

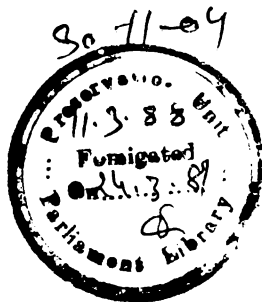
Monday, 14th March, 1932

**THE
COUNCIL OF STATE DEBATES**

VOLUME I, 1932

(25th February to 6th April, 1932)

**THIRD SESSION
OF THE
THIRD COUNCIL OF STATE, 1932**



CALCUTTA : GOVERNMENT OF INDIA
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COUNCIL OF STATE.

Monday, 14th March, 1932.

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

STATEMENT *RE* DRAFT CONVENTION AND RECOMMENDATIONS CONCERNING THE PROTECTION AGAINST ACCIDENTS OF WORKERS EMPLOYED IN LOADING OR UNLOADING SHIPS ADOPTED BY THE INTERNATIONAL LABOUR CONFERENCE AT ITS TWELFTH SESSION HELD IN 1929.

THE HONOURABLE MR. J. C. B. DRAKE (Commerce Secretary): On the 15th July, 1930, this House adopted the following Resolution moved on behalf of Government :

“ This Council having considered :

- (1) the Draft Convention concerning the protection against accidents of workers employed in loading or unloading ships ;
- (2) the Recommendation concerning reciprocity as regards the protection against accidents of workers employed in loading or unloading ships ; and
- (3) the Recommendations concerning the consultation of workers' and employers' Organisations in the drawing up of regulations dealing with the safety of workers employed in loading or unloading ships ;

adopted by the International Labour Conference at its Twelfth Session recommends to the Governor General in Council that he should examine the possibility of giving effect to the above Convention and the Recommendations and that the results of this examination should be placed before the Council within eighteen months from this date.”

2. The Government of India consulted the Local Governments and through them the Port Trusts and commercial bodies as to the desirability of ratifying the Draft Convention and accepting the Recommendations referred to in the above Resolution. The replies received showed that the weight of opinion was in favour of the Draft Convention being ratified and the Recommendations being accepted. After considering the replies the Government of India came to the conclusion that the Draft Convention should be ratified and the Recommendations accepted on behalf of India and that necessary legislation should be undertaken to give effect to them. Subsequently, however, they received intimation from the International Labour Office that certain Governments had met with difficulties of a practical nature when considering the question of ratifying the Convention, and had approached the Office with the suggestion that, in order to remove these difficulties, the Draft Convention should be modified. An examination of the points of difficulty raised by the Governments referred to above showed that similar difficulties would arise in India and that the amendments to the Draft Convention suggested by the Governments in question would remove them. In the circumstances the Government of India decided to postpone the question of introducing legislation to give effect to the Draft Convention till the decision of the Governing Body of the International Labour Office on the proposal for the revision of the Draft Convention had been received.

[Mr. J. C. B. Drake.]

3. The Government of India have now received intimation that the Governing Body of the International Labour Office have placed the question of the partial revision of the Draft Convention on the Agenda of the Sixteenth Session of the International Labour Conference which is to open at Geneva on the 12th April, 1932. In the circumstances the Government of India propose to await further developments before taking any further action regarding the ratification of the Draft Convention and the acceptance of the Recommendations.

MOTION FOR THE ELECTION OF TWO NON-OFFICIAL MEMBERS TO THE STANDING COMMITTEE TO ADVISE ON SUBJECTS, OTHER THAN "INDIANS OVERSEAS—EMIGRATION" AND "HAJ PILGRIMAGE", DEALT WITH IN THE DEPARTMENT OF EDUCATION, HEALTH AND LANDS.

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN (Education, Health and Lands Member): Sir, I move:

"That this Council do proceed to elect, in such manner as the Honourable the President may direct, two non-official Members to serve on the Standing Committee to advise on subjects, other than 'Indians Overseas—Emigration' and 'Haj Pilgrimage', dealt with in the Department of Education, Health and Lands."

The motion was adopted.

THE HONOURABLE THE PRESIDENT: In regard to that motion I direct that the nominations shall be received up till 11 o'clock on Thursday, the 17th of March.

PUBLIC SUITS VALIDATION BILL.

THE HONOURABLE SIR BROJENDRA MITTER (Law Member): Sir, I move that the Bill to validate certain suits relating to public matters be taken into consideration.

Sir, as I explained while introducing this Bill, this measure is rendered necessary by reason of a recent judgment of the Privy Council. Ever since the Civil Procedure Code was enacted all Local Governments took the view that in charity suits a general sanction given to Collectors was enough and it was for the Collector to consider each particular suit in giving his consent. But the Privy Council has held that in each particular suit the Local Government has to give its sanction. A general sanction was not enough. Following the practice which has prevailed in this country for many years a large number of suits were filed with the consent of the Collector who acted under the general sanction, but, under the recent ruling of the Privy Council, all these suits are liable to be dismissed, because, particular sanction by the Government was not given to each suit. In order to save these pending cases this measure is necessary. Sir, I move.

The motion was adopted.

Clauses 2, 3 and 4 were added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE SIR BROJENDRA MITTER : Sir, I move that the Bill be passed.

THE HONOURABLE MR. BIJAY KUMAR BASU (Bengal : Nominated Non-Official) : Sir, I congratulate the Honourable the Law Member for having brought this Bill, because there are a large number of suits which are pending in various provinces, which will be affected, as explained by the Honourable the Law Member, if this Bill is not passed into law. One of these suits is pending in my province—I mean the Tarakeshar Temple suit—and only this morning I read in the papers that in a pending appeal in that suit application had been made in the Calcutta High Court to have the suit dismissed on this very ground, and the date that has been fixed for the hearing of that application is 18th April. I only hope, Sir, that this Bill will be passed during this session, so that suits of that nature might not be dismissed for no fault of the parties. I have still more to congratulate Government, because they have so promptly taken up the suggestion which I am proud to say was made to them from a non-official source for a Bill of this kind : I believe as a matter of fact a draft non-official Bill was sent up to Government by the representative of Calcutta in the Legislative Assembly—Mr. Charu Chandra Biswas. I hope, Sir, that this House will pass this Bill, and I hope also that the same will be passed by the Legislative Assembly without much delay.

The motion was adopted.

ELECTION OF THREE MEMBERS TO THE STANDING COMMITTEE FOR ROADS.

THE HONOURABLE THE PRESIDENT : With regard to the election of three Members to serve on the Standing Committee for Roads, owing to the fact that one Honourable Member has withdrawn his nomination, there are now only three candidates and I have to declare them duly elected. They are :

The Honourable Mr. Ernest Miller.

The Honourable Mr. Bijay Kumar Basu.

The Honourable Mr. Hormusji Maneckji Mehta.

RESOLUTION *RE* LEVY OF INCOME-TAX ON ALL PENSIONS AND COMPASSIONATE ALLOWANCES PAID OUTSIDE INDIA.

THE HONOURABLE SIR DAVID DEVADOSS (Nominated Indian Christians) : Sir, the Resolution that stands in my name reads as follows :

“ This Council recommends to the Governor General in Council the levy of income-tax under the Income-tax Act on all pensions and compassionate allowances paid outside India.”

Sir, in bringing forward this Resolution my object is not to subject anybody to any hardship but to add some amount to the revenues of India. . . .

THE HONOURABLE MR. BIJAY KUMAR BASU (Bengal : Nominated Non-Official) : Without harming anybody ?

THE HONOURABLE SIR DAVID DEVADOSS : Without harming anybody, excepting those who are not resident in England. Before I answer my friend the Honourable Mr. Basu's question I shall deal with the subject

[Sir David Devadoss.]

in the way I wish to do. Under the English Income-tax Act, any income-tax paid in the Dominions is deducted from the amount payable under the Act. Sir, this is provided in the Finance Act of 1920, as amended by the Act of 1927. Section 27 of the Finance Act of 1920, as so amended, is in these terms :

“ If any person who has paid, by deduction or otherwise, or is liable to pay, United Kingdom income-tax for any year of assessment on any part of his income proves to the satisfaction of the Special Commissioners that he has paid Dominion income-tax for that year in respect of the same part of his income, he shall be entitled to relief from United Kingdom income-tax paid or payable by him on that part of his income at a rate thereon to be determined as follows :

- (a) if the Dominion rate of tax does not exceed one-half of the appropriate rate of United Kingdom income-tax, the rate at which relief is to be given shall be the Dominion rate of tax :
- (b) in any other case the rate at which relief is to be given shall be one-half of the appropriate rate of the United Kingdom income-tax.”

Sir, the tax that is levied here does not come up to even half of the English income-tax payable under the English Act. It is 5s. in the pound, if I am not mistaken. It used to be 4s. 6d. in the pound.

THE HONOURABLE MR. BIJAY KUMAR BASU : What about the different allowances ?

THE HONOURABLE SIR DAVID DEVADOSS : The word “ Dominion ” need not frighten us because it does not mean a self-governing Dominion. It applies also to India. I rely for this upon the well-known book of Konstam, and I will read a passage from page 26 :

“ These provisions are not confined to self-governing colonies ; the word ‘ Dominion ’ means any British possession or protectorate or any territory for which any Government in the Empire exercises a mandate ; and ‘ Dominion income-tax ’ means ‘ any income-tax or super-tax charged in any Dominion, if that tax appears to the Special Commissioners to correspond with United Kingdom income-tax ’ which includes super-tax.”

So, then, persons who are resident in England will be entitled to relief under section 27 of the English Finance Act of 1920. No doubt people who are not resident in England, but who are resident either on the Continent or in the Free State of Ireland may not get any relief, but I do think we need waste no sympathy on those people because they escape the British income-tax. Now, the amount that is paid out, according to the account ending March, 1931, is Rs. 2,56,52,915. Calculating income-tax on that at the rate of one anna for the rupee, which is the rate for incomes between Rs. 10,000 and Rs. 15,000.....

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : The rate is much more now.

THE HONOURABLE SIR DAVID DEVADOSS :..... we shall get Rs. 16 lakhs. No doubt in some cases the pension may not come to Rs. 10,000, but there are other pensions which would work out to more than Rs. 10,000. For instance, a Judge of the High Court, if he has served his full term, gets £1,200 a year. So, on a rough calculation we shall get at least Rs. 16 lakhs.

The relief does not depend upon reciprocity. Even if there is no reciprocity the English Act gives relief. As Mr. Konstam says :

“ They apply to cases where a reciprocal arrangement has been made with a Dominion as well as those where such an arrangement has not yet been made, but may be made in the future.”

We need not feel any apprehension on that score, for section 49 of our Act gives relief in respect of tax paid outside India. Section 49 is in these terms :

“ If any person who has paid Indian income-tax for any year on any part of his income proves to the satisfaction of the Income-tax officer that he has paid United Kingdom income-tax for that year in respect of the same part of his income, and that the rate at which he was entitled to, and has obtained, relief under the provisions of section 27 of the Finance Act, 1920, is less than the Indian rate of tax charged in respect of that part of his income he shall be entitled to a refund of a sum calculated on that part of his income at a rate equal to the difference between the Indian rate of tax and the rate at which he was entitled to, and obtained relief, under that section :

Provided that the rate at which the refund is to be given shall not exceed one-half of the Indian rate of tax.”

Sir, this answers my friend Mr. Basu's question. The people in England will not at all suffer. The people who will be affected will be the people who are resident on the Continent or in the Free State of Ireland. As I said, Sir, with regard to these we need not waste any sympathy because they probably live outside Great Britain in order to escape British income-tax.

I do not think I need labour this point. Sir, seeing that we are hard up now and that every pie is important to us, it is but fair that the Government, instead of benefiting the British Treasury which they are now doing, should find their way to enrich us to the extent of Rs. 16 lakhs. As regards the mode of paying the pension, the mode adopted by the Dominions can easily be adopted, and I would suggest another way, the pensions may be paid in India and the banks may be asked to make remittances to persons resident in England and on the Continent and elsewhere. With these remarks, Sir, I beg to move the Resolution.

THE HONOURABLE MR. A. F. L. BRAYNE (Finance Secretary) : Sir, the usual criticisms directed against Government systems of taxation are generally in the direction of reduction of taxation, and it is somewhat rare to find such a proposal as the present put before the House for a substantial increase. I am obliged to my Honourable friend for his solicitude for the revenues. The same question was brought up by the General Purposes Sub-Committee, of which my Honourable friend Rai Bahadur Lala Ram Saran Das was a prominent member. They recommended that the existing exemption from Indian income-tax of pensions and leave salaries paid at home should be abolished on the ground that they saw no reason why it should continue, and further that, if it were abolished, the Indian revenues would benefit to the extent of, I think, Rs. 50 lakhs. They were dealing with leave salaries as well as pensions. My Honourable friend Sir David Devadoss mentioned the figure of Rs. 2½ crores as paid for pensions at home, but that, I think, refers only to the civil side. There is an additional Rs. 4 crores paid on account of military pensions at home, which would also come under this proposition. Government have therefore examined the question very closely in connection with the recommendation of the General Purposes Sub-Committee and they have examined it under two heads, whether it would be legal to impose Indian income-tax on pensions paid at home and also, if it were legal, whether such action would be desirable. As regards the first point, there are three classes of pensioners to deal with, those who are already drawing pension, those who are at present in service and will draw pension later, and future entrants to the Services. Now, Government are informed that the Indian income-tax law does not run outside British India and therefore the direction contained in section 18 of the Act, which relates to the deduction of income-tax by persons disbursing pay, etc.

[Mr. A. F. L. Brayne.]

does not apply to the authorities who disburse pensions at the India Office or in the High Commissioner's Office. When the pension is fixed in sterling and the recipient is not living within the jurisdiction of the Indian Legislature that law-making authority cannot legislate to make a provision for deduction of Indian income-tax by an officer disbursing pensions at home. This would amount to making a law for a person outside British India and this would be *ultra vires* of the Indian Legislature under section 65 of the Government of India Act; nor could it be made a condition of service for new entrants to any service that their sterling pensions in future would be liable to Indian income-tax. You may make the provision, but there is no machinery that can be evolved for collecting Indian income-tax in England. This could only be collected as a result of an enactment of the British Parliament. Further, the pensions of all persons already in service or who have retired are protected from adverse variation by section 96B of the Government of India Act. That is the legal position. It would be perhaps unnecessary to pursue the question, in those circumstances, as to whether it would be justifiable to levy Indian income-tax at home. I would say that this would mean imposing Indian income-tax on pensions of Government servants who have spent their whole lives in this country and who have retired to their own country where they are liable to British income-tax. My Honourable friend referred to the double income-tax relief which is at present in existence, but it may be remembered that this double income-tax relief is given at the cost of the British exchequer and in the present financial circumstances there is no absolute guarantee that this double income-tax relief will be continued, and it seems therefore undesirable to take action on the lines suggested which might tend to affect the continuance of this relief which is in many ways in the general interests of India. On these grounds, on the legal ground and on the general ground, I am afraid I must oppose my Honourable friend's Resolution.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Sir, the reply given by the Honourable the Finance Secretary is not at all convincing. The Secretary of State or the High Commissioner in England acts as the agent of the Government of India for the distribution of pensions and I think, Sir, that in case there is any legal flaw that legal flaw can be set right by the Government of India. After all, pensions are earned in India and it is the Indian Government which pays the pensions and simply on account of a technical legal flaw the Resolution ought not to be thrown out. I think, Sir, that it is now time that on all pensions income-tax must be deducted first in India before they are remitted to London. With these words, I support the Resolution and also urge that in case there is any legal difficulty necessary action should be taken to remove it.

THE HONOURABLE SIR MANECKJI DADABHOY (Central Provinces: Nominated Non-Official): Sir, I do not propose to detain the Council on this question. I have been anticipated to a large extent by the Honourable Mr. Brayne who has put the situation connected with this Resolution in a nutshell. He has explained that it would not only be illegal but that the operation of the Indian Income-tax Act is only confined to this country and it would be impossible both under the provisions of the Government of India Act as well as under the rules framed thereunder to support this Resolution in any way. My Honourable friend Lala Ram Saran Das has spoken of some legal flaw. He thinks that this legal flaw can be set right. There is no question of a legal flaw. It is the question of the operation of the Act. The Act only operates

in India and the High Commissioner as well as the India Office have no power or control whatever to take any such action contemplated by this Resolution under the Indian Act. Moreover, Sir, I go further. I say these people who have earned their pensions have worked on some understanding that they are going to get their pension uncurtailed in any way. Whether that pension is liable in England under the British Income-tax Act is another question; but these people must be protected as far as Indian legislation is concerned. I go to the length of saying that it would be an act of breach of faith with these people who have served in this country for many years to be now subjected in their retirement to an income-tax after years of laborious work.

THE HONOURABLE MR. H. M. MEHTA (Bombay : Non-Muhammadan) : Sir, I rise to support the Resolution which my Honourable friend Sir David Devadoss has moved. The reason for supporting this Resolution is that the Indian Government should have some right to income-tax collected on pensions paid to people who have served in India and who have retired in Great Britain. It is true that certain English income-tax is liable to be paid by them on account of their stay there. But if the Indian Government can approach the British Government in a kindly spirit and ask them to remit a portion of the income-tax to India and keep the remainder to themselves, I think the British Government would not feel shy about this. In these hard times in India, it will help the Finance Member a little. With these remarks I support the Resolution.

THE HONOURABLE SIR DAVID DEVADOSS : Sir, I wish to correct an impression which has evidently been created that this proposal of mine would work a hardship upon the pensioners. So far as the people in England are concerned it will not be a hardship. I may tell my Honourable friend Sir Maneckji Dadabhoj that they do not gain anything by not paying the Indian income-tax for under the English Income-tax Act they have to pay 4s. 6d. or 5s. in the pound and if they pay one anna or even two annas in the rupee here that amount will be credited to them under the English Income-tax Act so that they do not lose one penny or one pie of their income by being made to pay Indian income-tax. That is so far as the question of hardship is concerned. No doubt as regards people who are resident abroad,—on the continent,—they escape the British income-tax and, Sir, I do not know why we should give our sympathy to them because they do not pay any income-tax, when we are hard-pressed for money. I think it is fair that they also should bear a portion of the burden. So far as the pensioners in India are concerned, whether they are Europeans or Indians, whatever their nationality, they pay income-tax—all the pensioners resident in India pay income-tax so that I do not see why the people who happen to be resident either at Monte Carlo or Monaco should not pay income-tax when people who are resident in the Nilgiris and at Simla, though they might have served for a far greater number of years, are paying income-tax.

Then as regards the legal difficulty, I do not see any legal difficulty. I think I anticipated the Honourable the Finance Secretary when I said the pensions could be paid in India and the banks should be asked to remit the amounts to persons resident in England. How do the Dominions manage this concern? If the Honourable the Finance Secretary will take the trouble to ascertain how the Dominions are paying their pensions, it would be easy to model our own payments on their system. I do not say for a moment that we in India have a right to tax people in England. I think he should have given me some credit for knowledge of the law. But what I said was that you can

[Sir David Devadoss.]

make the pensions payable in India and ask the banks to remit them to England. And, therefore, Sir, I do not think there is any technical difficulty in the way of taxing the pensions and allowances paid outside India.

Sir, in regard to the accuracy of my figures, I had to rely on the figures I could get. I put a question on the 25th of last month as to the amount of pensions paid outside India. The answer was that the information was being collected and would be supplied to me in due course. It has not yet been supplied to me and therefore I had to make the best of the information I could get.

THE HONOURABLE MR. A. F. L. BRAYNE: On a point of explanation, Sir. We had to send home to the India Office and the High Commissioner to find out the details desired by the Honourable Member. I believe they have just come by this mail.

THE HONOURABLE SIR DAVID DEVADOSS: I did not blame the Honourable the Finance Secretary. I said I had not the figures. And if 4 more crores are added that would only multiply my figure by 3. Instead of 16, if 4 crores more are added it would be 50 lakhs of rupees. We should be very joyful if we could get 50 lakhs of rupees in these hard times when poor clerks are being sent away. With these remarks, Sir, I wish to press my Resolution.

THE HONOURABLE THE PRESIDENT: The question is that the following Resolution be adopted :

"This Council recommends to the Governor General in Council the levy of income-tax under the Income-tax Act on all pensions and compassionate allowances paid outside India."

The Council divided :

AYES—15.

Banerjee, The Honourable Mr. Jagadish Chandra.
Devadoss, The Honourable Sir David.
Ghosh Maulik, The Honourable Mr. Satyendra Chandra.
Jagdish Prasad, The Honourable Rai Bahadur Lala.
Jalan, The Honourable Rai Bahadur Radha Krishna.
Mehr Shah, The Honourable Nawab Sahibzada Sir Sayad Mohamad.
Mehta, The Honourable Mr. H. M.

Moti Chand, The Honourable Raja Sir. Naidu, The Honourable Mr. Y. Ranganayakalu.
Natesan, The Honourable Mr. G. A. Padshah Sahib Bahadur, The Honourable Saiyed Mohamed.
Rampal Singh, The Honourable Raja Sir. Ram Saran Das, The Honourable Rai Bahadur Lala.
Sinha The Honourable Kumar Nripendra Narayan.
Suhrawardy, The Honourable Mr. Mahmood.

NOES—20.

Basu, The Honourable Mr. Bijay Kumar.
Brayne, The Honourable Mr. A. F. L.
Browne, The Honourable Sir Philip.
Chiman Lal, The Honourable Rai Bahadur Lala.
Dadabhoy, The Honourable Sir Maneckji.
Drake, The Honourable Mr. J. C. B.
Emerson, The Honourable Mr. H. W.
Fazli-Husain, The Honourable Khan Bahadur Mian Sir.
Ghosal, The Honourable Mr. Jyotsnanath.
Harper, The Honourable Mr. K. B.
Israr Hasan Khan, The Honourable Khan Bahadur Sir Muhammad.

Khaparde, The Honourable Mr. G. S.
Megaw, The Honourable Major-General J. W. D.
Mitter, The Honourable Sir Brojendra.
Murphy, The Honourable Mr. P. W.
Noon, The Honourable Nawab Malik Mohammad Hayat Khan.
Pandit, The Honourable Sardar Shri Jagannath Maharaj.
Shillidy, The Honourable Mr. J. A.
Thompson, The Honourable Sir John.
Watson, The Honourable Sir Charles.

The motion was negatived.

RESOLUTION *RE* LEVY OF STAMP DUTY ON CHEQUES DRAWN ON BANKS AND BANKERS IN INDIA.

THE HONOURABLE SIR DAVID DEVADOSS (Nominated Indian Christians): Sir, the Resolution that I wish to move reads as follows :

“ This Council recommends to the Governor General in Council the levy of a stamp duty of one anna on every cheque that is drawn on a Bank or a Banker in India.”

Sir, till 1927 all cheques were subject to a duty of one anna. In 1927 the then Finance Member, Sir Basil Blackett, took off the duty. The reason he gives is this. I read from page 1466 of the Legislative Assembly Debates, Volume II (1927) :

“ * * * * The stamp duty on cheques should be abolished with a view to the development of the banking habit in India.”

Sir, I do not find any other reason for the abolition of the duty than the promotion of the banking habit in India. This duty then brought a revenue of at least Rs. 7 lakhs. I believe that if this stamp duty is re-imposed it would bring in more than Rs. 7 lakhs—probably Rs. 10 lakhs. The banking habit is certainly prevalent and by imposing the duty again, it is not the poor people who will suffer, but the well-to-do people who are in the habit of banking money and drawing cheques whenever they want money will have to pay it. They, too, will not lose much. It will be within the knowledge of many of us that a few years ago—I believe five or six or seven years ago—the English duty was raised from 1*d.* to 2*d.*, and every cheque that we had to draw was subject to a duty of 2*d.*, instead of 1*d.* That being so, I do not see why our cheques should be without duty. If my Resolution is accepted, this would bring in at least Rs. 7 to Rs. 10 lakhs a year to the Government. With these few words, Sir, I wish to move my Resolution.

THE HONOURABLE MR. A. F. L. BRAYNE (Finance Secretary): Sir, perhaps it will save the time of the House if I explain what the present position is as regards this proposal. The stamp duty of one anna was removed, as my Honourable friend has said, in 1927 as a direct result of the recommendation of the Currency Commission that the removal of this duty would tend to encourage the banking habit. After four years' operation of this free cheque system, the question was again considered by the Banking Enquiry Committee. On page 663 of their Report they say as follows :

“ The recent abolition of the stamp duty on cheques appears to have contributed materially to a more extensive use of cheques not only in the Presidency-towns and other big commercial centres but also in the mufassil.”

Thus we have the opinion of two expert bodies that the abolition of the duty on cheques would tend to encourage, and has in fact tended to encourage, the banking habit. On the other hand, there has been a good deal said to the contrary. At the time the duty was removed, the Rs. 7 lakhs then collected was not lost by the Government of India but by the provinces to whom the duty would still accrue if re-imposed. Of the provinces, Bombay and Bengal received about 5 lakhs on account of the duty, and recently the Bombay Government approached the Government of India and asked that the duty might be re-imposed on the ground of their financial difficulties, for though it meant only a small sum, yet every little helps. There are also various other

[Mr. A. F. L. Brayne.]

arguments. It is probably illiteracy in India which militates against the extension of the cheque habit rather than the imposition of any small duty. Further, I understand that certain bankers find this free use of cheques somewhat of a nuisance because it swamps them with a large number of cheques for very small amounts. So that, there is a good deal to be said on both sides. In response to the representation of the Bombay Government the Government of India, on the 1st of February last, addressed all Local Governments and asked them what their opinion was in regard to this proposal to re-impose the duty of one anna on cheques. The Local Governments will also consult local commercial bodies. When we have received their replies, they will be considered together with the speech which my Honourable friend has now made. Perhaps in those circumstances and on that assurance the Honourable Member will consider withdrawing his Resolution.

THE HONOURABLE SIR DAVID DEVADOSS : Sir, in view of what has been said, I wish to withdraw my Resolution.

The Resolution was, by leave of the Council, withdrawn.

STATEMENT OF BUSINESS.

THE HONOURABLE SIR BROJENDRA MITTER (Leader of the House) : Sir, the lists of business for to-morrow and Thursday which are both non-official days are already in the hands of Honourable Members. The only items of official business now pending before the Council are the Resolutions by the Honourable Mr. Shillidy and the Honourable Mr. Drake recommending, respectively, an amendment of the main Resolution on roads and a continuance of the increased import duties on galvanised iron. There are, however, several Bills pending in the Legislative Assembly which Government desire to pass into law during the current session. The Legislative Assembly will be engaged throughout the whole of the current week in voting Demands for Grants and will be observing the Holi holidays on Monday and Tuesday next week. Consequently, the Assembly will be unable to proceed with the Bills in question before Wednesday, the 23rd March. In these circumstances, Sir, I would suggest that on the conclusion of the meeting on Thursday next the Council might suitably adjourn till the following Thursday, the 24th March, when the business would comprise the two Resolutions to which I have already referred and the laying on the table of any of the outstanding Bills which may be passed by the Legislative Assembly on Wednesday, the 23rd March.

The Council then adjourned till Eleven of the Clock on Tuesday, the 15th March, 1932.
