

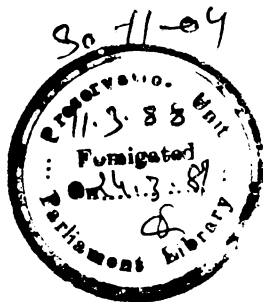
Tuesday, 8th March, 1932

**THE
COUNCIL OF STATE DEBATES**

VOLUME I, 1932

(25th February to 6th April, 1932)

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



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COUNCIL OF STATE.

Tuesday, 8th 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.

RESOLUTION *RE* PURCHASE OF ALL DISTRESS GOLD BEING EXPORTED TO FOREIGN COUNTRIES.

THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD (United Provinces Northern : Non-Muhammadan) : Sir, I beg to move the following Resolution :

“ This Council recommends to the Governor General in Council to take necessary steps for the purchase of all distress gold that is now being exported to foreign countries, for the sake of reserves of the proposed Central Reserve Bank for India.”

It was on the 16th of September, Sir, that I moved a Resolution in this House in favour of reversion to the pre-war ratio. The Government then opposed it with its usual stock arguments. Five days later came the announcement of a *fait accompli* that Great Britain having gone off the gold standard, India, which is so often tagged to the chariot wheels of Great Britain in financial matters, had thrown away all rates of exchange. The Government of India had, however, counted without their host. They never knew that their mentor had decided otherwise. The Great Moghul, governing from his place at Whitehall, superseded the Government Ordinance issued here. Things put here in the melting pot were once more shaped in accordance with the requirements of the British situation and the Indian rupee thenceforward was pegged to the highly fluctuating British paper currency, better known as sterling. Indian interests were once more subordinated to British interests.

Sir, it is a general belief of the Indian commercial community that the rupee has saved the sterling ; the former has served as an anchor and the value of the latter has not fallen much more precipitately and sharply than it has actually done, as it got unvarying support at least from one important quarter. Be that as it may, the consequences of our being linked to the depreciated currency of Great Britain have been too plain and obvious in India. The British trade got a fillip in India as it received an extra dose of preference. The prices of goods received in India from non-British countries rose from 25 to 30 per cent. and even higher in certain cases. Stability of prices by which Sir George Schuster's predecessor swore and which was his chief argument in favour of the 18*d.* ratio was thrown to the winds. Restrictions on exchange were put in many countries in the world as a result of the suspension of the gold standard in Britain and all national Governments took proper and adequate steps to preserve their supplies of gold.

Sir, this is what happened in the case of countries that have got the right of managing their own affairs. Let us now look at the record of a foreign

[Rai Bahadur Lala Jagdish Prasad.]

Government in this country which was also faced with a similar situation. I say it sat dumb looking askance. One important result of the adoption of the policy of linking the rupee to sterling was an award of Imperial preference as above noted, but the other has been an outflow of gold from India to other countries, not her monetary gold which India always takes delight in keeping with others, but gold in the hands of private individuals. At a time when others conserved their supplies of the yellow metal, India afforded to be generous at the expense of her poor masses who sold their savings of a lifetime or more because the economic situation was so acute in the country that there was no alternative.

Sir, no section of the House will dispute the statement that gold is a national asset. Monetary supplies are an actual asset while stock in the hands of private individuals represent potential monetary power. For good or for evil, the people of India have, by habit or by sheer force of circumstances, become used to keeping their small savings hoarded in the forms of precious metals. Frankly, I cannot blame them for this rather uneconomic practice on their part, for the simple reason that the Government has not taken any active steps in this country for the growth of banking or any other easily accessible mobilising institutions with a view to encourage habits of investments among the vast multitude of agriculturists on the countryside. The position, however, is as we find it to-day. Monetary stocks of gold are a visible supply in the world, while those in the hands of private individuals can, at best, be intelligent estimates largely based on guess work. The idea is that even in the latter form gold is serving a very important function of storage of value.

In answer to a question in this House it was stated by the Honourable the Finance Secretary on the 25th February last that the total value of gold exported since the abandonment of the gold standard was over 49 crores; that the distribution from 1st October to 31st December last was as follows: to the United Kingdom, 24.6 crores, and to other countries, 10.8 crores; and that practically all the gold originally consigned from India to England had been re-exported to other countries.

Sir, I submit that gold exports have been regularly and steadily taking place during the last six months although it would appear on Government's own admission as well as from the evidence obtained from other independent sources that Indian supplies have also gone into the usual sink where gold of other countries is going. I admit that the exports of gold have extremely eased the situation as regards the remittance programme of the Government as the Finance Member had been experiencing considerable difficulty in transferring funds from India to Britain through trade channels. Whatever views others outside might hold, I am one of those who believe that in view of the heavy short-term maturing sterling obligations of this country in Britain, the repayment of the loan of £15 million that matured early this year was, on the whole, the wisest step to take. Reborrowing operations might have further told on the credit of India and I have strong suspicions that such a big demand might even have been unsuccessful under the present delicate conditions.

But if I give my qualified support to certain operations or part of operations which have largely served India's interests, I should not be understood to defend the official policy of encouraging gold exports from this country. How long will you go on demanding heavy and still more heavy drafts of blood from a body which has already become anæmic and so devoid of vitality?

Your remittance operations are a recurring phenomenon. To effect adjustments about them by the poor man's blood is not after all a wise policy to adopt. These are, at best, makeshift arrangements.

The possession of gold by an individual represents power in the hands of a community. It is false to suggest that one who parts with his gold gets an equivalent amount of purchasing power. I submit, Sir, that this purchasing power in the form of paper currency of India or in the shape of token coins of silver, is very much less than the potential power of gold. It was an important British economist who said early last year in the columns of a leading financial paper of that country that with £5 worth of gold they could manufacture credit worth a hundred million pounds. Looking at our gold exports from that point of view, Sir, I maintain that by our gold exports of nearly 50 crores we have not gained but very heavily lost purchasing power. Left within the country, that gold was in a position to create a very much larger amount of purchasing power; it would have enabled expansion of credit.

And this brings me to the purpose on account of which I have moved this Resolution this morning, namely, that in our own country we require gold to build up the necessary reserves for the establishment of a Reserve Bank, and the Government should take necessary steps for its purchase in the open market. It has become a fashion of late years to say that the necessary amount of gold is not available for the establishment of a Reserve Bank in India. Look at the irony of fate that we are throwing away our own supplies at this moment which could be conveniently tapped for the requirements of the nation. For the sake of a temporary problematical advantage we are losing sight of the permanent interests of this country.

But my objection is not so much based on the poor man selling his gold, as on India losing it altogether. I plead that the Government of this country should buy it in the open market. I am in favour of an embargo being placed on the export of gold, but my fear is that it will lead to sales of gold to foreign banks in India. They will buy it under conditions of embargo, then work up an agitation for the removal of the embargo and will thereby be in a position to make large fortunes out of the savings of the poor man. I am not inclined to blame the private shroffs of Bombay who facilitate these exports as it is, after all, human nature to work for a business gain. The best course, therefore, to my mind is what I have suggested in this Resolution. But the crux of the question now is: How are the Government to buy this gold? Well, they can buy this gold with those very resources with which they would have effected purchases abroad in normal circumstances. Secondly, they have been disposing of large surplus stocks of silver, and they could certainly divert them to the purchase of gold, instead of sending the white metal to the already glutted market of China. Thirdly, if the Government approaches the question with sympathy and takes prominent people into confidence, it is not improbable that it may successfully raise rupee loans for this purpose from the Indian money market. Finally, I submit that the amount of metallic reserve in the Paper Currency Reserve amounts to $\frac{3}{4}$ ths of the total issue. Statutory requirements do not necessitate a more than 50 per cent. reserve. It is easy under these circumstances to find out the necessary ways and means to buy this gold on official account once the Government makes up its mind to do so.

I am very sorry, Sir, that the Budget speech of the Honourable the Finance Member made yesterday on the floor of the Legislative Assembly has left me an unrepentant sinner. He would appear to argue that India should play an

[**Rai Bahadur Lala Jagdish Prasad.**]

international role in bringing about a reduction in the real value of gold as expressed in terms of commodities. He has compared our position to that of France, Belgium, Holland and the United States of America, the only important countries of the world that remain on a gold basis, that have substantially increased their stocks of gold in the year 1931. He compares the Indian position with South Africa and Australia without taking into consideration the fact that these two countries are original producers and consequently exporters of gold and not importers like India. Nothing is more misleading than paragraph 74 of the Finance Member's speech where he has distorted a number of half-truths in a most fantastic fashion in order to show that India should do as others have done or are already doing. I have shown above who those others are who have no sort of restrictions on the exports of gold. These are mostly the very countries that have thrived at the expense of others, these are the people who made hay while the sun shone, they set their houses in order while those of others were burning. To compare the Indian position with theirs is simply ridiculous and moonshine.

The Finance Member has made some important announcements as regards the future of the gold standard in India. He says it is speculation to buy gold now when there is no gold standard. Let him say once for all that India shall not revert to the gold standard. The life of the Indian nation fortunately does not co-terminate with the Finance Ministership of Sir George Schuster. We have to think of our position in the economy of world's trade. Will he declare that Britain does not want to revert to the gold standard in the future ?

Then, the Finance Member argues that the Government has to meet its foreign obligations. I have already dealt with this aspect, it is only a temporary advantage by the sacrifice of very much greater advantages in the future. Last year it used to be repeated almost *ad nauseam* that a Reserve Bank could not be accomplished as there were no gold reserves. Now comes the surprising attitude of the Government that we have already got our proper proportion of gold. Perhaps the uninitiated world has still to live to learn and learn more of the mysterious ways of the British Government in relation to India as regards the administration of financial matters. I submit, Sir, that the Finance Member's patched up defence of the Government action is most unconvincing. I definitely maintain that India has not built any external reserves by her exports of gold ; on the other hand, she has positively lost a great deal of her private reserves which would have helped in withstanding any monetary storm in the future.

In conclusion, Sir, I appeal to the Honourable Members of this House to reflect public opinion on this all important question. A stitch in time saves nine. If we can show ourselves capable of taking the right decision at this moment, there is no doubt that the scheme for a Reserve Bank will materialise at an early date. World conditions do not promise that the pressure on gold is likely to be less in the near future ; on the other hand, competent authorities predict that by 1940 the annual production of the metal might substantially fall. We may have to wait for the Reserve Bank till Doomsday as the necessary reserves will never be forthcoming.

I therefore commend this Resolution to the acceptance of the House.

THE HONOURABLE SIR MANECKJI DADABHOY (Central Provinces : Nominated Non-Official) : Sir, though I am afraid I cannot support this

Resolution I welcome it for two reasons. In the first instance, it gives this Council an opportunity of discussing this most important question in isolation from other currency problems treated in the budget; and secondly, it will afford an opportunity to correct some misapprehensions which are prevailing in the country not only among well-informed people but even among politicians of the highest rank and among a large class of business and tradespeople. It is for this reason, Sir, that this Resolution is very opportune at the present juncture. It will help to dispel the wrong impressions which exist regarding the policy of the Government and the vital question involved in the export of gold even amongst educated people like the Honourable Mover. Sir, it is a matter of congratulation to India that England went off the gold standard and India followed suit two days after. Those who know the financial history of the country and those who understand currency and exchange problems will come to the conclusion without the remotest doubt that going off the gold standard by the Government of India has brought to this country within a short spell of five months a remarkable measure of prosperity and strengthening of the financial position. Sir, I will first allude here to a personal explanation. In September last, when the deliberations of the Round Table Conference were proceeding, Mr. Gandhi raised the question at the Round Table Conference and took the Government of India to task for having followed the policy adopted in Great Britain and in going off the gold standard without even consulting our Legislature before adopting such an important course. I was present at that debate. As one of the Governors of the Imperial Bank of India and as one who understood something of finance I could not allow Mr. Gandhi's allegations at the Round Table Conference to go uncontroverted and I joined issue with him there and then and told him that the policy adopted by the Government of India was the right and proper policy, that the policy ushered in by Lord Willingdon was the one policy which could possibly be adopted under the circumstances and that a few months will show whether that policy was right or wrong, and though I was then taken to task by some Indian newspapers and I am very pleased and I have the satisfaction to know that within a period of six months, the good augury which I then predicted has fulfilled all our expectations. In the first instance, there is an erroneous impression in the country between the character of monetary gold and non-monetary gold. Gold which is put in circulation, gold which is used for meeting international obligations in the matter of payments for exports and imports, gold which is utilised for a like and kindred purpose, is regarded as monetary. In this country there are large stocks of non-monetary gold lying idle, not being utilised at all for any purpose. It is kept intact for various reasons according to the ideas of the different communities which possess them. This practice is not only confined to the poor classes of cultivators but also prevails among the affluent and rich communities. During the last 30 years there has been a heavy import of gold into this country. I am now referring only to gold imported for non-monetary purposes, as a store of value. We know from Sir George Schuster's speech delivered yesterday that in the last 30 years gold to the value of Rs. 700 crores has been imported into this country. Where is that gold gone? That gold has not been utilised for monetary purposes, but it has been utilised as a storage of value. The exported quantity represents only a negligible fraction of the gold which has been hoarded in India. But long before the British Government took the administration of the country in their hands, long before the East India Company came into existence and came to India for the purpose of trading, large accumulations of gold existed in this country, and well-informed public opinion, tradespeople, estimate—though there are no exact statistics on the subject—that gold exists in India to-day

[Sir Maneckji Dadabhoy.]

to the value of Rs. 2,000 crores, or 66 crores of tolas. That is the opinion, Sir, of the well-informed tradespeople. But unfortunately a large portion of this gold has been lying absolutely idle in this country. This gold was purchased at a price much below the present price and a part of that gold to the extent of 50 or 52 crores, an infinitesimally small part of the hoarded wealth of India, the hoarded non-monetary gold of India, has come into the market for the purpose of export. And why has it come out for export? The people are the best judges. These people who got their gold at a rate of Rs. 19, Rs. 20 or Rs. 21 a tola, a month ago recovered at least Rs. 30 a tola and even now they are not getting much less than that price. Are these people to be hampered, prevented, from making legitimate profits of the savings which they have made? Does it lie in the mouth of Government or anybody else to tell these people not to make legitimate use of the savings in a very thin year, when they are in distressed circumstances, when they have no money, when they are not able to pay their land revenue to Government? Are they not to utilise their life savings which they accumulated at a small price and which they are now in a position to sell at a much more remunerative price? No Government could ever possibly think of doing this. And what have they done? For selling gold they have got large sums in silver money. My friend Mr. Jagdish Prasad talks of paper currency. They have got large sums of money which they are able to utilise for their domestic purposes and also for the payment of their debts and also for payment of their Government dues. Under these circumstances they are perfectly justified in doing this. My Honourable friend brings this Resolution under the garb of purchasing these hoards of gold for the purpose of establishing the foundations of the Reserve Bank. From the speech that I have heard from him to-day I say that is a mere excuse for condemning the policy of permitting exports. The Reserve Bank was a mere excuse to discuss the subject as he did this morning; the question of ratio, the old hackneyed subject of ratio and the question of Imperial preference he also discussed this morning and I do not propose to give any reply to his observations because they are entirely outside the province of this Resolution. Sir, if India has now removed from its huge storage a partial quantity of its gold, let us see what has been done in America to-day. Only the other day Mr. Hoover, the President, appealed to the public of America to cease hoarding which he says is one of the very serious factors of the present financial and economic depression; and only a few days ago we saw another cablegram from America in which President Hoover promised to release 200 millions worth of solid gold for the purpose of attempting to mobilise for internal purposes large hoards of gold lying with the Federal Reserve Bank which are beyond the statutory gold reserve requirements of the Bank. What is being done by the people of England? Everyone, most of the people of the United Kingdom who had savings in gold, in ornaments, are taking advantage of the high price of gold and selling the same. Even to-day the trophy of a horse race—I saw in yesterday's telegram—in the shape of the Ascot Gold Cup came into the market for the purpose of being sold. This is happening not only here but in all civilised countries to-day; they are taking advantage of the favourable position and selling gold which relieves them of certain immediate necessities and which places them in a favourable monetary position. India does not stand unique in its attempt. My friend has told us that this gold which is going out of India is a power in the hands of our communities and he says we ought not to allow it to be exported from this country. But he forgets that India will continue to sell as long as the present price is maintained; but once the price goes down to Rs. 23 a tola she will start purchasing again. Sir, he recommends

that the Government should buy this gold. Now, I was looking in vain throughout his speech to find out how he proposes that this large quantity of gold should be purchased. He made no suggestion of any kind in his speech or indicated the line of action by which the Government was to find money for this purpose. Did he want Government to borrow money in the present financial crisis, in the present financial catastrophe, with a deficit budget within 18 months of 39 crores? Does he want the Government of India to borrow money for the purpose of purchasing these vast quantities of gold which are being exported? Does he seriously propose that Government should buy gold at such a high price? He has not informed us how it should be purchased. Sir, Sir George Schuster has given a complete answer to my Honourable friend and I do not propose to take up the time of the Council by repeating those arguments; but when gold has been divorced from our currency, from rupee, and linked to sterling, I consider it would be suicidal on the part of the Government if they attempted to purchase gold in these circumstances as it would be nothing short of rank speculation. It would not be justified, it would not be tolerated or supported by the country. It is not possible for Government to buy all that gold because it has heavy external obligations to meet. Further, we do not require at present large quantities of gold for internal purposes. Our Paper Currency Reserve and our Gold Standard Reserve have been already strengthened. Government do not require gold for the purpose of meeting immediately her internal obligations. But it is a godsend that this gold has come out to meet our external obligations. What has happened within a short spell of time? India has been in a position to pay off £15 million of sterling loan without fresh borrowing or without the Government of India coming to the country for the purpose of fresh borrowing or without any extra measure of taxation except that which has been already imposed by the Emergency Finance Bill of last November. We have been able to achieve that gigantic performance, and I feel certain that perhaps there would even be no necessity to borrow the 14 crores which Mr. Brayne mentioned yesterday if the present state of affairs continues and if gold goes on being exported from now up to the month of June. I firmly believe that we shall be in a position to pay off our six million loan of bonds with the export of this precious commodity.

Then my friend made some significant remark regarding not having a sufficient measure of metallic backing. In fact, our gold situation has been improved and our metallic backing has also considerably improved over the previous years. What else has it done? And it must also be remembered that in India we are all longing for change and for improvement. We are all longing for the commodity prices to go up. If gold export continues in this way it will result in a revival in commodity prices and it will cause a general improvement in the position of the cultivating classes. We are all longing to see our staple agricultural products fetching in the market good and reasonable prices and our position improved and brought under parity and level of the position that we experienced in 1929. The most substantial and welcome rise in the value of Government securities has given confidence by an improvement in general trade. Also by the improvement of the economic situation it may help to restore political tranquillity. But it must also be remembered that all our prosperity will not depend on local action and local enterprise and sacrifice. We are bound up with the international situation to-day and this country cannot possibly improve extensively unless the other countries of the world improve. And what has happened practically? This 52 crores of rupees of gold has gone to England and though directly benefiting India has indirectly helped the United Kingdom to pay off partly the debt of £75 million which she

[Sir Maneckji Dadabhoy.]

contracted a few months ago from America and France. In return her statesmen have with gratitude acknowledged the service which India has indirectly done to that country and it is this position, Sir, which makes me think that if this policy continues and I have a great deal of faith and confidence, Sir, in the sound judgment of the people at large, economists may fall into error, business people may get into traps laid for them by designing financiers, but the villagers and the general public are sound to the core and they are the best judges of the financial situation of the country. I have not the slightest doubt, Sir, that Honourable Member must have noticed—so far as India is concerned—the welcome rise in her internal securities. Three months ago most of our Government of India securities were standing at a low level. Today a healthy feeling has been engendered. The $3\frac{1}{2}$ per cent. security has risen by many points and it is one of the happiest features of this policy.

There are many other points on which I would like to touch to convince Honourable Members, but the time at my disposal does not permit of it and I will only hope that, if they have the real interests and the welfare of India at heart and if they love this country, they will not allow a short-sighted policy to interfere with what is going on in the country to the advantage of its people.

THE HONOURABLE MR. H. M. MEHTA (Bombay : Non-Muhammadan) : Sir, I cannot support the Resolution which my friend has moved in this House for very many solid reasons. The day England went off the gold standard, the price of gold began to rise in this country. Before that, gold was imported at a price between Rs. 19 and Rs. 21 per tola. In less than two or three days the price rose to Rs. 25 or Rs. 26 and as the days rolled on, in less than a fortnight it came to about Rs. 29 and Rs. 30. My Honourable friend in the Resolution has said that it was distress gold. I cannot imagine for one solitary moment that the ryots were so clever as to think and determine within a week or a fortnight and come forward to sell their gold. It was quite the contrary for it was the very rich financiers, some of the banking communities like the Marwaris and Gujarati Hindus and many other zemindars in the Indian States who had hoarded this gold for love of the gold itself, it was they who thought that it was a golden opportunity that had come to them—that is to say, from Rs. 20 they could sell at Rs. 29 or Rs. 30 and make a profit of 40 to 50 per cent. They profited by the opportunity and I congratulate them on their good sense in taking that opportunity in their hands. But to say that distress gold came forward in less than a fortnight or a month ! I am sorry I cannot agree with the Mover of this Resolution.

Then, Sir, Government did not dream for one moment that the people of India would come out to sell their hoards of gold. They did not anticipate that the gold would come out either from the hoarders or the people who are in distressed circumstances. It came out as a natural flow and if 50 crores of gold went out of this country, just imagine what was the real value of that gold. It was only 35 crores because the gold was bought at an average of Rs. 19 to Rs. 20 and therefore when the 50 crores went out, it was made up of 35 crores in real value and 15 crores in profit. Well, that 50 crores in cash came into the country and is now circulating in India. That metal was lying idle like a piece of furniture—you may call it valuable furniture—not realising a single penny. Now this 50 crores is circulating in the country bearing some interest, 5 or 6 per cent. or if used for commercial purposes perhaps even more. But what has really happened since ? Soon after the gold exports were made we all know that the cotton which was selling at Rs. 140 a

candy gradually rose to Rs. 230—a difference of Rs. 90 per candy or a 65 per cent. rise during these last few months. Wheat, which was standing at the price of Rs. 1-8-0 rose to Rs. 2-9-0 and Rs. 2-12-0, thus securing a 60 per cent. rise in that commodity. The money which came in by this sale of gold, say, 50 crores had to be invested, the people thought that the things which were lying at the lowest price at the time were the bargains to purchase. They purchased them and eventually the price went on rising and it must have brought huge profits both to the middlemen as well as to the cultivators and the ryots of the soil.

The second part of the Resolution of my Honourable friend is to buy gold for the purposes of a Central Reserve Bank for India which no one knows when it is going to come. Whether in a year or two years or five years nobody can determine. Where has Government got the money to buy all that Rs. 50 crores worth of gold? Even if they had, will my Honourable friend say that it is advisable to buy at Rs. 29 or Rs. 30 a tola when in normal times you can buy at Rs. 21? Another point. When England went off the gold standard, its connection with the dollar came to as low as 3·36. Now, it is gradually rising and according to to-day's telegram it is 3·52. As the exchange rises the price of gold must eventually fall and there is every indication that the exchange will rise further and further, and if that be the case, the price of gold will go down and may reach the normal level before the Central Bank is started. With these few remarks, Sir, I oppose the Resolution.

THE HONOURABLE MR. A. F. L. BRAYNE (Finance Secretary): Sir, my Honourable friends Sir Maneckji Dadabhoj and Mr. Mehta have so ably and thoroughly covered all the arguments against this Resolution that there is very little for me to add. I would only emphasise one or two points. I presume that when the Reserve Bank does come into being, it will be constituted, at least so far as its financial foundation goes, more or less on the same lines as was devised for it in Sir Basil Blackett's Reserve Bank Bill of 1926. According to that Bill, the minimum gold holdings were to be Rs. 30 crores. The Bill also provided for progressive addition to the gold backing of the note issue, but only to a fairly moderate extent. That is to say, at the end of five years, the minimum was to be only 1/5th of the total note issue. Now, assuming that it were desired to establish the Reserve Bank to-morrow, what would be the position? The total note issue to-day is Rs. 180 crores. In addition it will be necessary for the Bank to provide for liabilities of about Rs. 40 crores as recommended by the Currency Commission for rupee redemption; that is to say, the liabilities will be a total of Rs. 220 crores. Against that there is Rs. 44 crores worth of gold at the old parity rate already in the Paper Currency and Gold Standard Reserve, just 1/5th of the liabilities that would arise if the Reserve Bank was established to-morrow, though the Reserve Bank Bill provided only for 1/5th at the end of five years. Thus the Government are already in a very strong position as regards its gold holdings. What is wanted now is not more gold, but more sterling securities which would yield interest to Government and would provide interest for working the Bank when it is established. As both my Honourable friends have pointed out, purchase of gold at the present time would be an extremely speculative measure. With more than half the world off the gold standard, no one knows what may happen to gold. It is one of the canons of financial propriety that Government should use the tax-payer's money in the same way as a prudent man would use his own and I would ask my Honourable friend whether at the present time he would care to turn all his fortune into gold at present prices. Nor is there any danger of the gold in the country being materially depleted

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

by exports, because, as has already been said, there has been something like Rs. 700 crores of gold absorbed by the country in the last 30 years and that can only be an absolutely small fraction of the amount that has come into the country in the last 2,000 years since the Roman historian Pliny pointed to the remarkable absorption of gold by India. As Mr. Mehta has pointed out, to call the gold "distress" gold is rather begging the question. It is undoubtedly the present high price of gold that has led to this very large export. Even if economic conditions are difficult, the small cultivator has still his small holdings to fall back upon. I think it is extremely lucky for him that gold imported at Rs. 19 to Rs. 21 a tola has now risen to Rs. 29 and that he should be able to realise his store of savings at such a profit. Government therefore consider that the present position is an extremely favourable one and see no justification for disturbing it. I would therefore ask the House to reject the Resolution.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : Sir, the matter which I want to put before the House in connection with this Resolution is that every person, whether he is poor or rich, must have a reserve as a standby to meet his needs in the time of difficulties. In Punjab the masses hoarded up silver as their capital reserve behind them. Unfortunately, because the fluctuations in the price of silver have been violent, the price varies very heavily, and has been by even 54 per cent. some time back. The result was that the capital of the poor masses which they accumulated to stand by them in times of difficulty was reduced by the exchange and currency policy of the Government by 54 per cent. Those people, realising the violent fluctuations in the price of silver, began to reserve their money in gold, as the fluctuations in gold were not so violent and therefore the chances of loss were not so great. Now, Sir, the time has come when owing to grave economic distress and unprecedented and heavy taxation the masses cannot meet their living expenses and the result is that they have to fall back on their reserves. These reserves are being practically wiped out now, and the result will be that when the economic depression still increases, as there is every chance of its doing so, the plight of the masses will be extremely miserable. Sir, my Honourable friend, Sir Maneckji Dadabhoj, while making certain observations, said that the policy which the Government has adopted has been in the interest of India.

THE HONOURABLE SIR MANECKJI DADABHOY : Government has adopted no policy. It is the people's policy.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : The policy of the Government in allowing the flight of gold ?

THE HONOURABLE MR. H. M. MEHTA : They have not adopted any such policy. It is voluntary flight.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : My Honourable friend seems to be misunderstanding what I am saying.
12 NOON. What I am saying is that the policy of the Government has been to allow unfettered the flight of gold from India. It comes indirectly to the same thing. In my opinion there ought to have been an Ordinance stopping the flight.

THE HONOURABLE MR. H. M. MEHTA : Government is not taking any interest in its export. Why should it? If Government had checked the export of certain commodities, how will this House take it?

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : This House will take it with pleasure as far as my opinion is concerned.

Sir, I want to quote the recommendation of the Indian Currency Commission of which my Honourable friend Sir Maneckji Dadabhoy was a member. In paragraph 25 of the Royal Commission on Indian Currency and Finance Report (1926) they have observed :

“ By an appropriate structure built on this foundation, the Indian system might be developed into a perfected sterling exchange standard, both automatic and elastic in its contraction and expansion, and efficient to secure stability. Such a system would involve the least possible holding of metallic reserves, and would also be the most economical from the standpoint of the Indian tax-payer. But the system would have grave defects. The silver currency would still be subject to the threat implied in a rise in the price of silver. Were sterling once more to be divorced from gold, the rupee, being linked to sterling, would suffer a similar divorce. Should sterling become heavily depreciated, Indian prices would have to follow sterling prices to whatever heights the latter might soar or, in the alternative, India would have to absorb some portion of such rise by raising her exchange. India has had experience of both these alternatives and the evils resulting from them are fresh in her memory. We do not indeed regard the possibility of sterling again becoming divorced from gold as of much practical likelihood; it is unlikely to happen except in a world-wide catastrophe that would upset almost all currency systems. Nevertheless there is here a danger to be guarded against, which is real, however remote. There is undoubted disadvantage for India in dependence on the currency system of a single country however stable and firmly linked to gold. For these reasons, were the standard of India to be an exchange standard, it should undoubtedly be a gold exchange standard, and not a sterling exchange standard ”.

This was, Sir, the observation of the Royal Commission on Currency and Finance. Now, Sir, this recommendation has been ignored. Even in America which is at present the richest country in the world. (*The Honourable Mr. H. M. Mehta :* Who says ?) because that is the creditor country even of the biggest nations of the world. As there was an outflow of 10 crore pounds of gold from the United States its Federal Reserve Bank had to raise its rediscount rate from 2½ to 3½ per cent. in order to stop the flight of gold from the United States. Sir, this is a question in which I feel a great deal and my feeling is shared by the people at large who have from time to time given expression to their opinion in the press and on the platform. I fear that in case the masses are completely deprived of their holdings in gold they will be in great distress when the present economic depression decreases they will not be able to re-buy gold, as gold prices will be very high and beyond their means.

THE HONOURABLE MR. BIJAY KUMAR BASU (Bengal: Nominated Non-Official) : Sir, the matter has been thrashed out by the speakers who have preceded me very thoroughly and I have not very many arguments to put forward to oppose this Resolution. Sir, I admit that I am neither a Governor of the Imperial Bank of India nor a Bombay business man, nor even a man who is in charge of the Finance Department of the Government of India, but I am a mere student of finance and a very amateur student at that. But what I find in all these matters is that every one of us has our pet theories. We always think that one thing may happen and another thing may not happen; everything is speculation in this matter. So, whatever may be the outcome of this flight of gold I am almost sure that nobody knows what the real effect of it would be until the effect ensues. We always get wise after the event and therefore

[Mr. Bijay Kumar Basu.]

this Council will be well advised if they preserve the *status quo* and vote down this Resolution.

THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD: Sir, the usual stock arguments have been trotted out by those Honourable Members who have thought it fit to oppose my Resolution. I had expected that the Government would realise that the temporary advantages accruing from the outflow of gold from India were far outweighed by the permanent injury that is being caused thereby to the economic life of the country. But it seems that I was hoping against hope. My Honourable friend Sir Maneckji Dadabhoy in the course of his speech asked why the Indian masses should be prevented by Government from making profits by the sales of their stored gold. But perhaps my Honourable friend forgot that what I advocate in my Resolution is that the Government should purchase all this distress gold: so that if the Government purchased this gold the question of the poor people being deprived of their profits hardly arises. Then, my Honourable friend observed that I had made no suggestions to Government as to the resources with which they should manage to purchase these vast quantities of gold. Perhaps my friend did not hear me when I suggested a number of sources that could be tapped for this purpose. And some of them were as follows: Government was disposing of large surplus stocks of silver and I failed to understand why they could not be diverted to the purchase of gold instead of being sent to the already glutted market of China.

Then, Sir, I stated that the amount of metallic reserve in the Paper Currency Reserve amounted to $\frac{1}{3}$ ths of the total issue, whereas the statutory requirements did not necessitate more than a 50 per cent. reserve. I fail to understand why this balance cannot be utilized for the purchase of gold by the Government of India. My Honourable friend the Finance Secretary has, I am afraid, advanced no arguments worth the name in opposing my Resolution but has only counted upon those non-official Members who spoke against it. Therefore I need scarcely say anything in reply to his speech. To me it seems that if the Government do not want to do a certain thing a number of difficulties are put forward as standing in the way of their doing it, but once they make up their mind to do a thing all difficulties disappear. The Honourable the Finance Secretary has not indicated in his speech whether the Government have an idea of starting a Reserve Bank in the near future. If they have, may I ask how they propose to build up reserves therefor failing the suggested purchase by the Government of this distress gold? Simply to say to-day that Government have already their proper proportion of gold while only till yesterday such a claim was being denied will not, I am afraid, convince anybody. And if the Government do not propose to establish the Bank in the near future let them say so candidly in so many words. It will not do to shirk the issue in a mysterious manner.

Sir, in spite of the learned arguments advanced by some of my Honourable friends here against my Resolution I remain unconvinced. I maintain that the larger interests of India demand that the flight of gold should be checked and that it is high time that the Government bought this gold for the sake of reserves of the proposed Reserve Bank. If the Government and some of my Honourable friends have no faith in the proposition to-day I am sure the future will show whether the Government and they are right or whether that section of Indian publicists which demands the course of action recommended in my Resolution is right.

THE HONOURABLE THE PRESIDENT : The question is :

“ That this Council recommends to the Governor General in Council to take necessary steps for the purchase of all distress gold that is now being exported to foreign countries for the sake of reserves of the proposed Central Reserve Bank for India.”

The Council divided :

AYES—2.

Jagdish Prasad, The Honourable Rai Bahadur Lala.

Ram Saran Das, The Honourable Rai Bahadur Lala.

NOES—30.

Basu, The Honourable Mr. Bijay Kumar.
Bhonsle, The Honourable Raja Laxmanrao.
Brayne, The Honourable Mr. A. F. L.
Browne, The Honourable Sir Philip.
Charanjit Singh, The Honourable Sardar.
Chetti, The Honourable Diwan Bahadur G. Narayanaswami.
Chimman Lal, The Honourable Rai Bahadur Lala.
Commander-in-Chief, His Excellency the.
Dadabhoy, The Honourable Sir Maneckji.
Devadoss, The Honourable Sir David.
Drake, The Honourable Mr. J. C. B.
Emerson, The Honourable Mr. H. W.
Fazl-i-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.

Jalan, The Honourable Rai Bahadur Radha Krishna.
Megaw, The Honourable Major-General J. W. D.
Mehr Shah, The Honourable Nawab Sahibzada Sir Sayad Mohamad.
Mehta, The Honourable Mr. H. M.
Mitter, The Honourable Sir Brojendra.
Moti Chand, The Honourable Raja Sir.
Murphy, The Honourable Mr. P. W.
Noon, The Honourable Nawab Malik Mohammad Hayat Khan.
Padshah Sahib Bahadur, The Honourable Saiyed Mohamed.
Pandit, The Honourable Sardar Shri Jagannath Maharaj.
Sethna, The Honourable Sir Phiroze.
Shillidy, The Honourable Mr. J. A.
Suhrawardy, The Honourable Mr. Mahmood.
Thompson, The Honourable Sir John.

The motion was negatived.

THE HONOURABLE THE PRESIDENT : The Honourable Member did not seem to have had very good ground for his claim to divide the House on his Resolution.

RESOLUTION *BE* MURAL DECORATIONS BY INDIAN ARTISTS TO GOVERNMENT BUILDINGS AT NEW DELHI AND INDIA HOUSE, LONDON.

THE HONOURABLE SIR PHIROZE SETHNA (Bombay : Non-Muhammadan) : Sir, the Resolution which I have now the honour to move is as follows :

“ This Council recommends to the Governor General in Council that if the work of mural decorations already done by Indian artists and students of Indian art schools in the Secretariat at New Delhi is satisfactory then their services as soon as funds permit be availed of for additional work of the same kind not only in the Secretariat but also in other public buildings in New Delhi and likewise in India House, London.”

Those Honourable Members of this Council who have been serving on it for more than eight years will recollect that as far back as February, 1924, I had moved a Resolution in regard to mural paintings in Government buildings at

[Sir Phiroze Sethna.]

Raisina, the name by which New Delhi was known at that time. That Resolution was as follows :

“ This Council recommends to the Governor General in Council that if and when the work of mural paintings in the buildings at Raisina, including the Government House and the Secretariat, is taken in hand, the same be entrusted to Indian artists and preferably to the Bombay School of Arts ”.

An amendment was proposed by the Honourable Mr. Ley, the then Secretary of the Department concerned. He wished to substitute for the words “ and preferably the Bombay School of Arts ” the following :

“ if the requisite talent can be found in India, and that Government should consider the possibility of utilising the service of art students selected from the schools of art already existing in India.”

From the wording of this amendment it was quite apparent that Government had grave doubts as to the capacity of Indian artists to be able to do this work satisfactorily. The Government amendment was carried on a division. I found myself in a minority on that occasion. Looking back to-day I feel strongly disposed to congratulate myself and the twelve Honourable Members who voted with me that we did form the minority. There is indeed much consolation when one is able to prove the correctness of the principle he has advocated for a long time past by referring any sceptics to the concrete and indisputable evidence of facts. We who formed the minority on that occasion are naturally delighted to find ourselves in that enviable position to-day. For to-day after the evidence of the good work done by Indian artists and art students on the walls of the new Secretariat I do not stand here as a suppliant pleading before the tribunal of this Council for opportunities for Indian artists and art schools to participate in the benefits of State patronage and laying before Honourable Members any anxious deductions and inferences to try if by any means it were possible to convince them of the artistic value of their work. My position to-day is in direct contrast to what was the case in 1924. The success of our proposals, now that these have actually been put to the acid test of definite experiment, is such that we may be pardoned for exclaiming : “ We told you so ! ”

New Delhi offers a wonderful opportunity, indeed the greatest opportunity, for Indian artists which has arisen since the Moghul times. As to the very great importance of art to India there was a time when it was quite the fashion, to decry its importance in this country and the value of our artists' work was greatly underrated. In fact Honourable Members will be surprised to know if they are not already aware that in the former editions of the *Encyclopædia Britannica* up to at least its 8th edition there was to be found in the article on Painting such an absolutely incorrect statement as follows :

“ With respect to the painting of the Phœnicians, Persians, Indians and Chinese it was in the earlier stages and has ever since been miserable and wretched. Although the Indians and Persians have always been celebrated for their tapestry yet it is more for the excellence of the material than purity of their designs. But their utter ignorance of the naked figure, their long barbarous and cumbersome garments and their want of science are so grossly palpable that they have never been and never will be referred to by any nation as an authority in design ”.

Honourable Members will be equally surprised to know that those remarks have disappeared altogether from the later editions of the *Encyclopædia* without any explanation whatsoever.

Fortunately people are now beginning to realise that one of India's greatest assets for the world lies in her neglected arts and crafts. Public opinion is undoubtedly strongly aroused on this subject. It was therefore a good thing that in Bombay public opinion supported the request of its School of Art to be allowed to participate in decorating New Delhi and that Indian artists should be employed on its mural paintings. The Bombay School of Art has so far borne the brunt of the battle for the recognition of Indian art and again it is the largest, the oldest and has the most advanced courses of training in painting, modelling and architecture of any art school in India to-day as its syllabus in comparison with others will show. Moreover the Bombay School of Art attracts students from all over India and not by any means only from the Bombay Presidency. It was this School which first put forward through its Principal in 1921 an official request that when mural paintings were executed upon the new Government buildings then in course of erection the work should be entrusted to Indian artists. Bombay anticipated a long time previous the fact that mural paintings would be required for public buildings of New Delhi. Thanks to the effort of the then Governor of Bombay, Sir George Lloyd, now Lord Lloyd, a class for the study of mural paintings was founded. This was a logical continuation of the work of studying the mural paintings in the Ajanta Caves which was begun by the Bombay School of Art under its then Principal Mr. Griffiths in 1872 and continued for 11 years. The class of mural painting founded in 1920 was, however, not for the purpose of copying but for original work. There was nothing new in the idea of Indian artists painting mural decorations upon public buildings. The idea itself was of course a great deal older than the Ajanta Caves themselves. The novelty of the class of mural painting lay in the fact of the application of the hereditary talent of Indian students for art to an original constructive effort after such efforts had fallen into what seemed hopeless disuse for many years. Proper facilities for advanced training for Indian students by means of organised classes and the class of mural painting were installed in the Bombay School in 1920.

I have briefly outlined what has been done to make the Bombay School of Art an art school in order to show that it is capable of ranking alongside the best institutions of similar kinds in Europe, for I am not one of those who think that art education in India must be radically different to what it is in Europe. I believe that it is essential to provide our students here with full facilities of training which at present they have to go to Europe to obtain. I may be optimistic, but I can envisage a time when an Indian degree in art will carry an Indian student as far as the A. R. C. A. certificate of South Kensington, or any other degree in the art schools of Europe. For this purpose, I mean if the art schools of India are to be enabled to maintain this high standard of higher art education, there must be patronage. I am very sorry that the Prize of Delhi scheme has apparently been dropped by the Government of India since they published their note approving of the scheme in 1925. That scheme would have provided the selected students of our Indian art schools with post-graduate courses in art at a central institution in India. I feel sure that sooner or later something of that kind will have to be done if first class schools of art are to be maintained in India. However, the Resolution which I have the honour to move, deals with the immediate question of patronage, which is an absolute necessity for our Indian schools of art.

In Committee Room "A" of the new Secretariat buildings Honourable Members will see the results of the beginnings made on the lines I suggested in 1924 by the Government of India. Nothing could be more encouraging to an Indian whose pride in Indian art of the past does not blind him to the pressing

[Sir Phiroze Sethna.]

necessities of the present than to see the decorations of Indian artists as well as of our young students on the dome and walls of the new Secretariat buildings. I will not labour this point. There is no need for me to do so for the work itself pleads eloquently for national support for these talented young men.

I am aware that a scheme external to India has been put into force since last I spoke on this subject. I allude to the mural paintings at India House recently executed by four Indian students of South Kensington. Indeed, the High Commissioner for India has given us a glowing description in his recent speech at India House of the work of these students and the results of their training in Europe. I too have seen their work and I also heartily congratulate them on the results. But, however successful the work may have been, the point I wish the Government of India to bear in mind is that as charity begins at home, it is more important for India to see training and production in art placed on a firm and stable basis in India, than see Indian students go to Europe to acquire training and patronage. And therefore I earnestly hope that all Honourable Members, official and non-official, will support my Resolution to-day as the very least that can be done to encourage the reawakened aspirations of this country in the field of art. I would add that the official report which the public in Bombay have naturally been waiting for eagerly since the mural paintings were executed in the new Secretariat buildings in 1929, ought to be issued without further delay by the Government of India. For I presume that these paintings are equally as important as the newer scheme of work just concluded at India House which, as I have mentioned, has been fully reported on by Sir Bupendra Nath Mitra.

It is by no means necessary that the men selected should have had any training in the Royal Kensington School of Art in regard to mural painting. On the contrary, it is considered by some a disadvantage because after his training here the Indian student can only produce something hybrid in this kind of painting because of the influence on him from what he may have picked up in the Kensington School. In the Secretariat at New Delhi there is also work done by an Indian artist by name Mr. Fyzee Rahmin. From his public utterances and writings he would have us believe that he is in a class by himself though responsible critics appear to think otherwise. I am by no means competent to enter into such controversy and compare his work with that of his brother artists and of the art students in the Secretariat. I have mentioned Mr. Rahmin because he has not a good word to say of the Bombay School where he has himself had his early training and yet in an interview which he gave to the Press he even observed that :

“the Government of India or rather the High Commissioner in London has put in a scheme of educating Indian students in England”.

Mr. Rahmin goes on to say :

“ by this a deliberate attempt has been made to destroy what little work is done in India to promote the interests of Indian art on traditional lines ”.

Whilst I may generally disagree with Mr. Rahmin I am in agreement with him in his disapproval of the scheme if he means thereby that Indian art students who were sent to do mural painting at the India House did not require to be educated in painting in England.

Honourable Members may possibly be of opinion that I have dwelt at considerable length on the work of the Indian art schools, *i.e.*, the work of students, and have not dilated sufficiently on the work of the professional

artists—whose mural paintings now adorn some of the domes and walls of the Imperial Secretariat buildings of New Delhi. I may assure Honourable Members that this is not because I am indifferent to the value or significance of several of these paintings, which are the more interesting because they are painted in different styles. The point, however, which I particularly wish to emphasise, is that the students are the means to the end. The art schools of India must either have an outlet for “higher art” or they will lose their *raison d’être* and be compelled to yield to the pressure of the pessimists who would convert these and have converted some of them into technical schools although they may retain the names of “art schools.” I know Indian finances are at present in the doldrums but we may well expect to be out of the wood before very long and even when that is so my Resolution does not commit Government to anything definite. At the best it is a recommendatory motion and ought therefore to prove acceptable to the House including the Government Benches. If the Resolution passes it may be quoted hereafter as the considered wish of this Council and prove a help in the matter of asking Government at the proper time to encourage Indian artists and art students in the manner indicated.

Sir, I move the Resolution.

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE (East Bengal: Non-Muhammadan): Sir, I rise to support the Resolution of our Honourable friend Sir Phiroze Sethna whole-heartedly and with no mental reservation at all. But, Sir,—there is a but in the matter, call it big or small, there is no escape out of it—when I find that the Honourable the Mover of the Resolution says:

“that if the work of mural decorations already done by Indian artists and students of Indian art schools in the Secretariat at New Delhi is satisfactory then their services, as soon as funds permit, be availed of for additional work of the same kind, etc.”.

Sir, when the question of mural painting has been reopened by our Honourable friend Sir Phiroze, I think, it will not be out of place to make a few observations on the subject and how the mural decorations came to be done at the Viceroy’s House and in the Secretariat buildings by a certain section of the School of Art which is neither Indian nor modern but a queer amalgam and which, I dare say—coming as I do from Bengal, which is famous for the revival and renaissance of Indian art—has not been able to win that amount of admiration and encomium that was expected of it. It was indeed most unfortunate that Sir Bhupendra Nath Mitra under whose Department was this matter of mural decorations, did not ask for the opinions of the expert artists of all the provinces of India—not to speak of those of his own province wherein we find men like Mr. Nandalal Bose, one of the greatest living Indian artists of Tagore’s school, whose reputation extends far and wide as an authority on fresco and Dr. Abonindra Nath Tagore, the founder of the Indian School of Art in India and Professor of Fine Art in the University of Calcutta. Perhaps, Sir Bhupendra Nath being a Bengali thought that if the views of distinguished artists like Dr. Abonindra Nath Tagore and Mr. Nandalal-Bose of Poet Tagore’s school and of Mr. Asit Kumar Haldar of the Lucknow School of Art and of others of Bengal only were asked for, invited artists of other provinces might think that Sir Bhupendra Nath was showing favouritism to his own people, and for that reason was this task of selecting the artists for mural paintings entrusted to Sir John Marshall who chose the school of Western India for the purpose. Sir, may I crave the indulgence of your goodself and as well as of this Honourable body to ask why the claims of the Bengali artists

[Mr. Jagadish Chandra Banerjee.]

were totally ignored and thrown into the cold shade of neglect? Bengal could not get a chance to disclose her talents, perhaps owing to propaganda or provincial rivalry. When it was a matter of all-India, there ought to have been a conference of the artists of repute and their opinions sought for but a particular school stole a march over other provinces by manœuvring and propaganda. Sir, how can one brush aside Bengal from the world of fine art when the Bengal School of Art stands supreme, nay, as a distinct class by itself in India, as the exponent of Indian art? But if one looks at the mural decorations at the Viceroy's House and in the Secretariat buildings, and enquires by whom those were performed, he will be told that in the whole of India, only one school of artists and that is of Bombay, which could give such a display of their brushes! This is a matter to which I would like to draw your pointed attention, Sir, although I do not like to confine my remarks to this issue only. Meaning no disrespect to our Honourable friend Sir Phiroze and not attempting to cast any reflection on any class of artists belonging to the *urbs prima in Indis*, I should like to put up before you and the House, the case of Bengal for your valued opinion and judgment. It would appear, from the manner in which this matter of selecting artists for mural decorations has been handled in the past, that Bengal's position in the field of such art is no where. And why, Sir? Because Bengal was not given any chance or scope. We, as Members of this House, are entitled to pass our opinion on the works done by the pupils of Captain Gladstone Solomon of Bombay; and by Messrs. Fyzee Rahmin, Dhurandhar and Fernandez whether their mural decorations have been satisfactory or not. To be a critic of art one must understand something of art and although I do not think myself to be an *Al* connoisseur of art, I do not see the works of artists with the eyes of a superficial observer. My Honourable friend has in his Resolution said that "*if the work of mural decorations is satisfactory* * * *". Now, the question is who are to pronounce their opinion on such a delicate matter? Government have no expert or experts who can do that safely without being subjected to criticism by others. Although some of my artist friends like Mr. Sarada Charan Ukil than whom Northern India can not boast of a better artist and whose works have been highly spoken of at a recent exhibition in London and which too were noticed by Reuter's and Mr. Baroda Ch. Ukil, Editor of *Rupalakha*, the only English monthly in Northern India solely devoted to art, do not approve of the mural decorations that one finds here, saying that they were not what they should have been. Government may declare otherwise and say that they are satisfied. In that case, Sir, the Resolution of our Honourable friend must be accepted by this House even in spite of our general cry for economy. In this connection, I should like to say only one word about economy. Sir, we are trying to economise our expenses in everything as far as possible without impairing the efficiency of administration but sometimes we economise our expenses in those departments where economy is hardly necessary or where economy may badly affect the work of administration. And we are so much enamoured of economy in these days that we do not hesitate to economise even truth. And as too much of anything is good for nothing, I may point out here that money may be found by cutting down the top-heavy branches of expenditure to make provision for the proposed decorations. In ancient times in India, Sir, it was the Government and the monarchs that used to honour and maintain the artists. And who would honour them, who would reward them, recompense them and maintain them if not the present Government of India who can truly appreciate the worth and merit of the artists.

What is life ? What is this material world and what is this immutable law of nature.—this struggle for existence, Sir, if there is no art, no intellectual feast and no aesthetic culture in this world, to cater for our comfort, joy and pleasures of life ? Sir, “ man does not live by bread alone ”, as we find in the Holy Bible ; so men cannot live by talking about sordid mundane things alone, by holding discourses on abstruse philosophical subjects alone or thinking of gold and silver, police administration, law and order, repression and civil disobedience alone, but by the words that emanate from the works of the artists that have a peculiar language of their own to tell their own tales which we appreciate, realise and feel in our heart of hearts. I understand, Sir, this is neither the place nor the occasion for me to dilate on the “ meaning of Art ” which has been explained by the Poet Laureate of Asia, Dr. Tagore, in his inimitable style. What I would like to emphasise here that let this Resolution of my Honourable friend Sir Phiroze be not thrown out by the House in the name of economy when huge sums are being spent by Government in other directions where we have no voice at all, but passed by the Honourable Members and Government be asked to sanction the required money to start the work forthwith.

Sir, one word more and I have done. I know, the Resolution once accepted by this House must be given effect to and the beginning will be made in no time. Now, in the matter of selecting the artists for the additional work of the kind mentioned in the Resolution, the claims of the Bengali artists should not be superseded or ignored by Government. A committee of experts should be formed for the purpose and Government should go by the opinion of this Committee and not by their own former decision according to which, only a particular school was favoured by them and whose mural decorations done on canvas instead of directly on the wall neither extort *eulogia* from those who understand a bit of art nor bring reputation to the artists themselves. Sir, I think our Honourable friend Sir Phiroze, as well as the other Members of this House know, that out of a competition among nearly 180 candidates, four artists were selected to execute the work of mural decorations in the India House, London, and my heart swells with pride to say that those four artists were all Bengalees. Mind, Sir, they were all selected by competition and not by any propaganda or by the hush-hush policy of the postern gate. The works of those four young artists—Messrs. Ranada Charan Ukil, Sudhansu Roy Choudhury, Lalit Sen and Dhiren Burman—were spoken of in glowing terms by an artist of such international repute as Mr. Rothentien and they are coming back to India with mantles of glories on their heads. If those four young brainy Bengalees could do the decorations to the entire satisfaction of the authorities in London, it is only a humble demand on my part, as well as on the part of the Bengal group of Members of this House when I voice their feelings, that their cases should be given due and serious consideration by Government. Sir, Bengal does not want any preference but what she wants is that her artist sons, specially those who are returning home after finishing their works in London, should be given the first chance in this matter to prove their worth and merit. I can vouch for the fact, Sir, that there was no competition among the provinces and no asking of any opinion from the expert artists of India about the work of mural decorations already done by Indian artists in the Secretariat at New Delhi referred to in the Resolution. Lastly, I would most fervently appeal to the Treasury Bench to accept this Resolution and ask my Honourable friend Sir Phiroze not to misunderstand me, for, whatever I may have said about the way in which the orders for those mural decorations were secured by the artists of Bombay, I am supporting his Resolution with all my heart and with no mental reservation whatsoever, and hope that it

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will be accepted by this House and that Bengal would have her due share in the execution of work and meed of praise for the same.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : Sir, I rise to support the Resolution so ably moved by my Honourable friend Sir Phiroze Sethna and as enough has been said on the question I do not want to detain the House much longer. My friend the Honourable Mr. Banerjee has also supported the object underlying the Resolution but has observed that in this matter the claims of artists in Bengal should not be ignored. Sir, fine art should be preserved and the artists who are an asset to the nation ought not to be allowed to be wiped out.

THE HONOURABLE MR. J. A. SHILLIDY (Industries and Labour Secretary) : Sir, I should at the outset like to express my gratitude to the Honourable Sir Phiroze Sethna for being kind enough to let me know in advance the lines on which he was going to argue his case. It has made my task very much easier. I would like to say also that it rejoiced my heart to hear the enthusiastic defence of a Bombay institution. As a Bombay man, if I might express my personal opinion, I would like to say that all good things in India come from Bombay. We can hardly expect more backward places, such as the Punjab, Bengal, Madras, to admit that proposition. It is asking them a little bit too much to rise above their parochial prejudices and concede the supremacy of Bombay. In fact, we have had a strenuous protest from the Honourable Mr. Banerjee claiming and putting forward the rights of Bengal to be represented in the next instalment of the work of decoration. I would however just like to point out to the Honourable Mr. Banerjee that he is wrong in saying that Bengal artists were not considered. The reason why the Bengal artists got no part in the work in the Secretariat was because they did not compete. On the next occasion when we had to get work done, that is in connection with India House, Bengal artists did compete and the four artists who were engaged were all Bengalees. I just make that statement in order to show that so far as Government is concerned it has no leanings or prejudices either way.

Sir, I regret that I am unable to accept this Resolution as it stands and I will give the reasons why I am so unable, but I trust that in view of what I am able to say about the policy of the Government in this matter the Honourable Member will be able to see his way to withdraw his Resolution.

Sir, what are the actual facts? The actual facts are—to put them as briefly as possible—that we called for competitors for this work of decorating certain rooms and domes in the Secretariat. As the result of that competition the work was allotted to the Bombay School of Art and the Lahore School of Art. Mr. Durandhar, Mr. Fernandez, Mr. Nagarkar, Mr. Fyzee and Mr. R. D. Siodhia. With the exception of the Lahore School of Art, all those artists came from Bombay. Therefore, Sir, I would ask the House to look at the wording of this Resolution very carefully :

“ This Council recommends to the Governor General in Council that if the work of mural decorations already done by Indian artists and students of Indian art schools in the Secretariat at New Delhi is satisfactory, then their services, as soon as funds permit, be availed of for additional work, etc.”

In other words, what this Resolution really asks us to do is to agree that all future work in the Secretariat and in India House shall be given to the Bombay School of Art and the Lahore School of Art. Well, Sir, as a Bombay

man, as I have already said, I shall be delighted to support it, but I very much doubt whether the House will agree to that proposition. That this is not an unfair interpretation of the Resolution, Sir, is I think clear from the fact that in 1924 the Honourable Member himself brought a Resolution to which he has referred in his speech. That Resolution ended with the words :

“that the work shall be entrusted to Indian artists, and preferably to the Bombay School of Arts”.

In addition, Sir, you have listened to his speech, his enthusiastic defence of the Bombay School, and I do not think it is an unfair interpretation of his Resolution that its real meaning is a preference to the Bombay School. The Honourable Member in his speech referred to the attitude he took in 1924 and congratulated himself that he was in a minority which has proved wiser than the majority. Sir, I demur to the interpretation of the amendment which this Honourable Council adopted on that occasion. The Honourable Member said in his speech that the amendment which was introduced by one of my predecessors, the Honourable Mr. Ley, was due to the fact that Government had grave doubts as to the capacity of Indian artists to be able to do this work satisfactorily. The amendment was that the words :

“ and preferably to the Bombay School of Arts ”

be omitted and the following should be substituted for them :

“ if the requisite talent can be found in India, and that Government should consider the possibility of utilising the services of art students selected from the schools of art already existing in India ”.

Now, Sir, I submit that there was no question in the Government's mind of grave doubts as to the capacity of Indian artists. What was generally expected at that time was that there might not be forthcoming, straight off, a number of students and artists available for the work of mural decoration. Sir, I find the strongest support for that view which Government then took in the words of the Honourable Member himself in his speech to-day. The Bombay School of Art had taken up the work of mural painting in 1920. This Resolution was taken up in 1924. And what was the position in 1920 ? According to the Honourable Member himself :

“ The novelty of the class of mural painting lay in the fact of the application of the hereditary talent of Indian students for art to an original constructive effort after such efforts had fallen into what seemed hopeless disuse for many years ”.

He then goes on to say :

“ Proper facilities for advanced training for Indian students by means of organised classes and the class of mural painting were installed in the Bombay School in 1920 ”.

Was it surprising that this Council, four years after this effort had first been made, were somewhat sceptical as to the capacity of the Bombay School of Art as then it stood, to be given a preference to undertake this work of mural decoration of the buildings in the Secretariat and of other Government buildings ? I would like to make a further point. Between the years 1920 and 1924 the work of the Bombay School of Art had been, and still is, very strongly criticised. I submit, Sir, that the real object of this amendment which my predecessor introduced was not to cast any doubts on the ability of Indian artists but in view of the facts which were then known to recommend a policy of caution and to substitute for the preference to the Bombay School of Art a general policy that Indian artists should be employed as soon as we can make

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arrangements for it. That, Sir, was the policy then announced by the Government of India in 1924 and I would submit that that is the policy which we are still pursuing.

Sir, it would take me a long time to go into all the different points in the Honourable Member's speech. I will refer briefly to two points. He states that :

“ the Prize of Delhi scheme has apparently been dropped by the Government of India since they published their Note approving of the scheme in 1925 ”.

That, Sir, I think gives a totally wrong impression of what actually occurred. It gives also an unfair impression of what the Prize of Delhi scheme was, though I have not the slightest intention of suggesting that the Honourable Member meant to be unfair. I have before me at the present moment the scheme for the encouragement of Indian art which was known as the Prize of Delhi scheme.

“ The scheme in the first place does not, and cannot be for centralised uniformity for any training or technique ”.

That is a little bit interesting in view of the statement of the Honourable Member that :

“ that scheme would have provided the selected students of our Indian art schools with post-graduate courses in art at a central institution in India ”.

Again :

“ This scheme leaves the provinces free to express their ideas in a manner best suited to the requirements and artistic temperament of the people ”.

It goes on to say later :

“ The scheme is based on the unassailable artistic maxim that artistic growth and development must spring from the environment and needs of the people ”.

I think, Sir, it is not a little surprising that some of the provinces asked, if all artistic growth and development are to spring from the environment and needs of the people, and if the provinces were to be free to express their ideas in a manner best suited to the requirements and artistic temperament of the people, would those conditions be best met in a centralised institution at Delhi, away from those provincial environments which would give to the students their particular spirit and growth ? But the real reason, Sir, why this scheme was turned down was the financial proposals. These were to fall partly on the Government of India and partly on the Local Governments. The Government of India was to provide certain facilities in the way of buildings ; the Provincial Governments were to provide for the maintenance of their villas and workshops. They were to provide also for the scholarships and fees of their pupils. All the Governments, with the exception of Bengal and I think the Punjab, declined to meet the expenditure. The scheme was not dropped by the Government of India—it is much rather true, Sir, that the scheme was dropped by the Provincial Governments.

There is one further point, Sir. He refers to Mr. Fyzee Rahmin's criticism of the Government of India's action in sending
 1 P.M. students abroad. Sir, I am not an artist and some people have said that theological controversies are the most bitter of controversies. Since I have had to deal with this question I am rather inclined

to doubt the truth of that statement. But the Honourable Member quotes Mr. Fyzee Rahmin's criticism of the Government of India's policy in this matter with approval and asks the Council to accept it. Mr. Fyzee Rahmin stated :

"The Government of India or rather the High Commissioner has put in a scheme of educating Indian students in England. By this a deliberate attempt has been made to attempt to destroy what little work is done in India to promote the interests of Indian art on traditional lines".

The House may be interested to know what Mr. Fyzee Rahmin has to say about the Bombay School of Art. In an interview in the *Indian Daily Mail* the following occurs :

"Mr. Fyzee Rahmin stated that the Bombay School of Art had been completely ignored by the authorities".

The Honourable Mr. Banerjee stated that on the other hand we had completely ignored everybody else. But to proceed with the article :

"Quite rightly," he added, "for this Art School had been destroying the original principles once embodied in the Indian arts and crafts. He did not think much of the mural paintings of the Bombay School of Art and considered them very harmful to the cultivation of real taste".

Sir, it is for the House to decide whether Mr. Fyzee Rahmin is more correct in the one instance than in the other. But while I have had to criticise this Resolution, because its real meaning is preference to one school, I do realise that what the Honourable Member really wishes, whatever his particular Resolution may say, is not preference to any particular school but a general acceptance of the principle that the work to be done in the Secretariat and in India House shall be done by Indian artists. I think this Council would also not be content with mere negative criticism of this Resolution and would like some statement of what is Government's policy in this matter. That being so, I am authorised to say that it is the intention of Government that Indian artists shall be employed in the decoration of public buildings in New Delhi and in India House to the extent that funds can be made available for the purpose. Now, Sir, that is not merely an expression of intention, it is the practice of Government which they have followed. They followed it in the case of the decorations of the Secretariat ; the same practice has been followed in the case of certain decorations in the Viceroy's House and they have followed it in the decorations of the India House. Government have no intention whatsoever of departing from that practice. That is their policy and they will pursue it. I hope, Sir, that in view of this statement of the intention and policy of Government the Honourable Member will see his way to withdraw his Resolution.

THE HONOURABLE SIR PHIROZE SETHNA : Mr. President, I am obliged to the Honourable Mr. Shillidy for speaking at the length he has done on my Resolution and for endeavouring to reply to the points I brought out in the course of my speech. He started by observing that he could not accept my Resolution because of the manner in which it is worded. I admit my mistake and I know it is too late to ask your permission, Sir, to allow me to amend it. The objection which Mr. Shillidy finds to my wording is in regard to the words "then their services" which clearly imply that my Resolution desires Government to employ the services of only those men who have already executed the work in the new Secretariat. I admit that is a mistake but

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that was never my intention. My intention was—as the Honourable Mr. Shillidy has surmised correctly—that then the services of *such* artists and *such* students be availed of, and I suppose had I said so Mr. Shillidy would have seen his way to accept the Resolution.

However, I shall now deal with some of the points which he referred to in the course of his remarks. In the first place, he referred to Mr. Fyzee Rahmin presuming that I quoted him as one in whom I had great faith. I think I made it clear in the course of my remarks by observing :

“ I have mentioned Mr. Rahmin because he has not a good word to say of the Bombay School where he has himself had his early training ”.

I lay emphasis on that in order to prove to the House that the quotation made by my friend Mr. Shillidy was of a kind which would be expected from Mr. Fyzee Rahmin who is not true to his own School and who, in season and out of season, chooses to attack it. I have quoted him for the reason that although he generally disagrees with the Bombay School of Art, he agrees with it in the view that the Government of India have made a mistake in asking Indian students to go and further qualify themselves at the School of Art in South Kensington.

Then, Sir, my friend has spoken at some length on the Prize of Delhi scheme. I am afraid I could not follow him very clearly because of the distance I am sitting at, and he was not very audible, but it seems to me this is a subject which will perhaps require a further Resolution from me. I do not despair of bringing it up again and trying to convince not only the Government of India but also the Provincial Governments that it is to the advantage of the provinces and the country as a whole that this scheme should be taken up as soon as finances permit. I shall therefore say nothing more on this subject at the present moment.

There is one point, however, in my speech to which I attached some importance but I have had no reply to it from my Honourable friend Mr. Shillidy, that is, as to the reason why the Government of India have not thought it fit to publish their report on the work of mural paintings done in the Secretariat. I say that is very necessary for a great many reasons. I did put a question in the House some days ago and put a supplementary question to Mr. Shillidy wanting to know why Government refused to publish their report. Mr. Shillidy then said he would require notice of that question. I did not send in another question, because I brought that point out in my speech and I had hoped that Mr. Shillidy would reply. Now, Mr. President.....

THE HONOURABLE MR. J. A. SHILLIDY : Sir, I can deal with that point, if I may. It requires very little to explain why the report has not been published, because in the first instance so far there is not a report. There is not a report at present to publish. The reason why there is no report is that most of the work in the Secretariat is done on the system of marouflage. It is just a question whether that system is entirely suited to the great alterations of temperature, very cold and very hot we meet with in Delhi. It will require a little time to ascertain whether that is a success and whether the climatic features of Delhi are harmful to it or not. In addition to that, there is the question of getting some impartial artist who shall decide. There will be expense involved in that. The Honourable Member and the House will realise from what has been said in the debate to-day that if we choose a Bengali artist to sit on the work of a Bombay artist there will be trouble ; if we choose

a Panjabi artist to judge the work of a Bengali artist, there will be trouble and so on. All these schools are rival schools. We hope some day to get that opinion.

THE HONOURABLE SIR PHIROZE SETHNA: Will the Honourable Member tell the House what is the length of time he thinks he will wait before he will pronounce on the durability of the work on the marouflage system according to which the work has been done ?

THE HONOURABLE MR. J. A. SHILLIDY: At the present moment I am afraid I am entirely hampered by the financial situation.

THE HONOURABLE SIR PHIROZE SETHNA: Never mind the financial situation. Will it be two years, ten years, twenty years ?

THE HONOURABLE MR. J. A. SHILLIDY: I cannot give the exact date like that. I can only say that at the present moment we cannot even think of it.

THE HONOURABLE SIR PHIROZE SETHNA: I am afraid the answer is evasive. Well, that is one of the reasons why I say a report is necessary. The work done in the India House is not more than a few months old and yet the High Commissioner has reported exhaustively on it not knowing whether the South Kensington School method employed by these students will prove durable or otherwise. I know, Sir, that there did exist considerable bias on the part of the architects of New Delhi against any work being given to Bombay students. Sir Edwin Lutyens desired some students of the Bombay School of Art who were here with their Director on their annual school excursion in 1921 to paint some Hindu deities on the walls of the octagonal room in the house at New Delhi where he was staying. The work was done in a few hours and yet Sir Edwin Lutyens made it a point to show it to visitors from time to time, including myself, and to say that if this was the sort of work produced by the Bombay School of Art students how can you possibly entrust them with the work of mural painting in the Imperial Secretariat. I am sure that even Sir Edwin Lutyens has no word to say now against the work done except perhaps with respect to the question of durability because the system adopted is what is known as the marouflage system. There are three different systems of mural painting. There is the marouflage, according to which the canvas is painted and stuck to the wall and I think one of the criticisms made is that it is stuck with glue or some other adhesive. I may assure the House that the canvas is not stuck with glue but with some substance which is the secret of the Bombay School of Art which they will not reveal. But I may inform the Honourable Mr. Shillidy that if the Government of India desire this work to be done not by the marouflage system but by the fresco or the tempera methods—the one means painting on a dry wall and the other on a wet wall—they can do that as well and they have done so in Bombay and these different methods of painting have now stood the test of time for 12 years in some instances. It was therefore that I put the question as to the period of time after which Mr. Shillidy thinks this work will have proved its durability. That is the reason why I think a report is necessary and it is hardly fair to the students who did this work not to say whether those who ordered it are satisfied with it or not.

Sir, there were some criticisms from my friend the Honourable Mr. Jagadish Banerjee with regard to students from Bengal and from Bombay. I want to

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make it perfectly clear that I am not asking for any preference for the Bombay School. I know that the Bombay School of Art has progressed far better but I do not want to take the time of the Council nor will the time limit permit me to prove that the Bombay School of Art has progressed better than other art schools particularly in mural painting.

I do not know whether Sir John Marshall was responsible for entrusting this work to Bombay students but I do know that there was a committee appointed of which Sir John Thompson was Chairman for selecting four students for the four scholarships awarded by Government. All these four scholarships were awarded, as Mr. Banerjee has said, to Bengali students and it may interest the House to know that in addition to Sir John Thompson who was Chairman of the Committee there were myself and Mr. M. R. Jayakar who at that time represented Bombay City in the Legislative Assembly also serving on it and we unanimously awarded these prizes to four Bengali students. Why was it so? It may interest the House to know that it was because the Bombay students were engaged in the work of the mural decoration of the Secretariat at that very time and consequently had no time to submit any samples of work in the competition test. That is what Mr. Jayakar and I discovered when we went back to Bombay and made inquiries. Had they competed, I have no doubt that they would have done far better than the other students. (Laughter.) My friends laugh. I will prove this. There were 15 Bombay students and 8 Lahore students who did the mural paintings in the Secretariat. Of these two latter went to England and greatly distinguished themselves. . . .

THE HONOURABLE THE PRESIDENT : I think the Honourable Member had better perhaps drop this controversy. It is really not relevant to the Resolution before the House, since the Honourable Member has admitted that there was no intention in the wording of the Resolution of introducing the question of preference. I must ask the Honourable Member not to refer to it any more.

THE HONOURABLE SIR PHIROZE SETHNA : Very well, Sir, I will seek some other occasion on which I can do so. All I will now say is that in view of the assurance that the Honourable Mr. Shillidy has given on behalf of Government that it is the intention and practice of Government to appoint Indians for this kind of work either here or in the India House during this year, I will ask the House to give me permission to withdraw the Resolution.

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

RESOLUTION *RE* SEPARATION OF THE TELUGU DISTRICTS OF THE MADRAS PRESIDENCY INTO A SEPARATE PROVINCE.

THE HONOURABLE DIWAN BAHADUR G. NARAYANASWAMI CHETTI (Madras : Non-Muhammadan) : Sir, I beg to move the following Resolution which stands in my name :

“ This Council recommends to the Governor General in Council that the Telugu districts of the Madras Presidency be separated from the rest of the Presidency and constituted into a separate province called the Andhra Province and that a Committee be appointed to report on the practical steps to be taken for this purpose and for the settlement of the boundaries of the new province and the location of its capital.”

It is too late in the day to expatiate upon the advantages of redistribution of some of the provinces in India on a linguistic and cultural basis. The

illustrious authors of the Report on Indian Constitutional Reforms themselves pointed out that the constitution of the existing provinces was artificial and due to historical reasons, that it would be most advantageous if administrative units were both smaller and more homogeneous and that by dividing the provinces on a linguistic basis, it would be possible to conduct the business of legislation in the vernaculars and thereby draw to the arena of public affairs men who were not acquainted with English. They declared it to be their

“own clear opinion that wherever redistributions were necessary and can be effected by a process of consent, the attempt to do so should be made” and therefore they desired that “it should be recognised as one of the earliest duties incumbent upon all the reformed Provincial Governments to test provincial opinion upon schemes directed to this end”.

It is needless to point out that section 52A of the Government of India Act contains a provision for the constitution of new provinces and this was expressly inserted for the purpose of enabling the redistribution of the existing provinces on a linguistic or some other national basis.

The agitation regarding the separation of the Andhra province is at least two decades old. The agitation might have been originally due to a feeling on the part of the inhabitants of the Telugu districts of the Presidency that the Tamil people were having all the plums of Government service and the cry of “Andhra province for the Andhras” became so strong that I have heard it said that Tamil officers were not very happy when they were transferred to serve in the Telugu districts of the Presidency. But the agitation was undoubtedly also the expression of an undeniable cultural and racial unity. In numerous provincial conferences in the Presidency of Madras, the question of the separation of the Andhra province was mooted and resolved upon in the affirmative. When in the year 1925, a separate University was constituted for the Telugu districts of the Presidency of Madras, the Act constituting it was called the “Andhra University Act” and it was hailed with satisfaction mostly for the reason that it recognised the linguistic and cultural unity of the people inhabiting those districts. Although the general politics of the country have absorbed most of the enthusiasm of the leaders of the Andhra province the sub-national feeling for an Andhra province is still there and is as strong as ever before. The Nehru Report also makes mention on this question of separation.

The Presidency of Madras consists of 144,000 square miles and has a population of about 47 millions. The administration of such a huge area and such a huge population is not easy and the representation of such an area in one Legislative Council naturally necessitates the division of the area into big constituencies extending over several thousand square miles which in turn prejudices effective representation and makes it impossible for a representative in the Legislative Council to be in close touch with his constituents. The representation of such an area in the Legislative Assembly and in the Council of State becomes even more unreal. It would be desirable to divide this area into at least two provinces. The Telugu districts of the Madras Presidency contain more than 38,000 square miles and a population according to the latest Census of about 20 million inhabitants. With such an area and population, they can well be constituted into a reasonably extensive province. It will be much bigger than the proposed provinces of Sind and Oriya and of course bigger than most of the Indian States which will become separate provinces under the impending federal constitution of India.

It is easy to contend that the huge area constituting the Andhra province cannot be regarded as a homogeneous unit and that at least some portions of

[Diwan Bahadur G. Narayanaswami Chetti.]

this area, namely, the Ceded Districts, may not have the same desire to get merged in an Andhra province. But nobody can deny that even these districts have a much greater feeling of unity with the Andhra districts than with the Tamil districts of the Presidency. Another objection that may be raised is that the financial commitments have not been satisfactorily investigated. The object of this Resolution is to see that they are investigated into and that if there are any difficulties in the way, adequate measures are taken to meet those difficulties. In the meantime I may be permitted to say that when examined it will be found these difficulties are not at all unsurmountable.

Nor need the Government apprehend that the other portions of the Madras Presidency will be against the separation. In fact the desire for separation is not entirely one-sided, *viz.*, on the part of the Telugu districts alone. If the inhabitants of the Telugu districts are anxious to come forward and say they desire to separate from the other portions of the Presidency, I may say that the latter are equally willing to be separated from the Telugu districts. This House will remember that it was in March, 1926 that our veteran publicist Sir C. Sankaran Nair moved a Resolution in this House for the constitution of the Tamil districts in the Presidency of Madras into a separate province. The Tamil people are as jealous of their language, literature and culture as the Telugu people are of theirs.

It was on 16th February, 1927 that Mr. Ramadas Pantulu, himself a person coming from the Andhra districts of the Presidency of Madras, moved a Resolution in this House urging the separation of the Andhra province. At that time the spokesman on behalf of the Government was able to defeat the Resolution by pointing out that there had been no demand in the local Legislative Council for the separation of the Andhra province. Since then, at least on two occasions, to my knowledge, the Madras Legislative Council has resolved in no uncertain manner that the Telugu districts of the Presidency should be constituted into a separate province. The first occasion was on a regular Resolution moved on the 14th March, 1927 in the Madras Legislative Council recommending the

“ constitution of a separate Andhra province for all legislative, administrative and judicial purposes”.

That Resolution was carried by a majority in the whole Council. The Honourable the President made out a list of the Telugu Members of the Council voting for and against the Resolution and it was found that while only five Telugu Members voted against the motion, 17 Telugu Members voted in favour of it. Again, on the 19th March, 1928, a motion for the constitution of a separate Andhra province was discussed in the local Legislative Council during the voting of grants. That motion was carried by 44 voting in favour of it and only 20 against it ; the former including all the Telugu Members of the Legislative Council who were present except one who voted against the proposition.

The Joint Committee of Parliament stated in 1919 :

“ that any clear request made by a majority of the Members of the Legislative Council representing a distinctive racial or linguistic territorial unit, for its constitution as a separate province should be taken as a *prima facie* case on the strength of which a Commission of enquiry might be appointed by the Secretary of State and that it should not be a bar to the appointment of such a Commission of enquiry that the majority of the Legislative Council of the province in question is opposed to the request of the minority representing such a distinctive territorial unit”.

It is clear that a *prima facie* case exists for appointing such a committee as I have recommended. Such a course is necessary not only to satisfy public opinion in the Presidency of Madras but in the interests of the progress of both the Telugu and the Tamil districts in the Presidency.

Sir, the matter is one which has been the subject of two former Resolutions, one by my veteran friend Sir C. Sankaran Nair and the other by Mr. Ramadas Pantulu. When Mr. Ramadas Pantulu moved his Resolution, the then spokesman of Government, the Honourable Mr. Haig said that there was no resolution in the Provincial Legislative Council making the demand, and that the initiative must come from the Provincial Council. Now that has been satisfied by two Resolutions of the Madras Legislative Council in favour of separation. I therefore hope that the Government will not have any difficulty in accepting this Resolution. After all, the Resolution only says that a Committee of enquiry should be appointed to report on the steps to be taken for creating a separate Andhra province. Sir, the only other argument that may be raised on the part of Government against my Resolution is the question of finance involved in the appointment of Committees. If the Government are only willing to appoint a Committee, I hope some public-spirited citizens of Madras will not fail to accept office on the Committee without any honorarium for undertaking the work. There is strong public opinion in favour of the Resolution. Sir, I move.

THE HONOURABLE MR. Y. RANGANAYAKALU NAIDU (Madras : Non-Muhammadan) : Sir, I support the Honourable Member's Resolution. Born and bred in the heart of the Andhra districts, excepting the well-being of my brethren and my Andhra culture I have no other axe to grind when I rise to support the Resolution. Long before any country wanted a separate province, Andhra leaders were pressing for a separate rule. In the matter of ancient history the dynasty of Vijayanagar had made a name for itself and with pride I may say its language and culture can stand comparison to any in India. The spirit of renaissance was taking hold of the Andhra provinces long before any other province and they were reflected in paintings and other works of arts and in the matter of patriotism, the Tamils and Malayalis may be said to be mere pigmies before Andhra giants. It may be said so in the matter of the physical build of that nation. I need not dilate on the superiority of Andhra in every respect. As I told the House the Andhras were the first to demand a separate province. After that we see a small neighbouring country Oriya is to be given a separate province. We have also seen the constitution of the North-West Frontier Province. Now there are good men available in the Andhradesa to fill up any intelligent and responsible post and when these smaller areas are to be constituted we cannot allow our claims to go by default. A deputation waited on the Secretary of State recently and it is in the fitness of things this Resolution is moved here. Even a Madrasi resident like the Mover of the Resolution is taking so much interest in our province and I thank him for it. I beg others will sympathise with the subject of the Resolution and support the evolving of a neat and small province as is given to North-West Frontier Province or the Oriya. My friend Mr. Rangaswamy Iyengar informs me that the Andhra Commission is going to suggest a very nice scheme for Oriya and we want a similar compact scheme like that and pray listen to our ardent request to preserve the beauties as well as the culture and language from being drowned by the motley grouping of different cultures together.

THE HONOURABLE MR. SATYENDRA CHANDRA GHOSH MAULIK (West Bengal : Non-Muhammadan) : Sir, the glamour of a new province with all the paraphernalia of Ministers and Members and a big Council Hall for the debates has been too much of an attraction for my Honourable friend the Mover of this Resolution. I am sure, Sir, that a Resolution like this will commend itself to the present Government to whom the proposal quite fits in with the maxim "Divide and rule". Turning now to the financial aspect of the question of such a distribution of Madras I would enquire from my Honourable friend the Mover whether the people of the new province which he proposes to create will be able to maintain their province by further taxation if necessary without help from the Central Government. If he wants to enjoy the luxury of a small province he has to provide funds to work it, and not to depend on the revenues of other provinces to keep him going. I do not understand what the effect of this mutilation of Madras would be on the rest of the province. There has been already a Committee which is sitting—I mean the Committee to consider the boundaries of the new province of Orissa and it is just probable that certain Oriya-speaking tracts of Madras may be tacked on to Orissa. Now, Sir, if this Resolution is given effect to it will entail a further sub-division of the province of Madras. Do I understand that it is the intention of the Honourable Mover to relegate the province of Madras to the status of the newly created province of the North-West Frontier, Sind or the minor province of Assam? True, Sir, the Andhras have an University of their own. But, Sir, does that mean that there is a common bond of tradition or culture among all the people in Andhra as is generally assumed? I have very little experience of the Telugu districts, but let me ask my Honourable friend if these 11 Telugu-speaking districts have a political unity? What about the divergence of views between the Brahmin and the non-Brahmin; and about the depressed classes the less said the better. If, in the creation of that province, the linguistic basis of division is to be followed too far, divorced from cultural, ethnological and other considerations, then we shall land ourselves into the problem of creating new provinces speaking different dialects. If we agree to this dictum we shall have to create a Malayalam-speaking, a Canarese-speaking province and provinces based on like distinctions in Madras and eventually we shall have to split the provinces of the Punjab and Bengal into a number of minor provinces according to the dialects spoken in the different parts.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : Bombay is the most prominent province as far as the number of languages spoken are concerned.

THE HONOURABLE MR. SATYENDRA CHANDRA GHOSH MAULIK : There is a great effort to unify and create a federal India with self-governing autonomous provinces. This step will be reactionary and I am sorry I cannot lend my support to the Resolution. I hope the House will pause before it lends its support to the Resolution. Sir, I oppose the Resolution.

THE HONOURABLE SIR BROJENDRA MITTER (Law Member) : Sir, from the text of the Resolution as well as from the speech of the Honourable Member it appears that he does not suggest that an Andhra province should be formed before the inauguration of the new constitution. The Resolution recommends the appointment of a Committee to investigate various matters. If the Honourable Member's intention be to raise a debate on the principle of linguistic provinces, I may state at once that the Government are in no sense hostile to the principle of the establishment of provinces on a linguistic basis.

But the Council will no doubt realise that any readjustment of provinces requires very careful consideration. The formation of an Andhra province is likely to involve more than the separation of the Telugu districts from the Madras Presidency. The Tamils and the Canarese have similar aspirations, and the complete dismemberment of the Presidency cannot be lightly decided upon. The question was not discussed at the Round Table Conference—I mean the question of the separation of the Telugu districts from the Madras Presidency, but two memoranda, one by the Raja of Bobbili and the other by Mr. Giri regarding the formation of a separate Andhra province, were circulated to the delegates. Sir, it was then understood that the readjustment of provincial boundaries other than Sind and Orissa should stand over till the new administrations themselves took up cases as they arose. Again, in connection with the classification of subjects the Joint Committee of Sub-Committees 1 and 2 of the Round Table Conference suggested that territorial changes other than inter-provincial and declaration of laws in connection therewith should be dealt with under amendments of the constitution. This is Item No. 42 of the Appendix to the Report. The matter stands in this way now. This question of the separation of the Andhra province was not considered by the Round Table Conference, whereas they did take up two specific questions, those of Sind and Orissa. The readjustment of provinces was left at that, that when the new constitution was established then these questions might be taken up as the pressure of public opinion demanded. That is where we stand now. No inquiry has yet been made with regard to the Andhra province; no inquiry is likely to be undertaken before the new constitution is established. At the present moment the Sind inquiry has been practically finished. With regard to Orissa—I think the Honourable Mr. Mehta will confirm this—that the labours of the Committee are not quite finished.

THE HONOURABLE MR. H. M. MEHTA (Bombay : Non-Muhammadan) : Only one-third is finished.

THE HONOURABLE SIR BROJENDRA MITTER : Sir, it is not possible for the Government to undertake a third inquiry with regard to the Andhra province. After this explanation I hope the Honourable Member will withdraw his Resolution.

THE HONOURABLE DIWAN BAHADUR G. NARAYANASWAMI CHETTI : Sir, I find that whether the Round Table Conference is going to consider the question later on is a matter of doubt. What I wanted was a Committee of enquiry to be appointed to keep everything ready, and nothing more. If Government want everything to be put off I have no objection. I ask for leave of the House to withdraw the Resolution.

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

STATEMENT OF BUSINESS.

THE HONOURABLE SIR BROJENDRA MITTER (Leader of the House) : Sir, I wish to say that there is no business for to-morrow or Thursday.

THE HONOURABLE THE PRESIDENT : The Council will adjourn till Eleven of the Clock on the morning of Friday, the 11th of March.

I would remind Honourable Members that a photographer will be in attendance at a Quarter to Eleven that morning.

The Council then adjourned till Eleven of the Clock on Friday, the 11th March, 1932.