howell: Within the last three weeks, Sir.

Pandit Hirday Nath Kunzru: Did Government receive any reply between September and January?

Mr. E. B. Howell: I have already informed the Honourable Member that I would like to have notice of these details about the correspondence.

Pandit Hirday Nath Kunzru: It is not a question of detail. I merely want to know whether the Government have received any reply at all to the communication sent to His Majesty's Government by the Government of India in September last?

Mr. E. B. Howell: Yes, Sir, they have. That is why they telegraphed again.

Pandit Hirday Nath Kunzru: What is the substance of the reply?

Mr. E. B. Howell: I will ask for notice of that.

PROTECTION FOR GLASS MANUFACTURE.

462. ***Mr. S. O. Mitra:** (a) Will Government be pleased to state when they received representations from the Indian Glass Manufacturers' Association for protection?

(b) What action have Government taken so far?

(c) Have Government decided to make any reference to the Tariff Board? If so, when? If not, why not?

The Honourable Sir George Rainy: The Honourable Member is referred to my answer to his question No. 152, dated the 21st January.

SUPERSESION OF CERTAIN INDIAN MECHANICS.

463. ***Mr. S. O. Mitra:** (a) With reference to my starred question No. 291 of the 10th September, 1929, which has been replied through letter dated the 10th December, 1929, to the effect that there is no racial discrimination, will Government please state why Messrs. N. L. Sett and A. Beg were not confirmed along with Messrs. T. E. De Roze, D. Whaley, E. G. Duke, and E. Sylvester on Rs. 160?

(b) Is it a fact that all the Anglo-Indians (excepting Mr. T. E. De Roze, who was also taken to the III Grade after only three months of his appointment) superseded the claims of the following experienced Indian mechanics, and if so, why?

Name.						Present salary.
						Rs.
Mr. M. N. Paul	..	..	--	..	..	120
.. S. B. Sarkar	..	--	..	..	..	90
.. S. N. Ganguli	..	..	..	..	..	120
.. N. L. Day	..	..	..	..	..	120
.. S. B. Dutta	..	..	..	..	..	100
.. S. P. Halder	..	..	--	..	..	110
.. S. B. Chakravarti	..	..	..	..	..	90

Mr. A. A. L. Parsons: (a) The reason was that there were no vacancies to which they could be appointed.

(b) I am obtaining the information for the Honourable Member.

PAY OF MECHANICS IN THE LILLOOAH WORKSHOPS.

464. ***Mr. S. O. Mitra:** (a) With reference to the answer to part (b) of my starred question No. 291 of the 10th September, 1929, regarding mechanics in the Lillooah workshops, is it a fact that Europeans and Anglo-Indians start with the higher pay while all the Indians start with lower pay?

(b) Is it a fact that all Europeans and Anglo-Indians obtain higher marks in examinations than Indians?

(c) Will Government please state whether all Europeans and Anglo-Indians are considered, as a matter of fact, better qualified than Indians?

(d) If the answer to part (a) be in the negative, will Government please state if any Indians were taken in the higher grade at the time of their appointments?

Mr. A. A. L. Parsons: (a), (b) and (d). I am obtaining the information for the Honourable Member.

(c) The answer is in the negative.

APPOINTMENT OF APPRENTICES IN THE LILLOOAH WORKSHOPS.

465. ***Mr. S. C. Mitra:** With reference to the answer to part (c) of my starred question No. 291 of the 10th September, 1929, regarding mechanics in the Lillooah workshops, will Government please state if they have given effect to their intention to abolish the probationary period in the case of qualified apprentices selected for appointments?

Mr. A. A. L. Parsons: The East Indian Railway will give effect to this intention in all future cases.

APPOINTMENT OF MECHANICS IN THE LILLOOAH WORKSHOPS.

466. ***Mr. S. C. Mitra:** (a) With reference to the answer to part (a) of my starred question No. 292 of the 10th September, 1929, regarding mechanics in the Lillooah workshops, will Government please state clearly what considerations were made, of men who were already in service, to fill up the vacant posts filled up by the outsiders, Messrs. Alderson, Watson, Lowe, Moslem, Tucker, and Everson?

(b) Do Government propose to pass strict orders that at least in future outsiders will not be provided for without making a fair attempt to fill up the vacancies from the Department?

Mr. A. A. L. Parsons: (a) The consideration of obtaining persons fully qualified to fill the vacant posts.

(b) No; but Government will take up any instances where it comes to the notice that outsiders are engaged to fill vacant posts in the workshops in preference to mechanics in service who are fully qualified to fill them.

APPRENTICES TRAINED IN THE LILLOOAH WORKSHOPS IN 1929.

467. ***Mr. S. C. Mitra:** Will Government please supply the names of the apprentices, Indians, Europeans and Anglo-Indians, who completed their course in 1929, and also the names, technical and general education, and starting salaries of those who were provided for out of them?

Mr. A. A. L. Parsons: With your permission, Sir, I propose to answer questions Nos. 467, 469, 471 and 472 together. Information has been called for and a reply will be sent to the Honourable Member on its receipt.

APPOINTMENT OF APPRENTICES OF THE LILLOOAH WORKSHOPS.

468. ***Mr. S. C. Mitra:** With reference to the answer to part (b) of my starred question No. 298 of the 10th September, 1929, regarding apprentices in the Lillooah workshops, will Government please state why the surplus

first grade bound apprentices will not be provided for at Lucknow, Tatanagar or similar workshops on the East Indian Railway when all these workshops are under one and the same head?

Mr. A. A. L. Parsons: Because it is not proposed to keep any apprentice who is surplus to requirements. All trained mechanics, however, are eligible to be considered on application for vacancies in the workshop establishments at Lucknow, Tatanagar or elsewhere.

PROMOTION OF MECHANICS ON THE EAST INDIAN RAILWAY.

†469. ***Mr. S. C. Mitra:** With reference to the answer to my starred question No. 294 of the 10th September, 1929, regarding the promotion of mechanics on the East Indian Railway, will Government please supply the names, dates of promotion and shops concerned of the three Assistant Foremen mentioned therein?

APPOINTMENT OF CERTAIN APPRENTICES OF THE JAMALPUR WORKSHOPS.

470. ***Mr. S. C. Mitra:** (a) With reference to the answer to my starred question No. 295 of the 10th September, 1929, regarding the appointments of apprentices in the Jamalpur workshops, will Government please state why Messrs. T. E. De Roze, E. G. Duke and also Messrs. F. MacDonald and D. Whaley were appointed while Messrs. N. C. Chatterjee, N. L. Dass, P. R. Bose, S. P. Mukherji, B. B. Pramanic, P. C. Roy Chowdhury and A. C. Ash—all Indians, were given no appointments?

(b) Will Government please explain the reasons?

Mr. A. A. L. Parsons: The Railway Administration explain that those whom they considered best qualified, were appointed.

PAY OF EUROPEAN AND ANGLO-INDIAN MECHANICS IN THE LILLOAH WORKSHOPS.

†471. ***Mr. S. C. Mitra:** (a) Is it a fact that according to the East Indian Railway Agent's Circular Meeting No. 5, Resolution No. 54 of the 11th May, 1927, the scale of pay of the technically trained grade should start at Rs. 110—150? If so, will Government please state why Messrs. T. E. De Roze, D. Whaley, E. G. Duke and E. Sylvester were appointed on Rs. 160?

(b) Is it a fact that there is a Circular Meeting No. 5, Resolution No. 54 of the 11th May, 1927, issued by the Agent, East Indian Railway "That in future those of our First Class Apprentices whom it is considered desirable to engage at the end of their apprenticeship shall be appointed as Chargemen T. T. (Technically trained)"?

(c) Is it a fact that all Europeans and Anglo-Indians that are appointed in the Lilloah Workshops are not taken in the T. T. grade, as required by the Agent's Circular, but are appointed as mechanics on higher pay?

(d) If so, why is not the Agent's said Circular applied so far as Europeans and Anglo-Indians are concerned?

(e) If the answer to part (c) is in the negative, will Government please supply the names of Europeans and Anglo-Indians who have been appointed in the T. T. grade in the Lilloah Workshops?

†For answer to this question, see answer to question No. 467.

POSTS FOR TRAINED APPRENTICES ON THE EAST INDIAN RAILWAY

†472. ***Mr. S. C. Mitra:** (a) Is it a fact that to make provision for qualified passed apprentices, the Agent, East Indian Railway, made provision for 20 new T. T. grade posts to be filled up in future from the apprentices as they complete their course from time to time?

(b) Are Government aware that all the 20 posts have been filled up all at once from mechanics and that no adequate provision has been left for the apprentices who completed their course and have been provided with posts and also for those who are going to complete from time to time?

COMPLAINTS AGAINST MR. RAM NARAIN, SUPERINTENDENT, NEW DELHI MUNICIPALITY.

473. ***Mr. Abdul Latif Sahib Farookhi:** (a) Is it a fact that complaints have been received against Ram Narain, Superintendent, New Delhi Municipal Committee, of maltreatment and accepting bribes from shopkeepers and others? If so, what disciplinary steps are being taken against him to avoid recurrences of the nature?

(b) Is it a fact that a general complaint was made against him by the shopkeepers community in 1927 and that a resolution was passed by the Committee against him? What steps, if any, have been taken to stop him from repeating the same offence?

(c) Have any steps been taken to get to the bottom of the circumstances regarding the following:

- (i) complaints of shopkeepers made to the President, regarding Lala Ram Narain's asking for bribes from them;
- (ii) complaints made by Shyam Chand and Dya Chand, shopkeepers, Raja Ka Bazar, made to the Members of the Committee and the Secretary, verbally in regard to his accepting the bribes by cheating them; and
- (iii) complaints made by Rai Bahadur Paras Dass against that very person of accepting the bribe of Jamna Dass Murarilal, shopkeepers, Raja Ka Bazar? Were entries in their accounts books, signed by the Magistrate, New Delhi, as an Exhibit (P. A.)?

(d) Were there dismissals of two of the employees of the New Delhi Municipal Committee, Messrs. Hari Ram and Mirza Ali Beg, without calling for their explanation and without making any sifting inquiry into the facts?

(e) Were their appeals considered by the Deputy Commissioner, Delhi?

Sir Frank Noyce: (a) and (b). Yes. In June 1927 a charge of maltreatment and bribery was brought by certain shopkeepers. This was inquired into and the Committee found that, while Mr. Ram Narain might have been over-zealous in the discharge of his duties, the charge of receiving things gratis was not established. However, Mr. Ram Narain was severely reprimanded and warned. When the post of Tax Superintendent was created on 1st May, 1928, Mr. Ram Narain was transferred

to it and thereby ceased to be connected with the supervision of the shops. In July 1928, another bribery charge was brought against him by two shopkeepers of Raja-ka-Bazar. This was inquired into by the Secretary, New Delhi Municipal Committee, who recorded the statements of the shopkeepers and other witnesses. The case was filed for want of proof.

A further bribery charge has now been brought and was to have been inquired into by a Sub-Committee on the 27th February.

(c) (i) and (ii). These were to have been inquired into by the Sub-Committee on the 27th February, 1930.

(iii) The Honourable Member is referred to the reply to parts (a) and (b). The entries in the account books were initialled and marked as Ex. P. A. by the Secretary of the New Delhi Municipal Committee in his capacity as such and not as Magistrate, New Delhi.

(d) Messrs. Hari Ram and Mirza Ali Beg were dismissed after searching inquiries had been made and their statements had been heard by the Secretary, who is empowered under the business bye-laws of the Committee to appoint and dismiss officials drawing less than Rs. 50 per mensem. Mr. Hari Ram's dismissal was upheld by the President.

(e) Both have appealed to the Deputy Commissioner and both have been placed under suspension pending further inquiries.

Mr. Abdul Latif Sahib Farookhi: Will the Honourable Member please state whether Ram Narain is in service or is under suspension during the inquiry?

Sir Frank Noyce: I have given the Honourable Member all the information I have at present.

Mr. Abdul Latif Sahib Farookhi: Are Government aware that the other two persons, Hari Ram and Mirza Ali Beg, are under orders of suspension pending the inquiry against them? Will Government please inquire whether the same treatment will be meted out to Ram Narain?

Sir Frank Noyce: I will make inquiries as to his position, but I imagine that from the statement I have already made that he is still in service.

Mr. Abdul Latif Sahib Farookhi: Are Government aware that the Committee appointed to inquire into the complaint made against Ram Narain consists of members who formed the Committee on previous occasions, and who exonerated him from blame? Will Government, in view of that, appoint an independent and impartial committee?

Sir Frank Noyce: I have informed the Honourable Member that I have given him all the information that I have.

CHANGE FOR REVISION OF PAY OF THE OFFICE ESTABLISHMENT OF THE TRUSTEES OF THE BRITISH MUSEUM, CALCUTTA.

474. ***Mr. S. C. Mitra:** (a) Will the Government be pleased to state whether the Legislative Assembly in September, 1921, voted a supplementary grant of Rs. 5,000 to meet the additional cost on account of the revision of pay of the office establishment of the Trustees of the Indian Museum, Calcutta?

(b) Was it decided at that time that the charge on account of the cost of the establishment of the Trustees of the Indian Museum falls on the Government of India and not on the Trustees of the Indian Museum?

(c) Did Government, after careful consideration, sanction, in 1922, a revised scale of pay for the office establishment of the Trustees of the Indian Museum?

(d) Was the whole amount of Rs. 5,000 referred to in part (a) placed at the disposal of the Trustees or was only the actual amount involved in the adoption of the sanctioned revised scale given to the Trustees through the Pay and Accounts Officer, Miscellaneous Central Departments, Calcutta?

(e) Was the balance of Rs. 5,000 thus left, treated as lapsed to Government or vested in the Trustees of the Indian Museum?

(f) Are the Trustees of the Indian Museum an autonomous body or have their powers and functions been specified and limited by the Act X of 1910?

(g) Do the Trustees of the Indian Museum receive a lump sum grant or an annual grant under three distinct heads, viz., (i) pay of the establishment, (ii) contingencies and (iii) rent, rates and taxes, from the general revenues?

(h) Do the Trustees contribute anything towards the upkeep of the Indian Museum?

(i) Is the monthly pay of the office establishment of the Trustees of the Indian Museum audited and paid by the Pay and Accounts Officer, Miscellaneous Central Departments, Calcutta, from the specific grant made by the Government of India for the purpose?

(j) Was the memorial of the late Head Clerk of the Trustees' Office, Indian Museum, rejected on the ground that he is not a Government servant?

(k) If the answer to part (j) is in the affirmative, who is a Government servant and what is Government service?

(l) Under what clause of the Government of India Act or any other statute does the charge on account of the cost of the establishment of a private employer fall on the Government of India, and how can the general revenues be utilized for the purposes of a private body?

Sir Frank Noyce: (a) Yes.

(b) No. The decision was taken in 1916.

(c) Yes.

(d) and (e). Only the amount required to meet the extra cost of the revision of pay was given to the Trustees. The balance was treated as having lapsed to Government.

(f) The powers and functions of the Trustees are those set out in the relevant sections of the Indian Museums Act X, 1910.

(g) Government make a lump annual grant-in-aid to cover charges under the heads mentioned by the Honourable Member.

(h) and (i). The information asked for is being collected and will be supplied to the Honourable Member when received.

(j) Yes.

(k) Government servant means any person in the civil service of the Crown in India; whether for the time being in foreign service or not, and Government service means civil service of the Crown.

(l) The Honourable Member would observe from entries No. 46 in Part I, and No. 42 in Part II of Schedule I to the Devolution Rules, that the Central Museum at Calcutta is a Central subject and therefore eligible to receive aid from Central revenues.

FRAUD PERPETRATED ON WORKMEN OF THE EAST INDIAN RAILWAY WORKSHOPS AT LUCKNOW.

475. ***Maulvi Muhammad Yakub:** (a) Are Government aware that on December 17th, 1929, certain employees at the Workshop No. 8, at Lucknow, East Indian Railway (Carriage and Wagon Shops), found that their thumb impressions were taken on an application which contained statements quite contrary to their wishes, and that when the illiterate workmen came to know of the fraud, which was being perpetrated upon them, they remonstrated and went on strike for a short time?

(b) If the facts stated in part (a) are correct, will Government be pleased to state what steps, if any, were taken by them against persons who were responsible for perpetrating fraud upon the illiterate workmen? If not, why not?

Mr. A. A. L. Parsons: (a) and (b). I have called for information from the Agent, East Indian Railway, and will send a reply to the Honourable Member when I receive his report. To relieve the Honourable Member's anxiety, I may say that, in this instance, I shall be prepared to place a copy of the reply, when received, on the table of the House.

LISTS OF STAFFS IN THE DEPARTMENTS OF THE GOVERNMENT OF INDIA:

476. ***Mr. Anwar-ul-Azim:** (a) Will Government be pleased to state whether each Department of the Government of India maintains an establishment list like the one maintained by the office of the Auditor General, giving a complete list of officers, superintendents, assistants and clerks and menials? If so, is that open to the public, more specially to those who compile directories? Is that open to inspection by the Members of the Central Legislature?

The Honourable Sir James Orerar: Each Department of the Government of India maintains a gradation or establishment list, though not necessarily in the exact form referred to by the Honourable Member.

The reply to the last two parts of the question is in the negative.

Mr. Anwar-ul-Azim: Will the Honourable the Leader of the House kindly tell us whether it is not a fact that the compilers of Liddell's Directory and another gentleman here in New Delhi have got in their directories lists of the establishments practically fully tallying with the establishment lists of the Government of India, and they are already in the Library of the House?

The Honourable Sir James Orerar: No, Sir, I have no information to that effect, but I am prepared to accept the Honourable Member's assurance.

RENT FOR ELECTRIC FANS IN NEW DELHI.

477. *Mr. Amar Nath Dutt: (a) Is it a fact that the Government of India have decided to treat electric fans fitted in Government quarters in New Delhi as part of the building since April 1924? If so, will Government be pleased to state whether, in contravention of their decision, any rent for electric fans was charged separately during the year 1929-30?

(b) If the reply to part (a) is in the affirmative, will Government be pleased to state the reasons therefor, and also state whether they intend to give any refund for the same? Do Government propose to discontinue charging rents for electric fans from April 1930? If not, why not?

The Honourable Sir Bhupendra Nath Mitra: The reply to the first portion of the question is in the negative, so far as the period from the 1st April, 1924, to 31st March, 1929, is concerned. As regards the period from the 1st April, 1929, the matter is under consideration of Government and the rest of the question therefore does not arise.

ENTRANCE TO THE EAST INDIAN RAILWAY OFFICES IN CLIVE STREET.

478. *Mr. Amar Nath Dutt: (a) Is it a fact that the use of the Clive Street gateway of the East Indian Railway offices at Fairlie Place, Calcutta, is restricted between 9 A.M. to 10-15 A.M. and 4-30 P.M. to 5-30 P.M.? If so, why?

(b) Is it a fact that gentlemen in Indian dress who want to reserve berths or ascertain rates are not allowed the use of the gateway? If so, why?

(c) Is it a fact that the Clive Street gate is the nearest entrance from Dalhousie Square, which is the terminus of tramcars and buses? Is it also a fact that the employees have to undergo a long walk through a circuitous route, owing to the closing of the Clive Street gate? Do the Government propose to open the Clive Street gate to the employees? If not, why not?

(d) Will Government be pleased to state whether two electric lifts have been provided in the East Indian Railway office building at Fairlie Place, Calcutta? If so, will Government be pleased to state whether Indian employees are allowed to use them? If not, why not?

Mr. A. A. L. Parsons: I am ascertaining from the Agent of the East Indian Railway what the present procedure is regarding the matters in question and will furnish the Honourable Member with information on these points.

GROWTH OF MILITARY EXPENDITURE.

479. *Sir Hari Singh Gour: (a) Are the figures given at page 386 of the Central Committee's Report showing the growth of Military expenditure since 1910 correct?

(b) If not, what are the correct figures for the years mentioned therein?

The Honourable Sir George Schuster: (a) and (b). The figures are correct, except for a few mistakes which are apparently printer's errors. I lay on the table a statement showing the correct figures for the years in which printer's errors have been noticed.

The remark against the amount for 1920-21 is not correct as the figures do not include loss by exchange.

Statement showing the correct figures of Military expenditure for certain years.

Year.	Gross or Net expenditure.	As shown in the Report.	Correct figures.
1916-17	Net .	£ 24,993,811	£ 24,990,811
1919-20	Net .	57,986,087	57,985,087
1924-25	Gross .	Rs. 59,66,54,877	Rs. 59,66,51,877
1925-26	Gross	60,32,37,045	60,39,37,045
1926-27	Gross .	60,91,63,899	60,91,63,889
	Net .	55,96,95,835	55,96,95,825

CAPITATION CHARGES FROM THE ARMY.

480. ***Sir Hari Singh Gour:** (a) Will Government be pleased to state the amount of capitation charges since 1910 up to date?

(b) Were the rates of such charges recently revised? If so, with what result?

(c) Have the Government of India been a consenting party to their payment?

(d) If so, will they be pleased to state on what ground is India liable for the training of a part of the British Army stationed in India?

(e) If not, what steps have Government so far taken to relieve the revenues of India from that annual contribution?

The Honourable Sir George Schuster: (a) I lay a statement on the table showing the payments made in each year from 1914-15 onwards. The information in respect of the four preceding years will be supplied to the Honourable Member later.

(b) The latest revision of rates took place between 1920 and 1922 in order to allow for increases in pay and prices since 1908 when the former rate was fixed. The result is shown in the statement which I am laying on the table.

(c), (d) and (e). As the Honourable Member is probably aware, the whole question of the capitation payments has been raised by the Government of India and is now under discussion with His Majesty's Government. I am afraid that I cannot at the moment say more than that, although I hope that it will be possible for the Government of India to make a statement on the subject in the near future.

Statement showing the capitation payments made in each year from 1914-15 onwards.

Year.	Army.	R. A. F.	Total.
	£	£	£
1914-15	861,700	..	861,700
1915-16	861,700	..	861,700
1916-17	861,700	..	861,700
1917-18	861,700	..	861,700
1918-19	861,700	..	861,700
1919-20	861,700	..	861,700
1920-21	1,896,000	100,000	1,996,000
1921-22	1,896,000	92,000	1,988,000
1922-23	1,702,000	95,500	1,797,500
1923-24	1,700,000	99,700	1,799,700
1924-25	1,455,000	97,600	1,552,600
1925-26	1,400,000	100,400	1,500,400
1926-27	1,400,000	98,150	1,498,150
1927-28	1,400,000	98,150	1,498,150
1928-29	1,400,000	103,125	1,503,125
1929-30 (Revised)	1,400,025	106,275	1,506,300
1930-31 (Budget)	1,400,025	106,275	1,506,300

Sir Hari Singh Gour: May I know when the question was raised for the first time by the Government of India?

The Honourable Sir George Schuster: I am afraid I cannot give the Honourable Member the exact date. It has been a subject of correspondence for a number of years, having been started before my own connection with my present office. I can inform the Honourable Member that it has been under active discussion during the whole of the past twelve months.

Sir Hari Singh Gour: Is it not the fact that this question has been alive since the last eighteen or twenty years, and in the meantime, while no change in the amount has been made, payment has been made from year to year? May I know whether, if the settlement is finally reached in favour of the Government of India, all the past payments will be refunded to the Government of India?

The Honourable Sir George Schuster: I think, Sir, that the last part of the question is distinctly hypothetical. It is very difficult to make any further statement on the subject now, other than that which I have already made.

Sir Hari Singh Gour: What machinery do the Government of India now propose to employ for the purpose of settling this question?

The Honourable Sir George Schuster: I cannot answer that question, Sir, without anticipating the information which I hope to be able to give this House at an early date.

Sir Hari Singh Gour: May I know whether, in a matter like this, there is any independent machinery for the purpose of settling the dispute between the Government of India and the Home Government?

The Honourable Sir George Schuster: I can, I think, go as far as this in informing the House of the present position of affairs, that one of the most important questions which has been the subject of our recent discussion with His Majesty's Government, has been the form of machinery which shall be employed in settling this very important question.

Sir Hari Singh Gour: Will the Government of India take this House into confidence and consult us as to the suitability and adequacy of the machinery employed for the purpose?

The Honourable Sir George Schuster: It has been our intention, Sir—and that has appeared in our correspondence—to take this House into our confidence before any definite step is taken.

Pandit Hirday Nath Kunzru: May I ask whether the question of the capitation rate was discussed with His Majesty's Government in connection with the present Budget?

The Honourable Sir George Schuster: No, Sir; it was not discussed in connection with the current Budget; it raises much wider issues of a permanent nature.

Dr. B. S. Moonje: Do the Government see the enormity of the question that India is made to pay for the training of the British Army?

The Honourable Sir George Schuster: There are a number of important issues raised in connection with this question, as my Honourable friend is well aware; he can rest assured that everything that can be said on behalf of Indian interests in this matter has been said very vigorously by the Government of India.

Dr. B. S. Moonje: Do the Government of India propose to take the leaders on the non-official side into consultation while settling this question or tendering their advice to His Majesty's Government?

Mr. Vidya Sagar Pandya: And leave the other Members out?
(Laughter.)

(No answer was given.)

EQUIPMENT OF THE INDIAN ARMY.

481. ***Sir Hari Singh Gour:** (a) What has been the cost of re-equipment of the Indian Army?

(b) How often has it been re-equipped since 1920? How long does its equipment last, and what are the determining factors in sanctioning its re-equipment?

(c) Is the Army in India equipped and re-equipped as a part of the Imperial forces ready to take the field anywhere, even in Europe, at a moment's notice?

Mr. G. M. Young: (a) and (b). The Honourable Member will find all the information available in the statement that I made on the 5th of September, 1928, and in the memorandum that I then laid on the table. It is obvious that re-equipment of one kind or another is always going on and that the life of the innumerable articles of Army equipment varies enormously. The special programme of re-equipment, which is going on

now, has been estimated to cost something like 10 crores spread over a period of five years.

(c) No, Sir. The Army in India is maintained for the defence of India, and is equipped accordingly.

MECHANISATION OF THE INDIAN ARMY.

482. *Sir Hari Singh Gour: (a) What is the cost of mechanisation of the Indian Army?

(b) Is it confined to the British troops in India?

(c) Does the mechanisation follow the Cardwell system? When did it begin? How long will it continue and what will be its ultimate cost (both capital and recurring)?

Mr. G. M. Young: (a) About Rs. 1 crore were spent on the mechanisation programme last year and the Budget for 1980-81 contains a provision of about Rs. 60 lakhs for the same purpose.

(b) No, Sir.

(c) The reasons for, and the history of the growth of, the policy of mechanisation were fully explained in the statement that I have referred to in the answer to the previous question. Mechanisation is merely modernisation. It began when the motor vehicle began to replace the horse. It has nothing to do with the Cardwell system. How long it will continue, to what extent it will be developed and what it will cost, are all questions that the future alone can answer.

MILITARY EXPENDITURE IN INDIA.

483. *Sir Hari Singh Gour: (a) What is the total annual amount of military expenditure in India taking into account the expenditure—both direct and indirect—the latter including:

(i) loss on the strategic railways and cost and maintenance of strategic roads, and the cost of the Royal Indian Marine; and

(ii) the expenditure classified as political including payments made to Khasedars, and on account of the Military Police Frontier Constabulary; maintenance of hospitals, sanitarium and schools mainly for the health and convenience of British troops and their families; workshops and factories maintained for military purposes?

(b) Do Government propose to show in the Budget all such expenditure under the head "Military".

The Honourable Sir George Schuster: (a) and (b). I would refer the Honourable Member to the Finance and Revenue Accounts of the Government of India. I may, however, say that I think it would be misleading to treat the whole of the items to which the Honourable Member refers, as military expenditure. But, if the Honourable Member will speak to me on the subject, I will endeavour to have an informative statement extracted from the Finance and Revenue Accounts.

MILITARY EXPENDITURE IN INDIA.

484. ***Sir Hari Singh Gour**: (a) Are Government aware that it was decided in the Financial Conference at Brussels, in which India was represented, that a country which spent more than 20 per cent. of its revenue upon its defence was courting a serious disaster?

(b) What action have Government taken to bring its military expenditure into line with the decision of the Brussels conference?

The Honourable Sir George Schuster: I would invite the Honourable Member's attention to the reply given by my predecessor to a similar question by the Honourable Member himself on the 25th January, 1926. In this reply it was pointed out that the text of the Brussels Resolution was not in exact accord with the Honourable Member's version. I may add that for the year 1928-29, the latest year for which accounts are available, the total national expenditure of India, including that of the Provincial Governments, but excluding the working expenses of the Railways and of the Posts and Telegraphs and Irrigation Departments was about Rs. 218·81 crores. The net military expenditure was 55·10 crores which amounts to 25 per cent. against 27 per cent. in 1924-25. On the next year's budget proposals I estimate that the percentage will again be considerably reduced. I would invite the Honourable Member's attention to paragraphs 33 and 34 of my speech introducing the next Budget, where I have referred to the definite sign that Army expenditure is really to be reduced.

MILITARY EXPENDITURE IN INDIA.

485. ***Sir Hari Singh Gour**: (a) Is it a fact, as reported in the papers, that the proposals of Government for retrenchment of the military expenditure have been overruled by Whitehall?

(b) If so, will Government be pleased to lay on the table a copy of the correspondence on the subject?

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

(b) Does not arise.

MILITARY EXPENDITURE IN INDIA.

486. ***Sir Hari Singh Gour**: Will Government be pleased to state the amount of the military expenditure restored wholly or partially, or added to, after its retrenchment in consequence of the recommendations of the Inchcape Committee?

Mr. G. M. Young: As far as I am aware, none of the measures of economy carried out as a result of the recommendations of the Inchcape Committee have since been reversed or neutralized.

EXPENDITURE ON THE CIVIL ADMINISTRATION.

487. ***Sir Hari Singh Gour**: (a) Are Government aware that its expenditure on the civil administration in relation to its revenue is far in excess of that incurred in any other part of the British Commonwealth?

(b) Will Government be pleased to lay on the table a statement showing the percentage of revenue allotted to civil and military expenditure of the Central Government during the last ten years, and a similar statement relating to Canada, Australia and South Africa?

The Honourable Sir George Schuster: (a) Government are not aware of this fact.

(b) Information is being collected and will be furnished to the Honourable Member in due course.

Sir Hari Singh Gour: In view of the importance of the question, will the Honourable Member, after the information is collected, please lay it on the table?

The Honourable Sir George Schuster: Certainly.

ALLEGATIONS AGAINST LALA RATAN LAL, FORMERLY HEADMASTER OF THE GOVERNMENT HIGH SCHOOL, DELHI.

488. ***Maulvi Muhammad Yakub:** (a) For how many years was Lala Ratan Lal, Headmaster of the Government High School and Assistant Superintendent of Education in Delhi?

(b) Were any complaints made against him as being an anti-Muslim?

(c) How many Muslim schools were there in Delhi, as long as Lala Ratan Lal was there, and how many Muslim schools were opened and how many existing schools were raised to a higher status since his departure?

(d) Is it a fact that Lala Ratan Lal is again to be transferred to Delhi as an Assistant Superintendent of Education and is shortly to be promoted to the post of Superintendent of Education in Delhi?

(e) Do Government propose to make an inquiry into the past activities of the said Lala Ratan Lal and reconsider the proposal of his being transferred to Delhi?

Sir Frank Noyce: The information required by the Honourable Member is being collected and will be supplied to him later.

APPOINTMENT OF MUSLIMS TO CERTAIN DEPARTMENTS IN AJMER-MERWARA.

489. ***Mr. Abdul Latif Sahib Farookhi:** (a) What is the total number of gazetted officers in the Revenue, Excise, Income-tax, Forest, Police, Public Works, Co-operative Societies, and Medical Departments in Ajmer-Merwara?

(b) Are Government aware that there is no Muslim gazetted officer in the said departments in Ajmer-Merwara, though the Muslims form about 20 per cent. of the total population of the province?

(c) Is it a fact that during the last four years a number of gazetted posts in the said Departments in Ajmer-Merwara have been filled in by the appointment of non-Muslims from outside Ajmer-Merwara and by the promotion of non-Muslim non-gazetted officers in Ajmer-Merwara?

(d) How many officers, not previously in the service of the Ajmer-Merwara Administration as gazetted officers, have been appointed to gazetted appointments in the said Departments in Ajmer-Merwara during the last four years?

(e) Do Government propose to fix an adequate proportion of the gazetted appointments in the said Departments of Ajmer-Merwara for the Muslims? If not, why not?

Mr. E. B. Howell: The information required is being collected and will be supplied to the Honourable Member in due course.

APPOINTMENT OF ASSISTANT SUPERINTENDENT OF EDUCATION,
AJMER-MERWARA.

490. ***Mr. Abdul Latif Sahib Farookhi:** (a) Is it a fact that the present Assistant Superintendent of Education, Ajmer-Merwara, is a third division M.A., B.Sc., of an Indian University without any qualifications in educational training?

(b) Is it a fact that the present Assistant Superintendent of Education, Ajmer-Merwara, was appointed to the post of the Assistant Superintendent of Education in supersession of the Headmaster of a Government high school at Ajmer?

(c) Is it a fact that the Headmaster referred to in part (b) possessed a first class training and qualifications and was senior to the present Assistant Superintendent of Education before his appointment to the said post in grade, actual pay, and length of service?

(d) Is it a fact that the work of the Assistant Superintendent of Education, Ajmer-Merwara, is to supervise and administer primary education and a part of secondary education?

(e) Is it a fact that the gentleman, who gave evidence on behalf of the Nasirabad Cantonment Board, before the Primary Education Committee of the Government of India, pointed out to the said Committee the inadequacy of the qualifications of the present Assistant Superintendent of Education for the proper supervision and administration of primary education?

(f) Do Government propose to appoint, immediately, an experienced officer well-qualified in educational training to the post of the Assistant Superintendent of Education, Ajmer-Merwara? If not, why not?

Sir Frank Noyce: With your permission, Sir, I shall deal with questions Nos. 490 and 497—500 together. The information asked for in these questions is being collected and will be supplied to the Honourable Member later.

Mr. Abdul Latif Sahib Farookhi: Will the Honourable Member please state the reasons why he is not able to collect the information in time so as to enable the House to be in possession of these answers?

Sir Frank Noyce: I think, Sir, it will be seen from the questions put by the Honourable Member that enquiries have to be made into a number of details and these necessarily take time. I did my best to collect the information for the Honourable Member in time to permit of the questions being answered today, but unfortunately was unable to do so.

TERMS OF ACQUISITION BY GOVERNMENT OF CERTAIN RAILWAYS.

491. ***Mr. B. Das:** (a) In reference to paragraph 208, page 64, of the Acworth Committee's Report, will Government be pleased to state the share capital invested by each of the Companies, (i) Assam Bengal Railway, (ii) Bengal Nagpur Railway, (iii) Bengal and North Western Railway, (iv) Madras and Southern Mahratta Railway, (v) Bombay, Baroda and Central India Railway, and (vi) South Indian Railway and the capital invested by the Government of India in each case?

(b) Will Government be pleased to indicate in each case the amount of money to be repaid in case acquisition takes place?

(c) Will Government be pleased to state the present market quotation in case of the Assam Bengal Railway? Has it gone up above 45 as quoted in paragraph 208 of Acworth report?

Mr. A. A. L. Parsons: (a) I placed on the table a statement showing (1) the total capital at charge of the railways mentioned on 31st March, 1929. (2) the share capital of the companies managing them. For further particulars, if desired, I would refer the Honourable Member to accounts Nos. 25, 25A and 25B of the Finance and Revenue Accounts of the Government of India, copies of which will be found in the Library.

(b) With the exception of the Bengal and North Western Railway, all the lines referred to are already owned by Government and the cash payment involved when and if their management is taken over by Government on the termination of the contracts with the Companies is represented by the par value of the Companies' share capital in each case; in addition to this existing liabilities and debts of the Company incurred with the sanction of the Secretary of State have also to be taken over by Government. The payment likely to be involved in the purchase of the Bengal and North Western Railway is estimated approximately at a little over £10 million sterling.

(c) The market quotation of the ordinary stock was 91 in December.

Statement showing capital at charge and Share Capital of certain Railways.

	Total capital at charge on 31st March, 1929 (in lakhs of Rs.)	Share capital of Coys. on 31st March, 1929 (in millions of pounds).
(i) Assam Bengal Railway	21.62	1½
(ii) Bengal Nagpur Railway	71.61	3
(iii) Bengal and North Western Railway.	11.38 (Coys. Lines). 9.26 (State portion, i.e., Tirhoot Railway).	6 (3 ordy. stock & 3 preference stock).
(iv) Madras and Southern Mahratta Rail- way	54.75	5
(v) Bombay, Baroda and Central India Railway	70.24	2
(vi) South Indian Railway	35.88	1

PRICE OF PURCHASE OF THE BENGAL AND NORTH WESTERN RAILWAY.

492. ***Mr. B. Das:** (a) In reference to the statement made by the Honourable the Railway Member and the Financial Commissioner of Railways on the floor of the House, that the price of purchase of the Bengal and North Western Railway was fixed at 12 millions sterling subject to revision, will Government be pleased to state how much of it is capital invested and how much of it is goodwill?

(b) Did the Acworth Committee make any recommendations regarding prices to be paid to Bengal and North Western Railway at the time of its purchase?

Mr. A. A. L. Parsons: (a) The method by which the purchase price of the Bengal and North Western and the Rohilkhand and Kumaon Railways is to be determined is indicated on pages 13-14 and 180-181 of the History of Indian Railways corrected up to 31st March, 1928, a copy of which is in the Library. It will be seen that the terms of purchase do not specifically make any provision for goodwill.

(b) No.

PURCHASE PRICE OF THE ASSAM BENGAL RAILWAY.

493. ***Mr. B. Das:** Will Government be pleased to state if they have borne in mind the following observations of the Acworth Committee, paragraph 208, page 64, in their fixing of the purchase price of the Assam Bengal Railway:

"We should hesitate to advise that the Secretary of State should pay off at par in 1931 shares now standing at 45. But the company is not important and there is ample time for consideration of this exceptional case between now and 1931."?

Mr. A. A. L. Parsons: Government are aware of these observations of the Acworth Committee. I may point out, however, that the Assam Bengal Railway is already the property of Government, and there is, strictly speaking, no question of fixing its purchase price. The terms of the existing contract provide for the repayment of the share capital and of existing liabilities, including debentures sanctioned by the Secretary of State, on its determination.

DONATIONS FROM THE MILITARY BUDGET FOR NON-OFFICIAL CHARITIES.

494. ***Dr. B. S. Moonje:** (a) Will Government please state if it is a fact that donations for non-military non-official charities are made yearly out of the military Budget?

(b) If so, will Government please state what sums have been yearly paid during the last five years for such charities?

(c) Is it a fact that a donation was paid to what is known as the Ex-Services Association during the last year for repatriation in the shape of six passages?

(d) If so, will Government please state:

- (i) to whom these passages were given,
- (ii) to which places,
- (iii) for what purpose,

(iv) the total cost of these six passages, and

(v) whether these persons were at the time in service of the Government?

(e) Will Government be pleased to lay on the table a copy of the rules, if any, in force in the matter?

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

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

Dr. B. S. Moonje: Has the Honourable Member seen the report that six passages were given by the Military Department to ex-Service men?

Mr. G. M. Young: I have seen no more than what is contained in my Honourable friend's question.

ACCIDENT AT A LEVEL CROSSING ON THE BOMBAY, BARODA AND CENTRAL INDIA RAILWAY.

495. **Dr. B. S. Moonje:** (a) Has the attention of Government been drawn to the report of an accident on the Bombay, Baroda and Central India Railway in the papers of the 17th February, 1980 in which it is reported that "one cart was run over by 42 up yesterday (i.e., on the 18th February, 1980) at the level crossing No. 106 at mile 120-11 between Sindlkhedda and Dondaichi at 6 A.M." and that "the cart was entirely broken, one man killed and one injured who has been sent to the Nandurbar Hospital for treatment"?

(b) If so, will Government please state how many similar accidents at the level crossing on the different railway lines have occurred every year during the last five years?

(c) Do Government propose to build underground roads at such level crossings to prevent such accidents?

(d) Do Government propose to compensate the dependants of the men killed and wounded, and if so, how?

(e) How many times were compensations paid on account of such accidents during the last five years and what were the amounts paid on each occasion?

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

(b) Prior to the 1st April, 1927, separate figures were not maintained of the number of accidents at railway level crossings. During the financial year 1927-28 there were 186 cases of trains running over obstructions or vehicles at level crossings. In 1928-29 there were 120 such cases.

(c) The policy of Government is that underground or overhead roads should be provided at railway crossings where road traffic is sufficiently heavy to require it.

(d) The Government Inspector's report of his inquiry into this accident has not yet been received and I am unable to say whether compensation will be payable or not.

(e) I am obtaining this information and will communicate later with the Honourable Member.

PAY OF EMPLOYEES IN CIRCLE OFFICES OF THE ARCHÆOLOGICAL DEPARTMENT.

496. ***Mr. S. C. Mitra:** (a) Will Government be pleased to state if full time-scales of pay have been introduced in the case of the ministerial staff of the Circle offices of the Archæological Department? If not, why not?

(b) Are the scales of pay in all the Circle offices standard? If not, are they based on local requirements? Are they similar to the scales of pay of the Local Government offices?

(c) Are the scales of pay of the gazetted and non-gazetted staff of almost all the Departments of Local Governments or the Central Government fixed on a full time-scale basis?

(d) If the reply to part (c) is in the affirmative, why have the ministerial staff of the Circle offices of the Archæological Department been deprived of that benefit?

(e) Do Government propose to settle the lot of the employees in the Circle offices of the Archæological Department in the near future?

Sir Frank Noyce: (1) The answer to the first part of the question is in the affirmative. The second part does not, therefore, arise.

(b) The scales of pay in the different Circles are not uniform. They have been fixed according to local conditions of supply and demand; and with due regard to the nature of the work. The scales of pay fixed by Local Governments are followed only in so far as the nature of the work to be performed justifies this.

(c) The information is not readily available.

(d) In view of the answer given by me to the first half of part (a) of this question, the question in part (d) does not arise.

(e) I am afraid I do not altogether follow my Honourable friend's question. If he has any special grievance of the Archæological staff in any Circle in mind, I shall be glad if he will bring it to the notice of Government who will certainly look into the matter.

Sir Hugh Cocke: May I, with your permission, ask question No. 448? I was detained at a Select Committee meeting this morning, and I received the questions only this morning so that I could not make any arrangements for anybody else to ask the question.

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

Sir Hugh Cocke: I was in Select Committee from 10 O'clock till ten minutes past eleven.

Mr. President: He should have sent across a chit.

RULES FOR LICENSING AND TAXATION OF MOTOR VEHICLES.

448. ***Sir Hugh Cocke:** (a) Are Government aware of the troublesome variations in the rules and regulations affecting the licensing and taxation of motor vehicles at present in force in the different provinces?

(b) Do Government propose to place this matter before the Standing Committee for Roads as early as possible with a view to the standardisation of these rules?

The Honourable Sir Bhupendra Nath Mitra: (a) The Government of India are aware that there are considerable variations in the rules.

(b) The matter does not come within the functions of the Standing Committee for Road. In paragraph 89 of their Report the Indian Road Development Committee recommended that these subjects might conveniently be discussed at the periodical Road Conferences. This suggestion will be considered by the Government of India.

ADMINISTRATION OF THE ANGLO-ARABIC COLLEGE, DELHI.

†497 ***Mr. Abdul Latif Sahib Farookhi:** Will Government be pleased to state whether it is a fact that:

- (a) the Government Anglo-Arabic College, Delhi is an aided institution and is in receipt of a grant-in-aid under Government rules;
- (b) the Chief Commissioner of Delhi is the Trustee of the College Itmaddowla Fund, keeps a separate account in his office, issues all cheques and disburses salary bills, etc.;
- (c) the Chief Commissioner of Delhi nominates the members of the managing committee (governing body) of the college;
- (d) the Muslims of Delhi have absolutely no hand and say in the matter of selection of members of the College Committee;
- (e) the Deputy Commissioner of Delhi is the *ex-officio* President of the College Managing Committee, and
- (f) a non-official President from among the members of the Committee or elsewhere has never been appointed in the history of the College?

RULES FOR LEAVE AND PROMOTION OF THE STAFF OF THE ANGLO-ARABIC COLLEGE, DELHI.

†498. ***Mr. Abdul Latif Sahib Farookhi:** (a) With reference to the reply to my starred question No. 884 of the 24th September, 1929, will Government be pleased to lay a copy of the rules governing the leave of the staff of the Government Anglo-Arabic College, Delhi, on the table of the House?

(b) Are these rules printed and supplied to the members of the staff?

(c) Will Government be pleased to obtain the information, regarding the rules governing promotion of the staff of the Anglo-Arabic College, Delhi?

APPOINTMENT OF THE PRINCIPAL OF THE ANGLO-ARABIC COLLEGE, DELHI.

†499. ***Mr. Abdul Latif Sahib Farookhi:** (a) How many applications for the post of the Principal of the Arabic College, Delhi, were received? What are the names and qualifications of those applicants and on what grounds was preference given to Mr. Walker?

(b) Is it a fact that the principals of the St. Stephen's College and the Hindu College, Delhi, get comparatively less pay than Mr. Walker?

†For answer to this question, see answer to question No. 490.

(c) What are the academical qualifications of Mr. Walker? From which University and in which division and year did he pass his M. A. and in which degree college or colleges did he teach before and what subjects?

(d) Is it a fact that the pay of Mr. Walker is Rs. 850 per mensem and that the late principal used to get only Rs. 300 per mensem?

(e) Is it a fact that the Vice-Principal gets Rs. 185 and that there is no professor on more than Rs. 200 per mensem?

(f) Can Government quote any degree college where the difference of pay of the Principal and the Vice-Principal or the other staff is so great?

(g) Is it a fact that on account of the poor state of finances and with a view to meet the high pay of the Principal, highly paid professors have been dispensed with on one plea or another and that promotions to deserving men at present working in the institution are refused and low paid men are entertained?

DELAY IN THE PAYMENT OF SALARIES OF TEACHERS IN THE ANGLO-ARABIC COLLEGE, DELHI.

†500. ***Mr. Abdul Latif Sahib Farookhi:** (a) With reference to the answer to my starred question No. 841 of the 24th September, 1929, will Government be pleased to state whether it is a fact that the professors and teachers of the Anglo-Arabic College get their pay a week and sometimes ten days after the date when it becomes due? What are the reasons for it?

(b) Have Government considered the question of overhauling the whole staff and appointing a lower paid and competent Muslim Principal to this institution? If not, why not?

(c) Have Government considered the question of appointing an elected non-official President when occasion arises from among the elected members of the Managing Committee? If not, why not?

UNSTARRED QUESTIONS AND ANSWERS.

OVERWORKED SUB-DIVISIONAL INSPECTORS OF POST OFFICES.

188. **Mr. N. C. Kelkar:** (a) Is it a fact that the work of the Sub-Divisional Inspectors has abnormally increased in various ways owing to the scheme of giving better postal facilities, etc., to the public in rural areas?

(b) Are Government aware that it has become impossible for the Sub-Divisional Inspectors to manage their Sub-Divisions satisfactorily?

(c) If so will Government kindly state what steps are being taken to improve the state of things?

Mr. H. A. Sams: (a) There has been some increase in the work of Inspectors for the reasons stated by the Honourable Member, but Government do not consider that it has been in any way abnormal.

(b) No, because additional appointments of Inspectors have been sanctioned where necessary to cope with the increase of work.

(c) Additional Sub-Divisional Inspectorships of Post Offices will be created as required.

†For answer to this question, see answer to question No. 490.

APPOINTMENT OF DIVISIONAL SUPERINTENDENTS OF POST OFFICES.

189. **Mr. N. C. Kelkar:** Will Government be pleased to state how many appointments of Divisional Superintendents of Post Offices were filled up by men promoted from the Sub-Divisional Inspectors and Head Clerks to Superintendents during the last five years?

The Honourable Sir Bhupendra Nath Mitra: Six.

PAY OF CERTAIN SUB-DIVISIONAL INSPECTORS AND HEAD CLERKS TO SUPERINTENDENTS OF POST OFFICES.

190. **Mr. N. C. Kelkar:** (a) Are Government aware that the Sub-Divisional Inspectors and Head Clerks to Superintendents of Post Offices who held such appointments prior to the 1st December 1919 had to suffer monetary loss by not getting one increment for every year of past service as Inspector or Head Clerk and by not getting any increment for past service prior to 1st September, 1927?

(b) If so, will Government be pleased to state the grounds on which their prayer for advance increments under Fundamental Rule 27 was rejected by the Director General, Posts and Telegraphs, in his No. 696-Est./29, dated the 24th October, 1929?

The Honourable Sir Bhupendra Nath Mitra: (a) Government are aware of the facts stated by the Honourable Member, but they do not admit that the officials in question were treated unfairly.

(b) The attention of the Honourable Member is invited to item 4 (e) of Part I of the statement of grievances represented by the deputation of the All-India (including Burma) Postal and Railway Mail Service Union and of the conclusions arrived at as laid on the table of this House on the 4th March, 1926, and also the reply given to Mr. N. M. Joshi's unstarred question No. 318 in the Legislative Assembly on the 11th March, 1929.

DUTIES OF SUPERINTENDENTS AND SUB-DIVISIONAL INSPECTORS OF POST OFFICES IN THE BOMBAY CIRCLE.

191. **Mr. N. C. Kelkar:** (a) Will Government be pleased to state:

- (i) the nature of duties and responsibilities of a Superintendent of Post Offices and that of a Sub-Divisional Inspector in the Bombay Circle;
- (ii) the average number of clerical staff under the control of a Divisional Superintendent and that of Delivery and Menial staff under the control of a Sub-Divisional Inspector;
- (iii) the number of clerks ordinarily sanctioned for a Divisional Superintendent's office and that for a Sub-Divisional Inspector;
- (iv) the average number of offices inspected by a Divisional Superintendent and that by a Sub-Divisional Inspector in Bombay Circle?

(b) If no clerk has been given to a Sub-Divisional Inspector will Government be pleased to state what steps are being taken to relieve him of the heavy clerical work?

Mr. H. A. Sams: (a) (i) Government are unable to give, within the scope of a reply to a question, details of the duties and responsibilities of a Superintendent of Post Offices and of a Sub-Divisional Inspector, respectively, in the Bombay Circle. But generally speaking it may be stated that a Superintendent is responsible for the postal administration of his Division while a Sub-Divisional Inspector assists him in matters of administrative detail in connection with a portion only of the Divisional area.

(ii) Government do not possess the information and do not propose to call for it, as to collect it for the whole of India and Burma would involve an expenditure of time and labour out of all proportion to the importance of the result.

(iii) Four and *nil*, respectively.

(iv) 85 and 61, respectively. The former figure, however, comprises the more important offices.

(b) Government do not consider that the clerical work of an Inspector is heavy or that there is any justification for the appointment of a clerk to help him with it.

APPOINTMENTS OF SUB-DIVISIONAL INSPECTORS IN THE BOMBAY POSTAL CIRCLE.

192. **Mr. N. O. Kelkar:** Will Government be pleased to state the total number of appointments of Sub-Divisional Inspectors in the Bombay Postal Circle existing on 31st March, 1922 and 31st March, 1926, and the total number of additional appointments of Sub-Divisional Inspectors in the same Circle sanctioned since then?

Mr. H. A. Sams: The totals are 45 and 38, respectively, but the first figure contains four appointments in Sind, which was subsequently separated from the Bombay Circle. Since the 31st March, 1926, four additional appointments of sub-divisional inspectors have been sanctioned for the Bombay Circle.

APPOINTMENT OF DIVISIONAL SUPERINTENDENTS OF POST OFFICES.

193. **Mr. N. O. Kelker:** (a) Is it a fact that Sub-Divisional Inspectors are not promoted to the appointments of Divisional Superintendents of Post Offices like officials of similar status in Revenue, Police and other Departments?

(b) If so, are Government prepared to consider the question of promoting the Sub-Divisional Inspectors as Divisional Superintendents of Post Offices without age limit, etc.?

The Honourable Sir Bhupendra Nath Mitra: (a) Inspectors of Post Offices and Inspectors, Railway Mail Service, are not debarred from promotion to posts of Superintendents of Post Offices, which they may attain under the departmental regulations. A comparison with other Departments would be misleading as conditions in these are not the same.

(b) Government regard the existing system as suitable and do not propose to change it.

STRENGTH OF SUB-DIVISIONAL INSPECTORS OF POST OFFICES.

194. **Mr. N. O. Kelkar:** Will Government be pleased to state the present standard, fixed for determining the strength of Sub-Divisional Inspectors of Post Offices?

Mr. H. A. Sams: As a general rule, an Inspector is required to devote 144 days in a year to the actual work of inspection and verification. In special cases, however, a somewhat lower standard is sometimes admitted.

PROBATIONARY SUPERINTENDENTS OF POST OFFICES.

195. **Mr. K. O. Neogy:** Will Government be pleased to state:

- (a) If it is a fact that there are 15 Probationary Superintendents of Post Offices at present?
- (b) What is the distribution at present among the different Circles and on what basis the distribution of Probationary Superintendents is made?
- (c) Whether it is a fact that the number of Probationary Superintendents recruited is usually so regulated as to make them permanent within two years? If so, is not the number of Probationary Superintendents at present excessive?

The Honourable Sir Bhupendra Nath Mitra: (a) Yes.

(b) The present distribution is as shown below:

Bengal and Assam	3
Bihar and Orissa	2
Bombay	2
Central Circle	1
Madras	1
Punjab and North-West Frontier	3
United Provinces	1
Sind and Baluchistan	2

They are ordinarily attached for training to the Circles where the vacancies to which they are appointed occur.

(c) The guiding principle for regulating recruitment of Probationary Superintendents is as stated by the Honourable Member. As regards the second part of the question, Government understand that the possibility of reducing the number of Probationary Superintendents is now being examined by the Director General.

APPOINTMENT OF SUPERINTENDENTS OF POST OFFICES.

196. **Mr. K. O. Neogy:** (a) Is the Director General of Posts and Telegraphs prepared to consider the question of increasing the ratio of departmental men to Probationary Superintendents in filling up permanent vacancies of Superintendents of Post Offices?

(b) What does a Probationary Superintendent cost the Government before he is confirmed? Is it not possible to cut down this cost in any way without hampering the efficiency of the Department?

(c) Is it a fact that permanent vacancies of Superintendents are filled up in the proportion of one Probationary Superintendent to one departmental passed candidate, whereas in the case of officiating vacancies Probationary Superintendents are given preferential treatment without considering their relative seniority along with the departmental passed candidates?

(d) Are Government prepared to lay down that the same principle as is followed in filling up permanent vacancies should be observed in filling up officiating vacancies as well?

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

(b) A Probationary Superintendent is paid Rs. 200 a month. The extent of the period of his probation depends on vacancies in the Superintendents' grade. The cost on account of a Probationary Superintendent therefore varies according to his period of probation. As regards the second part of the question, the Honourable Member's attention is invited to the reply which I have given to the second part of part (c) of his unstarred question No. 195.

(c) Permanent vacancies are filled by qualified Probationary Superintendents and qualified departmental officials alternately. Arrangements for filling officiating vacancies are, under the orders of the Director General, made by the Head of the Circle in which the vacancies occur as he thinks best and most convenient.

(d) Government are not prepared to interfere with the discretion vested in the Director General, Posts and Telegraphs.

APPOINTMENTS IN THE OFFICE OF THE DIRECTOR GENERAL OF POSTS AND TELEGRAPHS.

197. **Mr. K. O. Neogy:** (a) What are the numbers of appointments in the various time-scales in the office of the Director General of Posts and Telegraphs?

(b) What is the number of selection grade appointments in that office?

(c) What is the proportion of selection grade appointments to time-scale appointments in that office and how, favourably or unfavourably, does this proportion compare with the proportion in other offices of the same status?

(d) If the proportion of selection grade appointments to time-scale appointments compares unfavourably with other offices of the same status, what action do Government propose to take in order to ensure a flow of promotion?

The Honourable Sir Bhupendra Nath Mitra: (a)

First Division time-scale clerks	..	..	..	121
Second Division time-scale clerks	..	..	..	68
				<hr/>
			Total	189
				<hr/>

(b) 20.

(c) The proportion of selection grade appointments to time-scale appointments in the office of the Director General of Posts and Telegraphs works out to about 11 per cent. This proportion compares favourably with that in other offices of the same status.

(d) Selection grade appointments in the office of the Director General of Posts and Telegraphs are based on responsibility, not on a flow of promotion. Government do not therefore propose to take any action in the manner suggested.

PAYMENTS MADE TO THE CLIVE TRANSPORT COMPANY.

198. **Rai Bahadur Raizada Bhagat Ram:** (a) Will Government be pleased to state what sum was paid in the year 1929 to the Clive Transport Company for officers and soldiers travelling with military travelling warrants between Pathankot and Dalhousie?

(b) With reference to the answer to starred question No. 169 of the 5th September, 1929, will Government be pleased to state how much would have to be paid for officers and soldiers with military travelling warrants travelling by some other company?

Mr. G. M. Young: With your permission, Sir, I propose to answer questions Nos. 198 to 200 together.

The information has been called for from the local military authorities and will be communicated to the Honourable Member in due course.

ARRANGEMENTS MADE FOR TRANSPORT OF MILITARY MEN BETWEEN PATHANKOT AND DALHOUSIE SINCE JANUARY 1930.

†199. **Rai Bahadur Raizada Bhagat Ram:** Will Government be pleased to state with what Motor Transport Company they have made a contract for officers and soldiers travelling with military travelling warrants between Pathankot and Dalhousie and at what rates, now that the contract with the Clive Motor Transport Company expired in January 1930?

EXTENSION OF CONTRACT WITH THE CLIVE MOTOR TRANSPORT COMPANY.

†200. **Rai Bahadur Raizada Bhagat Ram:** (a) Will Government be pleased to state if it is a fact that the contract with the Clive Motor Transport Company has been extended for some time?

(b) If the answer to part (a) is in the affirmative, what are the reasons for it?

CONTRACT FOR THE CARRIAGE OF MAIL BETWEEN PATHANKOT AND DALHOUSIE.

201. **Rai Bahadur Raizada Bhagat Ram:** (a) Will Government be pleased to state whether the Mail Transport Company, which was paid Rs. 14,496 for a twice-a-day service between Pathankot and Dalhousie suffered any losses, and if so, give a rough estimate of such losses, and the name of the Company and when did that Company's contract terminate?

(b) Why did Government not pay Rs. 24,911 to the above Mail Transport Company, which had actually suffered losses, for one service-a-day, and why did Government enter into a new contract with the Clive Transport Company in preference to the old Company?

The Honourable Sir Bhupendra Nath Mitra: (a) Government have no information about the loss, if any, suffered by the Indian Horse Dak Company, Ferozepore, which held the contract for the line, before it was given

†For answer to this question, see answer to question No. 198

to the Clive Transport Company. Information about the exact date of termination of the contract with that Company is not now available, but the contractor's service broke down in the middle of October, 1919, and the contract *ipso facto* terminated.

(b) The attention of the Honourable Member is invited to the reply given in this House by Mr. Rogers to starred question No. 172 of Lala Hansraj on the 5th September, 1929, from which it will be seen that the increased subsidy at the rate of Rs. 24,911 per annum was paid to the same contractor (*i.e.*, the Indian Horse Dak Company). In consideration for this increase, a mixed motor lorry and tonga service was introduced. This service, however, broke down in October, 1919, and a new contract was entered into with the Clive Transport Company as their's was the only Company which agreed to convey the mails in motor cars and lorries and to render an improved service.

TENDERS FOR CARRIAGE OF MAILS BETWEEN PATHANKOT AND DALHOUSIE.

202. **Rai Bahadur Raizada Bhagat Ram:** Will Government be pleased to quote the tenders and names of the respective transport companies who are willing to carry mails between Pathankot and Dalhousie?

Mr. H. A. Sams: Tenders for the conveyance of mails from the 1st April, 1930, between Pathankot and Dalhousie were received from the following Companies:

No.	Name of the Company.	Amount of tender for one service each way daily throughout the year.	Amount of tender for a second down despatch for 6 months in the summer.
		Rs. A. P.	Rs. A. P.
1	Rai Sahib Onkar Pershad and Kartar Singh, Lahore Cantonment	2,100 0 0	700 0 0
2	The Clive Transport Company, Limited, Delhi	2,015 1 8	2,020 10 0
3	Messrs. Heera Lal & Sons, Sialkot City	1,250 0 0	650 0 0
4	The International Syndicate, Lahore Cantonment	1,000 0 0	(Not quoted.)
5	The Imperial Motor Service, Pathankot	900 0 0	600 0 0
6	Malak Chand Kohli and Pindi Das, Rawalpindi City	900 0 0	600 0 0
7	Messrs. Narain Das and Company, Lahore	900 0 0	600 0 0

CHARGES FOR GOODS CARRIED BY THE CLIVE TRANSPORT COMPANY AND THE NORTH WESTERN RAILWAY.

203. **Rai Bahadur Raizada Bhagat Ram:** (a) Since starred question No. 177 of the 5th September, 1929, was answered, have Government made any inquiries as to the rates charged by the Clive Transport Company for the carriage of goods when not employed as agents for the North Western Railway?

(b) Is it a fact that the rate charged is Re. 1 as. 6 per maund, whereas the North Western Railway charges Rs. 8 per maund for the same?

(c) Will Government be pleased to explain this great difference?

Mr. A. A. L. Parsons: (a) No.

(b) Government have no information as to the rates charged when the Clive Transport Company are not employed as agents for the North Western Railway, but understand that such rates vary from time to time according to competitive conditions. The rates charged by the Company when employed as agents for the North Western Railway are Rs. 1-12-0 per maund for ordinary packages and Rs. 8 per maund for bulky packages.

(c) Such differences as may exist between the rates charged by the Company when employed as agents and when acting independently are influenced by the fact that the rates in the latter case are subject to competitive conditions and vary from time to time whereas in the former case the rates, like other railway freight rates, are stable.

GRANT OF A MONOPOLY FOR THE CARRIAGE OF MAILS AND PASSENGERS TO THE CLIVE TRANSPORT COMPANY.

204. Rai Bahadur Raizada Bhagat Ram: (a) Will Government be pleased to state why the civil authorities gave the monopoly to ply between Pathankot and Dalhousie to the Clive Transport Company?

(b) Why was the old Company which carried mails and passengers between Pathankot and Dalhousie before the Clive Transport Company not given the monopoly?

(c) Is it a fact that the former Company was an Indian concern?

(d) Is there any truth in the allegation that the Managing Director of the Clive Transport Company had suffered heavy losses in some other concern and that this monopoly was given to him in order to help him?

(e) Has he recouped his losses now?

(f) Is it a fact that the whole Directorate is non-Indian?

The Honourable Sir Bhupendra Nath Mitra: The information required by the Honourable Member is being collected and will be furnished to him as soon as possible.

TRAINING AND APPOINTMENT OF RAILWAY ACCOUNTANTS.

205. Rai Bahadur Raizada Bhagat Ram: (a) Will Government be pleased to state what has been the total expenditure on account of the class started for the training of railway accountants in Calcutta as compared with the budget estimates?

(b) What number of the students of the said class passed the training class examination qualifying for promotion to the posts of officiating accountants?

(c) Is it a fact that the selected candidates for the training class were given in writing to understand that they would be entitled to become accountants in an officiating capacity, on their passing the examination meant for the training class?

(d) Is it a fact that none of the passed students of the class has so far been provided for as an accountant?

(e) Is it a fact that in almost all State Railway accounts offices a certain number of the posts of junior accountants are held by such unqualified men who have been taken directly in these posts from outside the Railway Department, besides those unqualified men who were taken over from the civil accounts offices?

(f) How many posts of accountants and sub-heads in each railway accounts office are held by men of the two classes mentioned in part (e) above who have not so far passed the examination qualifying for accountants?

(g) If the answers to parts (d) and (e) are in the affirmative, will Government please explain why the taxpayers' money was spent in starting and running the training class for railway accountants when there were no posts of accountants to offer them on their qualifying themselves for such posts?

(h) What steps are now being taken to redeem the promises given to these men of the training class at the time of their selection as stated in part (c) that on passing the training class examination their position would improve?

(i) Is it a fact that men of the Training Reserve, started by the Auditor General, on passing the qualifying examination were not only given officiating promotion as accountants, but also the benefit of five years of qualified service over their compeers of the regular establishment in the matter of fixation of seniority, and that the same condition of service has been recognised by the Accounts Department in the case of some of those Training Reserve men who were taken over by the latter Department from the Audit Department?

(j) If the answer to part (i) above is in the affirmative, will Government be pleased to state why the same privileges, as were recognised in the case of the Training Reserve, are not extended to the qualified men of the accounts training class?

Mr. A. A. L. Parsons: (a) to (j). The Honourable Member is referred to the replies given by me on the 5th March to question Nos. 448 and 449 by the Honourable Khan Bahadur Sarfaraz Hussain Khan.

SEPARATION OF INSPECTION FROM PURCHASE IN THE CENTRAL STATIONERY OFFICE.

206. **Mr. Amar Nath Dutt:** Will Government be pleased to state what progress has been made in the direction of the separation of inspection from the purchase in the Central Stationery Office, as it obtains in the Indian Stores Department?

The Honourable Sir Bhupendra Nath Mitra: The question is under the consideration of Government.

PROMOTION OF CLERKS IN THE POST OFFICE.

207. **Mr. Amar Nath Dutt:** (a) Will Government be pleased to state if it is a fact that graduates and under-graduates appointed in the Post Office as leave reserve clerks are assigned positions in the Divisional and Circle gradation lists as though they were entertained five years and three years, respectively, before the dates of their permanent entry?

(b) Is it a fact that consequent on the above, the graduates and under-graduates are promoted as clerks much earlier than the matriculate and S.S.L.C. reserve clerks with longer service at their credit?

(c) Is it a fact that graduates and under-graduates entertained in any one Division are shown in the Circle gradation lists as senior to all matriculate and S.S.L.C. leave reserve clerks in the whole Circle with less than five years service?

(d) Will Government be pleased to state the reasons for granting the graduates and under-graduates these concessions?

(e) Are Government aware that, as a result of the above concession granted to the graduates and under-graduates, the other leave reserve clerks are, year after year, losing many places in the Divisional and Circle gradation lists for five years, that is, until such time as they reach the pay equivalent to the initial pay of a graduate and are promoted as clerks much later than the graduates and under-graduates with lesser service?

(f) Is it a fact that certain lady clerks are started on a higher scale of pay in the Post Office?

(g) Is not their seniority determined solely with reference to the dates of their permanent entry in the Department, irrespective of the pay drawn, and is it not ruled that when a woman clerk attains the maximum pay of her time scale, she should wait for promotion to the lowest selection grade until the men clerks who are senior to her by service have received it?

(h) If the answer to above be in the affirmative, will the Government be pleased to state whether they will follow the same principles in fixing the relative seniority of graduates, under-graduates and matriculate leave reserve clerks and cause the revision of the existing Divisional and Circle gradation lists? If not, will they please state their reasons?

Mr. H. A. Sams: (a) and (c). Divisional gradation lists no longer exist, but it is a fact that graduates and under-graduates appointed as clerks on the special starting pay fixed by Government are given position in the Circle gradation list as if they had been entertained in the Post Office four years and two years, respectively, before the dates of their actual permanent appointments.

(b) No. There is no question of promotion. The date of confirmation depends, for all clerks, on the date of their passing the departmental examination for confirmation.

(d) The attention of the Honourable Member is invited to paragraph 13 of Chapter II of the Report of the Postal Committee, 1920.

(e) Yes, the fact is generally as stated except that there is no question of promotion to clerkships; see my reply to (b).

(f) Yes.

(g) Yes.

(h) No, for reasons explained in the reply to part (d) above. I would also add that it is the policy of the Department to give graduates and under-graduates an opportunity of reaching the Lower Selection Grade earlier than men less qualified educationally.

INTRODUCTION OF A PROVIDENT FUND FOR GOVERNMENT EMPLOYEES.

208. Mr. Amar Nath Dutt: Will Government be pleased to state the probable time at which they would introduce a system in which a Provident Fund would take the place of pensions either in whole or in part for the Government employees, and the stage at which the proposal now stands?

The Honourable Sir George Schuster: The Honourable Member is referred to parts (a) and (b) of my reply to Mr. G. Sarvotham Rao's starred question No. 196 on the 29th January, 1930, published on page 336 of the Legislative Assembly Debates.

POSTAL RUNNERS EMPLOYED IN TIBET AND SIKKIM.

209. Mr. Amar Nath Dutt: (a) Will Government be pleased to state the number of runner lines in the Tibet and Sikkim territories and the total number of runners employed on them?

(b) How many of these runner lines are day-working and how many night-working?

(c) Do the runners go in batches of two or more, or is only a single runner employed in each line?

(d) Have Government provided the runners with arms for self-defence? If not, why not?

Mr. H. A. Sams: (a) to (d). The information is being collected and will be furnished to the Honourable Member in due course.

PROMOTION OF PASSED ACCOUNTANTS IN THE POSTAL DEPARTMENT.

210. Mr. Amar Nath Dutt: (a) Will Government be pleased to state the number of officials in each Railway Mail Service and Postal Circle in India and Burma, of the clerical time-scale, who passed the examination held for appointments as accountants?

(b) How many of these were appointed as Head Postmasters, as notified in the Director General's Circular No. 50, dated the 16th October, 1924?

(c) Is it a fact that many of these passed men are not even appointed as accountants and are not paid special pay? If so, how many men are not so employed and why?

(d) Have Government ordered that only those men who will pass the selection grade examination to be held shortly will be promoted to the selection grade appointments?

(e) In view of the assurance given by the Director General in his circular, above quoted, will Government be pleased to state whether they propose to allow all passed accountants to sit for the ensuing selection grade examination? If not, why not?

The Honourable Sir Bhupendra Nath Mitra: (a), (b) and (c). The information is being collected and will be furnished to the Honourable Member in due course.

(d) No. Passed accountants on ordinary time-scales of pay are also eligible for appointment to the lower selection grade appointments of

accountants and assistant accountants on Rs. 160—250 on condition that they pass the selection grade examination within two years of their appointment to such posts.

(e) The intention of the Orders referred to by the Honourable Member is not as stated by him and in this connection the Honourable Member is referred to the reply given to the Honourable Mr. Mahmood Subrawardy's question No. 8 in the Council of State on the 19th February, 1930. It is not proposed to allow all passed accountants to sit for the selection grade examination as the selection of the candidates to appear for it is made in order of seniority. Only those passed accountants mentioned in part (d) of the reply who have been promoted provisionally are allowed to appear for the examination irrespective of seniority.

PROMOTIONS IN THE MADRAS POSTAL CIRCLE.

211. **Mr. Amar Nath Dutt:** (a) Is it a fact that the Postmaster General, Madras Circle, wrote to the Director General of Posts and Telegraphs that all the officials in his Circle, who had passed the departmental examination for Inspectors and Head Clerks to Superintendents of Post Offices had been confirmed in that cadre and that, as the selection grade examination would not come off immediately, he should be permitted to conduct the departmental examination for officials who were nominated by the Divisional Superintendents in 1927 to fill in interim vacancies in that cadre?

(b) Did the Director General grant the request of the Postmaster General? If not, will Government be pleased to state if they will allow these officials at least to sit for the next selection grade examination?

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

(b) The first part of the question does not arise. With regard to the second part it may be stated that those officials who had already been specially selected for, and promised permission to appear in, the old examination for Inspectors of Post Offices and Superintendents' Head Clerks by Heads of Circles (including the Postmaster General, Madras) were, as a special case, allowed to appear for the Lowest Selection Grade Examination held in December last.

PROMOTION OF POSTMEN.

212. **Mr. Amar Nath Dutt:** (a) Will Government be pleased to state the number of officials promoted from postmen and lower grades to clerkships in India and Burma who possessed less than two years service as clerks on the date of the first incremental examination held for clerks and leave reserve clerks?

(b) Were all the officials of this class compelled to appear for the examination on the ground that they had not completed two years service on the date of examination? How many passed in the examination?

(c) Is it a fact that those who did not pass the examination were reverted to their original appointments in the postmen and lower grades? How many were so reverted?

(d) Were not these men promoted to clerkships after they passed a prescribed test in English composition, arithmetic, etc.? If so, what was

the necessity for the Government to direct them to appear for the new examination?

(e) Are Government aware that such men who had more than two years service at date of examination were not asked to appear for the examination, and thus escaped the chances of reversion?

The Honourable Sir Bhupendra Nath Mitra: The information is being collected and will be furnished to the Honourable Member in due course.

ALLOWANCES FOR POSTAL OFFICIALS IN HILLY AND UNHEALTHY TRACTS IN THE MADRAS CIRCLE.

213. **Mr. Amar Nath Dutt:** (a) Will Government be pleased to state whether they have any proposal this year to enhance the rates of compensatory allowances and special pay for the hilly and unhealthy tracts in the Madras Circle, and if so, will they please state what rates have been proposed and whether they will be given effect to retrospectively?

(b) If the answer to part (a) be in the negative, will Government be pleased to state when they propose to sanction the enhanced rates of allowance?

The Honourable Sir Bhupendra Nath Mitra: (a) and (b). The attention of the Honourable Member is invited to paragraphs 35 and 11 of the proceedings of the Standing Finance Committee, dated the 16th and 30th January, 1930, respectively.

PROVISION OF QUARTERS FOR POSTAL AND RAILWAY MAIL SERVICE STAFF AT OOTACAMUND.

214. **Mr. Amar Nath Dutt:** (a) Will Government be pleased to state if they propose providing residential quarters for the Postal and Railway Mail Service staff in Ootacamund (the Nilgiris)?

(b) If the reply to part (a) be in the affirmative, when, how many and what is the total cost of the proposal?

The Honourable Sir Bhupendra Nath Mitra: (a) It is proposed to provide quarters for the post office staff only. Quarters are not required for the Railway Mail Service staff because Ootacamund is not the headquarters of any Railway Mail Service section or mail office. A rented rest house has already been provided for the mail guard working between Podanur and Ootacamund where the mail guard halts and rests.

(b) If funds permit, about 22 units of quarters will be constructed in two years. Estimates of cost are not yet ready. They are being prepared.

BROADCAST LICENCES ISSUED BY THE POST OFFICE.

215. **Mr. Amar Nath Dutt:** (a) Will Government be pleased to state the number of licences issued by post offices in India and Burma each year for opening broadcast wireless stations, and the amount collected therefor by the Post Office?

(b) What proportion of the amount do Government propose to credit as the share of the Post Office work? If none, why not?

The Honourable Sir Bhupendra Nath Mitra: (a) Probably the Honourable Member refers to Broadcast Receiving licences; if so, the approximate number of such licences issued by Post Offices in India and Burma year by year is as follows:

1924 issued	480.
1925 issued	1,350.
1926 issued	940.
1927 issued	3,600.
1928 issued	6,150.
1929 issued	7,670.

The fee for each license issued is Rs. 10.

(b) 20 per cent. is retained by the Posts and Telegraphs Department, the balance being transferred to the Indian Broadcasting Co.

COST OF THE INDIAN DEPUTATION TO THE UNIVERSAL POSTAL CONFERENCE.

216. **Mr. Amar Nath Dutt:** (a) Will Government be pleased to state the total cost each year for the last five years of the Indian deputation to the Universal Postal Conferences?

(b) Is the total cost charged to the Indian Posts and Telegraphs Department in entirety, and if so, in what proportions to the Posts and Telegraphs Departments respectively?

(c) Do not the Government of India share the expenditure? If not, why not?

The Honourable Sir Bhupendra Nath Mitra: (a) There has been only one Universal Postal Conference during the last five years, *viz.*, in 1929. The total cost of the Indian deputation was approximately Rs. 62,000.

(b) and (c). The total cost of the Indian deputation is charged wholly to the Indian Posts and Telegraphs Department and is debited exclusively to the postal branch, the reason being that it is a purely postal charge of the Government of India.

STEAMER SERVICES BETWEEN COLOMBO AND AUSTRALIA.

217. **Mr. Amar Nath Dutt:** (a) Is it a fact that the steamer services between Colombo and Australia have been regularised?

(b) Which are the contracting steamer companies, and what is the amount of the subsidy paid per year out of the revenues of the Indian Posts and Telegraphs Department?

The Honourable Sir Bhupendra Nath Mitra: (a) The question is not quite clear. It may, however, be stated that there is a regular service of mail steamers between Colombo and Australia at intervals of about a week.

(b) Mails from India to Australia are sent from Colombo both by the steamers of the P. and O. S. M. Company and by the Orient S. N. Company. The former are under contract with His Majesty's Postmaster-General, and the latter with the Australian Government. No separate subsidy is paid by India for the mails sent to Australia by the P. and O. S. M. Company steamers, as the contribution made by India towards the subsidy payable to the Company by the British Post Office covers these mails.

In respect of mails sent by the ships of the Orient S. N. Company no subsidy is paid by India to the Company but transit charges are paid to the Australian Post Office according to the rates prescribed by the Universal Postal Convention. For each of the years 1924 to 1928 these charges amounted to £580-14-4.

AMOUNT COLLECTED FROM TELEPHONE PUBLIC CALL OFFICES.

218. **Mr. Amar Nath Dutt:** (a) Will Government be pleased to state, year by year, the amount of telephone revenues collected through the Public Call Offices opened in the Post Offices in India and Burma for the last five years?

(b) What share of the revenue is credited to the Post Office for its share of telephone work?

Mr. H. A. Sams: (a) It is regretted that as the compilation of the information asked for would be very laborious and out of proportion to the value of the result, it cannot be undertaken; in any case the complete records for the whole period are no longer available.

(b) No credit is afforded to the Post Office for the services rendered in connection with the working of the Public Call Offices.

SUPPLY OF STATIONERY FOR POST OFFICES.

219. **Mr. Amar Nath Dutt:** (a) Will Government be pleased to state the total sum spent during the year 1928-29 as allowances to Postmasters for the purchase of stationery such as sealing wax, oil, etc., for the use of their offices?

(b) Are these materials, except oil, supplied in kind to Railway Mail Service offices by the Department?

(c) Do the Government of India and the Local Governments supply articles of stationery in kind to their subordinate offices?

(d) Do Government propose to make arrangements for the supply in kind of the articles of stationery to Postmasters in lieu of allowances in cash? If not, why not?

The Honourable Sir Bhupendra Nath Mitra: (a) Rs. 8,29,218.

(b) All stationery articles except oil, paste, match boxes, etc., are supplied in kind to Railway Mail Service Offices.

(c) Yes, so far as offices subordinate to the Government of India are concerned. Government have no definite information as regards Local Governments.

(d) No. On account of the difficulty and expenditure involved in sending such supplies to over 20,000 post offices scattered all over India and Burma.

APPOINTMENT OF AN INDIAN AS CHEMICAL EXAMINER FOR CUSTOMS AND EXCISE, CALCUTTA.

220. **Mr. Amar Nath Dutt:** (a) Is it a fact that the post of the Special Chemical Adviser was not advertised after Mr. Jenks, Chemical Examiner for Customs and Excise, Calcutta, left India in July 1928?

(b) Do Government require that the qualification of a Special Chemical Adviser in the Customs Department should principally be of considerable experience in commercial or technical analysis akin to those carried out in the Customs laboratories and a high reputation in scientific circles as a contributor of original research work in scientific journals?

(c) Is it a fact that Dr. H. B. Dunnicliff of the Punjab Educational Service, being a Physical Chemist, was appointed Special Chemical Adviser in November 1928?

(d) Were Government aware that there were, at the time of Dr. Dunnicliff's appointment, many competent Indian chemists in India both in and outside Government service?

(e) If the answer to part (d) is in the affirmative, will Government be pleased to state why a suitable Indian was not appointed to the post?

(f) If Government were not aware of the fact stated in part (d) why was not the post of the Special Chemical Adviser advertised and applications invited for the same?

(g) If the post of the Special Chemical Adviser, to which Dr. Dunnicliff was appointed, was not advertised and applications not invited for the same, do Government now propose to advertise for the post to obtain, if possible, the services of a suitable Indian to the post?

The Honourable Sir George Schuster: (a) Yes.

(b) The post of Special Chemical Adviser was a temporary one. As a whole-time appointment it was maintained only from November, 1928, to the end of September, 1929. The officer's principal duties were administrative rather than connected with research work. He had to visit the various Custom Houses in order to see that the new laboratories were put into full working order and to examine the general position and make recommendations regarding the future organisation of the laboratory work and regarding the administrative relation of the laboratories to the Central Board of Revenue and *inter se*. While performing these duties, he was also required to assist with his advice, when called upon to do so, the officers in charge of the Customs laboratories. For the performance of these functions it was necessary to have an officer who combined adequate technical qualifications with experience of the Government organisation.

(c) Dr. Dunnicliff of the Indian Educational Service, Professor of Chemistry at the Government College, Lahore, was appointed to the post in November, 1928.

(d), (e) and (f). In view of the special objects of the temporary appointment in question it was necessary to obtain some fairly senior officer already in Government service. It is for this reason, and also because of its temporary character, that the post was not advertised.

(g) The Government of India selected the officer already in Government service and available at the pay offered who in their opinion was best suited for the work. Since September, 1929, the post of Special Chemical Adviser has ceased to be a whole-time appointment. Dr. Dunnicliff's part-time services have, by arrangement with the Government of the Punjab, been temporarily retained. Both on grounds of economy and in order to avoid a breach of continuity, the Government of India do not intend to terminate this arrangement and create a new whole-time appointment.

HOURS OF DUTY OF TELEPHONE MISTRIES.

221. **Mr. Amar Nath Dutt:** (a) Is it a fact that the telephone mistries and telephone operators of the Engineering Branch of the Indian Posts and Telegraphs Department, ordinarily perform fifty hours of duty in a week, without any restriction of the hours of duties on Sundays, holidays and at evening and night, whereas restrictions of duties under similar circumstances exist in case of the members of the signalling establishment? If so, will the Honourable Member in charge of the Department of Industries and Labour, be pleased to state the circumstances under which the telephone mistries and telephone operators are debarred from being admitted to the privileges which are being granted to the latter, as detailed in the Government of India communication of the Department of Commerce and Industry, No. 4880-94, dated 29th June, 1911?

(b) Is it a fact that the telephone operators of certain telephone exchanges, *viz.*, Gaya, Munghyr, Hazaribagh, Dinapore, etc., which are run by three telephone operators, are required to perform 56 hours of duty instead of 50 hours, without any extra or overtime allowances? If so, will Government be pleased to state the circumstances under which such an anomaly is in force? Is this contrary to memo. No. 4148, dated the 12th June, 1910, of the Government of India, Department of Commerce and Industry?

(c) Is it a fact that, except the outdoor workers of the Indian Posts and Telegraphs Department, only the telephone mistries and telephone operators are forced to work on Sundays and holidays without any remuneration? If so, will the Honourable Member be pleased to state if he has any intention to redress the long felt grievances of the telephone mistries and telephone operators by bringing them on to the same footing with the members of the signalling establishment, so far as the overtime allowance is concerned?

(d) Is it a fact that the telephone mistries and telephone operators of the big telephone exchanges are granted the privilege to work only two hours on Sundays and holidays but that the same is denied to the telephone mistries and telephone operators of the smaller exchanges?

The Honourable Sir Bhupendra Nath Mitra: (a) The reply to the first part of the question is in the affirmative. With regard to the second part the nature of duties of the signalling staff of the Telegraph Traffic branch differ materially from those of the Telephone mistries and Telephone operators. Government are satisfied that there is no case for exactly similar treatment in respect of hours of duties of the signalling staff and the Telephone mistries and operators.

(b) Enquiries are being made and the result will be communicated to the Honourable Member in due course.

(c) The answer to the first part is in the negative and the second part does not arise.

(d) No such representation has been made by the men directly concerned. but enquiry will be made and the information will be supplied to the Honourable Member.

TRAINING OF APPRENTICES IN THE BENGAL NAGPUR RAILWAY WORKSHOPS AT KHARAGPUR.

222. **Mr. Amar Nath Dutt:** Will Government be pleased to place on the table a copy of their complete answers communicated to Mr. S. C. Mitra, by letters, to his starred questions in the Legislative Assembly, Nos. 819—825, dated the 26th February, 1929, Nos. 491—496 and 587, dated the 16th September, 1929, No. 644, dated the 18th September, 1929, No. 827, dated the 24th September, 1929, and Nos. 861—868, dated the 25th September, 1929, regarding apprenticeship training in the Bengal Nagpur Railway workshops at Kharagpur?

Mr. A. A. L. Parsons: I am sending to the Honourable Member copies of the replies sent to Mr. S. C. Mitra. As he will see, they are numerous and lengthy. Copies have already been placed in the Library.

LOWER SELECTION GRADE POSTS OF CLERKS IN THE TELEGRAPH DEPARTMENT AND IN THE POSTAL DEPARTMENT.

223. **Mr. Amar Nath Dutt:** Is it a fact that an examination has been introduced for the lower selection grade posts amongst the clerks in the Telegraph Department and, if so, have Government considered the question of increasing the number of posts in the above grade also, so as to equalise the proportion with that existing in the Post Office, the sister Department?

The Honourable Sir Bhupendra Nath Mitra: The reply to the first part is in the affirmative. With regard to the second part, the attention of the Honourable Member is drawn to the reply given by Mr. Rogers to his unstarred question No. 415 on the 27th March, 1929.

COMPENSATORY ALLOWANCE IN THE TELEGRAPH DEPARTMENT.

224. **Mr. Amar Nath Dutt:** Will Government be pleased to state when the question of the revision of the compensatory allowance in the Telegraph Department, in certain places, which has long been under consideration, is likely to be finally decided?

The Honourable Sir Bhupendra Nath Mitra: The Honourable Member's attention is invited to paragraph 35 of the Proceedings of the Standing Finance Committee dated the 16th January, 1930, which fully explains the case.

SELECTION OF DEPARTMENTAL CLERKS FOR THE TRAINING CLASSES IN TELEGRAPHY.

225. **Mr. Amar Nath Dutt:** (a) Will Government be pleased to state when the departmental clerks are likely to be selected to join the training classes in telegraphy? Is it a fact that recruitment is now open?

(b) Do Government intend to exempt those clerks from the age limit, as a special case, for the purpose of recruitment as telegraphists who joined the Department with the hope of becoming telegraphists? Are Government aware that, owing to there being no recruitment for the last ten or twelve years in some Circles, these clerks have become over age under the existing rules?

The Honourable Sir Bhupendra Nath Mitra: (a) Orders on the subject are expected to issue shortly. The reply to the second part is in the affirmative.

(b) The age limit has been fixed in the interest of the efficiency of the public service and Government do not intend to relax it in any case. With regard to the second part, the facts may be as stated by the Honourable Member, but Government have no precise information.

PUBLIC SERVICE COMMISSION EXAMINATION.

226. Mr. Amar Nath Dutt: (a) Is it a fact that the last Public Service Commission examination was held in December, 1926?

(b) Is it a fact that many permanent vacancies in the various Departments of the Government of India (civil as well as military, and the attached offices) are being filled up by unqualified men? Will Government be pleased to state when they will hold a further competitive examination so as to fill up these vacancies by qualified men permanently?

(c) Is it a fact that the concessions noted below were allowed by the Government of India to its employees when they last sat for the qualifying examinations, held in November 1929?

(i) Concession of age limit up to 35 years instead of 30 years in the case of permanent Government servants of Departments other than the Government of India for admission to sit in that competitive examination;

(ii) Exemption of entrance fee of Rs. 10 per head.

(d) Do Government propose to allow, at the next examination, the concessions referred to in part (c)?

(e) Have Government any intention to change the standard of that examination otherwise than was previously done?

The Honourable Sir James Orerar: (a) The Public Service Commission held a qualifying examination in November, 1929, but no open competitive examination for the ministerial service has been held since 1926.

(b) I have no information that permanent vacancies have been filled by unqualified men. The Public Service Commission has been asked to consider the desirability of holding a competitive examination this year.

(c) Yes.

(d) No, for there will be no more qualifying examinations of this kind, and the next examination will be open and competitive.

(e) Government act on the advice of the Public Service Commission in these matters. If any change is made in the standards, adequate notice will be given to intending candidates.

PAY AND ALLOWANCE OF POSTAL RUNNERS IN TIBET AND SIKKIM.

227. Mr. Amar Nath Dutt: (a) Will Government be pleased to state if it is a fact that the pay of runners employed on the Chenock-Gnatong, Gnatong-Yatung and Yatung-Pharjong runner lines was not raised in the recent revision?

(b) Were the runners supplied with free ration and a clothing allowance before the year 1924, but are they now given free clothing and a ration allowance of Rs. 15? If so, why was this change made?

(c) Has any representation been received from the runners asking for enhanced pay and ration allowance? If so, when; and what orders were passed thereon?

(d) What comprises a set of warm clothing for these runners? Are a pair of trousers and a coat included in the supply and, if not, have Government considered the question of supplying these articles to the runners?

(e) Is it a fact that some of the postal runners in the Sikkim territory are not given any allowance at all? If so, what is the reason for this discrimination?

The Honourable Sir Bhupendra Nath Mitra: (a) Yes.

(b) Yes. The change was introduced as the conditions which had justified the former arrangement had ceased to exist.

(c) Yes. The representation was fully considered by the Director-General and it was decided that the prayers contained therein could not be granted.

(d) The information is being collected and will be supplied to the Honourable Member in due course.

(e) Yes. Compensatory allowance or special pay can only be granted if the conditions laid down in rules 9(5) and 9(25) of the Fundamental Rules are fulfilled.

NEW PENSION RULES.

228. **Sir Zulfiqar Ali Khan:** (a) Are Government aware that the pension rules promised by the Government of India in the Fundamental Rules promulgated in 1921, which were to replace the rules relating to pensions contained in the Civil Service Regulations, in regard to non-Gazetted Government servants, are still being awaited? Will Government please state the reasons for delaying these rules for so long a time?

(b) Are Government aware that the average age in India is less than 25 years against more than 50 years in England and other European countries and that this average is even lower in the case of Government servants who have to do sedentary work during their life time?

(c) Are Government aware that admittedly no less than 33 per cent. of Government servants die before completing 30 years' service leaving behind families for whom no provision is made in the existing rules?

(d) Are Government aware that thousands of Government servants who have died or have retired during the interval of about nine years since the new rules were promised have been deprived of any relief that the new rules might have brought to them or to their families and that there will be still many more who will be subjected to similar deprivations until the new rules are published?

(e) Are Government prepared to publish the new pension rules without any further delay?

The Honourable Sir George Schuster: (a) I would refer the Honourable Member to my reply to starred question No. 721 by Mr. Siddheswar Prasad Sinha published on page 1193 of the Legislative Assembly Debates for the 23rd September, 1929.

(b) By "average age" the Honourable Member presumably means the "average after life time". This varies with the age of each individual. At age 21 it is about 27 years amongst the ordinary Indian population, that is two years more than what is stated by the Honourable Member. In England at the same age it is 45 years, that is five years less than what is stated by the Honourable Member. The average "after life time" of Government servants in India is considerably higher than amongst the population, and not lower, as stated by the Honourable Member. At age 21, it is 38 years, that is, 11 years more than in the ordinary population.

(c) It is estimated that about 25 per cent. of officers in the Superior Services die before retirement. In the case of non-superior services, the percentage is nearer 30 for those who must retire at the age of 55, but is undoubtedly higher for ministerial officers, who may remain in service till they are 60. The average length of service of members of the non-superior services who survive till they go on pension is, however, in excess of 30 years. I would incidentally mention that in the draft new Pension Rules there is no provision for granting relief to the families of Government servants who die in service.

(d) The Honourable Member is apparently under the impression that the new Pension Rules are to be markedly more liberal than the existing rules. This is incorrect. The draft rules differ from the existing rules mainly in form, though they contain some minor concessions regarding the inclusion of pay drawn in temporary and officiating posts in certain circumstances in "pensionable pay"—i.e., the average pay of the final three years on which pension is calculated.

(e) The Honourable Member's attention is invited to my reply to starred question No. 94 published on page 102 of the Legislative Assembly Debates for the 21st January, 1930.

PRE-AUDIT OF PAY BILLS.

229. **Mr. Adit Prasad Sinha:** (a) Will Government be pleased to state whether a system of pre-audit is conducted prior to the payment of all bills which are paid to officials in Delhi and New Delhi, or whether it is restricted to particular areas and Departments? If so, what are the areas and Departments affected?

(b) Are the pre-audited payments a conclusive check, or can they be revoked subsequently by objections under post-audit?

(c) Are Government aware that bills pre-audited are inordinately delayed and that payees are thereby caused inconvenience?

(d) Is pre-audit carried out throughout the Punjab and the North-West Frontier Circle of the Posts and Telegraphs Department, or is it limited merely to particular zones?

(e) If restricted, what then justifies the necessity for pre-audit?

(f) When were the supplementary salary bills of the Central Telegraph Office, New Delhi, paid during the calendar year ending the 31st December, 1929?

(g) With whom does the delay, above, if any, rest?

(h) Was the matter of delays ever brought to the notice of Government and with what result by inspecting officers?

(i) Are Government prepared to institute such adequate measures that will render such delays impossible in the future?

The Honourable Sir George Schuster: The information is being collected and will be furnished to the Honourable Member.

MESSAGE FROM THE COUNCIL OF STATE.

Secretary of the Assembly: Sir, the following Message has been received from the Secretary of the Council of State:

"I am directed to inform you that the Council of State has, at its meeting held on the 4th March, 1930, agreed without any amendments to the following Bills which were passed by the Legislative Assembly at its meeting held on the 29th January, 1930, namely:

1. A Bill to amend the Transfer of Property (Amendment) Act, 1929, for a certain purpose;
2. A Bill to define and amend the law relating to the sale of goods; and
3. A Bill to amend the Indian Contract Act, 1872."

AMENDMENT OF STANDING ORDER.

PRESENTATION OF THE REPORT OF THE SELECT COMMITTEE.

The Honourable Sir James Orerar (Home Member): Sir, I present the Report of the Select Committee on the proposed amendment of Standing Order No. 40.

THE GENERAL BUDGET—GENERAL DISCUSSION—concl'd.

Mr. President: The House will now resume the general discussion of the Budget.

Mr. Ghanshyam Das Birla (Benares and Gorakhpur Divisions: Non-Muhammadan Rural): Sir, let me tell this House at the outset that I do not find myself in a position to congratulate the Honourable the Finance Member on the Budget which he has presented. All I can do is to sympathise with him as much as a doctor can sympathise with a patient who is addicted to some poisonous drugs, and who is not prepared to take the treatment of an expert physician. I realise, Sir, and it has been admitted on this side of the House, that the Finance Member has inherited a deadly legacy from his predecessor; but, that is no justification for his clinging to the old policy as a child clings to the bosom of its mother.

Sir, when I made my forecast at the annual session of the Federation, I was rebuked by my friend the Finance Member as being an alarmist. I was dubbed a Jeremiah; in fact, I was given a tip by my friend Sir George Schuster that, following the American example in a similar situation, instead of promoting, as he said I was doing, a Black Clouds League, I ought to promote a Sunshine League, a Smilers' League. I had expected that, when I returned to Delhi to take part in the budget debate, I would find every Member on the Treasury Benches wearing a badge of the Sunshine League; but, Sir, I was very much disappointed. The first seceder from his Sunshine League was the Honourable Sir George Rainy who applied for membership to the Black Clouds League when he was faced with a Deficit Budget. Then, Sir, the membership of the Black Clouds League began to swell. Finance Members of almost all the provinces were seen jostling one another at the door of the Black Clouds League as applicants for membership, and last but not least to join them is my friend the Honourable Sir George Schuster-himself. This shall I say is the final blow to his pet scheme of a Sunshine League.

But, Sir, if we have been right, and the Government of India have been wrong, if the Sunshine League has collapsed, that is no consolation to us. After all, whether it is due to our faults or to the faults of the Government of India, we are the people who must ultimately suffer. Therefore, Sir, it is the duty of this House to pause and reflect whether this is the end of our troubles or only the beginning thereof. We ought very seriously to consider whether the hole of five crores which it is proposed to make in the pocket of the Indian taxpayer is going to relieve us of all our troubles. Sir, I am afraid this is only the beginning of our troubles, and that being so, the last thing which a Government ought to do is to impose new taxation. Sir, I do not want to play the role of a Jeremiah, as has been suggested by my friend the Honourable Sir George Schuster. But all the same, it is necessary for this House to know what the situation is. Five crores are going to be paid in the course of this year by the Indian taxpayer, and about seven or eight crores, the accrued liability on account of the Postal Certificates, are simply being postponed. Let us now examine the composition of the Paper Currency Reserves. There you have a load of *ad hoc* securities, and you have a silver holding which has immensely depreciated in value. If all the notes and the silver rupees were presented today to the Government of India to be exchanged into gold, I know, as well as the Honourable the Finance Member does, that he could not pay even nine pence per rupee in gold, to say nothing of 1s. 6d. the rate which he is artificially maintaining. I am not criticising the exchange. What I want to point out at this stage is this, that our financial position is very weak, and this House and the country should pause to reflect whether the solution which has been offered by the Finance Member is the correct solution.

Sir, I ask myself what a sound financier should have done under those circumstances, and whether Sir George Schuster has done it. Any new taxation may serve as a sort of patchwork, but it cannot create money. It merely transfers money from one pocket to another. What we require at this stage is not new taxation but creation of more money, creation of prosperity in the country, so that eventually the Budget may find itself squared automatically. Taxation is quite a good policy if our trouble is temporary, but ours is not a temporary trouble.

[Mr. Ghanshyam Das Birla.]

The first thing wanted today is retrenchment, ruthless and drastic. I have been repeating for the last three years that the first thing that the Government should do, until we can see any sign of prosperity on the horizon, is retrenchment. Sir, I am afraid I am not satisfied with the action which the Honourable the Finance Member has taken. He has appointed a Retrenchment Officer. Now we all know the Retrenchment Officer cannot lay his hands on a policy which may be already prescribed. All he can do is to find out for himself whether, under the policy enunciated by the Government, he could make any retrenchment. He cannot have the courage to tell the Government, "Do this, and do not do that". This can only be done by an independent authority. It is up to this House to review the growth of expenditure from year to year and to have the pruning knife applied by a representative committee appointed for the purpose. I may ask the Government of India, where in view of our slender financial resources was the necessity to undertake new obligations every year. If you look at the net expenditure on civil administration, you find that in 1923-24 it stood at 8.65 crores, and it is now 12.20 crores, an increase of about 3½ crores. We have started civil aviation, and in spite of a very bad year, we have gone in for broadcasting. All these things are very good for a country which is prosperous, but for India, where millions are starving, this is a sheer luxury. So far as criticisms are concerned, we have concentrated on military expenditure, and rightly too. I believe there is great scope for retrenchment there, but what I want to add is that in almost every Department of the Government, if an independent authority made the investigation, he would find that there is equally wide room for retrenchment. Under the circumstances, I am against all new taxation.

I do not propose today, in my speech, to deal with the proposed taxation on its merits. I hope, Sir, with your permission, I shall have opportunities of doing that later on. Nor, do I wish to say anything about Imperial Preference today. My views are too well known. I am strongly opposed to any policy of Imperial Preference at this stage, and I hope the Government will realise the strength of opinion held on this side of the House, and will modify their views. All I want to do at this stage is to draw the attention of this House to the seriousness of the situation, and to the need of retrenchment and a policy of construction which may eventually lead to prosperity. The Budget is lacking in these two directions. There is neither retrenchment, nor any constructive scheme and therefore I condemn this Budget.

Figures were produced by Sir George Schuster at the annual session of the Federation to show that things were not as bad as they were painted. I think, Sir, with your permission, I may give for the information of this House a few figures to show that the purchasing power of the masses is very low and there is no improvement worth the name as compared with the pre-war period. In some respects, indeed, we are in a worse position. Let us take first of all the consumption of cloth. In 1913-14, the annual consumption *per capita* stood at 16.28 yards. In 1928-29 it was 14.9 yards. Even if we take the average of the three years ending 1914-15, it stood at 15.48 and if we take the consumption on the basis of a population of 320 millions the average for 1926-27 to 1928-29 comes to 15.97 and as I am sure the population has increased,

it is not much higher than that at present. Then, Sir, take the consumption of sugar. In 1912-13 the annual consumption *per capita* was 28 pounds. It is not higher than that today. The figure which I have quoted for 1912-13 is for the whole of India, while the figure for 1926-27 which is available is only for British India, which shows the consumption at 27.28 pounds, and if we deduced from it the figure for the whole of India it might be just about the same. Then, Sir, Sir George Schuster maintained that the consumption of food-stuffs has much increased. He cited figures of consumption of rice, but he very conveniently forgot to take into account the consumption of other food grains. If we take the consumption of cereals such as wheat, rice and minor food grains, we find that, while on a rough estimate in 1914-15 it stood at 365 pounds *per capita*, for 1923-24 to 1927-28 it was 360 pounds, a reduction of 5 pounds per head per annum.

Then, Sir, much has been made of the imports of treasure. It was maintained by Sir George Schuster, and by other high authorities, that, since 1900, we have imported gold to the extent of 400 million pounds, and therefore India must be rich. Now, Sir, if we are to rely on that argument, the logical conclusion to which we should come about England would be that England is a poorer country than India, because her total gold resources at present amount to only 150 million pounds. What is, after all, our consumption per year? The net private imports of treasure were for the pre-war period about Rs. 1-2-4 per head. It is now Rs. 1-3-8 per head. Just consider for a moment every man consuming gold and silver to the extent of about Rs. 1-4-0 per annum, and it being maintained that we are a very rich country. Sir, it is conveniently forgotten that, what is called hoarding in India, is not actual hoarding in the sense in which it is understood, but that it is consumption and investment, both combined, and it is so because of want of banking facilities in this country for putting money in good investments. If we compare the total deposits held by banks in England, we shall find that, against a circulation of total notes and coin of 360 millions, the deposits held by banks amount to 2,000 million sterling. That is, the deposit is five times more than the circulation of currency. And what do we find in India? The Honourable the Finance Member may correct me, but I think the total currency amounts to about 500 crores, if we take into account all the rupee coins which are in circulation; and the deposits held by banks are about 200 crores. This means that, while the deposits held in banks in India are about 40 per cent. of the total circulation, in England the deposits are about 5 times more than the circulation. Sir, this gives the reason for the system of hoarding, which is so much criticised by our European friends, both official and non-official. When we have more banks in this country and better facilities for investment, surely the tendency of this country to consume gold must decrease. But if the Government want that the responsible people in this country at this stage should discourage people against buying more gold and encourage them to put their money in Government securities, they are bound to be disappointed. And I will give you the reason why. Let us ask for the accounts of gold which was purchased from time to time by the Government of India and the way in which they spent it. If we take the account from 1900 to 1929, we shall find that gold resources to the extent of 140 crores were frittered away by the Government for maintaining the exchange first at 1s. 4d., then at 2s. and afterwards at 1s. 6d.

[Mr. Ghanshyam Das Birla.]

Now, Sir, I do not know how the Government can expect the Indian people to deposit their gold with the Government of India in exchange for Government securities. I want to make it clear that, until we get freedom, until we get full control over the fiscal policy of the Government, and until we are the masters in our own house, I would be the last person to dissuade the Indian people from buying more gold or encourage them to invest money in Postal Certificates and such other things. I say this on account of the bitter experience which we have had in the past. Everybody knows how the Government dissipated our resources. Sir, I would like to ask the Government what guarantee there is that, if once the people of this country decided to hand over their gold to the Government of India, it would not be misused, as it has been misused in the past. I would therefore be very chary of handing over my gold deposits to the Government until I feel certain that I have got control over their policy, and until I know that the Government are not going to abuse their powers, as they have done in the past. Of the many "stupid" things which the Indian masses are represented to have done, there is one at least for which I admire their instinct, and which I think it was quite sensible on their part to do, and that is investing their savings in the precious metals.

One point more, Sir, and then I will bring my remarks to a conclusion. I find that the Honourable the Finance Member is in agreement with us at least on one point, and that is, that he realises the necessity of increasing the productivity of the country. But mere sympathy will not do. What we want is some concrete scheme, and I am very much disappointed that I did not find any concrete scheme in his budget speech in that direction. I will go further and tell this House that it is impossible to launch any constructive measures under the present financial policy of the Government. Let me give an illustration. Suppose we decided today that the Gold Standard Reserve which amounts to about 60 crores should be merged in the Paper Currency Reserve, and that about 60 crores of silver rupees should be taken out of the Paper Currency Reserve and given in loans to the cultivator for increasing his productivity. What will be the effect? The moment you put your money in circulation, the exchange begins to go down. And my friend, the Honourable the Finance Member, cannot sacrifice his 1s. 6d. ratio. He must maintain the exchange at 1s. 6d. at any cost. Any constructive scheme must require money, whether by way of subsidy or loan, and the moment we begin to put money in circulation, the money market weakens, the exchange weakens, and the interest rate goes down. This is the difficulty. No matter whither we go, we cannot get out of our way the stumbling block of the ratio which has become a part of the policy of the Government. Therefore, it is impossible to put forward any constructive scheme until the Government of India are prepared to forget that they have got to do any such thing as the maintenance of exchange at 1s. 6d. However, the duty of this House is quite clear. We know that we have not got any responsibility in this Government; we know that we have got no control over this Government; yet we have got our duty towards the country, and all that we can do, is to draw the attention of the country to it, and agitate for that. I wish to warn the Government again, as I have done in the past, against the disastrous consequences of the present policy.

Although I am not at all happy that our predictions have come out to be true, all the same I think it is the clear duty of every Member on this side of the House to draw attention to the serious situation through which we are passing. Sir, I would like to warn the Government again that this is not the end of the trouble; it is only the beginning. And if we want to save ourselves from the dire consequences, the only thing we can do and should do is to compel the Government to carry out a policy of ruthless retrenchment. Until that is done, I am afraid it will be difficult to find ourselves in a better position.

Mr. W. S. Lamb (Burma: European): Sir, the speakers to whom I have listened in this discussion have avoided for some reason anything more than a broad reference to the taxes proposed by the Finance Member. I do not intend to follow their example because, in the first place, I have, unlike some other Honourable Members, a pleasing duty to perform, and further I desire to deal faithfully, if possible, with one of the proposals of the Honourable the Finance Member. Yearly, Sir, since I came to this Assembly, I have raised my voice in an effort to draw some word of comfort for Burma from a Finance Member. Three years ago I thought I had that comfort, and at this stage of the discussion of the Budget I gave my unqualified thanks for the remission of the duty on hides. That duty is still on the Statute-book and that fact diminishes in some degree the pleasure with which I contemplate the reduction of the export duty on rice by 25 per cent. My full blessings will descend upon the head of the Finance Member when I see the Finance Bill and this proposal steadily going towards the Statute-book. But, although I will not say all I might say about this belated operation, there is, in the speech of the Honourable the Finance Member, something which I can accept gladly and without any mental reservation. I refer to his words:

"I hope that this plan will commend itself to the House as an act of justice and a step in the right direction."

I think there is in that an admission, an admission that for Burma, in the condition of the rice business as it has been for the last four or five years, to be called upon to pay something approaching a crore of rupees a year has been absolutely unjust and a reflection upon those responsible for the financial arrangements between the provinces and the Central

Government. The Honourable the Finance Member has referred to the fact that this reduction means that Burma will pay the same sum as the producers of rice do in Siam. The fact that there was a difference against Burma was merely an aggravation of the offence, and it is not sufficient only to take that off. I should like to have from the Honourable the Finance Member, when he comes to reply to this debate, a positive assurance that Burma may expect the remainder of this tax to be removed when the finances of the country permit of it; that is, that if Burma is to remain attached to India and be concerned in the next financial settlement, this crore of rupees or whatever it may be is not going to be used as an argument against Burma's legitimate demands.

I come now, Sir, to proposals which I cannot bless, namely, those contained in paragraph 64 of the Honourable the Finance Member's speech, namely, an increase in excise duty on kerosene and a diminution in the import duty on the same. Sir, it is quite proper for the Honourable the Finance Member to consider that he acquires merit when he deals with the import duty on cotton with unusual frankness, but here when he comes

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to kerosene, that is a matter of the oil business, which is one of the key industries of Burma and India, he dismisses the questions raised by his proposals in, what shall I say, a short paragraph, with what I might call an ashamed terseness, saying little, but meaning apparently a whole volume. Therefore, before I make particular comment upon his desire to place an additional 50 lakhs on the already overburdened oil companies, I would speak of what is nebulous but apparently fraught with meaning. For what seriously disturbs me—and I think it is known to Honourable Members that I myself have an interest in one of the smaller oil companies—what disturbs me on behalf of the oil companies is the import of his words, “we have thought that we have gone as far as it would be wise to go, at least as a first step”. First step towards what? Is it the immolation of the indigenous oil companies and the apotheosis of the Standard Oil Company and other foreign producers? I say there is nothing fantastic in such a suggestion and I think, Sir, that to deal adequately with this little paragraph, I should have the eloquence, perhaps I should have a little of the vituperative eloquence, of our Honourable Members opposite. For, what do we have in the budget proposals? There is proposed a protection for cotton and for sugar, but when it comes to oil, the House is asked, in effect to accept and applaud the principle that indigenous oil companies require no protection. Here, Sir, is a question of vast importance to the oil companies and to India, and the House is asked to accept the principle with no more than a small paragraph which, as a matter of plain fact, advances no reason whatever for a departure from a policy which has been of immense benefit to India. Government may be right—I do not agree that they are—they may be right in asking this House to take a first step, a step which will signify their acceptance of a principle, but is it suggested that it is possible, on the floor of this House, to come to such a momentous conclusion with nothing more before us than a statement from the Honourable the Finance Member that he and his Government are of a certain opinion? If Government are of a certain mind towards indigenous oil companies, is it not their bounden duty to exhibit to this House such evidence as will enable Honourable Members to come to a thorough, properly considered conclusion? As it is, quite apart from this principle that they are asking us to accept, today this House is asked to confirm and applaud a *carrot* to the oil companies, that they should at once reduce their returns. It does not actually amount to a reduction of prices, but what it amounts to is that they should reduce their returns of four annas per unit of two tins in order that these 50 lakhs—it is not merely in order that the Honourable the Finance Member should secure the money that he requires towards his Budget,—but in order that the sum of 15 lakhs out of 50 lakhs should go to the Standard Oil Company or other foreign importers. Therefore, Sir, it is a direct attack against the oil companies. The Honourable the Finance Member, I would explain, wants 35 lakhs from this source, but he takes 50 lakhs—half a crore—and gives 15 lakhs to the Standard Oil Company as, I may say to Honourable Members, a free gift which brings no good whatever to India. The Honourable the Finance Member, of course, has not put it that way. He says that they, the Government, decided to make a change which should at least ensure that the price of ordinary kerosene to the consumer is not increased. I am at a loss to understand this statement. At this present moment,

as always except during a war of rates, the price in India is at the maximum prescribed by the indigenous oil companies, and this maximum, at the moment, is very appreciably below the world parity prices. That being so, naturally the Standard Oil Company, who have to sell in the same market, have to keep their prices also very much below the world parity prices, and although I am not in their confidence, I have not the slightest doubt that they will have the greatest pleasure in following the example of the indigenous companies when there is an increase in prices to meet this imposition of four annas. The effect of this proposal is to give the Standard Oil Company and the foreign importers, not merely 15 lakhs, owing to the remission of the import duty, but an increased profit on their sales of oil in India. Sir, that sounds uncommonly like brotherly love, and it is very unlike the treatment that the Honourable the Finance Member desires to mete out to those smaller companies for whom he suggests he has an adequate sympathy. Let me tell the House and the Honourable Members that, out of these 50 lakhs, the smaller companies would have to pay 10 or 12 lakhs annually—a heavy burden to add to the load already carried by these oil companies. Actually I may say that there are oil companies which are engaged in as difficult a struggle for existence at present prices as cotton mills in Bombay. It may be, you may think that, if the price is increased as I suggested it will be, they will recover this four annas, and they will not suffer this loss. But I would point out to Honourable Members that there is no certainty that the present rates in India shall be maintained. Any day there may be further heavy and considerable cuts in the world prices of kerosene, and then you will have companies in India attacked by foreign importers and you will have them compelled to fight for their very existence. Therefore, Sir, if such a situation develops, how can the smaller companies possibly continue to live if they have a protection of not more than 9 pies per gallon, and this additional heavy burden of 4 annas per unit, which actually represents 6 per cent. on the full gross selling price in Calcutta, a price which of course contains the freight from Rangoon to that port?

Now, Sir, I have no doubt—at least I think it is very possible—that when the Honourable the Finance Member contemplates the oil situation, he thinks of it in terms of the predominant producer in India. I would suggest to him and to the House that they are being treated with an extraordinary lack of consideration, and I would remind the House that, during the last three or four years, the Tariff Board spent months and months upon inquiries into what is called by the sacred name of equalisation of customs duty. That is, any small manufacturer who makes up his mind that he is going to make something, using raw materials which are brought from outside India, goes up to Government and says, "I am suffering and losing perhaps 1,500 or 2,000 rupees a year". The Tariff Board promptly sits down, and you can see in the Library the results of their findings in such matters. This question of export duty and excise duty is somewhat akin to this equalisation and I would suggest to Honourable Members that surely indigenous oil companies, who belong to India, who produce the oil from the bowels of India, bringing much revenue to the provinces, and particularly to neglected Burma, are entitled to more consideration than is represented by a small paragraph that effectually conceals the thoughts which have inspired Government to give those 15 lakhs to foreign importers. I trust that when the Finance Bill comes to be considered, Honourable Members will show their repugnance quite definitely towards proposals which mean taking half a crore, that is,

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this 50 lakhs, out of the consumers of India in support of a principle which they have had no opportunity of debating.

Mr. T. N. Ramakrishna Reddi (Madras ceded Districts and Chittoor: Non-Muhammadan Rural): Mr. President, I must deem myself really fortunate in catching your eye. I thank you, Sir, for giving me an opportunity of expressing my views regarding this Budget. My excuse in taking part in this discussion is that I consider that I will be failing in my duty to my constituency if I do not express my views, and if I do not express the utter disappointment with which the country has received this deficit Budget and the entirely wrong way in which the Honourable the Finance Member tried to tackle the solution of making good this deficiency.

Sir, the Honourable Member referred, at the very outset of his speech, to the various causes that have contributed to this state of affairs in this country, some causes which are peculiar to the conditions in India and others which are due to the disturbances of world conditions, especially in the United States of America, which have indirectly contributed to the depression of the commerce and industries of this country. But whether this present state is due to the causes which the Finance Member has attributed or to the ruinous exchange policy and the mishandling of the currency of the country by the Honourable Member's predecessor, as some of the Indian financiers have said, I leave to the better and well-informed Members of this Assembly to discuss and thresh out and lay bare before this Assembly. But it is common ground that a very difficult situation has arisen in this country. Now, my point is, has the Honourable the Finance Member followed the salutary dictum which he set before himself in his last budget speech? He stated in the opening paragraph of his last year's budget speech:

"If my period of office is blessed with a series of good monsoons, my task may be comparatively easy. If not, I know that I may have to encounter difficulties. But difficulties are also opportunities, for, it is by these that a system is tested, and success in overcoming them may lead to its permanent strengthening . . . If I have an ambition, it is this, that whether we encounter bad seasons or good, you should be able to say of me when my work is done, that I served your country at least to the utmost of my powers and that in all that I did, my main thought was for the interests of the people of India."

Sir, my point is, has the Finance Member taken this opportunity of the difficult situation and tried to do some lasting good to the country in the shape of reducing the heavy military expenditure and the other heavy civil administration expenses, or has he, instead of doing that, tried to impose some additional taxation upon the already heavily burdened taxpayers of India in order to fill up the deficit of 4½ crores? Sir, I will pass in brief and rapid review some of the additional measures that he has proposed for the consideration of this House.

First and foremost is the protective duty on cotton. With regard to the 4 per cent. protective duty, everyone, especially the millowners of Bombay, and not only the Bombay millowners but the up-country millowners also, will welcome it. And further, even though it may entail some additional cost on the consumers, yet the consumers also will welcome this, because it will give some relief to the indigenous millowners, which they are sorely in need of. But what I do oppose is the 5 per cent. duty on all cotton goods imported from various countries except Great

Britain, and thus the introduction of this Imperial Preference. If it is to serve as a protective duty, by all means let it be made universal, and it may be made applicable to Great Britain also; but instead of that if preference is shown to Great Britain, the goods that would have been coming from Japan and other foreign countries would flow from Great Britain and thus there is no real protection to the Indian manufacturer. Then what will be the result? We will incur the odium of the other countries without getting any comparative benefit. If the goods do not come from other countries, and such goods come through Great Britain, it is something like fortifying a fort, allowing a breach to remain through which others can enter. The Finance Member stated that this duty is only for three years, and after three years, or within that period, the Tariff Board will consider the situation and give their opinion. Sir, this is something like putting the cart before the horse. After all, it is an experiment, and this experiment must be tried by the Tariff Board. The Tariff Board must inquire into it, must go into the *pros* and *cons* of it and then when it is found beneficial, it must be introduced.

The next is the kerosene duty. This must really adversely affect the indigenous industry. On account of this excise duty, the indigenous companies will raise the price of the kerosene in geometrical proportion. There is reduction also in the import duty on foreign kerosene, but this reduction is not such as to counteract the increase in prices, and this certainly will adversely affect the consumers.

Then with regard to the import duty on sugar, as an agriculturist, I welcome this because sugar is consumed only by the middle and higher classes and this will give an impetus to the sugarcane cultivation by the rural classes, and so I welcome this.

With regard to the import duty on silver, I oppose this, because the whole burden will fall upon the Indian buyer, and that is the middle and poorer classes. The Indian consumer has to pay for the purchase of silver over and above the world market rate, and after some time when this duty is removed and the value of the silver is *ipso facto* reduced, this consumer will become the poorer for it.

Thus the Honourable the Finance Member has explored all these sources whereon to impose additional taxation, without boldly facing the issue and cutting down the military and civil administration expenditure. This is the time to observe economy and retrenchment and not to impose additional taxation. Sir, I do not owe any apology to this House if I venture to harp upon the same old theme of the reduction of military expenditure. It is common knowledge that it is eating away very nearly half of the gross income of this country. The Brussels Convention, to which India is also a party, has set 20 per cent. of the gross revenue as the amount that should properly be spent on the military.

Sir Hari Singh Gour (Central Provinces Hindi Division: Non-Muhammadan): They say 20 per cent. is excessive.

Mr. T. N. Ramakrishna Reddi: I am glad that my Honourable friend says that it is excessive. Even the Retrenchment Committee has put it at 50 crores. In spite of all these years, the Government have not seen their way to reduce the expenditure at least to that amount. What have the Government done? They have fixed 55 crores of rupees annually as the amount they should spend for four years. Of course the Military Department have asked for 10 crores more for modernisation and mechanisation of the Army. The Honourable the Finance Member has spread this amount

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over four years during which time the amount of 10 crores is to be spent out of the 55 crores fixed annually for the four years. Now, in the present Budget he has reduced the amount by 80 lakhs. When I rubbed my eyes and saw, it was not really a reduction. He has spread these 10 crores, not over a period of four years but over a period of five years, and thus the agony of the Indian taxpayer is lengthened by one more year. The Indian taxpayer thought that he would get some relief at the end of four years, to the extent of 2½ crores. But one more year is added, and thus he has to postpone the enjoyment of the fruits of it by one more year. And then, what is our position after five years? Well, Sir, now-a-days, in the modern days of invention and improvement, and especially the improvement of destructive mechanism, this mechanisation and other improvements will become obsolete and antiquated by the end of five years, and then the Finance Member, or his successor, might come forward with a further demand of 10 crores, saying that all that has been carried out during these five years has become obsolete and new machinery has come in and new mechanisation must be introduced. So, as long as the Military Budget is a non-votable one, there is absolutely no guarantee that there will be any reduction in expenditure after any number of years. Now, Sir, is there any possibility of reducing this Military Budget further than the 55 crores of rupees? The Budget, before the Retrenchment Committee, stood at about 70 crores and gradually they have reduced it, and now they have come to 55 crores. Has India come to an end by this reduction? Again, what is the sanctity with regard to this 55 crores for three more years? What is the untouchability for three more years with regard to this sum of 55 crores? Now that there is a deficiency of nearly 5 crores, it must have opened the eyes of the Honourable the Finance Member to see to the reduction of this military expenditure. Over and above that, we have got 24 lakhs and odd given for civil aviation and 5 lakhs and odd for the Territorial Army. Further, we are spending some crores of rupees on strategic railways. All this must be included under the military expenditure. If you include all this, it will become an abnormal amount. Now if there is no way of reducing the military expenditure in this way, why do not the Honourable the Finance Member and the Government of India ask His Majesty's Government to contribute something towards this military expenditure? We have got no less an authority than Mr. Ramsay MacDonald, who is now the Prime Minister of England, who in his book on the Government of India, says: (*An Honourable Member*: "It is out of date".)

"A large part of the Army in India, certainly one-half of the Imperial Army which England requires for other than purely Indian purposes and the cost therefore should be met from Imperial and not Indian funds."

Thus we have the authority of no less a person than the Prime Minister of England. It may be out of date some years hence, but it is in time this year because the author of the book is now the Prime Minister of England, and this is a very opportune moment for the Government of India to ask the Government of England to contribute to the military expenditure.

Now, if that is also not possible, there is also another method, and that is the Indianisation of the Army. Many competent persons, the greatest Generals, have spoken about the efficiency of the Indian sepoy. The latest encomium has come from no less a person than President Von Hindenburg, the President of the German Republic. Very recently he stated, before some Indians who went to see him, that the Indian sepoy is a very great fighting element. Now, according to the Inchaape Committee, they arrived

at the average expenditure on a British soldier of Rs. 200, and on an Indian sepoy of Rs. 84 per mensem. So a British soldier really is six times costlier than an Indian sepoy. Thus, by Indianisation of the Army, you can reduce the military expenditure to a great extent. Now, Sir, we hear of the Naval Conference of the greatest nations of the world who are discussing how far it will be possible to minimise expenses on armaments. Is this not the time, I ask, for the Honourable the Finance Member to follow the lead of those great nations, and see his way to cut down our military expenditure?

Then, Sir, regarding civil expenditure, the Honourable the Finance Member himself has stated that it has already become top heavy. In his budget speech, on page 41, he has stated that he requires Rs. 60 lakhs more for civil administration than the previous year. In his last budget speech he stated:

"The group head Civil Administration shows a very large increase of 1,18 lakhs, a matter which demands a special explanation."

Again, in his reply speech, in reply to the Honourable Mr. Birla, he stated:

"My Honourable friend went on to say that there was little hope of new taxation or at least that we ought not to look to that as a method of strengthening our machinery. He said retrenchment should be the sign word in our programme. I have already made reference to that in my budget speech. Honourable Members will recall to mind the three reasons which I gave for seeking to make no change in our system of taxation this year. My second reason was that, before I suggested any change, I thought the time had come for the Government to review the whole of its expenditure. I think the time has come. It is already several years since the last Retrenchment Committee investigated affairs, and I think it is always a good thing to overhaul the machine from time to time."

Thus, the Finance Member himself has felt that the time has come for a thorough overhauling of the civil administration. Year after year, many lakhs have been added to the expenses of civil administration. Now he has himself proposed, in one of the paragraphs in his budget speech, the appointment of a special officer to look into possibilities of retrenchment. In the same paragraph he has stated that:

"It is, in my opinion, necessary to carry out a very close detailed investigation of the causes which have led in the past, and are still leading, to a steady increase in expenditure."

But in a subsequent paragraph he says:

"But I should be deceiving this Assembly if I were to hold out any expectation of large economies in this direction."

So we can easily see what amount of retrenchment proposals this officer, appointed by the Government of India, would lay before Government for consideration when the Honourable the Finance Member himself has clearly expressed the opinion that there is no hope of any reductions there. So, that is not the person who should be in charge of retrenchment. As the Honourable Mr. Birla pointed out, just now an independent retrenchment committee—a standing committee—must be appointed, composed of non-officials and officials, who should go through the various items of expenditure and suggest ways in which the expenses could be cut short.

Then, Sir, I come to my last point with regard to the nation-building departments. What has the Honourable the Finance Member done with regard to these nation-building departments, the importance of which he has over and over again emphasised in his budget speeches?

Mr. President: The Honourable Member must now conclude.

Mr. T. N. Ramakrishna Reddi: I am on my last point, Sir, I will just conclude. In the last budget discussion the Honourable the Finance Member stated:

"I would say to my Honourable friend, Pandit Madan Mohan Malaviya, that the only way in which that can be done is by improving the position of the agriculturist by the combined effort of Government and of all those interested in the welfare of India . . . directed to the extension of education and to the encouragement . . . and introduction of improved methods of agriculture. Anything else is more than a quack remedy."

And he has also said the very same thing again in this year's budget speech. He says:

"After all, it is in the hands of the Provincial Governments that the real nation-building services lie, and the two great needs for India are agricultural development and, as a necessary condition of its success, the increase of a really effective form of primary education. Of all the tasks, the responsibility for which my present office lays upon me, that which I take most seriously is the duty of finding revenue in order that those provinces which are at present handicapped by financial difficulties, may make a great start forward in developing the services which the country really needs . . ."

The Finance Member himself has felt the need of improving the condition of the agriculturists in India, but what has he done? He has only provided Rs. 5 lakhs, and that sum of Rs. 5 lakhs is intended only for the Agricultural Research Institute; it does not reach the actual cultivator. What the Agricultural Commission recommended was that any money that was provided should reach the ordinary cultivator. That is the real remedy which they suggested. They said:

"Lord Curzon's Government fully realised that a central institution under the direct control of the Government of India would be valueless unless there were at the same time real development of agriculture in the provinces."

Thus, the wealth of the nation lies in the agriculturists, and it is the duty of any Government to improve the condition of the agriculturist. That can be done, not by spending money on research institutions at Pusa or Simla, but by reaching the agriculturist, by introducing demonstration farms in each and every village, and by bringing home to the villagers the improved methods of agriculture. That is the only real and effective way in which to improve the agricultural conditions of India, but for that nothing has been provided. The Honourable the Finance Member may say that it is a provincial subject, but it is common knowledge that the Provincial Governments have not sufficient money to develop this, and it is the duty of the Government of India to come to their rescue. There is also another subject.

Mr. President: Order, order. Mr. K. C. Roy.

Mr. K. C. Roy (Bengal: Nominated Non-Official): Sir, whatever may be the differences upon the merits of the budget proposals presented by the Honourable Sir George Schuster, there can be no denying the fact that the House is deeply grateful to him for his fair and unvarnished account of the Indian financial position, as disclosed to this House by him the other day. (Hear, hear.) His analysis of the position has fully borne out the prognostications made by eminent financiers sitting on the other side, notably my Honourable friends, Sir Purshotamdas Thakurdas and Mr. Birla, with whom I should like to associate the name of Mr. Chetty. The forecast

which was given by Sir Basil Blackett on the eve of his departure from India has unfortunately been belied. I do not deny that he made the forecast with a sense of honesty and sincerity. Sir Basil Blackett's prophecy has been falsified. There is no doubt on that point. Between Mr. Birla and Sir George Schuster there is little room for difference on matters of fact, but there is a great deal of difference in the conclusion, for while Mr. Birla has pointed out to this House that we are at the beginning of our trouble, Sir George Schuster has maintained, in the concluding paragraph of his Budget Statement, that we shall be at the end of our troubles if we accept his financial propositions. I hope, Sir, that the forecast which Sir George Schuster has made in the best interests of India will be realised. In making prophecies in financial matters, one has got to realise world conditions as well as the somewhat unsettled and uncertain climatic conditions of India in regard to the monsoon. But even in spite of these limitations, I wish Sir George Schuster all good luck, so that he might be able to bring forward a prosperity Budget before this House next year.

Mr. Birla, in his thoughtful speech, to which I have been taught to listen with respect, has said that he is opposed to the scheme of taxation, and he said that retrenchment was the only remedy. In that matter there is a difference of opinion between the Finance Member and the Honourable and distinguished Member representing Indian commerce and industry. In paragraph 85, the Finance Member says:

"For all these reasons, I have myself regretfully come to the conclusion, which I have already stated, namely, that, however energetically and ruthlessly the search for economies is carried out,—and I shall myself welcome any measures for the conduct of such a search,—there is not room for any *substantial* reduction in the civil expenditure of the Central Government."

This is the dictum of the Honourable the Finance Member, which has met with opposition from many Members, of whom Mr. Beddi was the last—and whose maiden speech has been a source of great pleasure to us. But, Sir, as one who has been watching the functions of the Government of India for many years, I can truthfully bear out the correctness of Sir George Schuster's statement. There is indeed little room for economy in civil expenditure which is roughly about 23 crores per year, but there is room for expansion. At the same time, I feel that expenditure has been sanctioned this year which ought not to have been sanctioned at all, and for this I hold the Standing Finance Committee particularly responsible. A reference has been made to certain expenditure by Mr. Birla and by Mr. Das, who attacked the grant for civil aviation and the grant for broadcasting. I know something of broadcasting, because I was a member of the consulting committee when this company was brought into being; and at that time all of us, who were experienced journalists, told the Government of India that it was not right for them to allow the launching of a company which was foredoomed to failure; but our advice was set at naught by the administration in the Department of Posts and Telegraphs. The company came into existence, and the shareholders have lost their money, and they have now come to Government for help and the Government, I am sorry to say, have undertaken a new responsibility which they will not be able to discharge as time goes on.

There are also other items of expenditure which I can cite, such as the creation of the post of Deputy Secretary in the Department of Education, Health and Lands for emigration. When the Inohcape Committee was in session, my Honourable friend, Sir Purshotamdas Thakurdas, will recall

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that suggestions were actually made in the newspaper Press for the abolition of this Department—I think the suggestion was made in the *Times of India*. With the growth of provincial autonomy, which must come in the process of the political reconstruction of India, the size of the Government of India must be restricted, and I am surprised that an additional appointment of Deputy Secretary should have been sanctioned by the Standing Finance Committee.

I come to another appointment. That appointment is the creation of a post of Administrator for the new city of Delhi; as if the new city has not got enough officers already, we are going to have a costly Administrator for a city which is practically untenanted for the greater part of the year! There is very little room for retrenchment, I agree, in the civil charges of the Government of India, but there is great room to restrain expenditure, that is the primary function of the Finance Committee as well as of the Finance Member.

Sir, while I maintain that there is very little room for economy in the civil expenditure, I say there is very great room for economy in the army expenditure. I have here a statement, extending over a period of forty years, showing the growth of army expenditure. In 1890-91, the net expenditure was Rs. 21 crores, and Sir, you know the net expenditure today is Rs. 55 crores and 10 lakhs. During the last forty years the increase has been more than Rs. 30 crores. That, Sir, is a crushing burden for a poor country like India to pay. This morning the Finance Member gave some very illuminating answers to the questions of my Honourable friend, Sir Hari Singh Gour. Of course my friend was wrong when he said that the military expenditure of a country should be 20 per cent. of its total revenue; that is not correct.

Sir Hari Singh Gour: I never said that; I said that 20 per cent. was excessive.

Mr. K. C. Roy: Please read your question. It is not that: it is 20 per cent. of the total expenditure of a country—not its revenues. I am very gratified with the answers which Sir George Schuster has given; he has held out hopes of retrenchment in our army expenditure, and I hope that he will try and bring the Brussels Conference recommendations into active operation in India; if he does that, our army expenditure will be in the neighbourhood of Rs. 42½ crores, and if we can attain that figure—I am talking roughly from memory—there will be prosperity ahead. I will leave the question of expenditure at that.

I will now turn to one or two political and constitutional aspects of Sir George Schuster's statement. I think his reading of the political position is not quite correct. I think, with the utmost deference to him, that he has overdrawn the picture. He says:

"If the insidious lack of confidence continues to sap our foundations, we shall, as a Government, do our best to protect them and shall not hesitate to take strong financial measures for that purpose."

This, Sir, breathes a spirit of retaliation from a responsible authority. Sir George Schuster, throughout his Budget speech, has applied his world-wide experience of conditions to the framing of his Budget proposals; but in his political analysis, he has not applied world-wide conditions and the world-wide test. What is the position in the world today? There is

political evolution everywhere—in fact revolution. Look at old England; new parties are cropping up, which want to subvert the forces of the Conservative and Labour Parties. This is a new phenomenon, which we have not seen for years. What does Lord Rothermere want to do? He wants to throttle India and Indian aspirations. It is not right therefore to judge India's political evolution only by Indian standards. If you like, go to America and see what is happening there. Go to Italy; go even to Geneva, where political assassination was attempted in the very League of Nations. Political assassinations and political offences are not unknown in Europe, and it is not right to say that Indian credit has suffered because there have been conspiracies and political murders and political crimes. The Indian public has got sanity enough to know their interests, and they know their interests lie in the processes of constitutional development and constitutional methods, and not in anarchical doctrines or Soviet precepts. We all know that, and if we have lost credit in the foreign market, the Government of India cannot altogether escape their share of the responsibility; they have brought into this House such legislation as the Public Safety Bill and the Hunger Strike Bill, which they have not carried through this House. Failures of this kind, to carry through Bills of that character, have created a most melancholy impression in foreign countries; so, along with the representatives of the people, the Government of India must share the responsibility for lack of credit in India's finances and in India's good name.

There is another point to which I wish to allude in this connection. The Finance Member says:

“The future in this respect lies in the hands of the leaders of non-official opinion in India. The responsibility rests with them and not with the Government.”

Sir, I have conclusively proved that the responsibility also rests with the Government. If the Government of India become a little more responsive to public opinion, and if they can throttle the opposition that is created in England by Lord Rothermere and others, they will be doing not only a service to India but a great service to the British Empire, of which we are proud to be citizens.

The next point on which I wish to criticise Sir George Schuster is as regards his proposal to take time by the forelock and to make provision for Ministers. This is indeed a novel idea; but I find it has caught on already in Ceylon; the Ceylon Government made a similar proposal and I shall read from a Ceylon paper the verdict of the Ceylonese. It will be very interesting to hear it. They say:

“If the Government wants money for its own purpose, let it say so. To utter the plea of Ministers at this stage when the reform is not even in sight is the surest way to make them irresponsible.”

Now, I would invite the Honourable Sir George Schuster to consider this question seriously. We know nothing as to what the future reform is going to be; we do not know whether we are going to have a unitary form of government or a federal government. We do not know anything as to what the reform proposals are, but we are asked to a future commitment for Ministers in the provinces. I hope Sir George Schuster will take my suggestion into his consideration.

Finally, Sir, I can only repeat my congratulations to him for presenting his Budget in a fair and frank manner, and express the hope that, next year, he will be able to give us a Budget which will satisfy all concerned

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and restore his name and authority as one of the greatest financiers in the world of finance and commerce.

Sir Gowaji Jehangir (Bombay City: Non-Muhammadan Urban): Mr. President, being one of the babes of this House, I trust you, Sir, and the Honourable House will not consider me audacious if I rise to speak during the general discussion on the Budget, which happens to have been presented so very soon after my election to this House. But, Sir, as I do not consider myself justified in taking the twenty minutes that you have allotted to us, I will confine myself to only one or two important features in the Budget, which naturally, coming as I do from Bombay, capture my attention.

Sir, I need hardly say that the first point which I will take up is the proposals of Government to protect the textile industry of India. We have long clamoured for this protection. Government have referred the matter to several committees since so long ago as 1926. They then appointed an officer of their own to report on this important matter, but they still continued to think, to cogitate, to meditate and to hesitate. At last they have produced something, and we are therefore thankful. Better late than never.

But while putting forward their proposals they have introduced a feature that has made all Honourable Members in this House and the country think furiously. (*An Honourable Member from the European Group*: "Not at all."). They talk of Imperial Preference. It is unfortunate for the industry, an industry that has been on the verge of extinction, due to the inaction of Government, that when they do bring forward proposals, they should bring them forward in conjunction with a principle which, it is well known, no Member of this House will ever accept. But situated as we are, let us try and discuss the question impartially.

We must first admit that every one of us is opposed to Imperial Preference. There is not a British Dominion that has accepted that principle. There is not a British Dominion today which will give any concession to any part of the Empire or to England if it is prejudicial to its interests. Further, I say that there is not a British Dominion which will give any concession to even Great Britain, if there is the slightest suspicion that that Dominion will be adversely affected in the future. And therefore, I maintain, Sir, that to ask India to do anything that is not absolutely in the interests of this country, is, to say the least, ridiculous and absurd, and that not one Member in this House will countenance an argument or plea that will go to harm the interests of our country.

But, Sir, we are told that the exemption that Government desire to give to England is in the interests of this country itself. There are three points that will have to be examined. Firstly, whether the imported goods from England compete with ours in this country; secondly, whether the exemption given to England is really a relief to the consumer; and thirdly, whether this exemption will by any chance, within the next three years, enable the imported goods from England to compete better with our own goods in this country. These three points require consideration and elucidation, and I leave it at that until Government place their case before us while introducing their Bills.

Sir, the next point I will take up is the statement, which I welcome, from the Honourable the Finance Member, on behalf of the Government

of India, that the Fiscal Autonomy Convention is a reality. But I cannot forget that, after all, the present constitution forces the Government of India to submit their Budget for sanction to higher authorities; nor can I forget that, within the last few years, the Finance Members for India have had to proceed six thousand miles to take their instructions. Sir, I honestly trust and hope that this Convention is a reality, and I am prepared to accept that statement made by the Finance Member. And I not only take it as a reality, but I take it as an assurance that that Convention will be given statutory effect at a very early date. For, after all, if this Convention is a reality, I can see no objection to giving it statutory sanction at the very next opportunity. If it is given statutory sanction, it becomes real fiscal autonomy, and that is what we claim. Without fiscal autonomy, Sir, no reforms, no advance of the constitution, will be of any use. We do not want our Finance Member to go six thousand miles for his instructions. We want him to come to this Assembly. We do not desire to have appeals made to us before we have discussed the Budget, or before the Budget is even introduced. No Budget should be sent anywhere outside this country for opinion or sanction. If protests are to be made, they may be made not only by England, not only by every part of the Empire, but by any country after the introduction of the Budget. That would then be a real convention.

Sir, there is just one point that I would like to deal with. Government have appealed to this House to give serious consideration to their proposals. They ask us "to give full thought to the grave importance of the wider considerations". They remind us that the representatives of this country are soon to meet the representatives of England to consider the future constitution of this country. Sir, I fully realise the importance of this appeal. But may I remind Honourable Members of Government that there is a section of the British public in England which has voiced very different opinions? Up to a short time ago all sections of the British public took credit for being trustees for the teeming millions of the population of this country; that they were here in our interests; they were here to guard the interests of the millions who cannot speak for themselves. Since the famous announcement of His Excellency the Viceroy, a certain section of the British Press, and not an insignificant section, a section which carries considerable weight and influence, a section which has a tremendous following, has changed the trend of their criticisms. They openly declare

that India is necessary to England and that further reforms are dangerous to the interests of England, because India is England's best market. When this appeal is made to us to look fairly at this question, I will remind Honourable Members of Government and Honourable Members here that there is this powerful section in England which is against giving any reforms to this country, lest this country should deprive England of her trade down here.

Sir, this is an outrageous and monstrous policy to enunciate—that one country should not be allowed to advance because its trade should be reserved for the other country. Our industries and commerce should remain where they are because the interests of another country are affected. All this has taken place within the last four months. The appeal, therefore, I venture to suggest, is inopportune. The appeal ought to be directed to that powerful and influential Press in England who deny us the right to advance commercially and industrially. When we do have real fiscal autonomy, I have not the slightest doubt that, however this House may be constituted, it will look fairly on any proposals that may show some

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favour not only to England but even to any of its Dominions. But this appeal to us, is inopportune while allowing an important section of the British Press to tell the British public that we should get no advance because their trade and industries will suffer.

Sir, I think the sympathy of the whole House will go out to the Honourable the Finance Member, who, so very soon after his arrival in this country, has had the misfortune to present a Budget with a deficit of 5.52 crores. Although I am afraid he is not going to get the support of at least this side of the House, and also of some of the other Benches to all his measures of taxation, I can only extend to him my sympathy. I do not now propose to go into the other details of the Budget. We shall get an opportunity of asking the Honourable the Finance Member to give us details when the two Taxation Bills are before us, and we shall keep an open mind till those Bills are presented to us.

Dr. B. S. Moonje (Nagpur Division: Non-Muhammadan): Sir, able people have dealt with the Budget from the financial point of view. I shall confine myself only to the military part of the Budget. I sincerely sympathise with the Honourable Sir George Schuster in the most unenviable position in which he finds himself today, because I know most of his difficulties are inherited by him as a legacy of the past wrong policy and the vicious circle of the system of Government under which he has to work. To that extent, he has our most sincere and honest sympathy, but even making allowances for that, I think it was in his power to do something substantial to contribute his quota to the nation-building part of the Military Budget. He has tried to create an impression that he has begun an era of reduction of military expenditure. If analysed critically, I can only describe it as mere eye-wash or camouflage. He says that Government were committed to pay Rs. 55 crores for the Military Budget for five years, out of which three years have already past and there are still two years more during which Rs. 55 crores will have to be paid annually under this contract with the Military authorities. But he says that he is going to reduce the military expenditure from today by Rs. 80 lakhs for the next three years, at the end of which the contemplated drop in the Military Budget will be ushered in. Let us see if it is really a reduction from today as is claimed by my Honourable friend, Sir George Schuster. Let us see what it comes to. Supposing he had not been so obliging as to reduce the Military Budget before the contract time comes to an end after two years, i.e., in 1982, we would have spent, at the end of the third year, 55 plus 55 plus 50 crores, which is the drop which was recommended by the Inchcape Committee, namely, Rs. 160 crores. Under the proposed arrangement, which is to continue for three years, we would pay Rs. 162.60 crores in three years. He is thus actually giving to the military Rs. 2.60 crores more than the Military Budget has a claim for. Supposing the Government were to say, I am too optimistic to suppose, that the Military Budget could be reduced at once to 50 crores at the end of two years from now, and also supposing the Military Budget stood at 52 and not 50 crores, at the end of two years, what would be the effect? It would come to 55, plus 55, plus 52, that is 162 crores. That is, we shall still be paying Rs. 60 lakhs more. Supposing however, the Government were to say that the Military Budget cannot be reduced to 52 crores, but must stand at 58 crores, then we shall be paying 55 plus 55.

plus 58 crores, which comes to 168 crores. Thus at the rate proposed by the Finance Member, under which we shall have to pay 54.20, plus 54.20, plus 54.20, that is 162.60 crores, it would mean a reduction of merely 40 lakhs. Can my Honourable friend, Sir George Schuster, justify it as practically any reduction at all? I am reminded of a proverb in my mother tongue, Marathi, which, if translated into English, means "Little bits of meat and bread extracted from the crevices of the teeth do not satisfy a man's hunger". It is therefore that I call this show of a reduction eye-wash or camouflage. I would certainly have congratulated the Finance Member if he had been able to induce the military authorities to reduce the Military Budget to 50 crores. Of course we are not going to be satisfied even with that. We shall not cease our agitation until the Military Budget has been reduced to very much less than Rs. 50 crores.

Now, looking at it from the nation-building point of view, the Military Budget is generally regarded as money spent for maintaining a destructive machine. But there are two parts of the Military Budget. One part is set apart for maintaining a destructive machine, which is however an inevitable evil, and another part for the nation-building machine. Let us see what our Honourable friend, the Finance Member, has done in regard to this second part i.e., the nation-building machine. We want to win Dominion Status; we are out to have Swaraj ourselves. The only argument against our claim that the Bureaucracy has been advancing is—where are the people in India who can undertake the responsibility for the defence of the country? That is the standing argument against our claim. In this Budget I find that an attempt is being made to perpetuate that argument. If the present state of things were to continue, even at the end of 100 years from today, we may not be in a position to assure them that the country is in a position to assume the responsibility of its defence from foreign aggression. Such is the Bureaucratic way of perpetuating their standing argument against our national claim.

In this Budget, I find that the Finance Minister, Sir George Schuster, has been generous enough to grant five lakhs of rupees for the further expansion of the Territorial Forces, and, it is the Territorial Forces that form the nation-building part of the military machine. This is not merely my own opinion, but it is the opinion given authoritatively by the various committees appointed by the Government of India, themselves. The Territorial Forces Committee say:

"The object of the Territorial Force is an educational one, to create a national desire for patriotic military service and to afford opportunities for military training, to a wide range of the manhood of India and so lay surely and solidly the foundation of a national army such as will be essential to India when in course of time she attains to full responsible government and takes upon her own shoulders the whole burden of her defence."

The same Report continues to say:

"We think it of even greater importance to develop it as a school wherein the young men of the country may be trained to arms and may fit themselves to take their places in the national army of the future ready to defend their country in time of need. The promise to India of self-government implies in our opinion, the grant to her people of an opportunity of training themselves for her Defence."

This is what I call the nation-building part of our military machine, and it is exactly here that the Department has been starved. They have allotted only five lakhs of rupees for this part of the machine, whereas on

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enjoyments and luxuries and on those things which do not fall under the category of necessities of life for India, we find them wasting lakhs and lakhs. This fact has been brought out most prominently by several speakers on the floor of the House, and therefore I shall not weary the House by repeating it. Perhaps it may be argued that the Government do not know how better to develop a national army in India. Supposing that argument were correct, I might take the liberty of enlightening the Government on this occasion as to what is happening in other countries. Here I do not mean other countries which have no connection with the British, but their own Colonies where their own kith and kin reside. I find that, in those Colonies, they almost entirely rely upon the Territorial Force for their defence. They regard it as a nation-building part of their army, and they therefore spend money upon the training of the Territorial Force with a lavish—not only a generous—hand, so that practically the whole nation may be so trained and strengthened that none of its neighbours may be tempted to cast an evil eye of aggression on it.

Now, let us see what is happening in a small colony like New Zealand. What does it do in the matter of the development of its Territorial Force? In 1928, there were 805 officers and 20,140 other ranks in the Territorial Force. Imagine a country which is 100 times or perhaps even 200 times smaller than India having as many officers as 805 and as many rank and file as 20,140. Supposing India were to be allowed to do the same thing that is to spend its revenue with a generous hand on the development of her own Territorials, just as the English Colonies are doing, then there would be no need for an army, which may be called an army of British occupation, which costs us about five times more than our own Standing Army. Or, to put it in another way,—here I am not speaking of the British Army in India—don't you think it is more profitable, more advisable, more safe to rely upon a national army in an emergency than an army which has been described as a mercenary army as the present Indian Army is? Even from the selfish point of view, the Bureaucracy ought to say that it is in their own interests to develop the Territorial Force with a lavish hand or with a generous hand; because with the grant of Swaraj to India and the full development of the Territorials, there will be an unlimited source of supply of man power whenever the Empire may find itself again faced with a real emergency as in the last Anglo-German War.

Now, I will tell the House how many boys in New Zealand are under Military training. Senior cadets are organised in battalions and receive physical and elementary military training. Their strength on the 31st March, 1928, was 525 officers and 33,939 ranks. That is to say, almost one-third of the whole school-going-boy-population of the Colony is being given elementary military training. Does it not thus come to compulsory military training, and in a Colony where there is no fear of foreign aggression? There is the British Navy, which is so powerful that New Zealand, Canada and Australia can never entertain any fear of any kind of attack from any other country, and yet they have been spending such large sums, having regard to their revenue and the size of the country, upon the early military training of their youth. All male inhabitants of New Zealand, who have resided therein for six months and are British subjects are liable to be trained for military service as follows:—

(a) The senior cadets—from 14 years of age or the date of leaving school, to 18 years of age. and (b), the Territorial Force—from 18 years of age to 25 years of age; that is to say, practically the whole population between the ages of 14 and 25, are under compulsory military training so that they may be fitted to be a part of a national army in time of need. But what does our Government do for such military training of our boys? They have provided this year a princely sum of Rs. 5 lakhs for the purpose. I remember my friend Colonel Crawford last time twitted me by saying: "Why don't you spend your own money? If the Government does not spend the money, why don't you spend your own money and why don't you start your own military schools?" I might, in reply, remind him that the money which the British Government have in India is not the money that has been brought from England. It is the money which has been raised in India from our own pockets. Instead of controlling or operating upon it ourselves, it is the British people who are doing it, but the money as such comes from the soil, and it comes from our pockets and from our labour. Therefore, whatever Colonel Crawford may say, I have a right to ask that my Indian revenue should be spent on the strengthening and for the betterment of my country.

Colonel J. D. Crawford (Bengal: European): Will the Honourable Member give me some idea as to what the military threat in New Zealand is?

Dr. B. S. Moonje: I am glad that my Honourable friend has put me that question. There is no military threat, there is no fear and yet they are spending on training their youths with a lavish hand. What would they not have done if there had been a threat? I am glad my Honourable friend's interruption has strengthened my arguments. New Zealand has nil in the matter of military threat. (*An Honourable Member*: "Why has it not?") It is for you to make out a case if you contest my statement. I repeat there is no threat. The British Army and the British Navy are so powerful, that there is not one single country in the world which can look upon New Zealand with an evil eye. If you contest that statement of mine, it is for you to prove it on the floor of the House. And yet what does not New Zealand do in the matter of training her own youths? The New Zealand Government are not sitting idle and complacent. There is no Colonel Crawford in the Legislative Assembly of New Zealand to say to the people there, "Why don't you spend your money; you have got enough money, why should you call upon the Government to spend the money on the military training of your youths?"

Mr. N. C. Kelkar (Bombay Central Division: Non-Muhammadan Rural): There must be a Dr. Moonje there.

Dr. B. S. Moonje: Well, the time is coming when India is to be considered a partner in the British Commonwealth of Nations and then New Zealand will be under our clutches as we are at present under the clutches of New Zealand, Australia and Canada and the other British Dominions including Britain itself. The New Zealand Government has established a permanent staff with a strength of 135 officers, and these have been entrusted with the duty of training the youths in the schools. A standing military staff of 185 officers has been deputed to this work, and their entire duty is that they should train all the youths in military drill, discipline, physical training and elementary military training. Now what about the Territorial

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Force in India? How many officers are there to train the Territorials in India? How many military officers have been deputed to train the youths of India? I do not think I need worry you with figures. You know a grant of merely Rs. 5 lakhs is considered enough for the purpose. That ought to be enough information for us. But you know, compared with the smallness of the size of New Zealand, and the bigness of India, need I say it is a drop in the ocean? Besides, and over and above that, what else is New Zealand doing? New Zealand has established 156 rifle clubs with 4,860 members, and these clubs are affiliated to, but do not form part of, the defence force. The Government used to issue free of charge, 200 rounds to each member per year. Well, Sir, here is my reply to the question of my Honourable friend Colonel Crawford, "Why don't you spend your own money from your own pocket?" Why is it that the Government of New Zealand issue 200 rounds to each member of the rifle clubs, free of charge? Also to those members of the rifle clubs who want to purchase extra ammunition, it is sold at a reduced rate. It is these things, and it is these analogies before us, that embitter our heart when we see that, on the vital point where our British Government ought to help us, it is not doing, not only not doing, but on the other hand creating a situation which is nothing better than an eye-wash or camouflage, or false impression or whatever you call it.

Mr. M. B. Jayakar (Bombay City: Non-Muhammadan Urban): May I ask the Honourable Member, on a point of information, whether he means to say that New Zealand gives all this training and makes all this military preparation, although it has no military threat, as stated by Colonel Crawford?

Dr. B. S. Moonje: Yes. My Honourable friend has asked me a question I think I have already replied to it. It is not for me, and it is not for us to prove that New Zealand has got a military threat or a threat of aggression from outside. It is not for me to do so. My point is that there is no threat, and yet New Zealand, in anticipation of an emergency coming up in the future, is doing all it can to prepare and train its youths. They keep their powder dry, and no General is worth his name who, in the belief that there is no enemy, does not take care to keep his powder ever dry. But I would impress upon my Honourable friend this point, that, whether there is a threat or not New Zealand is right and wise in seeing that its youths are trained. So far as India is concerned, shall I bring forward proofs to prove that there is a perpetual threat on the North-West Frontier Province to India? It is this threat that is being made the excuse for defrauding us of our rightful claim to nationhood, defrauding us of our rightful claim to Dominion Status and Swaraj. In a moment of weakness—that weakness comes upon all nations at some time or other—in a moment of weakness we were defeated, and we were made helpless, and our national Government passed into the hands of the English people who were then foreigners. We are now creating a commonwealth, and if they so desire, we shall be members of the same household of the same Commonwealth, and if they do not desire that, they shall still deserve to be designated as foreigners . . .

Nawab Sir Sahibzada Abdul Qaiyum (North-West Frontier Province: Nominated Non-Official): Who brought them here?

Mr. President: The Honourable Member has exceeded his time limit. The House stands adjourned till Twenty Minutes to Three.

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

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

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): Sir, Education no doubt, like Agriculture, is a transferred subject, but the Government of India cannot wash their hands of all responsibility. A few years ago Sir Andrew Skeen and Major Dauffle visited schools and colleges in India, and they discovered not more than a dozen students whom they declared to be fit for a military career. The Education Department, maintained at an expense of 25 crores of rupees, and having 11 million pupils, cannot produce more than eleven or twelve students fit for a military career,—one in one million. Is that not in itself a condemnation of the Department? There must be something wrong somewhere, but if I examine it closely, I say everything is wrong everywhere. Our curriculum is defective, our mode of instruction is wrong, the text-books are improperly selected, and our system of examination is ruinous. Here in India students are taught not what they like to study, but they are taught subjects in which they have no interest. As regards the mode of instruction, I should first blame the teachers' training colleges. A few years ago the Retrenchment Committee in Bengal recommended that all the training colleges should be abolished. Mr. Zachariah, on behalf of the Government of Bengal, in his quinquennial report said that a degree in a training college had commercial value and had no direct bearing on the daily routine of the teacher's task. As regards the text-books, the Agricultural Commission has condemned the constitution and working of the Text-Book Committee. The Hartog Committee has not a good word to say for these Text-Book Committees. As regards the examinations, I think the British Government, by implanting the British system of examinations in this country had done a great disservice to India. After three quarters of a century, the British people have realised the mischievous effect of their system of examination, but unfortunately it is still being perpetuated in this country. We had in India for centuries a system of examination, which Germany has adopted today.

Mr. President: What about the Budget?

Dr. Ziauddin Ahmad: I am talking about the policy of education, specially of primary education, and advocating a grant from the Central Government towards education. The Hartog Committee is not very sanguine and very sympathetic towards compulsory primary education. They do not oppose it, but reading between the lines, they make us feel that it is impossible to achieve it in the near future. The estimate of cost of it which they have given is 6½ crores of rupees, but looking into the figures

Mr. President: Is that for the centrally administered areas?

Dr. Ziauddin Ahmad: No. They recommended the total expenditure for the whole of British India at 6½ crores; they recommended that the

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Central Government ought to contribute something for primary education, and they want that the Central Government ought to take up some responsibility for primary education. Now let us examine this figure of 6½ crores. According to the figures given by the Hartog Committee, the total number of boys of the school-going age in the whole of British India is 17 millions. According to their own statement, only 80 per cent. could ever be brought to school. Therefore, we have really to cater only for 14½ millions. We have at present 7½ millions in schools and colleges, and according to their own estimation three millions more could be brought into the existing schools without any extra expenditure. Therefore, in order to introduce compulsory education throughout India now, we have to make provision for four million more pupils altogether. Now, considering the cost of education, their calculation is Rs. 8 per head, and the way in which they got this figure was that they divided the total expenditure by the number of pupils in schools. As I have just said, three million boys more can be absorbed in the existing schools. Therefore, if we add this number, and divide the total expenditure by this increased number, the cost per head will be Rs. 5-8, and not Rs. 8. By calculating it as Rs. 5-8, the additional expenditure would be only about 2½ crores of rupees. This is the amount which is necessary to introduce compulsory free education throughout British India; and I appeal to the Assembly that out of this amount, one crore of rupees ought to be contributed by the Central Government for primary education, and the 13 provincial Governments may be requested to raise the remaining 1½ crores in order to introduce compulsory education. This contribution from the Central Government may not be according to population. It may be according to the need of each province, if proper administration be guaranteed, and the money be not absorbed in the general education Budget, but a special Board of Primary Education be created to advise Government about the way in which the money ought to be spent; and if the curriculum of studies be suitably made, I am perfectly certain that Provincial Governments will agree to fresh taxation to the extent of 1½ crores; and we can introduce compulsory primary education within a space of three years without postponing it for an indefinite period, as recommended by the Hartog Committee.

About secondary education, the policy of Government was laid down by the Commission of 1882. It was established by the Resolution of 1904 of the Government of India, and again established in 1918. Their policy is this, that we should maintain only one secondary school at the headquarters of each district, and control secondary education by means of inspection, recognition, and the grant system. This policy has been proved to be very mischievous, and there have been regular criticisms of this, and it is not in keeping with the traditions of other countries. In other countries, the State is responsible for the entire system of secondary education. We all know that secondary education is the fulcrum of entire education. It influences primary education on one side, and higher education on the other, and therefore the educational problem can only be judged, not by primary or university education, but by secondary education. And here the State has altogether failed in its responsibility. Sir William Meyer, when he was Finance Member, asked the Education Department to introduce a definite policy for secondary education, but the Government unfortunately have failed to introduce any policy at all.

There is one point to which I wish to draw special attention, particularly of the Leader of the Opposition, as he will be interested in it. It is a common experience, not only in India, not only in the United Kingdom, but throughout the world, that privately managed institutions are nearly all denominational institutions. Therefore, if you leave the secondary education in the hands of the people, and the Government wash their hands of the responsibility, except to maintain one secondary school as a model, then the denominational schools will come into existence. Every religious organisation will try to maintain its own network of schools, and create a special Department to collect subscriptions, and we will have a kind of Government within Government, *imperium in imperio*, and that will be exceedingly dangerous to the State and to the country. Now we have been discussing a great deal about separate electorates, and I think that the separate electorate is the result of the educational policy that the Government have laid down in this country. (Hear, hear.) First we abolish these denominational schools and the State assumes responsibility for all forms of education, then the people will demand a mixed electorate, as the result of teaching in mixed schools and colleges. (Hear, hear.) Sir, after the war, a great revolution has taken place in every country in education. Germany has introduced compulsory technical education throughout the country. The boys, after receiving compulsory education till the age of 14, are given compulsory technical education till the age of 17 or 18, that is, for a period of from three to four years. England and France, on the other hand, have introduced technical education in their ordinary schools. The central schools have been brought into existence in England, and polytechnics have been very much utilised. My Honourable friend, Pandit Madan Mohan Malaviya, in his supplementary note attached to the Report of the Industrial Commission about 15 years ago, described the necessity of framing a curriculum which would be a mixture of general and technical education. He appealed to the Directors of Industries and of Education to co-operate together and evolve a new type of curriculum which would be a combination of the two. Now, the scheme which he desired to be framed in 1918, has now been actually worked out, both by France and England. They have evolved a curriculum for their schools and colleges, in which they have the combination of general and technical education. They say that technical education has got as much educative value as general education, and the general education is as much utilitarian as the technical education. Here we are still silent, and are doing absolutely nothing in technical education.

Mr. President: Does the Honourable Member want education to be a Central subject?

Dr. Ziauddin Ahmad: I just want to plead that technical education ought to be financed by the Central Government, because the Central Government draw its revenue from customs and taxes and these are the sources of revenue which help technical education in every country.

Mr. President: Technical Education must be a Central subject?

Dr. Ziauddin Ahmad: Yes; it should be a Central subject. That is what I want. The other thing to which I want to draw attention, is

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that the Central Government ought to contribute some money to the Provincial Governments for the maintenance of higher education and give them grants in the same manner as the British Government do to the counties and boroughs.

The next point to which I should like to refer is the Advisory Committees which are maintained by the Central Government. I have come across a number of students, both in India and in England, and I have not seen a single one who said that he received some assistance from these Advisory Committees, though a number of them told me that they got on in spite of the opposition and obstruction from them. Therefore, I beg to recommend very strongly that these Advisory Committees in India ought to be abolished and the Advisory Committee in England may also be dispensed with, as they are not fulfilling any useful purpose, and their place may be taken in India by a Bureau of Education, which has also been recommended by the Hartog Committee, and in England by some organisation such as the Congress of the Universities of the British Empire. I had the opportunity to discuss the matter with them, and they would be very pleased to do practically the same work as the Advisory Committee placed in the office of the High Commissioner, is now doing. There is another difficulty. The students are very suspicious of any intervention on behalf of the High Commissioner, and this suspicion will be entirely removed if this work is done by the Congress of the Universities of the Empire. (*An Honourable Member*: "Question.")

The last thing to which I would like to draw attention is the Public Service Commission. I think it is a white elephant of the Home Department, and I would request the Home Member, had he been here, to kill the animal before he leaves and not to leave it to his successor to bag the game. In the first place, these are the people who make a selection for all kinds of departments. They sit as medical experts and choose a medical man. They sit as engineers and select an engineer. They sit down as accountants to select a person for the Accounts Department. In fact, they pose as being well-informed in each and every Department of the Government of India. I always thought that, in order to select the best doctor, one must be a doctor himself, and in selecting an engineer, one should himself be an engineer. It is impossible for any layman to give an opinion on the selection of a professional person. Their selection, even if they take nominal expert advice, is not of much value. I maintain that any person who considers himself to be an expert in everything practically knows nothing.

The second point is with regard to the competitive examination which they hold. It is a matter on which I have tabled a motion, and I will discuss it when the time comes. But I do maintain that these competitive examinations—I do not bring in any kind of communal representation. I do not bring in the Indianisation of service—I stand only on scientific grounds and I say that these competitive examinations do not select the best candidates. It has been proved very definitely that you cannot select the first and the second by simply adding up the numerical marks allotted to each particular question.

Pandit Madan Mohan Malaviya (Allahabad and Jhansi Divisions: Non-Muhammadan Rural): Sir, the Budget before us is, I hope, the last of the

Budgets presented under the existing system, and as I read it, it sounds the death-knell of that system. No critic of the present administration need think of producing stronger arguments against the present system than the budget proposals before us supply. What do they tell us? They remind us that the system is one under which the Government are not responsible to the elected representatives of the people and that they carry on the administration according to their own will, guided only by instructions from England; that under that system expenditure both civil and military has been growing; that it has been growing enormously, and growing in spite of the repeated protests of the representatives of the people. I do not wish to go into figures; but the whole history of India during the last 60 years is a tale of repeated protests against the growth of expenditure. When the Congress met first in 1885, it put forward that protest. Today, the representatives of the people in this Assembly have reiterated that protest in all the criticisms that you have heard on the Budget. Civil

expenditure has grown frightfully—as some previous speakers
 3 P.M. have pointed out, by so many crores in a few years. In spite of the poverty of the people, in spite of the growing poverty of the people, civil expenditure has been growing. Military expenditure has grown enormously and has not been reduced even to the extent that was recommended by the Committee which the Government themselves appointed. The result of it is that, even today, Rs. 54 crores and 20 lakhs of expenditure is budgeted for for the maintenance of the Army. The Government have, during the course of the last sixty years, again and again been met by a situation in which money had to be found to make up deficits in the Budget. On most of these occasions, new taxation has been resorted to in order to make up the deficits. There is only one important instance of the appointment of a retrenchment committee, to which Dr. Gour has referred. The recommendations of that Committee brought about a reduction in expenditure worth considering, but the most important recommendation of that Committee, made seven years ago, in regard to military expenditure, *vis.*, that it should be brought down after a few years to a sum not exceeding Rs. 50 crores, has not yet been carried out, and there is no sign that it will be carried out in the near future.

Now, Sir, the condition of the country is truly deplorable. Under this system, highly paid appointments, to the extent to which they exist in this country in the civil and military departments, inflict a burden upon the people which they cannot bear, and it is to maintain this system of high salaried officials from top to bottom, so far as Europeans are concerned, that fresh taxation has been resorted to from time to time. We protest. What is the result of that protest? The protests go unheeded. It is the saddest part of the duty of a Member of this Assembly that he should have to make constant protests against the action of the Government, which go unheeded. What is the present situation? In peaceful times, when there is no war threatening us, when we have been far removed from the effects of the last great war, the Government have come forward to propose fresh taxation of over Rs. 5 crores. In no other country, so far as I know, has war taxation been kept up so long. In this country, the high taxation imposed in consequence of the war is still maintained, and the Government have now put forward proposals to add further to that taxation. This is more than human flesh can bear. You cannot think of a more wicked system of Government than this, under which the representatives of the people who have been elected by the people under rules laid down by Government to voice the sentiments of the people, have not the power to compel the Government to spend as they think fit, the great bulk of the

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money which they are required to raise by their votes in this Assembly. I say deliberately, it is a wicked system of Government, and the sooner we can see the end of it, the better it will be for humanity in India and even in the outside world.

Statesmen in Europe long ago laid down that not more than 20 per cent. of the revenues of a country should be spent on military expenditure. The elected Members of this Assembly, of the first Assembly, brought forward proposals for its reduction. Such proposals have been brought forward again and again. They have taken two shapes, one for the direct reduction of military expenditure, *en bloc*, the other for the creation of a system of military education for Indians under which Indians will be trained to take the places of European military officers whereby the army expenditure of the country will be greatly reduced. The first has been little attended to. The second has been turned down. The Government appointed a Committee of their own, presided over by a very capable General, on which many of our representatives sat. But the unanimous recommendations of that Committee have been turned down. Now you are face to face with this situation, that the Government maintain military expenditure where it is, or very nearly where it is,—the reduction of 80 lakhs in the Army Budget of 55 crores to my mind is very insufficient—the Government maintain this expenditure nearly where it is. The Government have refused to listen to our reasonable demands, demands which were endorsed even by the officers of Government of their own choosing. The Government have turned a deaf ear to all our representations even to introduce a system under which Indians would be trained to take the places of European officers in the Army, and the Government come to us and ask us to vote further taxation, in order that such a system should be kept up. Can they in reason expect our support? And what are the proposals that they have come up to us with, and what is the time at which they have come to us with those proposals? There is widespread depression of trade, unemployment and suffering. There is great dissatisfaction in the country, and the Government know it with the existing system of Government. I may say that, almost without exception, every Indian who has any sense of self-respect, desires that this system should end and that Dominion Status should be established in India at the next amendment of the statute. Every Indian, without exception, is protesting against maintaining the present scale of taxation and expenditure. And what is the response of the Government to this protest? At this juncture they have come forward with proposals for fresh taxation. Many reasons have been assigned for bringing forward these proposals, but the main reason, I am sorry to think, has not been put forward as it should have been put forward in the Budget. The main reason has been the policy which the Government adopted three years ago in the matter of the 1s. 6d. ratio. All the troubles which are now upon us, nearly all the troubles were prophesied. Speakers in this Assembly and writers in the public Press, and on the platform, pointed out that the very troubles which are now facing the country would arise, but the Government did not pay any heed. Of course the present Finance Member was not responsible for it, but the Government of India were. My quarrel is not with any particular member of the Government; my quarrel is with the system of government. The Government of India are responsible for establishing this 1s. 6d. ratio, and most of the troubles, which we are faced with today may be traced to this 1s. 6d. rupee ratio. And now what is the remedy? Adopting the right

measures, I grant it is difficult to adopt the right measures, it requires a great deal of courage, a great deal of statesmanship, a determination to do the right, in spite of all odds against you, a unanimity among the Members of the Government of India in the recognition of what is right and due to India. But the right policy is to undo the evil as soon as you can undo it, and to the extent you can undo it. In every undoing of evil there are some evils which have inevitably to be borne; it is a question of weighing the advantages and the disadvantages, and if the disadvantages are smaller than the advantages, the course of greater advantages should be adopted. We have now had an experience of the evils which were forecasted in connection with the 1s. 6d. ratio. I wish the Government had given us a statement, a full statement, of the losses which the Government of India have had to suffer in maintaining exchange at 1s. 6d. Where have the reserves gone? Why have they gone? How much of them has gone in the vain attempt, the unwise and futile attempt, to maintain the rupee at 1s. 6d.? The rupee will go down, it will not be maintained at 1s. 6d., but the Government refuse to recognise the fact. Will the Government stay their hands even now, and not take any further artificial measures to support the 1s. 6d. rupee? If they would simply abstain from taking artificial measures to support the rupee at 1s. 6d., I venture to say that much of the trouble which we are confronted with, at least a considerable portion of the trouble which we are confronted with, will probably disappear. Are they prepared to do so? If not, why not? And what have the Government been doing by their own action? They have been contributing to the impoverishment of the country. The people of India have got a great deal of silver in their possession. That is their only possession, the possession of the mass of the people scattered all over the country in very small dribblets, like the drops of rain, but which in the total, amount to a good deal. By the action of the Government of India in selling silver, they have contributed to reduce the price of silver. By that act of the Government, the price of the silver which the people possess has been very considerably reduced. Why should the Government of India have resorted to that measure? I ask the Honourable the Finance Member to give one good reason why it should have been necessary for him to sell all the silver,—unless it were to invest it in gold, which I could understand—was it not to bolster up this wrong ratio? And what is to be the sequence now? It is now proposed to put on a duty on silver; that is to say, knowing that silver is going to be cheaper in the world, you are putting on a duty on it whereby its price will be bolstered up for a time in India during which time the people will have to purchase silver at a higher rate than they would have to pay if silver had been allowed to come in at the world market price. They will have to purchase it at that enhanced price, and when this silver duty is removed, or when by other causes silver goes down further in price, they will have to sell it at that lower price. Who will lose, except the people? I can quite understand such a measure being adopted after consideration in the Assembly, after consultation with the representatives of the people, with the definite object of supporting silver under a definite policy of establishing a gold standard and adopting at the same time, other measures by which silver shall be prevented from going down in price, as it is going down now. I can quite understand such a course being adopted as part of a large policy, and the money raised from it being ear-marked—absolutely, every pice of it—for some service of the people, for some benefit to the people. I cannot support the proposal to raise money by means of such a duty, to make up a deficit in the Budget. This is adding to the wrong which has already been inflicted on the people.

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Let me turn to another item of taxation that is proposed. The income-tax has to be increased, and why pray? What is the contingency which has arisen? Is there a war threatening India? What other circumstances are there in existence today to justify this increase of the income-tax at this juncture, at a time of peace, so many years after the war, when there is no threat of war or of trouble with Afghanistan or with Russia? Some friends of mine have said to me, "Let this tax be imposed; it is only the richer people who will suffer". I do not agree with that view. Is it right that the rich people should suffer a wrong? Rich or poor, our people should not be exposed to unnecessary and unjust taxation. There are some others who think that, because there are some high officials of Government who also will have to pay this increased tax, therefore it should not be opposed. But, Sir, I am opposing the taxation because I do not find any justification for it. I am opposing it because so much money will be taken away from my people without any justification. Why is it to be done? Only in order that the deficit of the Government of India may be met. But the deficit ought to, and could have been avoided by prudent financing.

What is the third proposal? It is to increase the cotton import duty from 11 to 15 per cent. for revenue purposes and to add to it a 5 per cent. protective duty limited to non-British goods, i.e., with a preference to United Kingdom piece-goods. Now, I desire to give every reasonable support to the Indian cotton industry. But I ask every Member of the House to consider what the Government proposal for protection means. Have you heard of any country, of any system of government anywhere in modern times, where the Government of the country could bring forward before the Legislative Assembly a proposal of this nature, a proposal that you should make a present of a 5 per cent. duty to the manufacturers of Great Britain because you are anxious to protect your own manufacturers against the competition of another foreign country? And how is this proposal brought in? It is brought in along with the proposal for raising the income-tax. On the one side, you are asked to increase the income-tax on your people, and on the other side you are asked to exempt the United Kingdom cotton piece-goods from the 5 per cent. duty. Let us clearly understand what this exemption from the 5 per cent. duty means. It really means preference. In the Indian Fiscal Commission's Report they say:

"Preference means that goods from one or more favoured countries pay duty at a rate lower than the general rate. Whether the preferential rate is a real reduction in duty, or whether the general rate has been arrived at by making an addition to what is considered the minimum duty, which thus becomes the preferential rate, is, in considering the economic effect, immaterial."

Therefore, Sir, preference means that goods from one or more favoured countries pay duty at a rate lower than the general rate. And what is the effect of it? The effect of it is described by the Fiscal Commission by quoting the Report of the United States Tariff Commission in 1918. They say:

"Where a reduction of duty affects only a fraction of the imports of a particular article, and the major portion of the imports of that article is still left subject to the main or non-concessional duty, the result is not only a loss of revenue to the Treasury, because of the lower rates of duty, but absence of any gain to consumers. The reduction of duty redounds only to the advantage of the foreign producer."

Speaking of the effect of a preferential duty in another place they say:

"The consumer will thus pay the higher duty on the whole supply, and the difference between the two rates of duty will be equivalent to a bounty to the manufacturer in the country receiving the preference."

So that, Sir, the proposed exemption from the 5 per cent. duty means the giving of a bounty to the manufacturer in the United Kingdom. They further say :

“The effect of this bonus is to stimulate the trade of the manufacturers of the country receiving the preference, and in a short time they may secure for themselves the whole market, driving out altogether the non-preferred manufacturers.”

That, Sir, is the true position in regard to this duty, and I am surprised that the Government of India should have thought of putting forward such a proposal before this Assembly. Nothing could be clearer than the opinion expressed by the Fiscal Commission on this point. They recommended that, before a policy of Imperial Preference was decided upon, it should be preceded by an inquiry by the Tariff Board who should examine and report whether there were any commodities on which preference might be given to the benefit of the Empire and without detriment to Indian interests. But even that has not been done in this matter. The question whether exemption could be given to United Kingdom goods without detriment to Indian interests has not been inquired into by the Tariff Board. What I have quoted above was the view of the majority of the Fiscal Commission. In addition to this, the members who were in a minority, after pointing out that the effect of such a bonus was to stimulate the trade of the manufacturers of the country receiving the preference, went on to point out that this was not a thing that should be done in the present condition of the country; and they made a suggestion that it should not be carried out so long as India was not a self-governing country.

They said :

“We are in favour of Imperial Preference”—

I do not endorse that view, I am merely quoting it—

“on the distinct condition that India should in this matter be put on the same footing of freedom as is enjoyed by the self-governing Dominions, and that non-official Members of the Legislative Assembly should be given power, by legislation or other equally effective means, to initiate, grant, vary and withdraw preference as may be necessary in the interests of India in all its aspects.”

This recommendation was made in 1922. The Government of India have not adopted this course; the Government in England have not adopted this course; and we are asked today to accept this proposal of preference to British piece-goods as one which will benefit India.

I am grieved, Sir, that in this connection we have received a message from His Majesty's Government. I have great respect for His Majesty's Government, but I cannot understand how, with a sense of justice, they could put forward a proposal or approve a proposal like the one that we have before us. For what does it come to? We are asked to raise the duty to 20 per cent. on all cotton imports.

We are asked to have a general duty of 20 per cent. with the exception of goods from the United Kingdom, which means in the words of the Fiscal Commission, the presentation of a bounty to the extent of a 5 per cent. duty to the manufacturers of England. In the speech of the Honourable the Finance Member, he said that we should not cause any unnecessary injury to British interests. Sir, far be it from our minds to cause any injury to British interests. But the real truth in its naked form is this. The proposal of the Government means not protecting the British

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manufacturers from any wrong, but making a present of a 5 per cent. duty to them. What will be the result? Today the competitor of Lancashire is not India so much as Japan. In the last five years the trade of Japan in piece-goods has increased by 88 million yards. In the same period, the trade of Lancashire has diminished by 38 million yards. Now the proposal is to shut out Japan. Who will then step into the place of Japan? It must be Lancashire, and if Lancashire steps into the place of Japan, how does India gain by it? What is the gain to India? Will it help or hinder the development of India's cotton industry? The test that you have to apply is that preference may be given to another country if it does not injure the interests of the country which gives such preference. The Indian market has been snatched away from England partly by Japan, and therefore we are asked to impose a duty only on Japan and not on the manufactures of England. It clearly means that you want to give the advantage of a 5 per cent. duty to the English manufacturer, so that he may come more smoothly, more happily into the Indian market. It practically means that we should tax our people to help England. Now, I ask, Sir, is it fair that such a proposal should be made to the Indian Legislature? The Honourable the Finance Member referred to the message from His Majesty's Government. His Majesty's Government have been very courteous to this Assembly in making an appeal to us to agree to this proposal, and the Finance Member has enforced that appeal by saying that the situation was a very special one and that if we did so, it would have a very important effect on our discussions at the Conference which is likely to take place in the near future. He said this:

"The times are not ordinary. It may not suffice to keep in view only those factors which in ordinary times might be held decisive, for the times are not ordinary. Within a few months the representatives of India will meet the representatives of Great Britain to discuss, in the fullest and frankest way, the future of this great country, and much must depend on the spirit in which they meet. It is obvious that any gesture of friendship which India can spontaneously and without compulsion make to the British Government in their own present grave industrial troubles is bound to strike a responsive note."

I submit, Sir, that this reference to the Round Table Conference was particularly unhappy. In the first place, the Government of India and the Legislature are not united as to what the change in the constitution should be at the next stage. If the Government of India had told the Assembly and the country that they were prepared to support the suggestion that full Dominion Status shall be established at the next revision of the statute, then they would have had some ground, some justification for asking this Assembly to consider the proposal they have put forward. We do not know what their views are; we do not know how far away we are from Dominion Status. We have been asked to attend a Conference, at least some of us might be asked to attend a Conference, where this question of the constitution will be discussed. Suppose we fail to respond to your request, shall we be prejudiced by that decision? Is it right for you to put this kind of pressure upon us? Even if the position were different, even if the case were not so clear as it is, even then I submit we should have expected you not to put this kind of pressure upon us at this juncture. For, I am sorry to say, Sir, that the inference, shall I say the apprehension, is that, if we fail to respond to this gesture of friendship, opinion in England might be prejudicial against us. I strongly hope, Sir,

it will not be. But, if it is, the responsibility for it will lie upon shoulders not on this side of the House but on the other side.

Now, Sir, the Joint Select Committee of Parliament said in their Report on the question of fiscal policy for India, that a convention should be established that in this matter the Government of India, acting in agreement with the Legislative Assembly, should have the power to decide. Mark the words, "in agreement with the Legislative Assembly". They said :

"This examination of the general proposition leads inevitably to the consideration of one special case of non-intervention. Nothing is more likely to endanger the good relations between India and Great Britain than a belief that India's fiscal policy is dictated from Whitehall in the interests of the trade of Great Britain. That such a belief exists at the moment there can be no doubt. That there ought to be no room for it in the future is equally clear. India's position in the Imperial Conference opened the door to negotiation between India and the rest of the Empire, but negotiation without power to legislate is likely to remain ineffective. A satisfactory solution of the question can only be guaranteed by the grant of liberty to the Government of India to devise those tariff arrangements which seem best fitted to India's needs as an integral portion of the British Empire. It cannot be guaranteed by statute without limiting the ultimate power of Parliament to control the administration of India, and without limiting the power of veto which rests in the Crown; and neither of these limitations finds a place in any of the statutes in the British Empire. It can only therefore be assured by an acknowledgment of a convention. Whatever be the right policy for India"—(*I invite particular attention to these words*)—"for the needs of her consumers as well as her manufacturers, it is quite clear that she should have the same liberty to consider her interests as Great Britain, Australia, New Zealand, Canada and South Africa. In the opinion of the Committee, therefore, the Secretary of State should, as far as possible, avoid interference on this subject when the Government of India and the Legislature are in agreement, and they think that his intervention, when it does take place, should be limited to safeguarding the international obligations of the Empire or any fiscal arrangements within the Empire to which His Majesty's Government is a party."

The Joint Select Committee recommended that the Secretary of State should, as far as possible, avoid interference on this subject, but the interference has taken a more insidious form on this occasion. I have no doubt that His Majesty's Government were prompted by a very kindly thought for the Members of this Assembly. I acknowledge the courtesy which they have shown. I am sure we all appreciate it, but it is unfortunate that this

Mr. President: Order, order. The Honourable Member will have other opportunities to speak on this subject. I would ask him now to conclude his observations.

Pandit Madan Mohan Malaviya: Thank you, Sir. But it was least to be expected that, with that clear recommendation, the Secretary of State should be replaced by His Majesty's Government, and that a message should come to us, through His Majesty's Government, at such a delicate time on such a delicate matter. I do hope that the House will consider the whole question very carefully, and I do hope that the Budget, when it is fully discussed, will lead to an alteration of the proposals for new taxation to make them suit the needs of this country, and avoid the infliction of an unnecessary injury upon the people of this country. The right remedy is more retrenchment, drastic and ruthless retrenchment. That should be the policy to be adopted and not fresh taxation upon a people who are already overburdened by taxation.

***Sir Zulfiqar Ali Khan** (East Central Punjab; Muhammadan): Sir, it is generally considered that the budget debate is always a convenient moment for launching a general assault against the Government trenches, and the clearest objective on this occasion is the Finance Member. My experience, spreading over several years, has shown me that the shafts of criticism shot at him, though they have sometimes pierced his strong armour, have not affected him in the least or brought about his surrender. On this occasion I see that a strong attack has been made on his position, and it remains to be seen what effect it produces on him. It is not, I confess, always very easy to attack a man like Sir George Schuster. His affability, his courtesy, and his spirit to accommodate the Honourable Members is such as to take the sting out of the criticism which we make with regard to his proposals. But, Sir, one thing is certain, that the Government have their difficulties, but we have our duties, and I do not think that either of us can escape them. On this occasion Honourable Members on my right have shown in the clearest terms possible that the proposed Budget is most inopportune, and one which is not likely to appeal to the country. We are now, if I am not using a strong metaphor, on the crater of a volcano. The explosion may take place at any moment. I do not think that, in these circumstances, it is a wise policy on the part of the Government to exasperate public opinion and to create a situation which may add fuel to the fire. I may find other opportunities to speak on certain aspects of the Budget, as you, Sir, have informed the Honourable Panditji, and therefore I would rather reserve my criticism on these points to some other time. I would at present confine myself to only a few observations with regard to the proposal to increase the income-tax, and to levy a tax on kerosene oil.

With regard to the income-tax, my brief remark is that ever since the imposition of this tax, there have been frequent enhancements of this tax and every year the Government find opportunities of adding to its incidence. I do not think this policy of crippling the well-to-do classes, who are active, industrious and enterprising, is a paying policy. I know for certain from my experience that the moneyed classes, who are mostly affected by it, feel so discouraged to invest their money in fruitful enterprises that the prosperity of the country is very much endangered. Taxation is generally resorted to in other countries where prosperity exists. Here in India what is the situation? The situation is this, that there is trade depression and depression in agriculture. Under these circumstances both the rural and urban populations are suffering, and if the income-tax is enhanced, I make bold to say that, not only the urban classes, but also the rural classes, will raise a big howl, and I wonder whether Government would find it convenient to meet that clamour. In Europe the present policy of the Governments in different countries is to try to reduce the burden of the people. During the war, the Governments of the different countries had to resort to heavy taxation, and the people submitted to it quietly and submissively, knowing the dire needs of the situation, but now, in Europe also, the policy of retrenchment and the policy of reducing the taxation of the people is the foremost policy of all Governments. As my Honourable friend the Panditji said, what are the circumstances which compel Government to resort to this policy? There is no war and there are no special circumstances existing which demand such

*Speech not revised by the Honourable Member.

a heavy burden, which is proposed to be imposed on the people. If these moneyed classes are crippled in their resources, I do not think there will be any industrial enterprise undertaken by the people, and if this does not happen, then I cannot understand how the prosperity of the country can increase.

With regard to kerosene oil, I would say that the tax would hit the poorest people in the country very hard. Even in places where there is electric light, for example, Lahore, Delhi and other places, the poorest people, who cannot enjoy the benefits of the electric light, have to burn their dim lights in order to illumine the darkness around them, and these people buy kerosene oil to make their huts cheerful. And if kerosene oil is taxed, then Government would take away from these poor people even of this little consolation. Is it fair and is it right to deprive these poor people of this little commodity, this little chance to light their houses?

Sir, one does recognise the necessity of Government to fill the gap of deficit, and the only stronghold where the treasure lies which could be taken to fill this gap is the military stronghold. I need not expatiate on this subject, as other Honourable Members have fully discussed the military situation in India, but I would certainly add my little quota to it. Sir, the military situation in India at present is such that India has no fear from any foreign aggression. Every country in the world has its military forces ready to meet any foreign aggression and to repel it. And perhaps France or Germany or any other country may require her military strength to be kept up-to-date for fear of mutual antagonism. But here in India this is not the case. Look at our borders. I shall proceed from Burma from the side of China. In China we find a civil war is raging and there is not a ghost of a chance of the Chinese attacking India. Then, we can travel towards Afghanistan and make a big jump from China to Afghanistan. Well, in Afghanistan there is no immediate danger for India. In fact, I never thought that there was any danger for India from Afghanistan. The Government there is now engaged in reorganising its resources and its administration. In fact, if there is any danger to Afghanistan, India may possibly have to help her. Then going from Afghanistan to Persia, we find that there is no peril from this side. Persia is not in a position to attack India. If we leave these two countries alone and go beyond them, we find Russia dominant in those countries. Some apostles of the forward policy may say that Russia might attack through these countries, but I do not believe in this. Russia cannot attack India thousands of miles away from her base. The military strategists may know better, but those who have studied the conditions of the world situation may sometimes offer useful advice and criticism. It is impossible for Russia to attack us. Russia may indulge in propaganda work. The Soviet Government may spread propaganda by subtle means, but she cannot bring her forces to attack India, especially through Afghanistan, when Afghanistan herself is not in a position to give material help to the invaders. Therefore, Sir, I do not understand how it is that the Government of India maintain such an expensive force in India when it is not at all needed. The Government of India maintain a force, which is on a war footing, but the war is not at all in sight, especially on the borders of India. Then, what justification is there for the maintenance of such a large force? This force consumes a very great proportion of the revenues of India, and these revenues come from the pockets of the poorest people. Government exists for

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the happiness of the people and for their comfort, and for their peace, and if a Government takes away the little the people have to feed themselves and their children, what justification is there for that Government to say that it is a civilised government, an enlightened government for the good of the people? The efficiency of the Government lies certainly in ensuring peace and prosperity to the country. But their present military policy would certainly not show that they are, by taxing the poor, following the policy of efficiency.

Sir, much has been said with regard to the situation in India *vis-a-vis* the Conference, which may be held in the near future. Although I believe that very strenuous and honest efforts are being made to conciliate India, and to bring about a harmony of aim and purpose, at the same time I cannot close my eyes to the situation which at present prevails in India. We may suspect the motives of Government at home, we may suspect the situation or the formation of new parties in England and their ulterior motives, yet, to be honest and fair, I must say that, if we want success, if we want to carry our aspirations and ambitions to a successful issue, we must face the conditions in England by bringing about a much needed harmony of interests in India itself. Without that, however we may blame Government, however we may try to show to the world that we are able to manage our own affairs, nobody, I am afraid, will feel impressed by mere verbal claims. The world will only feel impressed when we show a united front, and I have every hope that there is a disposition existing in the country at present that there should be a blending of interests of the different peoples in India. And I think the near future may bring about a perfect unity among the people. We have reasonable men amongst us. (*An Honourable Member*: "Question.") The question becomes very great, I am afraid, when you yourself question it. We have certainly, in spite of what my friend may say, among us people who understand politics, who understand that unity alone can bring about freedom and liberty to this country. But what is being done? My Honourable friend to my right, Mr. Jinnah, says that an army is necessary for the purpose of bringing about unity.

Mr. M. A. Jinnah (Bombay City: Muhammadan Urban): I did not say that at all.

Sir Zulfikar Ali Khan: Then, what did he say?

Mr. M. A. Jinnah: I will say if my time comes.

Sir Zulfikar Ali Khan: If the Honourable Member wants to hear my reply then, I am here.

Mr. M. A. Jinnah: My observations were not meant for the Honourable Members at all.

Sir Zulfikar Ali Khan: Then, I am very grateful to my Honourable friend.

Mr. M. A. Jinnah: But he did not quite grasp what I said.

Sir Zulfikar Ali Khan: My hearing is rather defective. Well, Sir, in spite of this confession on the part of my Honourable friend, I would still persist in saying that there are sensible men among us, and I would put

foremost among them my Honourable friend, Mr. Jinnah himself, (Hear, hear and Applause.) and I hope that he will emerge from that Unity Conference, which is at present sitting, with the biggest credentials and will show to the world that the impossible has been achieved. (Hear, hear.) Sir, there is nobody belonging to any country, and there is no citizen of any country, who does not want that his country should not have the breeze of freedom and liberty blown across its face, and I therefore say that, whether I belong to the Muslim community, or whether I belong to any other community, it is our united desire that India should be as dignified, that India should be as independent, (Hear, hear.) and that India should enjoy as much liberty as any member of the British Empire. (Hear, hear.) For this purpose, I am certain that the Indians are ready to make sacrifices. Knowing from my contact with the young and the old, and knowing the temper of the people, I feel sure that this readiness to sacrifice something to achieve the liberties of India will go a very great length in securing for the people of India those liberties which are her birthright. Now, Sir,

Mr. President: I think the Honourable Member must conclude now.

Sir Zulfiqar Ali Khan: I shall take my seat, Sir.

Mr. M. E. Jayakar: Sir, in intervening in the debate at such a late stage, my justification is that I wish to invite the attention of the House to one or two important features which arise on the Budget. I do not wish to go into the technical side of the Budget, first, for the reason that I have no time, and secondly, I do not pretend to be an expert in those matters. I will offer my comments on the Budget as a politician, as a layman, and will present the House, for its consideration, with one or two important questions which arise on the Budget. I take the Budget as a kind of diagnosis of the Indian financial situation offered by a very friendly and expert physician, Sir George Schuster. May I remind him that, when he assumed charge, he was reported to have conceived his office as that of a physician called upon to diagnose and improve the financial situation of the country? A local paper reports his speech as couched in the terms of a famous oath of Hippocrates:

"I will use all ways of medical treatment that shall be for the advantage of the sufferers, according to my power and judgment, and will protect them from injury and injustice. Nor will I give to any man, though I be asked to give it, any deadly drug, nor will I consent that it should be given, but purely and holily I will keep guard on my life and my art."

That, Sir, is the conception of Sir George Schuster of his own office, and therefore the diagnosis of the financial situation, coming from such an expert and friendly ministrant, is entitled to great consideration. I may call the attention of the House to the fact that, before this statement of Sir George Schuster was made about a year ago, it was preceded by an equally important observation of his predecessor, Sir Basil Blackett, who promised the House an abundance of surpluses as a result of his financial policy. I will quote a short extract from his speech. He is reported to have said:

"Intrinsically the financial position of the Government of India seems to me to be sound and prosperous. From 1929-30 onwards"—

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Honourable Members will please mark these words:

"From 1929-30 onwards it will be the privilege of this House and of my friend and successor, Sir George Schuster, whose acceptance of the post is a matter of great personal satisfaction to me, to find no outside claimant to the recurring surpluses, which I hope it will be their good fortune to enjoy in the coming years, and they will be free to turn their minds on the one hand to new directions in which money can be usefully laid out for India's advancement."

Well, Sir, that is the diagnosis of a physician whose innings was over, and on the scene came an expert medical man in the person of Sir George Schuster. Therefore, his diagnosis of the present situation is very important. What is his diagnosis of the financial situation? Throughout his budget speech, he suggests in several paragraphs, as if he used the words specifically, "I have made every attempt at retrenchment and economy. I have tried my best to see where I could make cuts and the Budget I present to the House is a result of that endeavour; it is impossible to make further economies". I hope that I am not unfair to Sir George Schuster in regarding this as the main implication of the Budget. The Budget is the result of a very close scrutiny on the part of Sir George Schuster, an expert who came with a great reputation in other parts of the world, and is the scion of a high family of great financiers in Europe. His diagnosis of the present situation, which fills me with apprehension, is this, that there is no scope for further economy in the Departments of the Government as constituted at present. His other diagnosis, which fills me with even greater dismay, is that India is in a state of chronic indebtedness, and the extent of her indebtedness, speaking roughly, is about 1½ crores a year normally. I am not an expert in figures, gentlemen

Mr. President: Order, order.

Mr. M. R. Jayakar: I am not an expert in figures and I am stating what strikes me as a layman. I may frankly say to my Honourable friends that it is this aspect of the Budget which fills me with complete despair. The opinion of an expert like Sir George Schuster is that Government have practically come to the end of their tether, that we cannot run the Government except with a habitual deficit of 1½ crores, and that, but for windfalls like the German reparations and the income-tax from the Privy Council, we should have an additional deficit of 1½ crores even in the present Budget. Well, Sir, it is this insolvent aspect of the Budget which I want to put before my Honourable friends. In other words, without mincing words, Sir George Schuster tells us that the Government of India is a bankrupt Government. I am only paraphrasing, in plain words, the observations of the Finance Member.

4 P.M. He tells us, without using these very words, that India has arrived at a stage when her Government has become bankrupt. We must all thank the Finance Member for his frankness, to which I invite the attention of the House.

The remedy suggested is a very difficult one. I do not want to go into the technicalities of the cotton duties, for two reasons; because at the present moment it may not be right to offer any opinion on that, pending the discussions which are going on; and secondly, because it is

a somewhat technical question, and I do not claim to have first-hand acquaintance with it. I will leave the question alone for the moment. I shall now refer to another matter, which struck me when I read the budget speech, I mean the portion which relates to the Military Department. Lord Bryce, the great constitutional authority of England, once visited India. He was led by his curiosity to travel throughout this country. On his departure he was asked what he thought of the system of Government in India. Lord Bryce is not in any way a person biassed by Indian views. His views therefore are of independent value. I will state to the House the remark which he made about the system of Government in India. He is reported to have said, "I smelt gunpowder everywhere in India", a very significant remark indeed, proceeding from a person of Lord Bryce's acquaintance with constitutional questions and his impartiality and detachment as a person unconnected with India. May I say that I too smell gunpowder everywhere throughout the Budget? A great joke has been perpetrated of 80 lakhs retrenchment in 55 crores of rupees in the Military Department! Sir George Schuster will excuse me for saying so, but it is indeed nothing more. 80 lakhs of rupees in 55 crores; and that too spread over three years; half the revenue at one stroke assigned to the Military !!! When the yearly revenue arrives, the Government distribute it at once into two parts, one for the military and the other for everything else. And all that Sir George Schuster is able to do, with his great friendliness for Indians and his expert knowledge, is to cut down 80 lakhs in three years.

I want Honourable Members to examine the implications of this, that we have arrived at a stage when our Government, otherwise bankrupt, insist on spending half its revenue on fighting. As the Honourable the Leader of the Opposition said, let us hope that this is the last Budget of the present Government. Let us all hope that the next Budget will be different, both in its nature and authorship. But what we have to see today is that we have the testimonial of an expert that this Government is on its last legs, has come to the end of its tether, and cannot proceed. The remedy suggested does not strike the non-official mind as either proper or adequate. It is a scheme of taxation not for the purpose of giving relief to the nation-building departments, but for the purpose of enabling Government to set their house in order. Further taxation for the purpose of enabling a spendthrift Government to make both ends meet!! I am not an economist, Sir George Schuster is. I learnt my economics at college many years ago, but I remember learning the elementary lesson that new taxation cannot be justified on the ground that it enables the spendthrift to meet his extravagance. I can understand new taxation for the purpose of enabling the Provincial Governments to go on progressively in their nation-building departments. When I say this I am not ignorant of the hope held out by Sir George Schuster that if there are surpluses—note the condition—if there are surpluses they will be handed over to the Provincial Governments for the purposes of the nation-building departments. He does not say there will be surpluses, but if there are surpluses they will be handed over. I submit, Sir, that this is a delusive canon of taxation.

Sir, I do not wish to speak long, because I know Sir George Schuster must have enough time to reply. I now come to another part of his budget speech, namely, the appeal made to the non-official Benches by

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Sir George Schuster and His Majesty's Government behind him, to strike a responsive note at this time as a kind of prelude to the ensuing Round Table Conference. You have ruled, Sir, that this is not the time to go into the question of the Round Table Conference. I will therefore not go into that matter at all. But may I say that we are not unwilling to respond and to strike a responsive note, we all know how every day some of my friends, on this side are engaged in creating a responsive atmosphere. But may I draw the attention of the Government of India to the necessity of creating a similar atmosphere on their side? A responsive note, as the word "responsive" denotes is a correlative and reciprocal process. May I draw the attention of the Government of India to the necessity of pulling up their own men in this connection? In these days when the Government of India are thinking of calling a Round Table Conference, and asking for a responsive atmosphere, what are their own pensioned servants doing,—men who have fattened on the money of the Indian people and drew salaries from the Government of India, men who have retired from here and are being sustained by the revenues of the people of India,—what note are they striking? Are they helping the creation of such an atmosphere? May I in this connection draw the attention of the Government Benches to a report in the *Statesman* of the 27th February? I will just explain by way of preface what I am referring to. Honourable Members will remember that, a few days ago, I was so fortunate as to get, with the aid of the European Group, a Resolution through this House, that simultaneous examinations for the Indian Medical Service be started in India and England. It was a very mild Resolution, which even the European Group saw the justice of helping me to get through. Referring to that little episode in this House, some remarks have been made in England by a gentleman called Sir Cecil Walsh. This person had the distinction of being a Judge of the High Court of Allahabad, and if my memory is correct, he made himself notorious even when he was a Judge, by his anti-Indian feelings. While a judge, he wrote a book which, as Pandit Kunzru tells me, created a great sensation at the Bar, for his venom against the Indian people. This gentleman has now retired apparently on a fat pension and safe in his retirement, and probably from a cheap boarding house in London, which is often the haunt of such spent up men, he is fulminating against the people whose salt he eats. This gentleman has the audacity,—I wish the Government of India would pull him up for it—he has the audacity to say with reference to my Resolution, I am reading from a report of his speech appearing in the *Statesman*:

"Sir Cecil Walsh is specially scathing in his condemnation of the half-heartedness of the official Europeans in the Assembly on the occasion utilised by Mr. Jayakar to press, on racial grounds, the claim of Indians to the places and the authority of the Indian Medical Service. Is it not time, asks Sir Cecil Walsh, that English spokesmen in the Assembly stiffened their backs against some of these sharp shooters (of Mr. Jayakar) instead of constantly showing the white feather or retreating from the fight?"

Then he goes on to say,—a most extraordinary statement proceeding from an ex-High Court Judge—that if Indians are appointed in larger numbers in the Indian Medical Service, then:

"The English woman will be obliged to leave India by reason of the lack of reliable medical assistance and the Englishman too will go, and with him the British Raj."

This is the atmosphere that the pensioners of the Government of India are creating in England. This is an atmosphere, the growth of which the Government of India can at once check, and I thought it was necessary for me to draw the attention of Sir George Schuster and his colleagues in the Government to this fact in order that steps might be taken to silence the garrulous pomposity of this ex-judge. This person is, I understand, the President of the Anglo-Indian Association. I should therefore like to ask Colonel Gidney, who has great experience in this matter, whether he thinks that English men and English women in India will leave the country for the simple reason that a few places are given to Indians?

Lieut.-Colonel H. A. J. Gidney (Nominated: Anglo-Indians): As President of the Anglo-Indian Association and representative of the community in this House, I dissociate myself entirely from the insulting and scurrilous statements Sir Cecil Walsh has made.

Mr. M. E. Jayakar: I am very glad to have that assurance, and I hope that the Government Benches will also dissociate themselves from these offensive lies. Let them remove this irresponsible atmosphere on their side, and we shall be ready to reciprocate. The remedy for the evils touched in the speech of the Finance Member is strict and drastic Indianisation. That is the one remedy that I can suggest. I am not relying on any racial grounds. I am speaking merely from the point of view of economy and retrenchment. As the Honourable the Leader of the Opposition, Pandit Madan Mohan Malaviya, pointed out, the one thing necessary is to Indianise the services and curtail the army expenses. I do not wish to refer to the experience of other countries which came to the conclusion that only 20 per cent. of the total income could be justifiably spent on military expenditure. Whatever other countries may have to say, I know that in my own country it is a most wicked system, under which 55 crores out of about 135 crores are dispensed on military matters.

Another suggestion I should like to make to Sir George Schuster, and to the House also, is that India is too poor to run simultaneously two militant Departments, Civil Aviation and the Army, in full strength. If the ambition of the Government is that these two Departments should go on progressing simultaneously, it will be a disaster. I would wish the House to be careful the next time grants for Civil Aviation come before us. Let the House ask boldly the question of the Government Benches, what retrenchment are they going to make in the Army Department as a result of an advance in aviation? As the result of our grants, progress in aviation will take place, and on the occasion of each such grant let the Government Benches tell us what corresponding economies they are going to effect in the Army Department? I hope the Honourable Members will therefore be more careful, when the occasion comes, and not grant a single farthing for civil aviation until Government agree to make corresponding economies on the army side.

The Honourable Sir George Schuster (Finance Member): Sir, I am afraid that I shall have to ask the House to descend from the rather high altitudes in which they have been travelling on Mr. Jayakar's eloquent wings. My task concerns itself with hard and dry facts, and it will be necessary for me to deal with some of those facts. But I would like to express a word of gratitude to my Honourable and learned friend for having reminded me of that oath to which I made reference in my first budget speech last year, as something which expressed perhaps in words which were rather more

[Sir George Schuster.]

romantic than are usually employed by those engaged in my material calling of finance, but which nevertheless did express what was to be my desire in administering the heavy task which rests upon me now. For if there is one note which I have tried to strike in framing my budget proposals this year, it is the recognition of my obligations as an honest physician charged with the care of the financial health of this country. It has not been an easy task, and I knew that it would not be a popular task; but I feel that the very worst service which I could do to India would be to disguise the difficulties of the case and to deal with the present situation by mere temporary expedients.

Sir, before I deal with the main framework of the case which has been put against the Government by many of the speakers on the other side of the House, there are one or two particular points—points, some of them of importance—which were raised by various speakers in regard to which, I think, I owe a definite answer, and I would like to deal with those first so as not to interrupt, at a later stage, the main thread of my argument.

Questions were raised as to the reactions of the proposed duty on silver, on silver ware and silver thread, and I was also asked, I think, what the Government proposed to do as regards silver produced by local mines. I am not prepared to give a final answer on any of those points. I can only say this, that they are receiving the attention of the Government. I fully appreciate the points that have been made on the other side, and I hope to be in a position to give definite views on those points very shortly.

Then, my Honourable friend, Sir Purshotamdas Thakurdas, raised a particular point as regards our proposals with reference to the Gold Standard Reserve interest. I feel that it is important I should give an explanation on that. My Honourable friend suggested that we were putting by a sum of £150,000, which he calculated as equivalent to 30 lakhs.

Sir Purshotamdas Thakurdas (Indian Merchants' Chamber: Indian Commerce): Twenty.

The Honourable Sir George Schuster: I beg my Honourable friend's pardon. I understood him to say 30 lakhs. He seemed to be under the impression that we had a sum of 20 lakhs which we might have used for the relief of revenue this year. I should like to explain exactly what the proposal is. The proposal is that we should treat as a standard revenue in respect of the Gold Standard Reserve a sum of £1,600,000 and that if in any one year the revenue exceeds that sum, the excess shall be treated in the following way; one half should go to an equalisation fund and the remaining half should be credited to revenue. To give an illustration of the way in which the system hitherto in force is worked, I quoted figures for the last two years and explained that, as a result of the sudden depreciation in our investments at the end of the year 1928-29, our receipts had only been £1,200,000 roughly, whereas in the current year, 1929-30, owing to the recovery of that loss and to high rates of interest prevailing, our receipts have been £2,400,000, and I explained that this was very disturbing as a budgetary factor. It will be far better if we can rely on a regular receipt under this head and not have the results disturbed by temporary changes in the rates of interest prevailing in London. The figure which we have suggested as our standard revenue is what we considered to be a safe average rate, £1,600,000, representing the interest on a sum of £40,000,000 held in the Gold Standard Reserve, less the amount which they actually

held in gold, which is rather over £2,000,000. That represents slightly over 4 per cent. which is, if anything, rather an optimistic estimate of what we can get from our temporary investments of the Gold Standard Reserve. Therefore, I think, looking to the future, that is a sound provision. If anything, I say the estimate is a little bit too liberal. There is nothing that we could draw upon this year to help out the Budget of next year. The figure on which we estimate receipts next year is £1,700,000, but I think it is quite likely that we shall not realise that sum. We have actually included in the Budget, working on our new rules, a sum of £1,650,000, representing the standard revenue of £1,600,000 and half the surplus of £100,000. I think, as I said just now, that we should be fortunate if we realised the full amount, because, since the estimates were made up, rates of interest in London have further come down, and, if anything, I think that is likely to be an over-estimate. There is really no chance of our realising much more than what we are budgeting for.

My Honourable friend raised another question in that connection and asked whether the new principle which we are introducing implied any particular intention to dispose of our investments in the Gold Standard Reserve. The alteration in procedure was made as a piece of sound financial practice; it has no reference to any future intentions; but it is a sound financial practice, because the Reserve is there to be utilised, and it ought to represent at any time the real realisable value of the assets which are supposed to be there. From that point of view, it is important to keep the assets valued at the current price of the day.

Sir Purshotamdas Thakurdas: I wish to put a question if the Honourable Member is willing to give way. Supposing these securities are held up to the time they mature, can there be any loss at all when the securities are finally realised? That, I thought, was the question I raised.

The Honourable Sir George Schuster: I am not disputing my Honourable friend's contention that, if the securities are held till they mature, unless the British Government goes bankrupt, there will be no loss, but the point is that it may be desirable to sell them or exchange them for some other form of investment before they mature, and we want to have that particular Reserve always representing the sum which it purports to represent. If there was any depreciation on any particular investment which had not been provided for, there would be a deficiency in the published valuation of the Reserve.

Sir Purshotamdas Thakurdas: Depreciation can come on only if you sell the securities before maturity. Otherwise is it not a mere book entry for the purpose of valuation as required by statute?

The Honourable Sir George Schuster: My Honourable friend is perfectly correct in saying that it is a mere book entry. These investments have now been written down, and when they appreciate again in value, the book loss is recovered. There is no difference as regards the ultimate result, and the provision which we now propose to introduce will correct the effects in our budgetary results of any possible alteration in the valuation of the investments, and I think this new provision will really achieve a most desirable object.

Sir Purshotamdas Thakurdas: Would the procedure I suggested be in correct, Sir, from that point of view?

The Honourable Sir George Schuster: It is very difficult to say what is exactly correct in dealing with a fund of this kind. I might, as a matter of confidence, tell this House that I myself argued at great length on exactly the same lines which have been present to the mind of my Honourable friend, but I was ultimately convinced that the procedure which we propose to adopt is the correct procedure. I should be very glad, Sir, to discuss this at length with my Honourable friend. I feel that perhaps at the present moment we are taking an undue time of the House on what is rather a technical question.

Turning, Sir, to the general case which has been made against the Government, we have not had from the greater number of speakers any detailed criticism of the particular proposals of taxation which I have put forward. The case has rather been argued on more general grounds. It has been said, how can the country face this great and increased burden of taxation? What is the justification for imposing it? A very frequent line of argument has been that we are already at the high water mark of taxation at which we arrived during the war and that now, instead of seeing the tide go down, the public are asked to acquiesce in its rising again to a point which can never have been contemplated. I have endeavoured, Sir, in my budget speech to present the position as it faces us at present as clearly as possible, and to explain to the House exactly why it is that we find this gap to fill. I did not take into review the past history of taxation, and I should like to refer to one or two figures in that connection. Taxes in India—and I think one may include in a nation's taxes both the railway and posts and telegraph rates and direct taxes—were increased by very substantial amounts from the years 1916-17 to 1922-23. In fact, taking railway rates, my summary tells me that there was, during that period, a total increase in fares representing Rs. 11·95 crores, and that in other taxation there was a total increase of Rs. 37·29 crores. Then followed the regime of my predecessor, and in the years 1923-24 to 1928-29, there were actually effected, as the result of definite reductions in rates or taxes, reduction of revenue of just over Rs. 5 crores on railway fares, and over Rs. 2 crores on taxation—a total of Rs. 7·12 crores, and on top of that there was the total remission of the provincial contributions, representing Rs. 9·83 crores. Therefore there was a reduction in what the Central Government could rely upon for their own expenditure of about Rs. 17 crores. Now, the whole point of my presentation of the case has been that expectations of revenue on which the final remission of the provincial contributions was proposed—those expectations of revenue have, for a variety of reasons, not been fulfilled. I do not take a very gloomy view of the position merely because those particular expectations have not been fulfilled. I recognise that this country, like every other country which is mainly a producer of agricultural commodities, is passing through an extremely difficult period today, but I do not regard it as more than a part of the normal ebb and flow of economic movement which now is perhaps more than normal, because we have not yet recovered from the violent oscillations set up by the shock of the Great War. But I feel that we are in one of those periods of depression from which, if history repeats itself—and there is no reason why economic history should not repeat itself in this respect—from which there is every reason to expect a recovery. It is unfortunate that such a period should have come upon the country just after a great risk had been taken in the final remission of the provincial contributions, but I cannot feel that the case is much worse than that. There is perhaps another factor which has supervened, and that is, that the normal growth of expenditure has perhaps been larger than was anticipated,

and I think that possibly in the years following the operations of the Retrenchment Committee there was some very ruthless cutting out of particular kinds of work which it had not been really in the interests of Government to have cut out. Those factors have created the gap which we have to face today. So much for the past.

Now, as regards the present picture, I really think that I can claim that I have presented it in a way which could not possibly be misunderstood in my budget speech. And the point I want to make is that this gap, with which we are faced and which I feel that we must fill by sound methods, is not caused by any immediate extravagance, not by any growth of expenditure, but by certain unavoidable causes namely, the interest charges on deadweight debt, the deterioration in the main commercial services, and the fact that we are now proposing to adopt a sounder method in dealing with our liabilities in respect of Postal Cash Certificates. These are the main factors in the situation, and these added to our previous gap of Rs. 90 lakhs which I disclosed last year make up the total for which I have to find balancing revenue. It would no doubt have been possible to disguise all these facts, but I could not reconcile it—I could never reconcile it—with my own financial conscience to have taken such a course. As regards the future I venture to say—although I always hesitate on these matters to make any sort of prophecy—that if we adopt the procedure which I have proposed this year we shall put the country into a very sound position, and that if things go normally with India, we shall find ourselves in the position of being able to devote funds to that nation-building expenditure which all Honourable Members opposite have pressed for.

Before I deal further with that I must make a few remarks on the actual proposals for taxation which I have made. I think I may conclude, from what has been said in the course of this debate, that there is some criticism in all quarters of some of the taxes, and some support in all quarters again for some of the taxes; and that the criticism and support fairly evenly balances itself out. But I am unshaken in the remarks which I made in my original speech that, in the case of all the taxes that I have proposed, there is some counterbalancing advantage. I referred to the possibility of one exception; I thought that possibly it would be difficult to find a counterbalancing advantage in such a direct impost as the income-tax; but there again I could not reconcile it with my own financial conscience to put forward these new proposals without including some form of direct taxation; and perhaps this consideration might commend itself to my critics on the other side, that the introduction of this particular feature will bring home to all of us who are supposed to be responsible for this extravagance, that if there is Government extravagance, we also have to suffer. I think that there is an element of fairness in that, and possibly that consideration will carry some weight with my friends on the other side.

As regards the tax on silver, I thought I had made it clear in my original speech what were the main reasons which caused us to turn at this particular moment to this levy. I was disappointed, I must confess, in the speech of my Honourable friend the Leader of the Opposition, to find that, although I understood that he was very troubled in his thoughts about the existing holders of silver, his consideration has now been diverted to the interests of those who propose to purchase silver in the future, I

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myself feel quite certain that, in imposing this tax, we have put on something which can hardly be removed, and the danger of loss being incurred by its removal, which was one of the points to which my Honourable and learned friend referred, need not be taken seriously. It can be removed in the unlikely event of silver rising very appreciably, and of course if silver was to rise to anything like its war-time value, to a point where the bullion value of the rupee approximated to its face value, then obviously it would be the policy of the Government to take it off. But otherwise, so far as the position of holders in the country is concerned, the particular point made by my Honourable friend does not, I think, arise.

Now, Sir, in connection with silver, I have been asked, and the demand has been particularly pressed by my Honourable friend, Sir Purshotamdas Thakurdas, that we should make a disclosure of the total operations of the Government since the recommendations of the Currency Commission, and I have been very anxious to take the occasion of my intervention in this debate to give my Honourable friend the information which he desires. I wish to make it very clear that I am doing so as a very special case, because I believe no one appreciates better than my Honourable friend how difficult it would be, in the course of ordinary operations, for the Government at all times to be ready to make public what they are doing. The silver market is a difficult market, a tricky market, and for successful operation in that market it is necessary that our plans should not be publicly disclosed. Subject to that reservation, I wish to give the House this information. The total amount of silver sold since the Currency Commission's Report to the end of February, 1930, was 67.8 million fine ounces. The lowest London price on which any contract for refined silver has been based is 22½d. per standard ounce. The average price at which refined silver has been sold works out at 25½d. per ounce. I think that that statement, if it is considered, will answer some of the charges which have been made against the Government. It will indicate, in the first place, that Government have not been in the market during the whole of the recent period of weakness; it will also indicate that our total sales of just under 68 million ounces over a period of three or four years have not been an overriding factor in the world position. It would also indicate that there has been some public advantage in our policy. I daresay some of my Honourable friends will query this, because they will say that, if the Government of India had not sold, the price of silver today would be very much higher than it is; but that I may say is an appreciation of the position which I, after very careful consideration, cannot accept. In any case let us compare the average price which we have got for that silver with the price that prevails today. The average price we got was 25½d. per ounce and the price today is about 19½d. Therefore, on the quantity we have sold, we have realised more than we should realise if we sold today, to the extent of £17,00,000. That at least indicates that the public interest has to some extent been benefited by the Government's policy.

I do not wish, Sir, to attempt to deal in detail with any of the rest of the taxation proposals. I only wish to touch very shortly on some remarks which have fallen from speakers opposite in connection with the Government's cotton proposals. I wish to refer particularly to what was said by my Honourable friend, the Leader of the Opposition. I would ask him to read again the way in which I presented the original proposal to this

House. He referred to our proposal as interference in a very insidious form. I think, that, if there is one thing that I can claim for the manner in which this subject has been handled, it is complete straightforward frankness. There has been nothing insidious about it. We have definitely put our cards on the table and said, "This is put before the House for the House to discuss".

The other point that I wish to make is—and it is a point, I think, which has not been quite clearly appreciated—that our conclusion on an appreciation of the whole position was that no claim for a general increase in the rate of duty to anything more than 15 per cent. had been established, and that it was only if the incidence of the additional 5 per cent. was limited, that any further duty could be considered by the Government of India, having regard to consumers' interests. I wish to make that very clear, and having said that I leave this subject.

I have dealt, Sir, with the general financial position, and the relation of our new taxation proposals to the past and the present. Looking to the future, I had in mind, as I made most clear in my statement, very particularly the needs of the provinces. Having said that, I come to two points with which I particularly wish to deal, because, in all the criticisms which have been made, there are two points which have mainly come home to me. The first point is that, instead of imposing new taxation, I ought to have found the funds by retrenchment, and the other point is the application of the proceeds. It has been said by some critics in reference to that, "We could have consented even to this taxation if the proceeds of it were going to be employed in nation-building services". Or again, in other words, it has been asked, "What are the Government doing as regards the constructive economic policy?". Those are points of great weight; they are points which have been chiefly present to my own mind in dealing with the whole situation this year.

Now, as regards retrenchment, I would ask Honourable Members to face the facts and to consider the position in which we are placed. I think retrenchment must be considered under two headings. There is retrenchment in detail, the careful elimination of waste in any particular department, and there is retrenchment on a large scale, which means the elimination of whole services, or the alteration of conditions of service on a large scale, or other changes of policy. As regards the former, I believe that the method which I am trying to follow is the most effective method. A great deal more work has been done on this matter than I was able to reveal or explain in my budget speech. My Department has, during the last few months, been working on an analysis of how this growth of expenditure has come upon us, but I have found that, in order to get really satisfactory results, it is necessary to have an officer on special duty for the purpose. That proposal I have clearly explained already. It is a matter which requires prolonged work. It is no use suddenly appointing a Retrenchment Committee to go into questions of this kind. It involves the examination of a great deal of detail, and in that connection, I want to refer to one particular item of the growth of expenditure to which critical reference has been made. I referred in my budget speech to the increasing expenditure, as a result of normal increments of pay, which I put down largely to the operation of our time-scale basis of pay. It seems to have been concluded by many speakers that those increments of pay were increments of pay to members of the Indian Civil Service, based on the recommendations of

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the Lee Commission. That is far from expressing the truth. The main part of the increments—I cannot give the detailed figures, but this is one of the subjects which will be studied very carefully by our Retrenchment Officer. The main part of this growth in expenditure represents increment in the pay of members of the subordinate services, and we are always being faced with new demands in that direction. My colleagues on the Standing Finance Committee know very well how these things come up, and when I hear from Honourable Members opposite, as was said by one speaker, that they have no sympathy with the Government in their position, I would remind them that the demands for improved conditions of service, particularly for members of the subordinate staff, almost always come from Honourable Members opposite; and one demand leads to another. We are faced with what looks like a hard case, involving perhaps a small sum of money, and particular terms of service for a particular branch of a Department are improved. As soon as that is done, another branch of another Department comes along and says that we must equalise conditions for them and so on. And this perpetual rising up the scale is going on, step by step, as a result of comparison between one branch of service and another. It is not only in the hands of the Central Government that the power to control this process lies. It often happens that these demands are based on comparisons with conditions prevailing in branches of provincial services. I think myself, that the time has come to conduct a detailed review of the whole position in that respect. We must know where we are, and what future commitments we are likely to be involved in. We must have some idea of what the peak figure of expenditure is likely to be. This process is always going on, for, apart from alterations in the basic conditions, we have the normal increments working, and we have certainly not yet reached the peak figure in this respect. We are approaching a time when the whole of our position will come under review, and there will undoubtedly be a drastic alteration in the distribution of heads of revenue. We as a Central Government have got to review our position, we have got to find ways of helping the provinces. Before that time comes, it is most important that we should know exactly where we stand and have some sort of forecast of what these normal increases in revenue are going to involve for us. That is really the main object of this particular retrenchment inquiry which we are conducting, but in addition to ascertaining what the real facts of the case are, we shall of course most ruthlessly hunt out any sort of extravagance.

On the other hand, if we turn to what I describe as the second class of economy, economy on a big scale, I would ask Honourable Members to consider how I can possibly tackle questions of that kind when we stand, as we do today, on the eve of a constitutional revision. This matter cannot be dealt with pending the constitutional revision. I want Honourable Members to understand this, because I confess that I did feel that I came before them with a much poorer statement, a much poorer record of work done, in the way of retrenchment than I had hoped for when I spoke at this time last year. I want them to realise the position, I want them to realise the difficulties under which one has been working, and I want to make it quite clear to them that I do not think that the work which can be done in the way of retrenchment has yet been completed. That is a frank acknowledgment of the position,

Now, that brings me to the point whether my new taxation proposals are justified when I have made that acknowledgment. I feel they are justified, and that is what I have tried to explain in my budget speech. If I felt that there was a prospect of a big permanent reduction in expenditure, I might well have hesitated to make the proposals which I have made. But let us face the facts. Honourable Members opposite seem to entertain the idea that officials like myself and my colleagues are very costly to the taxpayer in India. I am absolutely certain of one thing, and that is that, whatever the form of constitutional reform which is coming, if it is a reform which is going to mean an advance in the direction of representative and responsible government, that reform is going to cost you more. You cannot get away from it. At present we have, sitting on these benches six members of a Cabinet responsible for the Government of the whole of India. The claims on the time of all officials are growing every day. We undoubtedly, in the future, shall have longer Sessions, more interest in the work of the Government among unofficial Members, and quite rightly too. I entirely welcome it, but you cannot get away from the fact that it is going to cost more.

Pandit Madan Mohan Malaviya: Increase the power to produce more wealth.

The Honourable Sir George Schuster: I am now dealing with the expenditure side. I feel quite certain that, as regards the administrative services of the country, there is no big prospect of retrenchment. I feel very conscious of the need for making a great effort to make retrenchment, but I could not feel on that ground that there was any reason for postponing the taxation which I was proposing.

Pandit Madan Mohan Malaviya: Why don't you propose the reduction of a few battalions for internal security? There are 28 battalions of internal security. Why cannot a few of them be dispensed with?

The Honourable Sir George Schuster: I was dealing, as my Honourable friend may have appreciated, with civil expenditure. Coming now to the other main field of expenditure, to which of course very considerable comment and criticism has been directed in the course of this debate, the military expenditure side, there again I would ask Honourable Members to recollect what our position is. One of the great disappointments to me has been the reception which my proposals have had for the reduction of 80 lakhs in the military expenditure. That was treated, as my Honourable and learned friend Mr. Jayakar said, as a joke. I think that is one of the words which he used. I think that has a far different significance. After all, a reduction of very nearly 2 per cent. in expenditure is an important reduction, and I ask Honourable Members to regard it as a sign that there is an effort being made to reduce military expenditure, and that when the present period of re-equipment is completed on that ground alone there will be a substantial reduction.

Dr. B. S. Moonje: What is the likely amount?

The Honourable Sir George Schuster: But whatever room there is for reduction in military expenditure, that again is a subject which, on a

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large scale, we cannot tackle just at the present stage. We are committed to this programme of re-equipment, and as soon as that is completed, the future will be considered, but I do not believe that it would have been possible to deal with that question in a more drastic and effective way than I have done in the circumstances which face us this year.

Sir Hari Singh Gour: I thought you were coming to the change of policy.

The Honourable Sir George Schuster: I was trying to make it clear that changes of policy could not be considered at the present stage.

Nawab Sir Sahibzada Abdur Qaiyum: I want to know whether it will be safe to reduce the number of troops, with inadequate communications and long distances to be traversed. The North East and North West Borders are fully armed, and excitements of all sorts are going on over there. In the present state of things there, will it be safe to reduce the present Army by a single person?

Pandit Madan Mohan Malaviya: Quite safe.

The Honourable Sir George Schuster: I think it will be inappropriate to enter upon a debate upon the military necessities at the present moment. I was trying to make the point that this is not the time when large questions of changes in military policy can be tackled, and we have to deal with facts, and in my budget proposals, I have to face the facts as they are. On these grounds, I felt that it was necessary to face, in my own words, the situation as I had presented it. On top of that, I added the further justification that, if things went well, and if in addition to that it was possible to find economies, we had, waiting before us, the urgent need of more money for the provinces. It is in that connection I referred to the possibility of distributing more revenue to the provinces. I am not asking the Assembly to provide money which is not immediately required for the next twelve months. My position is that we need every penny for which I am asking them to vote the taxation. What I do say is that, if at the end of that time, it should prove that there is a margin over and above our permanent requirements, then the imposition of taxation will have been justified, because we shall have waiting before us these needs for finding more money for the provinces, of which I have spoken so often.

Then, I would turn finally to that other point—the application of the proceeds of taxation. We have been asked, what are the Government doing towards a constructive economic policy. A great deal has been said about the Government's failure to pursue any constructive policy in the past. I think in any case our eyes now should rather be on the future than on the past. The main channel of expenditure on this basis, which Honourable Members have in mind must, as I have said, be the Provincial Governments. Therefore they cannot expect to find in the Central Government a very large proportion of that kind of expenditure which they wish to see undertaken; but I can claim, I think, that, in the proposals which I have put forward in the Budget this year, there are definite signs of an attempt to deal with the economic situation. We have our cotton proposals; we have our special sugar proposals; we

have the continuance of our obligations as regards the agricultural research work; and we have a thing in which I am particularly interested, our vote of money for the banking inquiry. All these seem to me to be important steps, indicating the desire on the part of the Government to intervene as effectively as they can in certain phases of national life where Government intervention seems likely to be effective.

I was criticised by my Honourable friend, Sir Purshotamdas Thakurdas, for the emphasis, or the lack of emphasis, which I laid on industrial development in certain passages of my speech. I must confess that, in writing those words, I had perhaps rather largely my own personal point of view in my mind, and was not consciously writing in the sense of one announcing a deliberate policy on the part of the Government. My Honourable friend criticised me for referring to industrial development, so far as that could be carried out consistently with, and as a supplement to, agricultural development. What I had in mind when I wrote those words was that, in my own view, looking at the conditions in India, there could be nothing worse for the people of India as a whole than to effect a divorce of the ordinary people of the country from the land. I think we are all agreed—I certainly have found in private conversation a great measure of agreement on this point from Honourable Members opposite—that India does not want large urban concentrations. What we want is an industrial development scattered about through the country-side, where people can combine work on the land with earning of money in industrial occupations. But perhaps it was presumptuous of me to venture those words which seem to imply a definite adoption of a particular policy by the Government on that matter. I wish to make that explanation.

I have only one point to refer to in conclusion. Perhaps I may hang the remarks which I have to make on a suggestion which fell from my Honourable friend, Mr. Chetty, in his very interesting and, if I may say so, statesmanlike speech. He referred, at the end, to the necessity for providing machinery by which the economic policy of the Government could be better directed and more actively pursued. He also suggested that it might be advantageous to the Government of India to follow the example of the British Government in constituting an Economic Advisory Council. I may tell him that that idea had also been present to my mind, and I feel that we have a great deal to learn from that example. I have felt, in my short experience in India, that we feel very much the lack of machinery by which the Government can get in touch with unofficial opinion and discuss what should be the main lines of our economic policy. I have also felt a great need for scientific study of the economic conditions of the country. I feel that we often, on all sides of the House, talk in considerable ignorance of what really is happening and as to how conditions here are produced either by local causes or by world causes. The scientific study of all these factors has advanced very much in recent years, and if there is one field on which money could be usefully expended, I think that field deserves our particular attention. As regards the special proposal which has been made by my Honourable friend, I should like to say, on behalf of the Government, that we shall be very pleased to consider with representatives of the unofficial parties what would be the best way of introducing here into India some feature of that kind, and I hope it will be possible for the leaders of the various

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parties, either themselves or through representatives whom they would choose to speak on these matters, to consult with some of us on that matter before the end of this Session. I feel that a constructive economic policy is badly needed by this country. I feel that there is much to be gained by an exchange of ideas and by an appreciation of the realities of the situation. After all, we have only one object, however difficult it may be for Honourable Members opposite to believe it. We have only one object, and that is the advancement of the good of the people of India.

Sir, I have much more that I should like to say, but I am afraid I have kept the House already longer than fits in with their own convenience. It is difficult to deal adequately with all the suggestions which fall from Honourable Members in the course of a debate like this, but I would assure them that it is my practice to have careful notes made of all suggestions, and to go through them afterwards to see if there is any way in which I can meet them or obtain valuable ideas from what has been said. Therefore, if there are some Members to whose speeches I have made no reply, let them not think that their words have been wasted. (Applause.)

The Assembly then adjourned till Eleven of the Clock on Thursday, the 6th March, 1930.