

Monday, 18th September, 1922

THE  
**COUNCIL OF STATE DEBATES**  
(Official Report)

**VOLUME III**  
**PART. I**

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**THIRD SESSION**  
OF THE  
**COUNCIL OF STATE, 1922** °



SIMLA  
SUPERINTENDENT, GOVERNMENT CENTRAL PRESS  
1922

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# COUNCIL OF STATE.

*Monday, the 18th September, 1922.*

The Council met in the Council Chamber at Viceregal Lodge at Eleven of the Clock. The Honourable the President was in the Chair.

## QUESTIONS AND ANSWERS.

### INCHCAPE COMMITTEE.

128. The HONOURABLE MR. PHIROZE SETHNA : Will Government be pleased to say if in the references to the Inchcape Retrenchment Committee is also submitted the question of doing away with the annual exodus to Simla on the score of economy ?

The HONOURABLE MR. E. M. COOK : The terms of reference to Lord Inchcape's Committee are quite general, and the Committee will be free to examine, and to make recommendations regarding, any item of expenditure in the Central Government's budget. I have no doubt that the Committee will give their attention to the particular matter referred to in the Honourable Member's question.

### EMIGRATION TO FIJI.

129. The HONOURABLE MR. LALUBHAI SAMALDAS : Will the Government be pleased to say whether they have received any requisition to allow a large number of coolies to emigrate annually to Fiji and, if so, what answer have they given to such a requisition ?

The HONOURABLE MR. B. N. SARMA : The Government of India believe that the colony of Fiji is anxious to obtain Indian labour which would work on plantations on first arrival, but no requisition for labourers has been received. Before deciding the question whether the emigration of unskilled labour to the colony should be resumed or not, the Government of India propose to await the report of the deputation which they sent to the colony to inquire into the conditions of the Indians already there and the suitability of the country for Indian colonization.

The HONOURABLE MR. LALUBHAI SAMALDAS : Has the attention of the Government been drawn to the statement that appeared in the daily papers that the Fiji Government has applied for the emigration of coolies ?

The HONOURABLE MR. B. N. SARMA : We are aware that they desire it, but there has been no formal requisition.

### POLITICAL PRISONERS, NORTH-WEST FRONTIER PROVINCE.

130. The HONOURABLE SAIYID RAZA ALI : Will Government be pleased to lay on the table a statement regarding political prisoners under-

going imprisonment in the North-West Frontier Province jails on the 1st September 1922, showing :—

- (a) the total number of political prisoners and the name of each ;
- (b) the law under which he was undergoing imprisonment ;
- (c) the sentence or order, together with a specification whether the imprisonment was simple or rigorous ; and
- (d) the weight of each prisoner when admitted to jail together with his present weight ?

The HONOURABLE MR. S. P. O'DONNELL : The Government of India have not the information asked for but inquiry is being made, and the results will be communicated to the Honourable Member when available.

POLITICAL PRISONERS, NORTH-WEST FRONTIER PROVINCE.

131. The HONOURABLE SAIYID RAZA ALI : (a) What is the treatment accorded to political prisoners in the North-West Frontier Province ? Are they treated like ordinary prisoners or is there any distinction made in their case ?

(b) Are persons sentenced to simple imprisonment allowed to put on their own clothes or is it obligatory on them to wear jail clothing ?

The HONOURABLE MR. S. P. O'DONNELL : (a) It is understood that so far no concessions have been extended to these prisoners. The treatment to be accorded to them is however, under consideration, and the Government of India are addressing the Chief Commissioner on the subject.

(b) All prisoners other than habituals sentenced to simple imprisonment are allowed to wear their own clothes. Superintendents of Jails, however, can in the exercise of their discretion deprive them of this privilege.

The HONOURABLE SAIYID RAZA ALI : I did not catch the last words. What is the discretion that is vested in the Superintendents of Jails ?

The HONOURABLE MR. S. P. O'DONNELL : The Superintendents of Jails can, in the exercise of their discretion, deprive them of the privilege of wearing their own clothes—I understand for disciplinary reasons.

The HONOURABLE SAIYID RAZA ALI : Are there any cases on record in which the Superintendent of a Jail has exercised his discretion, of depriving a prisoner of wearing his own clothes and has insisted on his wearing Jail clothing ?

The HONOURABLE MR. S. P. O'DONNELL : I do not know that there are any specific cases like that. I understand the position is this, that, if a prisoner misbehaves or is guilty of a breach of discipline, this might be one of the penalties.

MALIK KHUDA BAKHSH.

132. The HONOURABLE SAIYID RAZA ALI : (a) In how many jails has Malik Khuda Bakhsh, B.A., LL.B., Vakil of Bannu, been kept since his incarceration on the 30th March 1921 ? What is the reason of so many transfers ?

(b) Is it true, as alleged in the Vernacular Press, that though sentenced to simple imprisonment he was kept in solitary confinement for several weeks ?

(c) Is it also true that he was relieved of his cap bearing the crescent mark, that his clothes were forcibly taken off his body and prison clothing offered in their place, and that he was also deprived of his holy Qurán and *Jánamáz* (prayer-mat) ? Will Government be pleased to make a full statement ?

The HONOURABLE MR. J. P. THOMPSON : Inquiry is being made from the Local Administration, and a detailed reply will be furnished to the Honourable Member in due course.

The HONOURABLE SAIYID RAZA ALI : May I inquire, Sir, whether the answer may be expected to reach me before the end of the current Session ?

The HONOURABLE MR. J. P. THOMPSON : I hope that Government will be in a position to supply the Honourable Member with the reply before the close of the present Session.

#### PRISONERS IN PESHAWAR JAIL.

133. The HONOURABLE SAIYID RAZA ALI : (a) Is Nawab Arbab Post Muhammad Khan a Visitor of the Peshawar Jail ? Did he visit the jail and make any suggestions during the last 18 months regarding the treatment of political prisoners ? Will Government be pleased to state what those suggestions were and what action, if any, has been taken with reference to them ?

(b) Is it a fact that barley bread is supplied to the political prisoners in Peshawar Jail and that many of them, including Haji Karam Ilahi, Abdul Aziz and Bashir Ahmad, have considerably lost in weight ?

(c) Is it also a fact that twelve political prisoners under sentence of simple imprisonment and ten such prisoners under sentence of rigorous imprisonment were kept in solitary confinement in May last in Peshawar Jail ? If so, what was the reason ?

The HONOURABLE MR. S. P. O'DONNELL : The Government of India have no information but inquiry is being made, and the results will be communicated to the Honourable Member when available.

The HONOURABLE SAIYID RAZA ALI : I take it that this reply is with respect to all the three parts of my question, (a), (b) and (c) ?

The HONOURABLE MR. S. P. O'DONNELL : Yes.

#### ABDUL GHAFFAR KHAN.

134. The HONOURABLE SAIYID RAZA ALI : (a) Has Abdul Ghaffar Khan, Khan of Utmanzai, been given three years' rigorous imprisonment under Section 40 of the Frontier Crimes Regulation ? What is his social position and family status in the Frontier Province ?

(b) Was he kept in solitary confinement for several weeks in Peshawar Jail before being transferred to another district ? Is it true that he has decreased 33 pounds in weight since his incarceration ?



The HONOURABLE MR. J. P. THOMPSON : (a) On 17th December last Abdul Ghaffar Khan was sentenced to three years rigorous imprisonment in default of furnishing security under Section 40, Frontier Crimes Regulation. He is the son of a substantial landowner in the Peshawar district.

As regards (b) inquiry is being made and information will be furnished to the Honourable Member in due course.

#### LICENCE TO BENGAL TELEPHONE COMPANY.

135 The HONOURABLE MAHARAJA SIR MANINDRA CHANDRA NANDY : Will the Government be pleased to lay on the table the conditions under which they have granted a license to the Bengal Telephone Company and the circumstances under which they have allowed the company to increase, in the future, their rates by nearly seventy per cent. over existing tariffs ?

The HONOURABLE MR. B. N. SARMA : The Honourable Member's attention is invited to the copy of the agreement, dated the 11th April 1922, placed in the Members' Library. The Government of India were satisfied on a consideration of all aspects of the case that, subject to the conditions laid down in clause (3) of the agreement, the sanctioned increase in the maximum rate of subscription from Rs. 250 to Rs. 350 was necessary if the Company were to raise such new capital as is needed to carry out the extensions and improvements contemplated by it, without prejudice to the rights of existing shareholders. So far as the Government are aware, the Company does not at present propose to charge more than Rs. 300 for any connection.

#### INCREASE IN RATES OF BENGAL TELEPHONE COMPANY.

136. The HONOURABLE MAHARAJA SIR MANINDRA CHANDRA NANDY : Has the attention of the Government been drawn to the indignation caused in Calcutta, particularly in the commercial, industrial and mercantile world, by the announcement of the increases contemplated by the Bengal Telephone Company in their schedule of rates, and, in view of the above, does the Government intend to call upon the company to reconsider the proposed rates ?

The HONOURABLE MR. B. N. SARMA : The Honourable Member is referred to the reply given on the 15th September 1922 to the Honourable Maharaja S. K. A. Chaudhuri's question No. 113.

#### LOCAL RESOURCES IN INDIA.

137. The HONOURABLE RAI BAHADUR JIALA RAM SARAN DAS : (a) Is it correct to assume that it is the aim of the Government of India to encourage the development of the local resources of the country, and that, with that end in view, it is the duty of Government Departments, such as the Horticultural Department, to ascertain in a practical manner how and what local resources can best be utilised, and whether any necessary industry can be put on a commercial basis ?

(b) Having conducted such experiments to a successful issue, is it not the policy of the Government of India that private enterprise (if forthcoming) should be allowed to develop any necessary industry and that the Government Department concerned would then cease their operations in that line to avoid the possibility of Government competing against such private enterprise in the open market ?

The HONOURABLE MR. H. A. F. LINDSAY : (a) The assumption made in the first sentence of the Honourable Member's question is correct. As regards the second sentence, I would remind the Honourable Member that the development of industries based on local resources is mainly a transferred provincial subject, and the extent to which practical experiments in such a direction are made depends, in the first place, upon the policy of the Ministers who are in charge of that subject in the provinces. It may not be necessary or desirable that the initial experiment should be made by Government in any particular case. The development of an industry can only be undertaken by the Government of India in particular cases which have been specifically declared to be Central in consultation with the local Government or Governments concerned.

There is no Department called the Horticultural Department but if the Honourable Member means the Agricultural Department he is reminded that agriculture is also a transferred provincial subject.

(b) The Honourable Member has correctly interpreted the general policy of Government in the matter of pioneer industrial undertakings. In such cases Government generally follows the policy recommended by the Indian Industrial Commission as laid down in paragraph 205 of their report.

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COMMUNICATION FROM HIS EXCELLENCY THE VICEROY REGARDING THE MESSAGE OF CONDOLENCE.

The HONOURABLE THE PRESIDENT : In obedience to the direction of the House I conveyed to His Excellency Lord Reading the sentiments of the House on his recent bereavement and I have received the following communication from the Private Secretary to the Viceroy :—

“ Sir,

*I am directed by His Excellency the Viceroy to convey his appreciation of the kind sympathy which the Members of the Council of State have conveyed to him in his bereavement through you.”*

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MESSAGE REGARDING VISIT OF EARL WINTERTON.

The HONOURABLE THE PRESIDENT : I have also received a telegram from Earl Winterton which runs as follows :—

*“ I should be grateful if you would kindly convey my grateful thanks to the non-official members of the Council of State for their kind telegram of welcome.*

(Sd.) *Winterton.*”

[Mr. H. A. F. Lindsay.]

STATEMENT LAID ON THE TABLE.

The HONOURABLE MR. H. A. F. LINDSAY (Commerce Secretary) : Sir, I lay on the table the reply to part (b) of the Question asked by the Honourable Mr. Sethna on the 6th September, 1922, on the subject of the deputation from the Sheffield Chamber of Commerce to the Secretary of State in regard to purchases for Indian Railways.

The HONOURABLE MR. H. A. F. LINDSAY : The Government of India have received a copy of the proceedings of the deputation. The proceedings were informal and no report was published. The deputation expressed their disappointment that orders for Indian railway materials were not sent in any quantity to Sheffield. They laid stress on the unemployment in the town and on the grave handicap caused to Sheffield manufacturers by taxation due directly to the war, and suggested that India should view the difficulties of English manufacturers and English workmen sympathetically. They represented further that it would be to India's advantage in the long run to continue her connection with manufacturers who had been producing for India for a very long time, with the result that in many cases, particularly in the case of railway materials, the product of leading British manufacturers was greatly superior in reliability and durability to the product of manufacturers on the Continent. Their main point was that whatever test was applied to materials manufactured on the Continent, there was no guarantee that such materials had the same life as those of a similar character produced in England as the result of years of experience. In the matter of durability they represented that the only guarantee was the reliability and experience of the firms who for many years had been turning out materials for Indian railways with a knowledge of Indian requirements. The Secretary of State promised that he would bring the representation to the notice of the Government of India, and the Government of India have again examined the instructions which they issued to the High Commissioner in December, last. A copy of these instructions has already been published. In paragraph 8 of that letter the Government of India, while they instructed the High Commissioner that in placing contracts for stores and materials required for Government Departments in India he must revert to the ordinary business principle of accepting the lowest satisfactory tender, went on to say that they had no desire to fetter his discretion in deciding between tenders on the principles laid down, and expressly stated that in making such decision he should, of course, take fully into account such considerations as quality, reliability, ease of inspection, time of delivery and the like. The Government of India consider that they cannot add usefully anything to the instructions they have already given to the High Commissioner regarding the points on which the deputation laid most stress, and they have informed the Secretary of State accordingly.

RESOLUTION *RE* SEPARATION OF POST AND TELEGRAPH ACCOUNTS—(concl'd).

The HONOURABLE THE PRESIDENT : The Council will now resume the further discussion on the Resolution \* moved by the Honourable Mr. Kale on the 11th September.

\* This Council recommends to the Governor General in Council that in view of the repeated complaints regarding the allocation to the Telegraph Department of

revenues earned by the Postal Combined Offices on telegraphic messages transmitted through those offices and in view of the differential treatment accorded to the Postal and Telegraph Services, (1) the revenue and expenditure accounts for Postal Combined Offices in relation to the above messages and those of the Departmental Telegraph Offices be separately maintained and shown and the profits that may accrue, as a result of this arrangement in the accounts of the Postal Combined Offices, be credited to the Post Office; and (2) that such profits may be utilised for the improvement of Post Offices and of the conditions, pays and prospects of the Postal employees.

The HONOURABLE MR. LALUBHAI SAMALDAS (Bombay : Non-Muhammadian) : Sir, the Honourable Mr. Kale has asked definitely for two things. The first is purely a question of accounting. He says that the revenue and expenditure accounts of the combined offices—Postal Combined Offices as they are called—in relation to messages sent by these offices should be credited and debited to the Post Office; that is to say, that the income should be credited to the Post Office and the expenditure also should be debited to the Post Office. This, Sir, is purely a question of accounting, and it would have been perhaps better if the Honourable Mr. Cook who represents the Finance Department had given us a lead in the matter. As it is, I will try to explain the situation as I understand it, and if I am wrong, I am open to correction by higher auditing authorities. Sir, merely because some income is derived in one office and because it is nominally earned on account of that office being managed by a man belonging to that Department, I do not think it would be fair that the whole income should be credited to that Department. The income of the Combined Post Office is not due merely to the work done by the signaller who is also working as Postmaster. The income is due to the use, in the first place, of the signalling machine that has been given for use. In the second place, it is due also to the use of the telegraph wires and lines put by the Telegraph Department. Unless account is taken of the wear and tear, the interest, the depreciation, and the sinking fund for the lines put up and for the signalling machines supplied to the Combined Post Offices, it would not be fair to credit that portion of the income to the Postal Department. But even if it were possible theoretically—and I don't think it is—the very fact that the number of times one message has to go through various offices makes the whole question impossible. The average number of signalling operations per telegram sent varies from 4.51 in 1919-20 to 4.78 in 1916-17. That means that one telegram sent from office A has to pass through 4.50 offices before it is delivered. The work is not done at the office which sends the telegram only but it is also done at the office which delivers it. Therefore, even if the proposal were theoretically correct, which it is not, it could not be done in view of the fact that one telegram has to pass through so many offices. On theoretical grounds, Sir, that is impossible. On practical grounds also it could not be done. I would ask the Honourable Mr. Kale to say if he thinks that the income earned in the Combined Post Offices could in any way be said to be due to those offices. In 1910-11 the number of such offices was 2,577, and the value of the telegrams was 35 lakhs. In 1920-21 the number of offices was 3,400 while the value of the telegrams is 1 crore 18 lakhs. That is to say, while the number of Post Offices has not increased by more than 30 per cent., the income has increased by 300 per cent. Can it be said that the increase in income is in proportion to

[Mr. Lalubhai Samaldas.]

the increase in the number of offices? If the increase had been proportionate, there could be some justification—very poor, but some justification—for my Honourable friend's contention. As it is, that contention cannot now hold good.

Now, Sir, the first part of the Resolution, as I have tried to prove, is neither theoretically sound nor practical from an auditing point of view. But it is necessary to see why my Honourable friend wants the alteration to be made. The alteration is to be made not, I think, purely from an accounting point of view, but because my Honourable friend thinks that injustice is done to one Department and through that Department to the employees, and more than justice is done to the other Department. It is very difficult, as I said just now, to find out the correct figures of the income earned to be credited to the Postal Department. In the same way it will be very difficult to find correct figures of income earned by the Telegraph Department which should be credited to that Department. But even if it could be done, I do not think that my Honourable friend will say that the remuneration to be given to the employees either of the Postal or the Telegraph Department should vary according to the income earned by them. If the principle is once adopted, I daresay the Collector or the Forest Officer or for the matter of that even the Excise Officer, will claim higher salary because they have been able to get more money the first from the cultivators, the second by using the forest laws oppressively and the third by increasing the consumption of wines. I daresay my Honourable friend does not want that principle to be adopted. What he wants—and there I believe he will have the sympathy of the House—is that poor paid employees of the Postal Department should get some benefit—as much as is justifiable—from the income earned by them. The Honourable Member in charge has told us that the case of the postal employees has been considered only recently, and if I remember aright, promotions have been given to the extent in some cases of 60, in some of 80 and, if I mistake not, in some cases of 100 per cent. If that is so, in view of the present financial stringency, is it advisable for my Honourable friend to ask for further promotions to be given to the people who have only recently, within two years, been given good promotions and have been given that promotion after their case had been thoroughly inquired into by a Committee specially appointed for that purpose? The only ground on which my Honourable friend Mr. Kale can lay stress is that for extra work of a special character,—not extra work that is legitimate work of the Postal Department but extra work of a technical character—that is being done by the signallers who are Postmasters, they ought to receive special remuneration.

I believe Government is giving, if I mistake not, about 20 per cent. for that class of work. Whether that percentage represents correctly the amount of remuneration that they should be paid can very well be left to the Honourable Member in charge of the Telegraph Department. From the way in which they have treated the postal employees we can see that they have as much sympathy with them as any of us, even as my Honourable friend, Mr. Kale. We want these people

not merely to have a living wage, but something more than a living wage. If that is provided in the present scale of salaries then I say it is not advisable to raise this question now, at this juncture, in this House, especially in the present financial stringency of the country. Moreover, if this Resolution is carried, what will be the effect? The Government of India and the Postal and Telegraph Department will not perhaps be able to carry it out, and the result would be that we shall be creating disaffection and discontent where at present, I believe, contentment prevails. On these grounds I hope after the explanation given by the Honourable Member, my friend Mr. Kale will see his way to withdraw his Resolution.

The HONOURABLE MR. E. M. COOK (Finance Secretary) : Sir, I had no intention of intervening in this debate, and I only rise in response to the Honourable Mr. Samaldas' request, for it would not be courteous if I did not do so. At the same time, I am afraid my Honourable friend's confidence is rather misplaced, because this is certainly a matter upon which I can offer no kind of expert opinion. It is not a matter of financial policy; it is not even a matter which affects our general accounts, it is a matter which affects merely a portion of the departmental accounts maintained in one particular department. It is true that those accounts, relating as they do to a commercial department, are of considerable importance; and, as I think the Council knows, we have been endeavouring during the past year to make a large number of improvements in them; in order to do so we obtained the services of a very well-known firm of chartered accountants, who are perhaps the greatest experts in cost-accounting in Europe. Those gentlemen have visited India and have prepared a report on the Post and Telegraph Department, among others, and this is precisely one of those matters which, I think, ought to be governed by their opinion. I cannot say if they have referred to this particular matter in their report, but if they have not I have no doubt we could refer it to them. I must say that my own personal opinion—for what it is worth, and that is very little on a matter of this sort—is that if you are going to have a sort of *pro forma* account for these combined offices, you ought certainly to raise debits such as those my Honourable friend has mentioned.

The HONOURABLE MR. G. S. KHAPARDE (Berar : Nominated Non-Official) : Sir, I am afraid that the object of this Resolution has been misunderstood. It was just now said that the idea which the Honourable Mr. Kale has in his mind is to ascertain these accounts, make out a profit and loss account and see that if there is a profit which the post office is making that profit ought to go to the post offices. That was suggested as the meaning of my Honourable friend's Resolution. I humbly submit that it is not so. All that it appears to mean—I will put it as briefly as I can—is that the conditions of service in every department nearly should—as far as possible be equalised, so that young people seeking careers might enter any department that they like to enter. Otherwise if we make one department unpalatable, unattractive, what would happen is that abler people would not go to it, and the department being starved in the first instance would ultimately come to the point of extinction. That ought to be prevented at all times. Every

[Mr. G. S. Khaparde.]

department should have openings in it, so that young men might enter it with ambition to make a career and also to make the department successful. I am not a novice in this subject. Some Honourable Members will remember that in 1919 I moved a Resolution about this department and I was lucky enough to get a committee appointed. Unfortunately the convention established in the House of Commons by which every member who proposes a Committee becomes a member of the Committee does not obtain here; otherwise I would have been a member of the Committee. But I was not put on it—I was kept out of it altogether, ignored as one might say. This Committee met and recorded a Resolution and in that Resolution, I am very sorry to say, there was enunciated a principle which I wish had not been enunciated. That principle was that Government was giving concessions to these post offices and therefore these post office people who criticised were looking a gift horse in the mouth and were trying to minimise the whole thing; whereas Government said “We are only giving you a concession and we are doing this as a piece of favour and you ought to be thankful; at least you ought not to assume a critical attitude.” That, I submit, was a wrong attitude. They were all servants of the State, servants of Government; and nobody was giving a concession to another. All that the post office people said was that justice should be done to them, and I am glad to say that the Committee, notwithstanding the enunciation of this principle which I consider wrong, still did something for the post office people for which I am sure the post office people are grateful. But the grievances remain; and why do the grievances remain? Because I have an idea that the post office is about the earliest department established by Government, after the army. The army was necessary to take possession of the country and having taken possession it was necessary to know what was passing all round; therefore the post office got established at once, and established in times when living was cheap and for two or three rupees a man could make a living. The pay was fixed in accordance with the conditions prevailing then; they got employed on very small salaries and in very remote parts with very little convenience and no attractions at all. But the wage then given was sufficient for the time being. Since then, the times have advanced; living has become more expensive; people cannot get on now with the pay which they used to get a decade or two ago; and hence this demand that you should pay a little more; it always happens that the oldest department suffers most.

Even in England if you went and talked to the post office people, as I did, you would find the same complaint there also. They were entertained in times when prices of necessities of life were cheap and their salaries have remained the same. Of course when we have increased their salaries in some cases as much as double, it is not at all satisfactory, because the double pay does not fetch even half of what their original pay used to fetch, and so the grievance remains there. Government authorities say, ‘Oh, we have been very liberal to our employees,’ but the poor subordinates say ‘we have got nothing.’ It is not due to the fault of any particular person, but it is the weakness of mankind. Formerly the bullock was our principal motor power, as you may call

it. Then came the horse which is regarded as a better animal than a bullock because it is a faster animal than the bullock. If the horse does not work as hard as the bullock, it matters little ; if it costs more to keep a horse, it does not matter, because a horse requires a stable, a syce, gram and special attention, while the poor bullock does not need as much attention as the horse requires, and therefore the horse has come to be preferred to a bullock. That has happened in regard to the old post office. It brings an identical letter for an identical postage, it is delivered to the person to whom it was addressed ; while the Telegraph Office does not undertake to give full and proper addresses ; it only says, ' we shall transmit the message and deliver it. We do not know who delivered it ; we only carry the message ; it does not contain the signature of the man ' ; all the same the telegraph is more speedy and the post office is slow, and so just as the horse has come to be preferred to the bullock, the telegraph has come to be preferred to the post office. The post office delivers a letter, it contains the signature of the person, while the telegraph office does not do anything of the kind, it merely transmits the words. You get a form, and whatever you write on it, it is transmitted to the other party. If you say ' send me Rs. 2,000 buying so many bales of cotton..... '.

The HONOURABLE THE PRESIDENT : I do not wish to interrupt the Honourable Member, but he must get a little closer to the subject matter of the Resolution.

The HONOURABLE MR. G. S. KHAPARDE : I am speaking on the Resolution only. I want to show the differentiation that is made in the treatment given to the employees of the postal as well as the telegraph department. I was going to say that the telegraph office has got its advantages while the post office too has got its own advantages. The work done by telegraph has always to be confirmed by post. Postal communication is slow, no doubt, yet telegraph is preferred because it is more speedy. Now that the wireless has come into existence, if you will compare the salaries paid to its employees, you will find that they are paid ever so much higher than the telegraph men.....

The HONOURABLE MR. LALUBHAI SAMALDAS : Because it is more technical.

The HONOURABLE MR. G. S. KHAPARDE : But anything sent by wireless has also to be confirmed by the old post office, otherwise it carries nothing. Now the grievances of these people exist not on account of the *personnel* of any particular department, not because of the unwillingness on the part of any one to do any good to the employees, but it comes naturally, and it is our duty in this 20th century to try and equalise the conditions as far as possible, and let not the poor slow but sure means of communication be neglected at the expense of those more speedy and better ones ; but there is no doubt the speedier methods are weak and require to be confirmed by the old slow department, I mean the post office. There is no doubt whatever that the telegraph people are treated much better than the postal people, and it is a real grievance with them. For that purpose, a schedule has been drawn up,—I have not done it, but it has been drawn up, showing how the telegraph and postal people are treated differently in the matter of housing, in the matter of pay,



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in the matter of hours of work, in nearly all matters which go to make up the comfort and convenience of man. There is a whole list made of it, I shall not take up the time of this Council by reading it. I believe copies of it have been supplied to all Honourable Members, but I pray that this schedule may be treated as a part of my speech and included by the Reporters.....

The HONOURABLE THE PRESIDENT : That is not possible. The Honourable Member must really confine himself to the Resolution.

The HONOURABLE MR. G. S. KHAPARDE : Sir, I may be a little diffuse in my remarks but I shall try to be as brief as possible. The points raised by my Honourable friend Mr. Kale are these, first in regard to the maintenance of a separate set of accounts to show how much each branch earns, and secondly and ultimately, in regard to the question of equalising the prospects, which of course will be based on different considerations. Unfortunately both those considerations have been put together and therefore there has been a little confusion. The first object is to see how much the post office and how much the telegraph office earns separately. That would not be so easy, because matters have been complicated, the two departments have been treated separately in certain respects, because there are telegraph offices and post offices separately, and there are also post and telegraph offices combined, and therefore it has been pointed out that there will be a difficulty in separating the accounts and showing them separately. I however humbly submit that this reason does not appeal to me for this reason that, at one time these Departments were quite separate and separate accounts were maintained, the Secretariat which deals with this head has got information as to how the accounts were maintained. I also see no difficulty in separating the accounts, because while coming to Simla I have to travel by three or four different railways. From my place I start by a State Railway, then by the Great Indian Peninsula Railway, then by the Bengal Nagpur Railway and then by the Kalka Simla Railway, and yet I purchase only one ticket and pay once for all. Somehow the railway companies adjust their accounts, and for my travelling the benefit which each railway gets is distributed over all the railways by which I travelled. Similarly, put the charges for the telegrams and get them distributed over all the offices through which they pass. The railways adjust their accounts, and I do not see why our Secretariat which deals with post and telegraph section should not be able to do so similarly. Therefore, so far as I can see, there can be no difficulty in respect of separating the accounts ; those accounts may be separately kept and separately shown. I have also prepared some accounts to show what the relative proportion would be, but they cannot be accurate because they are based on our imagination. When we get accurate data, if it is eventually found that the post office earns more than the telegraph office or the telegraph office earns less than the post office, then it will be time to apportion the charges, not because one department makes more profits, but because we want to equalise the conditions of service in nearly all the departments. That would require a separate consideration of its own. For the present we have only to

consider whether we can separate these accounts, and this I submit is possible.

A difficulty has been pointed out that collecting and separating these accounts would involve a great expenditure. I humbly submit the expenditure will not be so great as is made out. We spend 22 lakhs now, and at the most we might have to spend Rs. 2 or 3 lakhs more, or say 24 lakhs in all. The question is of tremendous importance and this slight increase of 2 lakhs is nothing when we consider that we shall be doing justice to a large class of discontented employés. They must live a contented and happy life. If we find after separating the accounts that injustice has been done to them, we shall set that injustice right, and so the separation of these accounts will be a great benefit.

Then again it has been pointed out that there is a great difference in the duties performed by these people. It is said that the duties of the telegraphists are very technical, they require technical training, while the postal men do not need such technical training. I humbly submit that it is no doubt one of the considerations which can be refuted, it does not mean that the telegraphist is an electrician or that he understands all about electricity. The whole thing is, he learns the use of one machine, and in case if something goes wrong with it slightly, he can put it right, and that is about all the knowledge that he has got. That is a fact which can't be denied. While in certain post offices the postal people too work as telegraphists and they do the work quite successfully. Under these circumstances, I see no reason whatsoever why there should be any differentiation between the two classes of employés. The telegraphists have got special facilities to get their technical training, while few of the postal people get these facilities. The telegraphist gets so much allowance for learning his business, while a man serving in the combined post offices gets nothing to learn his business. He has got to learn it as well as he can, while he gets no allowances of any sort. Therefore, this objection regarding technical training does not hold much water, nor does the objection regarding the difficulty of separating the accounts hold much water.

Further it has been said, once people are getting their salaries which have been fixed, let them remain as they are, and that arrangement need not be disturbed. I humbly submit that all improvement or advance means disturbing some of the arrangements that have been existing and re-examining them and seeing whether you cannot put them on a better footing. The condition of all improvement is that we should re-examine the conditions under which things have been working.

A further argument on this subject is that, if a man by accident gets Rs. 10 and another man by accident gets Re. 1, they must stand at that. Don't you try and get Rs. 2. It is God's wish that you should get Re. 1. That is bringing us back to the doctrine of fatalism which is so much condemned elsewhere. This is not a gamble; this is a real consideration. We enter the services under certain conditions and it is only right and proper that we should try to analyse the situation. Let everybody have an equal chance. So, as I said, the objection taken to the first part of the Resolution does not appeal to me anyhow.

[The Honourable the President.]

The HONOURABLE THE PRESIDENT : I must ask the Honourable Member to conclude his speech as soon as possible : he has exceeded the time limit.

The HONOURABLE MR. G. S. KHAPARDE : Well, I have nearly done, Sir, now. I say the first part of it aims at being passed at once, and the second part attempts to set out that the profits, if at all it is shown that the Post Offices do make profits,—that there is time enough to see how they can be applied. And there are various considerations which will rule the apportionment of these profits.

In these circumstances, I strongly support the Resolution put forward by the Honourable Mr. Kale.

The HONOURABLE DIWAN BAHADUR S. M. ANNAMALAI CHETTIYAR (Madras : Non-Muhammadan) : Sir, I wish to make a few observations only with regard to the second part of the Resolution.

The Honourable Mr. Kale has brought out the difficulties of the Postal employees to us. Their difficulties are many and they are felt all the more because the sister department which has been linked up with the Postal Department has been very much favoured. It is true that the postal official works longer hours, receives considerably less pay and is altogether worse off than the telegraphist. Certainly his case deserves the best of considerations at our hands and what consideration could be given to him, in the present state of our finances, has been given and is being given. If the same consideration is to be given to all other departments of Government, I believe our deficit would mount very high up. I would, therefore, earnestly entreat the Honourable Mr. Kale just to consider if a department that was helped just a few years ago with a general increase of salary should be helped with a second instalment of increments in so short a time. Here, I am not blind to the vast differences that have arisen in the pay and prospects of the two sister departments—the Postal and the Telegraph. It is a pity that the Government should have given room for the belief that the Telegraph Department has been unduly favoured to the detriment of the Postal. This is one of a series of mistakes we have been committing in India. To apply the Geddes axe to the Telegraph Department may seem to be the proper remedy. We shall leave it to Lord Inchcape to achieve it. But what is more expedient is to facilitate the admission into the Telegraph Department of all classes and communities hitherto kept out to a very great extent in practice, and to try to equalise the pay and prospects of the two departments. Let the old servants of the Telegraph Department continue to receive their present grades. Let the prospects of the employees of the Postal Department be improved when the financial outlook is better ; but let a new grade be fixed for the fresh recruits of the Telegraph Department and let that grade be fixed with a view to economy which we are forced to adopt in every other department in India. This seems to me the only possible solution of the wrongs that have been pointed out by the Honourable Professor. I would therefore request Government to give us an assurance of action of the kind I propose. If this is given, it seems to me that the Honourable Mover will be well advised to withdraw the

Resolution in view of the assurance that I hope will be given by Government to outline a scheme to lessen the difference—the great difference—in the pay and prospects of the two sister commercial departments of Government.

The HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : Sir, I rise to support the Resolution. My Honourable colleagues who have already spoken in favour of this Resolution have dealt with all the points, and given facts and figures. The Honourable Mr. Sarma, when he was speaking the other day, did not explain why the signallers of the combined Post and Telegraph Offices were being differently treated from those of the Telegraph Departments in matters of their salary and prospects. In combined offices, the signallers have, as far as I understand, to do the additional portion of the work and I am also informed that, in all important cities, on holidays and after standard working hours, the combined Post Offices are closed and the earnings which are likely to accrue to the signallers from late fees are thus not given to them. The work of the Post Office has of late been enormously increased and the staff, as far as my information goes, has not been proportionately strengthened. This throws a much heavier amount of work on the poor postal clerks, and it seems to me unjust that for doing similar work they are being paid so poorly. If the accounts cannot be separated on some technical grounds and owing to technical difficulties, I would strongly urge that the grades of the postal signallers be made the same as that of the Telegraph signallers.

The HONOURABLE MR. V. G. KALE (Bombay : Non-Muhammadan) : Sir, in reply to the various criticisms which have been passed upon the Resolution which I moved the other day and the arguments which I advanced in support of that Resolution, I have to notice the observations made by only a few of my Honourable colleagues.

My Honourable friend here, Sir Arthur Froom, pointed out that this whole question was raised on account of the jealousy felt by the Post Office employees for the better status and higher emoluments of the Telegraph employees. Supposing that jealousy is at the bottom of the dissatisfaction that is felt by the Post Office employees, I do not see why there should be no jealousy. If there are two classes of employees doing the same kind of work, there is no reason why there should not be . . . . .

The HONOURABLE MR. LALUBHAI SAMALDAS : Is it the same kind of work ?

The HONOURABLE MR. V. G. KALE : Why there should not be a feeling of injustice, if one class is favoured at the expense of another ? I shall not be actuated by a feeling of jealousy, if I am a poor man, against a wealthy man like Sir Arthur Froom, but, if we are both employees of Government doing equal work, when we are doing equally hard work, there is no reason why we should be differently treated.

I am asked whether the work done by the two classes of employees is the same. But I have never asked for completely equal treatment to be meted out to these two classes of employees. I am speaking of the feeling of injustice that is felt on account of the fact that in spite of their hard and onerous work, sufficient remuneration is not given to postal

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employees. I am not speaking of exactly equal treatment to be meted out to the two classes of employees, but am pleading for just and fair treatment.

The Honourable Sir Arthur Froom had also fault to find with the source of my information and he said something about my drawing my phrases and words from a certain memorandum circulated among Honourable Members of this House. (*The Honourable Sir Arthur Froom* : No, no.) I do not stop to inquire into the sources of my Honourable friend's information, but I will assure him that my source of information is as unobjectionable as his own . . . . .

THE HONOURABLE SIR ARTHUR FROOM : I said " previous speaker " not the Honourable Mr. Kale.

THE HONOURABLE THE PRESIDENT : The Honourable Member has not given way.

THE HONOURABLE MR. V. G. KALE : There is an important principle which he enunciated, namely, that the Post and Telegraph Department ought not to be regarded merely as a public utility service, that it should be looked upon as a commercial enterprise, and that the State should look up to it for substantial profits. I never intended to convey the idea that Government should not receive profits from this commercial department. I do want that some profit, a moderate amount of profit, should be received by Government from these commercial services. What I do want to maintain, however, is that it should not be regarded as a profit-making or a revenue-producing department and there is a world of difference between these two different propositions. I endorse the principle which has been laid down in the course of the discussion on this subject in the other House by the Honourable the Finance Member. It is this. Speaking on the 18th March 1921, in the other House, the Finance Member observed that he laid it down " as a first and primary axiom that the Post Office ought to pay its own way." I accept this principle. He also said that " the Post Office should not be run at a loss." It is a quite correct statement to make. He went further and said, " I will be bold enough to go further and to suggest that it is very reasonable that we should make something out of the Post Office. There is nothing novel, abnormal or irregular in so doing." My difficulty, however, is that by the amalgamation of the two Departments, there has been a very wrong impression created as regards the financial position of the two branches. There has been an amalgamation, but only in name. The two branches of the Department are kept under a common head, but the services of the employees are not amalgamated in the real sense of the word. It is said that there has been a fusion of the two departments. I would say that instead of fusion, there has been confusion, especially in the accounts of the revenues and expenditure of the two Departments. My Honourable friend Mr. Lalubhai Samaldas supported Government by pointing out the various difficulties in the way of giving effect to this Resolution. With all deference to my Honourable friend, I will say that his speech was full of fallacies. He quoted certain statistics and said that the number of Combined Offices has increased in a certain proportion while the income has increased in a much larger proportion than

the number of the Combined Offices. I do not see what useful conclusion he can draw from the array of statistics that he has placed before us. If there has been a disproportionate increase in the income from these Combined Offices, it may be due not only to the increase in the number of offices, but also in the increase in the messages. It may be due also to an increase in the rate that is charged. There are so many other factors that have to be taken into calculation. After all, therefore, his figures do not amount to much. Then he said that theoretically it is incorrect to show separate accounts. I do not see what is there in theory to militate against the keeping of separate accounts. As the Honourable Mr. Khaparde has pointed out, separate accounts used to be kept till the year 1912-13, and they can be kept in the future. If it is theoretically incorrect to show separate accounts, I will ask my Honourable friend, Mr. Lalubhai, to tell me why in the report from which he was reading, profits and losses are shown as pertaining to the two different Departments. Here is the important point that I want to make, namely, that a false impression is created in the public mind as regards the financial position of the two Departments on account of the profits and losses which are actually shown. I will quote my Honourable friend Mr. Innes whom I see here before me. Speaking on the 10th March, 1921, in the other House he said, "We have in the Post and Telegraph Departments,— Departments which have yielded to us for many years large revenues, especially the Telegraph Department." (Especially is here an important word.) "The Telegraph Department" he went on to say, "in 1919-20 contributed a net revenue of Rs. 1,70,00,000." So that, the Telegraph Department, as is shown here, contributed a net revenue of Rs. 1,70,00,000 in 1919-20. I ask, "Was this revenue really earned by the Telegraph Department? Was not a very large proportion of it earned for the Telegraph Department by the Post Office Department?" The Post Office have been earning for the Telegraph Department something like 1 crore or 80 lakhs and the expenditure of the Combined Post Office on account of this revenue of 80 lakhs or 1 crore may come to about 30 to 40 lakhs, so that the net revenue earned by the Combined Post Office on account of the Telegraph Department is nothing less than Rs. 60 to 70 lakhs. If this could be shown on the credit side of the Postal Department, certainly the public can have a more correct idea as to the financial contribution made to State revenues by the two Departments. The first part of my Resolution, therefore, asks for the showing of separate accounts so that a correct idea can be had by the public as regards the financial contributions made by the two Departments.

Another point which has been raised by the Honourable Sir Arthur Fremm is this, that I want to make the earnings of the postal employees depend upon the profits earned by that Department. Nothing could be further from my mind than this. In all Government Departments the salaries are fixed. Whether there is a deficit or a surplus, it has nothing to do immediately with the salaries that are fixed for the different classes of employees. I was not, likewise, urging the adoption of what is called the profit-sharing scheme. As a business man, my Honourable friend knows that there is a profit-sharing scheme adopted by firms under which the employees continue to receive the normal wages fixed and whenever there are profits, over and above the normal wages, a share of the profits

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is given to them. But I am not going to propose anything of the kind at all, because in Government Departments that policy has never been adopted and ought never to be adopted. What I want to suggest, is that if we are going to improve the Post Office, the facilities which are afforded to the public and the status and salaries of the Post Office employes, we must have, in the first place, a substantial revenue accruing from the Post Office. Unless you have a surplus in the Post Office you can make no progress and no improvement. But how can you know that there is a surplus when

12 noon. the two accounts are, as I have shown, mixed up together? Therefore, you must first of all separate the accounts so that you can see exactly where there is a profit, and it is out of this profit that improvements can come in the near future. It is admitted on all hands that increased expenditure on the post office is necessary, especially in the rural areas. How are you going to bring it about unless you have got a surplus and unless this surplus is utilised, as suggested in the second part of my Resolution, for the expansion and the improvement of the post office? And one of the objects of the utilisation of the profits will be the betterment of the status, salaries and prospects of the post office employes.

Then, there is another important point raised by my Honourable friend, Sir Arthur Froom, namely : that the postal employes doing signalling work are already receiving a living wage. I do not know what he means by ' a living wage.' So far as I understand it, it is an existence wage, if it is not a starvation wage. Either it is a living wage or it is not. If it is a living wage, I do not see any reason why the telegraphists should receive more than the post office employes. It must then be admitted that the telegraphists are receiving more than a living wage. You cannot and will not reduce the salaries that you have fixed for them ; they must remain where they are. Very well ; if that is a living wage and if it must be continued in the case of telegraphists, certainly what the postal employes are receiving is not a living wage and consequently a substantial improvement will have to be made therein. I am told that the increases which have been granted do not compensate the postal employes in many cases for the increase in the cost of living which has taken place in many of our cities and towns. Take Bombay for instance. Rents in Bombay have gone up very high. My Honourable friends sitting on my right will agree with me when I say that the rent problem in Bombay is the most difficult that has got to be faced. . . . .

**THE HONOURABLE THE PRESIDENT :** The Honourable Member is approaching his time limit ; he should reach his conclusion as soon as possible.

**THE HONOURABLE MR. V. G. KALE :** If a postal employee has to pay 50 per cent. of his salary in rent for an ordinary house to live in, I do not see how it can be called a living wage. However, I have not raised the question of the general status of all postal employes ; I have been laying particular stress upon the condition of postal signallers. I have been told there are 5,000 of them and something has got to be done for them ; they are working very hard and at the same time they are not earning as much as is absolutely necessary to give them a decent living. It will be agreed,

and it has been agreed to by some of my Honourable colleagues that something will have to be done for them, and for this reason it is that the separation of accounts in the first instance is essential. For these reasons, Sir, I place the Resolution before the House with the strong hope that Honourable Members will support it.

The HONOURABLE SIR ARTHUR FROOM : May I rise to a point of explanation, Sir? When speaking the other day I never used the expression "living wage." Also when I was speaking the other day and made reference to a member who had taken part in the debate as having culled his facts from a pamphlet which we had all received, I never attributed that to my Honourable friend Mr. Kale; I have much too high a regard for his ability. I was referring to the Honourable Member who had spoken immediately before me.

The HONOURABLE MR. B. N. SARMA : Sir, the Government does not wish to differentiate between the different classes of its employees doing the same work, and are anxious to have a contented post office and that there should be no cause for any jealousy between them and the telegraph employees. But the Government have to accept facts as they are, and the Honourable Mr. Kale will realise that no good purpose will be served by harping upon any differences that at present may exist between the salaries and emoluments that are paid to signallers in post offices and signallers in telegraph offices. In the first place the Government are advised that the kind of work that the signallers in the post offices do is of a different kind and a different quality from the kind of work that is done in the departmental offices, where more skilled workers are needed; and owing to various other considerations of which Honourable Members are fully aware a rate of differentiation between the salaries has grown up. But that does not mean that the signallers in the combined post offices, whose case Mr. Kale is advocating, have been treated, are being treated or propose to be treated unjustly: The main bone of contention seems to be that the post office is making an enormous revenue and if the accounts are kept separate it would be found that a large portion of the telegraph surplus is being earned really by the signallers in the combined post offices, and inasmuch as their earnings of profit are fairly appreciable their lot ought to be improved or at any rate brought up to a nearer level than that now obtaining. After we last met, I went into this question a little more fully to see really as to whether there is any substance in the suggestion that there is any vast profit made by the telegraph offices at present or as to whether that profit could be shared by the post office employees doing signalling work. Whatever may be the case in future, at the present moment I can assure the House and the Honourable Mr. Kale that there is not much meat in the bone for contention. The post office, as Honourable Members are aware was run at a loss last year; our revenue has not improved at all during the last few months. As regards the telegraph office too, the position does not seem to be very clear; but the figures of 1920-21 show that the message revenue was only Rs. 2,67 lakhs and the expenditure was about 2,68 lakhs; we were making a certain sum of money by the lease of telegraph lines to railway companies, from telephones and from other sources; but speaking with reference to the particular kind of employees my Honourable friend has at heart, there



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does not seem to be any great profit which, even at the twelve annas rate, the telegraph department is making,—the combined offices and the district offices being put together, because in the figures I quoted include the inland message revenue and foreign message revenue the combined offices earn. Therefore any revision of accounts at the present moment does not seem to help very much. The employees speaking about the post office side again, some sort of rough figures relating to message revenue have been given already to Honourable Members in this Annual Report of the Post and Telegraph Offices. But what the department contends and rightly contends, is that there can be no true apportionment of the revenue or expenditure properly attributable to the post office, owing to various causes, which I need not go into now again. Some sort of rough distribution is possible and has been made, but a real apportionment is not possible. We will take the figures again; Honourable Members seemed to think that the combined post offices earned a lot of money. The number of messages is 18 millions out of a total of 40 millions, delivered as well as received. Assuming that the post office is entitled to a  $\frac{2}{3}$ th share, or about Rs. 80 lakhs, what is the debit charge—I am only using very rough figures? 5,000 men at the rate of Rs. 75 a month are paid roughly Rs. 45 lakhs, and if you apportion  $\frac{2}{3}$ th of the expenditure under other heads, namely, interest charges and so on, it will come to about Rs. 56 lakhs; therefore the net revenue that is earned is possibly less than the expenditure that is debitabie, and therefore, a further scrutiny merely for the purpose of trying to see as to whether there is any money to be added to the post office revenue does not seem to be called for, especially as we are advised that a complicated account procedure would have to be adopted leading to increasing audit and account expenditure; but we have the same object as the Honourable Member, we want if possible to differentiate between the telegraph office revenue and expenditure, and the post office revenue and expenditure as far as possible.

A recommendation has been made to us by the Chartered Accountants that if possible the expenditure should be put on a commercial basis, and in doing so it may be possible for us to reduce the expenditure debited to the post office if we can exclude the salaries that are being paid to signallers. I therefore hope that the Honourable Mr. Kale will see that there is absolutely no use incurring further expenditure and in complicating accounts at the present moment as his object is not likely to be achieved, and such a step might result in disadvantages accruing to the employees he has in mind.

As regards the observations of the Honourable Mr. Khaparde, I hope he will be able to convince the post office employees that the Committee never intended to hurt their feelings or treat them as persons who are trying to get any relief by way of charity from the Government. Neither the Committee nor the Government of India had ever adopted such an attitude towards the postal employees, and the stray words divorced from their context which may have been employed should not be pressed unduly. What was meant was that the Government could get possibly in the open market, having regard to the competition at very much cheaper rates, but still having regard to the conditions of life

obtaining the committee tried to do their level best to improve the prospects of these employees compatible with the finances of the country. I do not think, therefore, that the post office employees have anything really to complain against the language employed by the postal committee. The Government have done their level best. I have already shown how it will be impossible to treat differentially the signallers from other post office clerks, for there will be very much heart-burning and jealousy as a result of such differentiation and no justification. There is not much difference on the whole, in the work done by the signallers employed in post offices from that done by other employees. They are mixed together in various kinds of work generally. No further object would be achieved by pressing this Resolution.

The HONOURABLE MR. V. G. KALE : Sir, I submit that this Resolution may be put in two parts separately.

The HONOURABLE THE PRESIDENT : I think the Resolution is connected. I will put it as a whole.

The question is that the following Resolution be adopted :

“ This Council recommends to the Governor General in Council that in view of the repeated complaints regarding the allocation to the Telegraph Department of revenues earned by the Postal Combined Offices on telegraphic messages transmitted through those offices and in view of the differential treatment accorded to the Postal and Telegraph services, (1) the revenue and expenditure accounts for Postal Combined Offices in relation to the above messages and those of the Departmental Telegraph Offices be separately maintained and shown and the profits that may accrue as a result of this arrangement in the accounts of the Postal Combined Offices, be credited to the Post Office ; and (2) that such profits may be utilised for the improvement of Post Offices and of the conditions, pays and prospects of the Postal employees.”

The motion was negatived.

The HONOURABLE MR. V. G. KALE : I ask for a Division, Sir.

The Council divided as follows :

AYES- 9.

Ayyangar, Mr. K. V. R.  
Jogindra Singh, Mr.  
Kale, Mr. V. G.  
Khaparde, Mr. G. S.

Maricair, Sir Ahmedthamby.  
Naidu, Mr. V. R.  
Ram Saran Das, Mr.  
Raza Ali, Mr.

Sinha, Mr. Sukhbir.

NOES - 21.

Akbar Khan, Major.  
Amin-ul-Islam, Mr.  
Baker, Mr. C. M.  
Barron, Mr. C. A.  
Chettiyar, Mr. S. M. A.  
Dadabhoy, Sir Maneckji Byramji.  
Edwards, Major-Genl. Sir William Rice.  
Froom, Sir Arthur Henry.  
Hobberton, Sir Edgar Joseph.  
Jha, Dr. G. N.

Hammond, Mr. E. L. L.  
Lalubhai Samaldas, Mr.  
Lindsay, Mr. H. A. F.  
Miller, Sir Leslie Creery.  
Moncrieff Smith, Mr. H.  
Sarma, Mr. B. N.  
Sethna, Mr. P. C.  
Shafi, Mian Sir Muhammad.  
Thompson, Mr. J. P.  
Vasudeva, Raja V.

Zahir-ud-din, Mr.

The motion was negatived.

## RESOLUTION *RE* SALT MONOPOLIES.

The HONOURABLE LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : Sir, I beg to move the following Resolution that stands against my name :

“ This Council recommends to Governor General in Council that the system of monopolies now given to Government contractors in every district of the Punjab for the sale of salt having proved injurious to the general public should be abolished, and the old system for the sale of salt should be adopted.”

(At this stage the Honourable Sir Maneckji Dadabhoj took the Chair.)

During the war owing to heavy recruitment in the Punjab, labour at the salt mines had become scarce, and due to scarcity of labour, export of salt to the theatres of war, and inadequate supply of railway wagons, the supplies of salt were not forthcoming from the sources. This brought about great shortage in the supplies of salt. The dealers began to exploit this shortage in the salt supplies and in accordance with the ordinary economic laws of supply and demand the price of salt went up, from near two rupees a maund the prices went up in the central Punjab districts to about five rupees a maund. It was at this juncture that the present system of monopolies for the sale of salt through the agency of Government contractors was introduced. The new system proposed the appointment under the control of district officers of agents in each district who could keep an adequate stock of salt from the northern India salt sources, and sell it at a price fixed by the district officers with due reference to the cost at the source, transport charges and a small and fixed margin of profit. Under this system the Salt Department accepts applications for the supply of salt from only agents authorised in this behalf in respect of various British districts and Indian states. There is an authorised salt agent for every district, and the present system has been devised to protect the public temporarily against those who were exploiting the shortage in salt.

We have now to see how far this system has actually worked in practice. There are some few points in this system that I would like to discuss. We are told that the district officers fix the price with due reference to the cost at the source, transport charges and fixed small margin of profit. I understand that this margin of profit is between five to six annas per maund. In Simla it is said the price fixed by the district officer is Rs. 3-2-0 per maund. In the district and hills states of Simla some ten wagons of salt are consumed every month, which means 5,500 to 6,000 maunds of salt per month. So this small margin of profit in practice amounts to no less than Rs. 8 to 12 per cent. per month and a profit of Rs. 0-4-0 to Rs. 0-6-0 per maund means a profit of about Rs. 1,500 to Rs. 2,250 per month. In bigger districts like Lahore, Amritsar, Sialkot, etc., where the consumption of salt is twice or thrice this amount the profits are proportionately much larger. I would like to ask Government whether the margin of profit to the monopoly agents under this system is, as we are told, really small.

The primary object of the new system was to protect the public against those who were exploiting the salt shortage. The system was

intended to bring down the price of salt. Let us see whether that object has been attained. The district officers are supposed under the new system to fix the price, but I would like to know whether this fixity of price gives any relief to the general public. The district officers can enforce the sale of salt at the fixed price only on the district agent or his sub-agents in the different parts of the district. The system no doubt ensures the salt being sold to retailers at a fixed price, but what about the consumers. The salt agent and the sub-agent sell salt only in bulk, they do not sell in retail. So the retailers who come in contact with the actual consumers can fix any price they like for the sale of salt. If the retailers choose to speculate, and take it into their head to exploit any temporary or permanent shortage in salt supplies due to labour troubles or transport difficulties on account of shortage in railway wagons there is nothing to prevent them from raising prices, in fact in Simla to-day the salt is being sold to the consumer at about Rs. 4 per maund. The district officers have no means to control the price charged by the retailers. I think it is impossible even to attempt such control, for to control prices charged by retailers would require the entertainment of a very large establishment. In pre-war days the price of salt in Simla was in neighbourhood of Rs. 2 to Rs. 2-8-0 per maund, in war times the prices went up 100 to 150 per cent. The new system has no doubt brought about an improvement of war prices, but can it claim to have brought about any real improvement taking into consideration the much larger supplies of salt that are now available at the source? The improvement brought about by this system has also been brought about in the prices of other commodities even without any control in fixing the prices, so the new system has no special merit worth the name.

There is another aspect from which I would like to look at the question. In the Punjab most of the salt agents are appointed not from among the salt trading classes and the Government of India instructions are not generally carried out. In the central districts of the Punjab excepting Hoshiarpur it is very curious to find that salt agents are appointed from among newspaper editors, Honorary Magistrates, Government treasurers, etc., etc. The salt agency is considered in these days so profitable that now any one who thinks he has done some service to Government or who has some influence with the local officials sets up a very good claim for the grant of salt agency whether it does not matter whether he belongs to the district or to a distant place. I submit, Sir, this sort of thing is against public conscience and tends to corrupt public life. This system has failed to give any relief to the people, and I think it is high time that we should revert back to the old system of free trade, where under the natural laws of competition prices assume their natural level. The Government also admit that this system is only a makeshift arrangement, devised only temporarily. Now Government can have adequate supplies of salt at the sources and I do not think there is now any reason why this monopoly system should be continued when it has not proved beneficial to the people. I hope the house will accept this Resolution.

The HONOURABLE COLONEL SIR UMAR HAYAT KHAN (West Punjab : Muhammadan) : Sir, I strongly support the Resolution. I happen to know some of these salt agents and I know their earnings. They will give anything to get the monopoly from the Government, and

[Colonel Sir Umar Hayat Khan.]

even then they get a very large profit. All this money which goes into the pocket of some one as well as into the pocket of the man who takes the contract is a loss to the public, because, if all this money is wasted, naturally it has to come from the pocket of the consumer who buys the salt. If this system were abolished, that money will be saved to the ordinary buyer. Salt is a commodity which is very much needed for health. So, I think the cheaper it gets, the better it is, and it is for this reason that I strongly support the Resolution.

(At this stage the Honourable the President resumed the Chair).

The HONOURABLE MR. C. A. INNES (Commerce and Industry Member) : Sir, I am intervening early in this debate because, by doing so, I think that I can save the time of the Council. I listened to the speech of the Honourable Mover with the closest attention, and if I may venture to say so without offence, he gave an entirely inadequate and misleading account of the difficulties with which we have been confronted in the matter of the supply of salt to Northern India and of the effects of the remedies which we have endeavoured to apply to those difficulties. For the benefit of those Honourable Members who are not familiar with the operations of that mysterious department, the Northern India Salt Revenue Department, I make no apology for giving a brief description of its activities. The Northern India Salt Revenue Department manufactures salt at certain important sources in Rajputana and in what is called the Salt Range Division. In Rajputana the important sources are the Sambhar Lakes, Pachbadra and, I think, Didwana. In the Salt Range Division the sources are Khewra, Warcha and Kalabagh. At these sources before the war our normal production in a year was 109 lakhs of maunds of salt, and this salt served the whole of the Punjab, the whole of the North-West Frontier Province, the whole of the United Provinces, Rajputana and Central India. It also served parts of Sind, parts of the Central Provinces and parts of Bihar. In Bihar it came into competition with salt imported from abroad, and the whole of Bengal and the greater part of Bihar was served by this imported salt. Our old policy was always to leave the distribution of our salt to unrestricted trade. We had a system by which any one could put in an application to an authorised treasury, stating how much salt he wanted, pay the duty and the price of that salt and get a receipt. That receipt was in the form of an indent. He could fill up the indent, take it to the chief officer at the salt source and get in return a permit to remove salt. His name was entered on a roster, and when his turn came he was called upon to remove that salt. We had another system called the "through-traffic" system. Under this system any one could put in an application to an authorised treasury, to an authorised Post Office and even to certain Railway stations and pay the price of the salt. He could also pay half an anna per maund for despatching charges. He could send his indent to the salt source and could send his bags also ; then in due course he would receive his salt freight unpaid. The "through-traffic" system was intended as a check on the formation of monopolies and on attempts to corner salt. Now, this system of distribution through the trade worked sufficiently well until war broke out. In 1916-17, our difficulties began. They were not due to scarcity of labour, as my Honourable friend has said. What happened was that owing to the difficulty of tonnage,

imports of salt into Bengal and Calcutta grew very much less. In 1916-17, those imports were 39 lakhs of maunds less than in the three years before the war. We were able, however, to make up that deficiency by increased issues from our salt sources. We were able exactly to make it up. We increased our issues in 1916-17 exactly by 39 lakhs of maunds. That does not look as if there was scarcity of labour. In 1917-18, however, matters became worse. Our imports decreased by not less than 54 lakhs of maunds, and unfortunately, the shortage of imports coincided with special difficulties in Rajputana where we had violent rains. Manufacture was delayed ; there were wash-outs on the railways, and issues were greatly hampered. Accordingly, in that year, we were only able to increase our issues from the salt sources in Northern India by 4 lakhs of maunds—4 lakhs of maunds more than the three years' average before the war. Now, Sir, I will go back to contemporaneous records and let the Council know exactly what happened. This shortage of imports of salt 'proved an irresistible attraction to numbers of people who had never turned their attention to salt before but now saw in it the promise of immense profits. Outside capitalists in the presidency-towns and elsewhere and many of the general public vied with wholesale traders in reckless speculation.' Eventually, and before the full extent of their activities was revealed and before indenting could be stopped, they had succeeded in piling up orders which raised the total volume of uncleared indents to 2½rd crores of maunds of salt. These indents, when once accepted by the Treasury, were to all intents and purposes contracts. That is to say, we were under contract in that one year to supply 2½rd crores of maunds of salt, or, more than double an ordinary year's production. One man actually paid into the Calcutta Treasury on account of Warcha salt a sum sufficient to secure the whole output of the mine for over a year. Calcutta merchants came in and speculated without reason. I have the names of three here. I will not pillory them in this House, but one of them, who had never before touched salt in his life, actually paid in Rs. 30,00,000 in order to profiteer in Sambhar salt. I am as much a believer as any one in this House in free trade. I have had too much to do with control not to realise the disadvantages inseparable from control. I controlled foodstuffs in 1919. At present I am connected with some sort of control over coal and also with this control over salt. I realise as much as anybody here the dangers of interfering with the free course of trade and of cutting across trade connections. But there are times, there are emergencies when Government must interfere, when Government would fail in its duty if it did not interfere, and this was one of them. We first tried to meet the situation by inducing District Boards and Municipalities to open retail shops. We passed a rule under the Defence of India Rules which enabled us to give priority to indents for those shops, and in that way we brought down the price of salt which had gone up enormously by as much as 50 per cent. At the same time we were bound by our contracts and we went on clearing them gradually. It was not till September 1920 that we had cleared off these indents. Then, in accordance with our principles, we made an attempt to get back to unrestricted trade.

What happened ? I have a report here :—

“ We re-opened the treasuries to indents, and within a few days—most of it within a few hours—we had received a crore of rupees. My report says that indenting has become not only a regular form of investment for rich firms of all

[Mr. C. A. Innes.]

kinds outside the salt trade, but also a popular pastime eagerly pursued by apparently every grade of a community of born gamblers, the smaller genuine salt trader meanwhile disappearing in the crowd and the bigger men 'plunging' wildly in order to maintain their position.....Sambhar, to which outsiders are said to be crowding in such numbers as to create a house famine, is reported to have a regular Exchange with all the proper equipment of 'bulls' and 'bears' etc., and doubtless most big centres deal in *rawannas* in the same way."

Again, Sir, we had to interfere. Our previous experience of encouraging district boards and municipalities to open retail shops had not proved entirely successful, and so after most careful consideration—here is the file—after consulting everybody interested in the subject who was in a position to give us advice, we developed this scheme which my Honourable friend has attacked this morning. We held a conference of Directors of Industries and others concerned in the several provinces at Cawnpore in April 1920. We discussed the situation and endeavoured to devise means to minimise, and if possible to remove, the evils of speculation and profiteering. It was decided that the only possible remedy was to appoint agents in every district in Northern India to whom an allotment of salt from the Northern India sources could be made monthly on the basis of population, and who would be required to sell salt at a fixed wholesale price for the benefit of the local retailer or individual consumer. It was further recommended that Indian States should be asked to take similar action. Thus the internal distribution of salt within each district is now controlled by the District Officer and within each State by the Durbar, the only requirement made by the Northern India Salt Revenue Department being the limitation of the commission realized by the agent on wholesale vend to an amount not exceeding  $4\frac{1}{2}$  annas a maund in the case of Rajputana salt and  $5\frac{1}{2}$  annas a maund in the case of rock salt from the Punjab. That, Sir, was the system which we introduced, and in spite of what my Honourable friend has said, I claim that the system has been successful. The Honourable Lala Ram Saran Das made vague charges. He said it had done no good to the consumer; he said that the retailer was making too large a profit; he said that the rate of commission we allow a wholesale agency was too much; but he carefully refrained from placing any statistics before the House. I have the statistics here, statistics taken from the *Gazette of India*. These are the wholesale prices of salt in the Punjab in July 1922 as compared with July 1921. In Lahore the price has dropped from Rs. 30.78 for ten maunds to Rs. 21.09; in Ferozepur it has dropped from Rs. 36.41 to Rs. 21.41; in Amritsar from Rs. 32.50 to Rs. 25.00; in Rawalpindi from Rs. 25 to Rs. 22.19; in Lyallpur from Rs. 37.50 to Rs. 21.87; and in Multan from Rs. 30.78 to Rs. 21.87. These are the figures, Sir, and I challenge anybody to controvert their accuracy. They show that in all the important centres in the Punjab, in the centres which report for the purposes of our wholesale statistics in the *Gazette of India*, we have reduced the wholesale price of salt in the last year, under our system, by 31 per cent., or very nearly 1-3. It may be that the retailer is charging too much; we cannot attempt to control retailers; and of course they make their profits. But they must always make some profit, and I put it to the House that if it had not been that we have reduced the

wholesale price of salt in these centres by 31 per cent. in this last year, the prices to the consumer would have been very much greater to-day ; and I think that it would have been well if those Honourable Members here who represent the Punjab districts had shown some appreciation of the efforts made by the Government of India, by the Northern India Salt Revenue Department and by the district officers in the Punjab to bring down prices of an essential commodity for the poor people.

Now, Sir, I think that I have established two propositions ; I think that I have established the proposition that the circumstances were such that whatever the disadvantages may have been, whatever the objections to such a procedure may be, we had no option but to interfere and to restrain trade in this matter. Free trade, had we left it alone, would merely have meant freedom for the greedy speculator to utilise a temporary shortage of supply in order to exploit the necessities of the poor in an essential commodity in order to make an unsavoury gain for himself. We had to interfere, and I am sure that the House agrees to it. Then, Sir, I have also established the proposition that by the arrangements we made we have conferred a very real benefit upon the Punjab and upon consumers in the Punjab.

Now, Sir, I come to the attitude which the Government propose to take up towards this Resolution. After what I have said up to now, possibly the Council will be rather surprised at what I am now going to say. As I have said, the Government of India do not like these controls, and they are always anxious to get back to free trade and unrestrained trade whenever they can. I have shown that the original cause of these difficulties was a shortage of supply, mainly due to shortage of imports of foreign salt into Bengal. Now, that particular difficulty has disappeared and foreign salt is now pouring into Bengal in the same old way. Therefore, the pressure upon our Northern India salt sources is not so great as it was. Further than that, we are attempting to remedy the difficulty in another way. We have important schemes in hand at Sambhar which we hope will make a very great difference in the whole salt situation in Northern India. What we aim at is to increase our production from the Northern India sources from one crore of maunds to two crores of maunds per annum ; we began these schemes at Sambhar a year or two ago, and though they are not quite complete yet at any rate they show signs of being very successful. For instance, last year, though the monsoon was generally a good one, it missed out Sambhar. At Sambhar we had the worst year from the point of view of rain that we had had since 1911. In 1911 we scraped up from Sambhar 17 lakhs of maunds. In 1921-22, though as I said the rains were just as bad, just as unfavourable, we got over 70 lakhs of maunds. This year the prospects of the season are very favourable, and we hope that we shall get a crop from Sambhar next year of probably a crore or more than a crore of maunds. We have also got important schemes in view at Khewra, and in a short time I hope that we shall have so improved our production of salt in Northern India that we shall have no fear of these attempts at cornering. The position has already improved so much that before we had any notice of the Resolution which the Honourable Lala Ram Saran Das has proposed, we had already taken action in the very direction which he



[Mr. C. A. Innes.]

desires. Here is a communication which we issued some time ago which says that 'we have decided to abandon the control of salt in Northern India, known as the agency system, when the available supplies at each source are sufficient to meet the full demand. This stage has already been reached in the case of Didwana and Kalabagh, special permission to indent on which sources is now freely given to applicants.' We hope to introduce free indenting on those sources at the end of the current year provided no unforeseen circumstances occur, and we hope also to reintroduce the old system of free indenting in respect of Khewra and Warcha from the same date. We have already been able to increase the monthly allotments to agents of Khewra or Warcha salt by 50 per cent. with effect from the 1st of September 1922. We have already issued notice that the supply of salt at the sources of Kalabagh and Didwana being now in excess of the demand, applications for special permission to indent on those sources may be made to the Commissioner at Agra.

Sir, the Council will see that we have already taken action in the direction indicated in this Resolution. We also hope that if the crop at Sambhar is sufficient to secure the position, as we hope it may be, it will be possible in the rains next year to revert to the old system of free indenting, but I can give no guarantee to the Council that what happened in 1920 will not happen again in 1923 ; I can give no guarantee that we shall not be flooded with indents ; I can give no guarantee that we shall not again be embarrassed by attempts on the part of profiteers to corner salt in order to make a profit. If that is our experience, we may have to revert to methods which are now in force. But we are anxious to get back to free trade, and as I have shown, we are going to make an attempt in that direction as far as the Punjab is concerned with effect from the beginning of next year. In these circumstances, I think I might suggest for the consideration of the Honourable Mover that he should withdraw this Resolution. I am not prepared to accept it, because I am not prepared to accept the statement in the Resolution that the present system has proved injurious ; on the contrary I have proved that it has benefited the public very much. I therefore think that the Honourable Mover might now consider whether the Resolution should not be withdrawn and thus save the time of the House.

The HONOURABLE LALA SUKHBIR SINHA (United Provinces Northern : Non-Muhammadan) : Sir, I have not much to say in support of the Resolution since the Honourable Mr. Innes has given us a very assuring reply. There is no doubt whatever, Sir, that a good deal of profiteering has been going on in this trade. The object of the Government was to fix some rates for the sale of salt, when there was a shortage of wagon supply, both during and after the Great War, but that has not been gained. I have some experience in this matter as I was Chairman of a Municipal Board and I know that the retail sellers used to make a good deal of profit. That system was abandoned, and the District Boards also ceased to appoint agents. After that, a new system has been introduced under which the District Magistrates are required to

appoint agents. But so far as my experience goes, that system also has failed, and the retail sellers charge any price they like for salt. Therefore in order to stop profiteering in salt and supply it at a reasonable price to the consumers, it is absolutely necessary that the present system should be changed and a free trade system introduced. I am very glad to see that the Honourable Mr. Innes has stated that he will do what he can in this matter, and in these circumstances, I hope the Honourable the Mover will see his way to withdraw the Resolution.

The HONOURABLE MR. LALUBHAI SAMALDAS (Bombay : Non-Muhammadan) : Sir, I rise merely to ask for some more additional information. The Honourable Mr. Innes has made it quite clear that profiteering had gone on not only during war time but also after that when the system of contracts had been abolished and free trade introduced. I would like to know if this is the only way in which cornering could be broken? Is it not possible to break cornering in some other way, i.e., by keeping free trade?

The second point on which I would like to have some information is about the manner in which the agents are appointed. Are they appointed on the recommendation of the District Officers; if so are they asked to give any security in order that they may not charge more than the rates fixed by Government?

The third point is whether it is not possible to have some control over retail sellers. The Honourable Mr. Innes said that the retail seller may be charging more than what he is entitled to. He is of course entitled to a profit; he must earn a commercial profit, but if he is profiting at the expense of the consumer by charging him a very high price that should be stopped. Is any control kept on his prices? If this information is satisfactory, I think the Honourable Lala Ram Saran Das would be well advised to withdraw his Resolution.

The HONOURABLE SARDAR JOGENDRA SINGH (Punjab : Sikh) : Sir, I just want to say only a few words. As a free trader I am greatly gratified to hear that the restrictions on free trade in the Punjab are to be removed. The Honourable the Commerce Member pointed out that these restrictions were introduced during war time. These conditions having now disappeared, I do not see any reason why they should be kept in force now. The imports of salt in Bengal are now normal, and in the Punjab the production has increased, and the conditions which brought about those restrictions have also disappeared, and I therefore see no reason why those restrictions should be continued.

The Honourable Mr. Lalubhai Samaldas observed that he has no objection to retail sellers of salt making a commercial profit, but if he means by 'commercial profits' as they are made in Bombay, then you cannot object to the profits made by the agents. I suppose no agents in the Punjab have reached the level of the commercial profits made by people in Bombay. In any case, I feel that since the Honourable the Commerce Member has expressed that he is not going to enforce restrictions in the Punjab, the Honourable Mover will be well advised to withdraw his Resolution. At the same time, I also feel that the Honourable the Commerce Member might consider the desirability of not imposing

[Sardar Jogendra Singh.]

any restrictions in the near future. Salt is produced in the country and is sold at fixed rates by the Government, and I do not see why there should be any necessity to enforce any restrictions again in the near future. It would be as well if he expressed himself more clearly that these restrictions would not be imposed unless some new conditions arise which are not likely.

The HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab ; Non-Muhammadan) : Sir, I want to say a few words in explanation of the points raised by the Honourable the Commerce Member. When I say that this system has proved injurious to the general public, I mean that the object that the Government have in view has not been quite achieved. Even now, when the prices are under control, the price of salt being charged in Simla is Rs. 4 a maund. It is impossible for Government to control the retail prices and, as long as they cannot control the retail prices, what is the use of this control ? Although the price in Simla as fixed by the District Officer is Rs. 3-2 a maund, notwithstanding that, retail prices are Rs. 4 a maund. That means that Government is giving to the middleman a profit of 14 annas a maund on salt, which I think is improper and unreasonable. As the Honourable the Commerce Member has said, labour alone was not responsible for the shortage. Well, I only drew that as an inference, and perhaps I was wrong, as far as my statement that it was only labour that was responsible went, but in my speech I said that the shortage of railway wagons was also a cause, and this the Honourable the Commerce Member also admitted. The object of the Government of India, as is evident from the answer which was given by the Honourable Mr. Lindsay, is that salt traders shall be appointed as agents, and he said that, barring districts where co-operative credit societies were the agents, in all other districts these instructions were being followed. With due deference to the Honourable Mr. Lindsay and from what I know of the conditions in the Punjab, I am sorry the information put before the Honourable Mr. Lindsay was not quite correct. I know it for a fact that in certain districts of the Punjab Honorary Magistrates, Newspaper Editors, and Government Treasurers are Salt Agents, and persons who do not deal in salt, who are not interested in commerce at all are appointed salt agents in recognition of certain services rendered. But, as the object of my Resolution has been served by the Honourable the Commerce Member having been kind enough to assure us that the restrictions and the monopoly in the Punjab will be withdrawn, I beg to ask for leave to withdraw this Resolution.

The HONOURABLE MR. C. A. INNES : Sir, I would just like to answer the questions asked by the Honourable Mr. Lalubhai Samaldas. First, if I took him down correctly, his question was whether there was no way of stopping profiteering without interfering with freedom of trade. The obvious answer to that is that to stop profiteering without interfering with trade we must increase the supply of salt very greatly in excess of the demand ; and that is exactly what our policy is now. That is exactly the object of the important improvement schemes which we have in hand both at Sambhar and at Khewra. In addition to that, we have taken certain powers in a notification recently issued, which our Commissioner

hopes will enable him to stop any attempt to corner the market. Whether these powers are effective or not it must be for the future to decide.

As regards district agents, the Government of India does not attempt to extend its sphere of operation more than it can help. These district agents are appointed by the district officers. We have very little to do with these appointments, but I think I am correct in saying that our Commissioner did circulate to all district officers the names of people whom he knew to be engaged in the salt trade and whom he recommended for appointment. That is, of course, all we could do.

Then, Mr. Lalubhai Samaldas asked whether we attempted in any way to bind these district agents down by agreements. The answer to that is "yes." Here is the draft form of agreement.

As regards retail vendors, Mr. Lalubhai Samaldas asked whether we could not devise means by which we could control them. Well, as far as the Punjab is concerned, I hope that all necessity for any action of that kind is passed. In any case, I think that Mr. Lalubhai Samaldas will realise that any attempt to control retail trade is a very difficult matter. We had experience of it in foodstuffs, and the only way in which we could deal with profiteering on the part of retailers was to open our own shops or rather to encourage charitable organisations, district boards and municipalities to open shops of their own and to supply them with, in that case, rice.....

The HONOURABLE MR. LALUBHAI SAMALDAS : Why not utilize the Co-operative Societies.

The HONOURABLE MR. C. A. INNES : That policy, as I have already explained, we tried in 1917, and it was not nearly as successful as this policy on which we are engaged at present. That is all I have to say, Sir.

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

#### RESOLUTION RE FOREST RESEARCH.

The HONOURABLE MR. PHIROZE SETHNA (Bombay : Non-Muhamadan) : Sir, before I move my Resolution, I beg to move for permission to alter just one word in the last line of the Resolution. That word is "six," and I propose, Sir, with the permission of the House, to alter the word "six" to "at least three."

The HONOURABLE THE PRESIDENT : The Honourable Member, I understand, has given notice of this.

The HONOURABLE MR. PHIROZE SETHNA : I have, Sir.

The HONOURABLE THE PRESIDENT : Certainly.

The HONOURABLE MR. PHIROZE SETHNA : I beg to move, Sir :

"That this Council recommends to the Governor General in Council that, in view of the fact that India provides, in the Forest Research Institute at Dehra Dun, a highly efficient and up-to-date institution for instruction in Forestry and for Forest research, the present practice of recruiting a proportion of the probationers for the Indian Forest Service in Great Britain, and training all probationers, whether recruited in Great Britain or India in the Universities of the United Kingdom be abolished forthwith and that all probationers for the service be recruited and trained in India and that every such probationer drafted into the service be given all facilities to add to his knowledge and experience by a tour to the Continent of Europe after at least three years of continuous and approved service."

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Sir, like all other important services in this country, the Forest Service is also divided in two branches—the Imperial and the Provincial. Probationers for the Provincial Service are all trained in the Forest School at Dehra Dun. As regards the Imperial branch of the Service, until about three years ago, all recruitment for the purpose was done in the United Kingdom. Since the last three years, a part of the recruitment is made in India. But, whether the recruits are selected in India or in England, they are required to undergo a study in Forestry at one of the three Forestry Schools in the United Kingdom attached to the Universities of Oxford, Cambridge and Edinburgh. This, Sir, is the existing system. About two years ago, the then Secretary of State issued orders according to which all recruits, British or Indian, were, as soon as the necessary arrangements were completed, to be trained entirely at Dehra Dun. This was recommended, in the first instance, by the Public Services Commission in 1916. In fact, the Public Services Commission laid down that there were no grounds of policy for an admixture of Britishers and Indians in the Forest Service, and that that was one of the Services in this country which, along with other technical Departments, might be manned ultimately entirely by Indians.

In support of their contention the Public Services Commission quoted up-to-date institutions such as exist at Pusa and Dehra Dun for the purpose of utilising them for Agricultural and Forestry studies in this country. Some time after the date of these orders by the Secretary of State an Inter-departmental Committee was formed in England, presided over by Lord Clinton, and because of this, the Secretary of State cancelled within about a fortnight's time his previous orders, which was indeed a very novel and a very strange procedure. It was suggested that the Inter-departmental Committee might make recommendations. Now, Sir, this Inter-departmental Committee was formed for the express purpose of suggesting ways and means for giving effect to a Resolution passed by the Empire Forestry Conference held sometime previous—a Resolution according to which a Central Training Institute for Forestry studies was to be opened somewhere in the United Kingdom. It was natural, therefore, that the Inter-departmental Committee would not endorse the previous recommendation of the Secretary of State, and, as expected, so far as students of the Imperial Forest Service in India were concerned, they suggested that they might have their preliminary training either in one of the Forestry Schools in Great Britain or in India, but that they should have a final course at this Central Training Institute which was to be established in terms of the recommendation of the Empire Forestry Conference. The Government of India therefore issued a circular letter to the different Local Governments containing three alternative schemes, namely, (1) that which is now in force, (2) the one which the Secretary of State had decided upon, and (3) the recommendation of the Inter-departmental Committee.

Now, Sir, when I gave notice of my Resolution the Government of India had not published the reports which they had received from the different Local Governments nor declared their intention to propose in the two Houses of the Legislature the Resolution which they now

propose to do. In fact, it was a fortnight or three weeks after the date of my Resolution that Government published the opinions of the different Local Governments as also their intention of the Resolution, which Resolution I see from the agenda paper is to be moved to-day by the Honourable Mr. Sarma as an amendment to my own Resolution. Sir, the Council will see that my Resolution is in terms of the previous recommendation of the Secretary of State which was the original recommendation of the Public Services Commission. The only addition I make is that Forestry students, after they have gone through their course, might be sent to Europe to see the different continental forests later on. Now, the Government's Resolution is in terms of the recommendation of the Inter-departmental Committee. In the papers which we have received from Government they have advanced five reasons for the recommendation they have made. Three of them are very minor ones with which I will not trouble the Council, but the two principal ones I will refer to as briefly as I can. The principal reason upon which Government base their recommendation is the question of cost. Government say that whereas at the present moment they have to pay for a course of three years for recruits, whether British or Indian, they will, under the terms of the new recommendation, be called upon to pay for only one year. But, Sir, the Government explanation is by no means clear. Anticipating some such recommendation as Government have now come forward with, I had last year put a question to the Honourable the Revenue Member with regard to the Central Training Institute to inquire if the Government of India would be called upon to make any contribution towards its initial cost or towards its upkeep, and the reply which the Honourable Mr. Sarma gave on the 6th September last year was as follows :

“ Proposals were made at the Empire Forestry Conference in England in 1921 for the establishment of an Empire Forestry Bureau in England. These proposals, so far as India's participation is concerned, are under the consideration of the Government of India ; the contributions required will depend upon the extent to which the Home Government, the Dominions and the Colonies agree to participate and before the Government of India are committed, the contribution, if any, proposed will be subject to the vote of the Assembly.”

This was a year ago, and from the papers which the Government have now issued it will be seen that they are not yet in a position to tell us whether we will be called upon to make any contribution either for the initial cost or for its upkeep, and, in the absence of these most important particulars, I for one will not accept the statement of Government that the present proposals which they are going to lay before us by way of an amendment to my Resolution will cost this country less. I contend, that if there is any gain, it is only a temporary one and not a lasting one, and because the Forest Service is to be gradually Indianized and because in the future the recruits will be required to be trained in this country, Government might very well not pay the cost while they are teaching them. I say that it will be eventually cheaper if the Dehra Dun Institute is made *the* institute where training is imparted not only to British but also to Indian recruits for the Imperial Branch of the Forest Service. I contend further that for a number of years to come we shall certainly require a proportion of British candidates in the Imperial Forest Service. In the papers sent to us Government say that the cost of making the Dehra Dun Institute such a one as to be able to prepare students for

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the Imperial Branch of the Forest Service will amount to something like 40 lakhs. That, to my mind, is not a prohibitive item when we consider that the amount is not wanted all at once. It will be spread over a series of years, five at the least, ten at most, and in spite of our deficits, I am sure, Sir, the Finance Department will be able to find the extra 8 or 4 lakhs a year, as the case may be. Just consider what is the ultimate advantage to the country at large. We shall have in this country one of the finest institutions for the imparting of knowledge in Forestry.

Government themselves admit, as I shall presently show, that the Dehra Dun school can compare even at the present moment with any similar institution in the whole world. The Dehra Dun Forest school was started as far back as 1878. Large forest areas in the neighbourhood were reserved for scientific treatment and attached to the school. There is no reason why probationers for the Imperial Forest Service should be sent therefore to England to be trained there and not be trained at the Dehra Dun School. The Dehra Dun School is recognised as one of the best, if not the best, Forestry teaching institute in the world, and it is therefore very surprising that students preparing for the Imperial Branch of the service should be sent away to long distances when there exists in our midst an institution recognised by Government to be one of the best for the teaching of Forestry. What is more, Government themselves claim, as they do in their Moral and Material Progress Report for the year 1919, that "100,000 square miles of forest area in India have been brought under regular management, systematic conservation and scientific working."

Those who are in a position to pronounce an opinion with regard to the working of the different forest schools in the United Kingdom are emphatic in their view that those forest schools in the United Kingdom are inefficient. That is not my view. It is the view of the Government of India themselves, *i.e.*, of the employers. Professor Stebbing, the head of the Forestry School at Edinburgh, in an article which he contributed to *Nature* of 2nd December 1921 says that the Government of India complain of the 'inadequacy of training' of their Imperial Forest Service officers. That, I say, is the opinion of the Government of India who are the employers. Now, with regard to the view of the employees who study forestry in these schools. Only last year before the Lytton Committee students who read at the Forestry School at Oxford complained in their evidence that the education that was imparted to them was in the opinion of themselves, *i.e.*, the students, inefficient. This, therefore, is the opinion not only of the Government of India but of the men employed by the Government of India, and it is from this class that they are drawing members for the Imperial Forest Service in this country.

Now, Sir, I said that the Government of India laid great stress on two important points. One was the saving in cost which I have already dealt with. The second is that the Indian forests do not provide students with full practical object lessons. This seems to have struck the Government of India only to-day. The forests attached to the Dehra Dun School have been under the direct control of that school for the last 44 years. They have been developed under scientific and systematic management

They have been reserved for educational purposes, and it is difficult to understand why and how the Government only now find that they do not provide sufficient educational facilities for students of the Imperial Service. As regards the Provincial service probationers they are all receiving their training there. • These forests are under the special care of a Conservator of Forests. If they suffice for training probationers for the Provincial services, I contend that recruits for the Imperial Branch, with their superior qualifications, ought to derive still greater profit from these very forests.

Efficient theoretical training can be imparted even now at the Dehra Dun Institute. As regards practical training, there is no question that it can certainly be imparted better than in England, because in England there are no forests which have the species and conditions of Indian forests. As regards the teaching staff of the Dehra Dun College, it is believed that there is no single institution in India where there are such a large number of teachers. It has at least four Indian Forest Service Officers and instructors on the staff, including the Principal of the College, a Sylviculturist and Superintendent of Forest Working plans, a Forest Zoologist, a Forest Chemist, a Forest Botanist and a Forest Economist. Since the last year four Forest Entomologists have been recruited and the post of a systematic Entomologist has also been filled up. The following extracts from the Moral and Material Progress Report of 1920 will show how far the institute has advanced and is advancing :

“ A general scheme for the enlargement of the Forest Research Institute and of the scope of its activities has been sanctioned. The arrangements for expansion, to which effect is already being given, involve large increases in the research staff, and the construction of an entirely new and enlarged Institute, as well as residential accommodation upon a new site which has been acquired for the purpose. The staff of the Institute has already been augmented by the addition of specialists in wood technology, timber seasoning and testing, wood-working, pulp and paper-making, tan stuffs and destructive entomology. Up-to-date machinery and plant is being obtained from America and Great Britain for installation in the new buildings. With the completion of this project, the Government of India should possess as efficient an institution for forest research as is to be found in the world.”

This, Sir, was the opinion of the Government of India two years ago. I have also attempted to quote the opinion of the Government of India expressed by them in the Circular of the Revenue and Agriculture Department, No. 633, dated the 29th October 1918. It is in similar terms :

“ There are considerations which make it advisable that young Indians should be trained in their own country if possible, while it is obviously desirable that the Indian Empire with greater forest reserves than any other parts of the Empire, except possibly Canada, should be in a position to provide training in scientific forestry up to the highest standard. Moreover such an institution would perhaps be more likely to attract men for training from other parts of the Empire such as South Africa, Australia and Ceylon, than would a forest college in England.”

— I leave it to the Council to compare these two extracts which I have quoted from the Government of India themselves, with the recommendation which the Government of India now make, namely, that students should be educated at any institution either here or in England first and after that get trained in a Central Training College in England in the last year of their studies. •

The cost of running the Dehra Dun College in the year 1920 amounted to as large a sum as Rs. 2,16,270 ; in the same year Government sanctioned a stipend of £20,000, out of which one Professor was sent to England for



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the purchase of plants and another to America for the purpose of studying research methods in forest economy. I have quoted at some length from the Moral and Material Progress Report of the Government of India. The Dehra Dun Institute, in the opinion of Government is as efficient as any in the world. Why not, therefore, take full advantage of that institution ? So long as we send our recruits to these forestry schools in England which are in the opinion of the Government of India themselves inefficient you are relegating the Dehra Dun Institute to a back place and great injustice is being done to it. The Dehra Dun Institute is called an Imperial Institute ; it must be looked upon as the Chief Forest Institute in the Empire and be given its proper place. Sir, for the posts of Principals of the Oxford, Cambridge and Edinburgh Forestry Schools, they select men with Indian experience ; for example, Professor Schlick and his successor Professor Troup at Oxford and Professor Stebbing the present head of the Edinburgh School, were all connected at one time or another with the Indian Forest Service.

Why should we not engage these very men, at any rate, towards the end of their service, to give us the benefit of their experience, why not retain the same men at Dehra Dun and make that Institute a greater success ?

I have heard it argued that perhaps the students of the Imperial branch of the service and those of the provincial branch ought not to be educated at the same place. I for one see no objection to it. If you want instances, we know that at Roorkee, Sibpore and even in Poona students of the higher and lower branches of the service are trained at the same centres without any disadvantage to them or to the service. But, if in the opinion of the Government of India this objection is insuperable, then I venture to put forward a suggestion, which is not my own, but which has been advanced in some quarters, namely, that the provincial branch of the Forest Service should be abolished. Sir, the Provincial Service has no sub-divisions. The members of this service are taken on from year to year and attached to one division or another. So far as I know, they have no defined or definite duties. Why, then, have this service ? In these days of economy it will be an advantage, to do away with this service. The work that is done by them to-day can be divided between experienced subordinates and the divisional officers. I say, in these days of economy, if this service is abolished which consists of a few men called Extra Assistant Conservators of Forests, and if it is amalgamated with the Indian Forest Service, same as is done in the Public Works Department, I have no hesitation in saying that in every province there will be a saving of a few lakhs of rupees annually which is so very desirable in these days. But, whether the provincial service is abolished or not, I do hope that the Council will agree with me that so far as the Dehra Dun Institute is concerned which the Government of India already consider to be quite efficient, it should be made still more efficient, and if it is considered that 50 lakhs more would be necessary for the purpose, the Assembly will see its way, I am sure, to vote the necessary sum as it will prove to the interest and to the good of the country that the recruits

both British and Indian, be trained hereafter at the Dehra Dun Institute.

With regard to the alteration which with your permission I have made, I want to say that I have put in the words ' at least three ' instead of ' six ' years in the last line of my Resolution, so that the Government might send the students after three years of continuous and approved service as they will be in closer touch with their books and their studies at the end of three years than they would be at the end of six years. With these few words I commend this Resolution to the Council and I trust they will accept it.

The HONOURABLE THE PRESIDENT : I think this will be a convenient moment to interrupt this debate. To-morrow is a free day and the Council was not to sit, but as we have a long paper, I propose that we shall sit to-morrow and deal with the remaining items on the list.

The Council then adjourned till Eleven of the Clock on Tuesday, the 19th September, 1922.

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