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THE

# LEGISLATIVE ASSEMBLY DEBATES

(Official Report)

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Volume III, 1936

(28th February to 17th March, 1936)

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## THIRD SESSION

OF THE

FIFTH LEGISLATIVE ASSEMBLY,  
1936



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1936

# Legislative Assembly.

*President :*

**THE HONOURABLE SIB ABDUR RAHIM, K.C.S.I., KT.**

*Deputy President :*

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**RAI BAHADUR D. DUTT.**

*Marshal :*

**CAPTAIN HAJI SARDAR NUR AHMAD KHAN, M.C., I.O.M., I.A.**

*Committee on Petitions :*

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**DR. ZIAUDDIN AHMAD, C.I.E., M.L.A.**

**MR. M. S. ANEY, M.L.A.**

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# LEGISLATIVE ASSEMBLY.

Thursday, 12th March, 1936.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President (The Honourable Sir Abdur Rahim) in the Chair.

## QUESTIONS AND ANSWERS.

### COMMUTATION OF PENSIONS OF GOVERNMENT OFFICERS.

1140. **\*Mr. Suryya Kumar Som:** (a) Will Government be pleased to state the amounts which were granted as commutation of pensions to Government officers since 1930, up to December, 1935, by the India Government?

(b) On what principle this commutation is granted? Is it based on the principle of profit and loss or for helping the officers in their distress?

(c) Are Government aware that these sums are spent either to increase the bank balance of the retired officers, or in building palatial buildings in towns leaving their village residences?

(d) Is not the reconstruction of villages the present policy of Government, and have they not granted a crore of rupees for improving the conditions of villages? If so, have they considered how this policy is affected by the grant of commutations and the way in which such amounts are spent?

(e) In these days of stringency in the Government Exchequer, have Government considered the question of withholding the grant of huge sums in cash in granting commutation except in the case of proved necessity of the pension-holders?

**The Honourable Sir James Grigg:** (a) and (b). I would refer the Honourable Member to the reply given by me to his starred question No. 407 on the 13th February, 1936.

(c) Government have no information.

(d) and (e). These are matters of opinion.

**Pandit Lakshmi Kanta Maitra:** May I know what is the present policy of Government in the matter of commutation of pensions?

**The Honourable Sir James Grigg:** To preserve the existing rules.

**Mr. S. Satyamurti:** What is the answer to part (e) of the question?

**The Honourable Sir James Grigg:** Part (e) also raises questions which are matters of opinion. We have considered the questions raised therein, but we cannot do anything.

**Mr. S. Satyamurti:** When did they consider it last?

**The Honourable Sir James Grigg:** When the first question was put on the paper.

**Mr. S. Satyamurti:** Have Government considered that there will be no gain to the exchequer by accepting the suggestion contained in part (e) of the question, or have they come to the conclusion that the gain which is likely to accrue is not worth accepting it?

**The Honourable Sir James Grigg:** Speaking offhand, I think that commuting pensions, when interest rates are rather low, is probably profitable at the moment.

**Mr. S. Satyamurti:** Have Government, therefore, come to the conclusion on a consideration, from the financial point of view, of all the circumstances that the present system is better for the Government exchequer, than the system of not commuting pensions at all?

**The Honourable Sir James Grigg:** They have considered that the present rules are the best on the whole.

#### SCALES OF PAY OF THE GOVERNMENT OFFICERS IN SUPERIOR AND INFERIOR SERVICES.

1141. **\*Mr. Suryya Kumar Som:** (a) Are Government aware of the impression that the scales of pay of the Government officers in superior and inferior services are too high for India, the poorest country in the world?

(b) Are Government aware that these scales of pay were introduced during the most prosperous period and that the whole world, and particularly India, is now passing through a crisis and there is widespread unemployment in the country?

(c) In view of the above facts, are Government prepared to appoint a Committee to investigate into the scales of pay in vogue at present and to recommend drastic reduction of the present scales consistent with the efficiency of the services? If not, why not?

**The Honourable Sir Henry Craik:** As a result of the recommendations of the General Purposes Sub-Committee of the Retrenchment Advisory Committee the scales of pay of future entrants into most of the services under the control of the Governor General in Council have, after very careful consideration, been revised during the last few years and in the majority of cases very appreciable reductions have been made. Revised leave rules considerably less liberal than the old leave rules have also been issued for new entrants. Both the revised rates of pay and the revised leave rules have been drawn up with a view to placing new entrants to Government service on as economic a basis as possible, and all new entrants since the 15th July, 1931, to services under the Governor General in Council are now governed by these new rules. In view of the action as mentioned above, which has only been recently taken by Government, it is not considered necessary that another committee should be appointed as suggested by the Honourable Member.

**Mr Lalchand Navalrai:** May I know if the scales of pay have been revised after 1931?

**The Honourable Sir Henry Craik:** I cannot say the exact date when the revision took place, but I have said that all new entrants since the 15th July, 1931, are now governed by these new rules.

**Mr. Lalchand Navalrai:** The Honourable Member said that the scales of pay have been revised within the last few years. I am, therefore, asking if they have again been revised after 1931.

**The Honourable Sir Henry Craik:** I think the revision did take place since 1931, but new entrants since the 15th July, 1931, will all come under the new rules.

**Pandit Lakshmi Kanta Maitra:** Are these rules now in force?

**The Honourable Sir Henry Craik:** Yes.

**Mr. S. Satyamurti:** Have Government made any calculation of the financial benefit to Government, by giving effect fully to all these revised scales of pay?

**The Honourable Sir James Grigg:** I am actually in the process of considering it at the present moment. To do it accurately, of course, would involve an enormous amount of work and probably would not be worth while, but I am preparing at the moment an approximate estimate of actual savings over a period of years, of course, for railways and everybody else.

**Mr. S. Satyamurti:** When Government have completed this enquiry, will they be good enough to place the results of the enquiry on the table of the House, and also approximately the time when they expect to obtain the full effect of these revised scales of pay?

**The Honourable Sir James Grigg:** If the enquiry produces any worthwhile results, I will certainly place them on the table.

**Mr. S. Satyamurti:** Will Government make every effort to produce worth-while results?

**The Honourable Sir James Grigg:** It is setting off the value of the information against the amount of time and labour spent in obtaining it. That will be the criterion in pressing the enquiry, and it won't be undertaken unless the results are worth while.

**Mr. S. Satyamurti:** With reference to the answer to part (e) of the question, have Government considered, or will they consider, the question of revising the scales of pay even for existing Government servants, in view of the fall in prices on which alone some of these scales of pay were based.

**The Honourable Sir Henry Craik:** No, I do not think that can be done. You cannot revise the scales of pay of existing Government servants without making a breach of contract.

**Mr. S. Satyamurti:** May I ask Government whether they have taken legal opinion on the question whether they cannot take steps to revise the scales of pay of even the existing Government servants, and are they satisfied that they cannot do it at all under any circumstances?

**The Honourable Sir Henry Craik:** I have no doubt that that was considered at the time, but it is not within my personal knowledge.

**Mr. S. Satyamurti:** Will Government appeal to their own servants, in view of the state of finances, to agree to a reduction in their salaries proportionate to the fall in prices, on the ground that some of the salaries were raised to their higher scale, on account of the rise in prices?

**The Honourable Sir Henry Craik:** The Honourable Member wants to know if Government propose to appeal to Government servants?

**Mr. S. Satyamurti:** Ask for their co-operation.

**The Honourable Sir Henry Craik:** No such thing is under contemplation.

**Mr. T. S. Avinashilingam Chettiar:** In view of the promises made by the Secretary of State, is the revision of the scales of pay of the Indian Civil Service and other Imperial Service Officers under consideration?

**The Honourable Sir Henry Craik:** Yes, I have answered several questions on that.

**Mr. T. S. Avinashilingam Chettiar:** In view of the fact that the Federation is far off, will they consider the question immediately?

**The Honourable Sir Henry Craik:** The decision rests with the Secretary of State, who is already in possession of the views of the Government of India.

**Mr. T. S. Avinashilingam Chettiar:** What are the views of the Government of India?

**The Honourable Sir Henry Craik:** That is too long a matter to be stated in reply to a supplementary question.

#### **EVICTED BY THE GOVERNMENT OF BURMA OF NATTUKOTTAI CHETTIARS FROM THEIR LANDS IN MINBU DISTRICT OF UPPER BURMA.**

1142. **\*Mr. M. Ananthasayanam Ayyangar:** (a) Have Government received any representation from the South Indian Chamber of Commerce, Madras, regarding the proposed eviction by the Government of Burma of Nattukottai Chettiars from their lands in Minbu district of Upper Burma?

(b) Are Government aware that these Chettiars of Madras were obliged to take these lands in settlement of their just dues from their debtors or in execution of court decrees obtained by the said Chettiars against the debtors?

(c) Are Government aware that by such eviction the Chettiars would be put to a loss of more than two crores of rupees?

(d) Are Government prepared to direct the Government of Burma to take prompt and immediate steps to stop the expropriatory measures and proceedings and to secure peaceful enjoyment to the Chettiars of their lawful possession of lands in Upper Burma?

**Sir Girja Shankar Bajpai:** (a) Yes,

(b)—(d). Government have no information beyond what is contained in the memorial but have made enquiries from the Government of Burma. On receipt of the Local Government's reply the question whether any action by the Government of India is desirable or feasible will be considered.

**Mr. M. Ananthasayanam Ayyangar:** In the meanwhile, will Government request the Government of Burma to suspend the forfeiture of these lands?

**Sir Girja Shankar Bajpai:** The parties concerned have already been given time till 1937.

**Mr. T. S. Avinashilingam Chettiar:** In view of the separation of Burma and the fears entertained among the Nattukottai Chettiar community in particular, will Government see that more time is allowed to them?

**Sir Girja Shankar Bajpai:** My Honourable friend has made a suggestion. I have already told him that on receipt of the Local Government's reply the question whether any action by the Government of India is desirable or feasible will be considered.

#### TREATMENT OF POLITICAL PRISONERS AS A SEPARATE CLASS.

1143. **\*Mr. S. Satyamurti:** Will Government be pleased to state whether they have considered, or are considering, the question of treating Political Prisoners as a separate class?

**The Honourable Sir Henry Craik:** I would refer the Honourable Member to the reply which I have given to parts (b) and (c) of his starred question No. 1104.

**Mr. S. Satyamurti:** In view of the advent of what is called Provincial Autonomy, will Government be prepared to reconsider this question?

**The Honourable Sir Henry Craik:** I do not think that the introduction of Provincial Autonomy is a particularly relevant consideration to this question.

**Mr. S. Satyamurti:** Do Government realise that the political prisoners of today will be the Ministers of tomorrow, and the Ministers of tomorrow will be the political prisoners of day after tomorrow?

**The Honourable Sir Henry Craik:** That involves a very considerable hypothesis. (Laughter.)

**Mr. N. M. Joshi:** May I ask whether the Government of India are aware that, if a separate class of political prisoners is created, the condition of ordinary prisoners may not receive the same attention from the public as it does today? (Laughter.)

**The Honourable Sir Henry Craik:** That, again, is a hypothetical question.



**Mr. M. S. Aney:** Is the Honourable Member satisfied with the attention which is given to the ordinary prisoners today?

**Mr. N. M. Joshi:** Even that much attention will not be given.

#### ESTABLISHMENT OF PROVINCIAL AUTONOMY.

1144. **\*Mr. S. Satyamurti:** Will the Honourable the Law Member be pleased to state:

- (a) whether his attention has been drawn to the statement of the Secretary of State for India, published in the *Hindustan Times* of the 15th February, 1936, that he saw no reason why the Government should not be in a position to ask the Parliament to consider the establishment of Provincial autonomy in the spring of 1937;
- (b) whether this statement was made on any information supplied or after any consultation with the Government of India;
- (c) whether Government have been consulted either by the Secretary of State or by the Local Governments about the dates of election to the Provincial Legislatures under the Government of India Act, 1935;
- (d) whether Government are considering the holding of elections on one day simultaneously or on different dates in different provinces; if so, what the tentative programme is;
- (e) whether Government have come to tentative conclusions on these matters at all;
- (f) whether Government are aware that great public inconvenience will be caused to the voters and the candidates if election be not held either at the end or after April 1937;
- (g) whether Government are aware that the months of January and February are highly inconvenient in several parts of the country, as voters will be busy with harvest operations, and so cannot be persuaded to come to the polling booths; and
- (h) whether Government are prepared to consider the public opinion before they come to any conclusion on this matter?

**The Honourable Sir Nripendra Sircar:** (a) Yes.

(b) The Secretary of State's statement was not made after consultation with the Government of India or after the supply of *ad hoc* information, but the Secretary of State is of course kept continuously informed of the general progress of preparatory work here and in the provinces.

(c) There has been no formal consultation of this nature with either the Secretary of State or the Local Governments, but the Reforms Offices here and in the provinces are in close informal touch.

(d) and (e). No decisions have been taken, but the present intention is to leave Local Governments, in view of their varying circumstances and the fact that elections to a Provincial Legislature are a provincial subject, liberty to fix the dates of their elections.

(f) Government are at present not so advised.

(g) and (h). It will be in the first instance for the Local Governments to consider public opinion and the convenience of electors.

**Mr. S. Satyamurti:** I ask this question with great trepidation, in view of the statement about public opinion: may I ask my Honourable friend, the Law Member, whether the Government of India propose to give any instructions, formally or informally, to Local Governments on the question of their duty to consider public opinion, in a matter which affects millions of voters?

**The Honourable Sir Nripendra Sircar:** I answer with great trepidation. (Laughter), Sir, and my answer is that we do not propose to do anything until we see the opinions of the Local Governments. It is quite possible we shall find in the opinions that this identical matter has been considered by them.

**Mr. S. Satyamurti:** Namely, public opinion?

**The Honourable Sir Nripendra Sircar:** Yes.

**Mr. S. Satyamurti:** With reference to the answer to clause (f), if I did not mishear my Honourable friend, I think he said that they are not at present so advised. May I know what is the advice in the possession of the Government with regard to the most convenient date for these elections?

**The Honourable Sir Nripendra Sircar:** I think I have already answered that: what dates are convenient, in the first instance, are left to the Provincial Governments, because it is a provincial subject and the circumstances differ in different provinces. Therefore, we are waiting to see what the Local Governments think about a convenient date in the respective provinces.

**Mr. S. Satyamurti:** I am asking about the specific answer to clause (f) of the question: my Honourable friend said that they are not at present so advised. If that is so, may I know the basis on which that answer is given and whether they have any opinions of Local Governments in their possession, to the effect that particular dates will be either convenient or inconvenient?

**The Honourable Sir Nripendra Sircar:** If my answer conveyed the idea that the Government of India are of opinion that some other date is convenient and not what is suggested here, that is not what I intended to convey. At the present moment I have not received the opinions of the different Provincial Governments. We have formed no opinion as to what date is convenient in a particular province.

**Mr. S. Satyamurti:** After the receipt of opinions from the various Local Governments, will Government be good enough to consult this House, so as to find out what is the most convenient date for these elections?

**The Honourable Sir Nripendra Sircar:** I do not know at what time the opinions will be received or whether it will be possible to consult this House. I am unable to give any undertaking at the present moment, but I shall certainly bear that in mind and find out if that is possible.

**Mr. S. Satyamurti:** Will Government expedite their decision in this matter, and announce these dates as early as possible, in order to enable organised parties to start their work with some definite date in front of them?

**The Honourable Sir Nripendra Sircar:** Yes.

**Dr. Khan Sahib:** Will Government be pleased to state whether, in the coming elections, they are going to act as a party against the Congress or they are going to act just like umpires?

**Mr. President** (The Honourable Sir Abdur Rahim): That does not arise.

**The Honourable Sir Nripendra Sircar:** That does not arise, and I repudiate the insinuation which is contained in the question.

**Dr. Khan Sahib:** May I put another question, Sir?

**Mr. President** (The Honourable Sir Abdur Rahim): If it is of a different character.

**Dr. Khan Sahib:** It is based on this: it is as regards the elections.

**Mr. President** (The Honourable Sir Abdur Rahim): Only as regards the date of the elections.

**Dr. Khan Sahib:** Very well, Sir: then I do not put any question.

**Prof. N. G. Ranga:** In expecting the Local Government to consult the local public opinion regarding the date of the elections, do Government expect Local Governments to take in consultation the Congress Party also?

**The Honourable Sir Nripendra Sircar:** I believe that the Local Governments are quite competent to judge what public opinion has got to be consulted.

**Prof. N. G. Ranga:** Are Government aware of the fact that the Madras Government propose to extend the life of the present Legislative Council till March next and, in doing so, they have not taken the Congress in consultation at all?

**The Honourable Sir Nripendra Sircar:** The extension of the life of the Madras Legislative Council has nothing to do with question No. 1144.

#### APPOINTMENT OF MR. A. S. BOKHARI AS DIRECTOR OF BROADCASTING, DELHI.

1145. **Mr. C. N. Muthuranga Mudaliar:** (a) What are the qualifications of Mr. A. S. Bokhari which weighed with Government in appointing him as Director of Broadcasting, Delhi? What is his present salary in Government College, Lahore and what will be his salary as Director, Broadcasting?

(b) Was the post advertised in all the newspapers in India? If so, how many candidates applied for the post? Was the Public Services Commission consulted in making the appointment?

**The Honourable Sir Frank Noyce:** (a) Mr. A. S. Bokhari is a member of the Punjab Educational Service, Class I. His present salary is Rs. 680

per mensem, and he receives an allowance of Rs. 200 per mensem for his work on the Text Book Committee. He is being offered at Delhi his own pay plus special pay of Rs. 100 per mensem plus compensatory allowance of Rs. 100 per mensem so that his total emoluments would be the same at Delhi as in the Punjab.

(b) No.

**Mr. C. N. Muthuranga Mudaliar:** May I know what the salary of the previous incumbent of this post was?

**The Honourable Sir Frank Noyce:** I am afraid I should require notice of that question. The present incumbent of the post holds the permanent post of Director of Broadcasting, Bombay.

**Mr. C. N. Muthuranga Mudaliar:** May I know if a brother of this gentleman, Mr. Bokhari, is already a Deputy Director in the Department?

**Mr. President** (The Honourable Sir Abdur Rahim): The Chair cannot allow that question; it does not arise out of this: and such questions have been disallowed.

**Mr. S. Satyamurti:** May I know the reasons why the post was not advertised, and why the Public Service Commission was not consulted in making this appointment? The single answer to all these is "No".

**The Honourable Sir Frank Noyce:** This was a question of a transfer of an officer from one Government Department to another; and, in such circumstances, there is no necessity to advertise the post or consult the Public Service Commission.

**Mr. S. Satyamurti:** Is it the rule of the Government of India that, when an officer is transferred to another Department, there is no need for advertising or inviting applications? Is that the rule of the Government of India?

**Mr. President** (The Honourable Sir Abdur Rahim): That is what the Honourable Member has said.

**The Honourable Sir Frank Noyce:** That is the position.

**Mr. S. Satyamurti:** May I know if it is the idea of Government to train this gentleman, to take the place of the non-Indian who is now Director of Broadcasting here?

**The Honourable Sir Frank Noyce:** No; not necessarily; doubtless when, in due course, the post of Controller of Broadcasting becomes vacant, his record will be duly considered. It is impossible for the Government to give any undertaking at this stage.

**Mr. M. Ananthasayanam Ayyangar:** Is anybody specially trained to take the place of the Director of Broadcasting who has been brought from England, after he is sent away?

**The Honourable Sir Frank Noyce:** No, Sir. There are at present three Broadcasting Stations in India, one at Delhi, one in Bombay, and one in Calcutta. Doubtless, before Mr. Fielden's term of office expires, there will be others the Directors of which will gain the necessary experience to enable a selection to be made of an officer to take his place when the time comes. The experience which they are gaining at present is all training.

1146. **\*Dr. T. S. S. Rajan:** I do not wish to ask this question in view of the answer given to question No. 1142.

#### HIGH TENSILE STEEL REQUIRED FOR THE CONSTRUCTION OF THE HOWRAH BRIDGE.

1147 **\*Pandit Nilakantha Das:** (a) Will Government be pleased to state whether in the proposed construction of the Howrah Bridge the condition is that high tensile steel should be used in it?

(b) Is it a fact that Dorman Long & Co., (England) has a patent for high tensile steel?

(c) Is it a fact that this Dorman Long & Company applied for patents in this country for high tensile steel, setting up a branch in India for the purpose under the name of Dorman Long & Co. (India), Ltd.?

(d) Is it a fact that the Tata Iron & Steel Company opposed this application in court, contending that in India the patent granted would be inequitable, because the Tata Iron & Steel Works can themselves manufacture the same steel, i.e., high tensile steel?

(e) Is it a fact that on this contention, no patent was granted in India to Dorman Long & Company for high tensile steel?

(f) Is it a fact that the Chairman of the Commissioners for the Port of Calcutta intends giving the Howrah Bridge contract to a German firm?

(g) If so, are Government aware that the German firm in question has already entered into an agreement with Dorman Long & Company, for the supply of high tensile steel required for the Howrah Bridge?

(h) Is it a fact that the contract is going to be given to the German firm?

(i) Are Government aware that this steel alone will cost about Rs. 2 crores in the construction of Howrah Bridge?

(j) Have Government considered the possibility of the Tata Iron and Steel Company supplying all this high tensile steel, if the order is placed in India?

**The Honourable Sir Muhammad Zafrullah Khan:** (a) Government have no information.

(b) Government are aware of one British patent held by Messrs. Dorman Long and Company, Ltd., for an invention relating to alloy steel for structural purposes. They may or may not have others.

(c) They recently applied for an Indian patent for an invention of this character. Government have no information regarding the latter part of the question.

(d) and (e). The application for the patent was opposed by Mr. J. C. Mahindra of the Tata Iron and Steel Company before the Controller of Patents and Designs *inter alia* on the ground that the invention had already been publicly used and made known in British India and was anticipated by a prior British patent specification. A patent was not granted.

(f), (g), (h) and (i). Government have no information.

(j) No. The matter lies entirely within the competence of the Howrah Bridge Commissioners and the Government of Bengal.

**APPLICATION FROM THE TRAIN LIGHTING STAFF OF THE NORTH WESTERN RAILWAY FOR THE GRANT OF THE BENEFITS OF PROVIDENT FUND.**

1148. \***Bhai Parma Nand:** (a) Is it a fact that the Train Lighting Staff of the North Western Railway have been applying for the grant of the benefits of Provident Fund for the last nine or ten years?

(b) Is it a fact that every time an application is submitted by the said staff, the reply given is that the matter is under consideration?

(c) If the replies to parts (a) and (b) be in the affirmative, will Government please state how long more will it take to arrive at a final decision?

(d) Is it a fact that the staff attached to all other sections, e.g., Power House, Shade and Workshop enjoy the benefits of Provident Fund?

(e) If the reply to part (d) be in the affirmative, will Government please state the reason for this differential treatment so far as the Train Lighting Staff is concerned?

**The Honourable Sir Muhammad Zafrullah Khan:** (a) Government are informed that the first memorial from the Carriage and Wagon inferior staff was received by the North Western Railway in 1928.

(b) and (c). Government had under consideration that question and find that the extension of benefits of Provident Fund to the inferior staff who are not entitled to it under the present rules will involve a recurring expenditure of over a quarter of a crore of rupees per annum on the State-managed Railways alone and the Government have postponed consideration of this matter on financial grounds.

(d) Yes. In this connection I would refer the Honourable Member to rule 6 (d) of the State Railway Provident Fund Rules, a copy of which is in the Library of the House.

(e) The staff classified as inferior (menial) are not allowed to subscribe to State Railway Provident Fund under the Rules. Categories of staff referred to in part (d) are treated as workshop staff and not as inferior servants and are, therefore, entitled to the benefits of Provident Fund.

**Prof. N. G. Ranga:** Are all the train lighting staff invariably classified as inferior staff?

**The Honourable Sir Muhammad Zafrullah Khan:** Yes, I have said so.

**Qazi Muhammad Ahmad Kazmi:** Do Government propose to revise the provident fund rules relating to the higher paid staff with a view to reducing the expenditure?

**The Honourable Sir Muhammad Zafrullah Khan:** That does not arise out of this question.

**Mr. S. Satyamurti:** May I put questions Nos. 1149—53, Sir?

**Mr. President** (The Honourable Sir Abdur Rahim): Has the Honourable Member got any authority?

(No reply.)

**GRANT OF EXTENSION OF SERVICE TO THE HIGH OFFICERS AFTER THEIR PERIOD OF RETIREMENT IN THE INCOME-TAX DEPARTMENT.**

**1149. \*Seth Govind Das:** Will Government be pleased to state:

- (a) their policy with regard to the grant of extension of service to the high officers after their period of retirement in the Income-tax Department;
- (b) whether they have extended the services of the present Income-tax Commissioner of Bihar and Orissa, even after his completing the age-limit of 55 years;
- (c) for how long his services were so extended;
- (d) the special reasons for so extending his services, even after the completion of his age-limit;
- (e) whether they are aware that he is very unpopular in the province;
- (f) whether they are aware that they are blocking the chances of the prospective Commissioners;
- (g) whether they propose to make the present Commissioner retire after the completion of this one year extended to him after his age-limit; or
- (h) whether they propose to extend a further service after the expiry of this one year already extended;
- (i) their reasons for further extending his services, if they desire to do so;
- (j) whether they are aware of the resentment expressed by the public for the extension of this officer's services after the expiry of his age-limit;
- (k) whether they propose to see that he retires?

**The Honourable Sir James Grigg:** (a) to (k). I would refer the Honourable Member to the reply which I gave to Sardar Mangal Singh's question No. 819 on the 25th February, 1936.

**ASSESSMENTS MADE BY THE INCOME-TAX DEPARTMENTS OF BENGAL AND BIHAR AND ORISSA, ADOPTING THE FLAT RATES OF PROFITS.**

**1150. \*Seth Govind Das:** Will Government be pleased to state:

- (a) whether assessments have been made by the Income-tax Departments of Bengal, Bihar and Orissa, adopting the flat rates of profits; and

(b) the number of cases in which such assessments were made in Bengal and Bihar and Orissa (separately) during the years 1933-34 and 1934-35?

**Mr. A. H. Lloyd:** (a) Yes.

(b) The information could not be obtained without the expenditure of an amount of time and trouble which would be incommensurate with the value of the results.

**PUBLICATION OF DAILY STATISTICAL ACCOUNT OF EXPORTS AND IMPORTS BY THE CUSTOMS AUTHORITIES OF CALCUTTA, MADRAS AND RANGOON.**

**1151. \*Seth Govind Das:** Will Government be pleased to state:

- (a) whether a daily statistical account of exports and imports is being published by the Customs authorities of Calcutta, Madras and Rangoon Ports;
- (b) whether this publication is merely intended for the information and benefit of the mercantile public in particular and the general public in general;
- (c) whether such a statistical account is being published and circulated to the subscribers by the Bombay and Karachi authorities also;
- (d) if the answer to part (c) be in the negative, who does the publishing and circulating for the mercantile public;
- (e) the total number of subscribers for the Calcutta, Madras and Rangoon Trade return publications;
- (f) whether the enterprise of publishing and circulating to the subscribers by the Calcutta, Madras and Rangoon Customs authorities has proved self sufficient;
- (g) the reason for supplying such information;
- (h) the position with regard to the publishing and circulating trade returns at the Bombay and Karachi Ports;
- (i) whether they have allowed private and commercial bodies to publish and circulate the statistics;
- (j) since when private enterprise has taken up this work;
- (k) the difficulties for the Customs authorities in not doing this work under their administration;
- (l) whether they have received any complaints, against the system and the results of this work being conducted by the Customs authorities in Calcutta, Madras and Rangoon;
- (m) whether they are aware that the present concerns at Bombay and Karachi are carrying on the publication of the trade returns at a profit or at a loss; and
- (n) if the present concern is doing it at a profit, why they cannot do it themselves?

**Mr. A. H. Lloyd:** (a), (c), (d), (f), (h), (i), (k) and (n). I would refer the Honourable Member to the reply given to question No. 187, asked by Mr. Mathuradas Vissanji on the 6th of September, 1935.



(b) and (g). The lists are published mainly for the benefit of the local commercial community.

(e) Approximately 100 at Calcutta, 70 at Madras and 70 at Rangoon.

(j) The Bombay Chamber of Commerce has done this work for over eighty years and the Karachi Chamber of Commerce for over forty years.

(l) No.

(m) Government have no information

#### PUBLICATION OF THE "SEA-BORNE TRADE AND NAVIGATION ACCOUNTS".

1152. \*Seth Govind Das: Will Government be pleased to state:

- (a) the approximate total cost of getting up the Government "Sea-borne Trade and Navigation Accounts" per year;
- (b) the total revenue derived by the Department in the way of sales of that publication per year;
- (c) the total loss thereto;
- (d) whether they have examined and found out the deficiencies in the returns supplied by the private concerns at Bombay and Karachi in comparison to those supplied by the Customs authorities at Madras, Calcutta and Rangoon;
- (e) the policy of Government for having entrusted so important a function to a certain section of the mercantile community, involving the interest of the entire mercantile community of the country;
- (f) whether they received representations from mercantile individuals or institutions, protesting against the present system of the Bombay and Karachi publications of trade returns got up by private concerns, pointing out their inefficiency and high price of subscription, etc.;
- (g) whether they are aware that the present concerns, to whose charge the publication of the statistics is entrusted, have been exploiting the non-members of those organisations by charging a higher price for the benefit of their members who are supplied with the returns at half the price;
- (h) whether they are aware that the present trade returns published from Bombay do not contain returns of many articles, some published without their values, dimensions, contents of each package and such other details of essential particulars; and
- (i) whether they are aware that a certain section of the mercantile public in this country find themselves at a great disadvantage for the incomplete information supplied by these Bombay and Karachi concerns?

Mr. A. H. Lloyd: (a), (b) and (c). The information is being collected and will be laid on the table of the House.

(d) No.

(e) I have nothing to add to what I stated in my reply to the immediately preceding question.

(f), (h) and (i). Government have received representations to this effect.

(g) I lay on the table a statement showing the prices of the returns issued by the Bombay and Karachi Chambers of Commerce.

*List of statistical returns with the annual subscriptions payable for each return.*

	Members. Non-members.	
	Rs.	Rs.
<i>Bombay Chamber of Commerce—</i>		
Daily Trade Return (Exports and Imports)	160	320
Daily arrivals of cotton, wheat, seeds, etc., by rail and sea	192	360
Import Manifests	200	325
Export Manifests	200	325
Current quotations, weekly	Free	40
Detailed monthly return of principal imports from Europe and elsewhere	32	96
Monthly statements showing the exports of cotton, wheat and seeds from India	32	40
Monthly returns showing the stocks and deliveries of piece-goods, yarns, copper, yellow metal sheets and aluminium	24	36
Monthly return showing the clearances of seeds, wheat and sundry articles from Bombay	64	84
Monthly return of imports of piece-goods and yarns into Bombay	30	36
Monthly return of exports of cotton by sea from Bombay	24	36
	(Postage extra in all cases).	
<i>Karachi Chamber of Commerce—</i>		
Monthly statements of imports and exports	80	100.
Export manifests issued after clearance of the steamer		
Monthly statements of arrivals by rail		

**PUBLICATION OF THE "SEA-BORNE TRADE AND NAVIGATION ACCOUNTS".**

1153. \*Seth Govind Das: Will Government be pleased to state:

- (a) whether they are aware that the concerns at Bombay and Karachi that publish daily returns, also publish weekly and such other returns in which are included such items as are not available in the daily returns;
- (b) whether they are aware that in order to have full information, one has to purchase these other returns beside the daily returns at a price of Rs. 350 per annum;
- (c) if these concerns cannot provide exhaustive information in their daily returns, why such monopoly has been given at all;
- (d) whether they are aware that to subscribe for all these daily, weekly, and other publications of the Bombay concern, for such information as they supply, one has to pay to the amount of Rs. 1,700 per annum;
- (e) whether they are aware if those returns, supplied by the Bombay and Karachi concerns, contain such items as (i) imports of sugar by a firm called Messrs. Ralli Brothers, Ltd., (ii) of steel or iron, (iii) of machinery, or of (iv) hosiery;

- (f) whether they are aware that the daily trade returns supplied by the Customs authorities at Calcutta, Madras and Rangoon, while being exhaustive in information, cost only Rs. 100 and Rs. 90, respectively;
- (g) whether they have any control over these private concerns, whom they have entrusted with this work;
- (h) if they hold the power of compelling these concerns to publish exhaustive and elaborate daily returns and reduce the price of the publication, and if so, what are the reasons for their not having exercised their powers, in spite of representations made to intervene in the matter;
- (i) whether in addition to the staff and representatives of the concerns that are entrusted with this work, other commercial individuals or the accredited representatives of any other commercial institutions can have access to the relevant documents pertaining to trade information at the Bombay and Karachi Customs Houses;
- (j) what action they have taken on the representations made to them from time to time complaining against the present unsatisfactory system at Bombay and Karachi with regard to the complicated system of publications, inexhaustive in their character and the high price placed on its availability; and
- (k) if they have not taken any action, their reasons and difficulties therefor?

**Mr. A. H. Lloyd:** (a), (b), (c), (d), (f), (g), (h), (j) and (k). I would refer the Honourable Member to the reply given to Mr. Mathuradas Vissanji's question No. 187 asked on the 6th of September, 1935, and to the statements laid on the table in connection with that question and in connection with the immediately preceding question.

(e) So far as Government are aware, the returns contain information regarding all imports of importance.

(i) The Custom Houses supply on payment of small fees any special statistical information which may be required.

#### COMMUNAL COMPOSITION OF TASK WORK PEONS SANCTIONED IN THE LAHORE GENERAL TELEGRAPH OFFICE.

1154. **\*Seth Haji Abdoola Haroon:** (a) Is it a fact that out of 39 task work peons sanctioned in the Lahore General Telegraph Office, there is not a single Muslim?

(b) Is it also a fact that the Postmaster General and the Director of Telegraphs Engineering, while inspecting the Lahore General Telegraph Office, remarked that the preponderance of one community should be avoided and Muslim element should be introduced in future vacancies?

(c) Is it also a fact that in spite of these orders, all vacancies, officiating and permanent, have since been given to non-Muslims and that there is not a single Muslim Task Work Peon employed in Lahore?

(d) If the facts are as stated above, will Government state what action they propose to take in the matter against the officials who did not promptly carry out the Government orders?

**The Honourable Sir Frank Noyce:** (a) Yes, except that the sanctioned number of task work peons is 36 and not 39.

(b) No such remarks by the Postmaster-General are traceable. As regards the remarks of the Director of Telegraphs the facts as stated by the Honourable Member are substantially correct.

(c) The fact is not as stated by the Honourable Member. I may add for the Honourable Member's information that vacancies in the cadre of task work peons are filled by the promotion of suitably qualified boy peons and other inferior servants and outsiders are taken only when suitably qualified boy peons or other inferior servants are not available.

(d) Does not arise in view of the reply to part (c).

**DELAY IN THE CIRCULATION OF RESOLUTION RE COMMUNAL REPRESENTATION IN SERVICES BY THE DIRECTOR GENERAL, POSTS AND TELEGRAPHS.**

1155. **\*Seth Haji Abdoola Haroon:** (a) Is it a fact that Government Resolution regarding communal representation in services was announced on 4th July, 1934, and that this Resolution was circulated by the Director General, Posts and Telegraphs, after about a year on 13th June, 1935?

(b) If the reply to part (a) above be in the affirmative, will Government please state whether this delay to give effect to Government orders has damaged the interests of the Muslim community and if so, to what extent?

(c) Are Government prepared to compensate the Muslim community for the loss sustained by them on account of this delay, and if not, why not?

**The Honourable Sir Frank Noyce:** (a) The facts as stated by the Honourable Member are correct except that the Resolution was not merely circulated by the Director General in June, 1935, but was accompanied by detailed instructions as to the manner in which it was to be carried out.

(b) So far as the year 1934 is concerned, the reply is in the negative. Muslims have secured 30.97 per cent. of vacancies i.e., more than the 26 per cent. reserved by the Government orders referred to by the Honourable Member, as he can see from Appendix XVII of the Indian Posts and Telegraphs Department Annual Report for the year 1934-35, a copy of which is in the Library of the House. As regards the period from the 1st January to the 13th June, 1935, Government have at present no precise information but they have no reason to suppose that the interests of the Muslim community have been deleteriously affected by the delay in the circulation of the orders.

(c) Does not arise.

**POSTAL OFFICIALS PUNISHED BY THE SUPERINTENDENT OF POST OFFICES, SIALKOT DIVISION.**

1156. **\*Seth Haji Abdoola Haroon:** Will Government be pleased to place on the table a list of the officials, including extra departmental sub-postmasters punished by the officiating Superintendent of Post Offices, Sialkot Division, for a short period from 10th December, 1934, to 31st May, 1935? How many of them were Muslims and how many non-Muslims?

**Mr. G. V. Bewoor:** A statement giving the information required by the Honourable Member is placed on the table of the House.

*List of Officials punished by the officiating Superintendent of Post Offices, Sialkot Division, during the period 10th December, 1934 to 31st May, 1935.*

No.	Designation.	Community.
1	Clerk, Badomali . . . . .	Muslim.
2	Mail Overseer, Sialkot . . . . .	"
3	Sub-Postmaster, Samba . . . . .	"
4	Sub-Postmaster, Chawinda . . . . .	"
5	Sub-Postmaster, Batote . . . . .	"
6	Extra Departmental Sub-Postmaster, Uberoi Post Office . . . . .	"
7	Extra Departmental Sub-Postmaster, Regimental Bazar Post Office . . . . .	"

#### DUTY HOURS OF THE BOY PEONS, MEERUT COMBINED POSTS AND TELEGRAPHS OFFICE.

1157. **\*Seth Haji Abdoola Haroon:** Is it a fact that the Postmaster, Meerut, ordered that the duty hours of the Boy Peons, Meerut Combined Office, be fixed for eight hours in contravention to Rule 62 of Volume 9th, of the Posts and Telegraphs in April, 1934?

**Mr. G. V. Bewoor:** I regret the information required by the Honourable Member is not available, but I may state that Rule 62 of Volume IX of the Posts and Telegraphs Manual applies only to the case of posts of boy peons who are employed in departmental telegraph offices.

#### ABOLITION OF THE SURCHARGE ON SALT.

1158. **\*Dr. T. S. S. Rajan:** (a) Is it a fact that to make up the deficit budget in 1930, a surcharge of five annas per maund was levied on salt over and above the duty of one rupee four annas?

(b) Is it a fact that a ten per cent. cut was imposed on the salaries of Government servants?

(c) Is it not a fact that when there was a favourable budget in 1933-34 and 1934-35, the salary cut was fully restored?

(d) What are the reasons for not abolishing the surcharge of five annas per maund, which was a distress measure, simultaneously with the restoration of salary cuts?

**The Honourable Sir James Grigg:** (a) and (b). Yes.

(c) Half the cut was restored in 1933-34 and the other half in 1935-36.

(d) I would invite the attention of the Honourable Member to paragraphs 69 to 71 of Sir George Schuster's speech introducing the budget for 1933-34 and paragraphs 14 and 88 of my last year's budget speech.

**Mr. S. Satyamurti:** Does the Honourable Member accept Sir George Schuster's views on all matters?

**The Honourable Sir James Grigg:** If you will refer to the two quotations I have mentioned, you will see the extent to which there is continuity of policy.

**Mr. T. S. Avinashilingam Chettiar:** In view of the fact that it is all a matter which affects the poorest people of the country, will Government consider the advisability of removing the surcharges even this year?

**The Honourable Sir James Grigg:** I have already laid my proposals before the House for this year. The Honourable Member knows the answer to that.

**Prof. N. G. Ranga:** When will it be possible for the Government of India to remove the surcharge on salt?

**The Honourable Sir James Grigg:** I am not a prophet.

**Prof. N. G. Ranga:** Will Government consider the advisability of giving satisfaction to the widespread public opinion in this country in favour of the removal of the surcharge on salt at the earliest possible moment?

**The Honourable Sir James Grigg:** Earliest possible moment is rather a vague phrase. All relevant considerations will be taken into account in preparing the next budget.

**Mr. S. Satyamurti:** Will Government recognise the priority of claim on the removal of the surcharge on salt, over the many other claims which are receiving their consideration?

**The Honourable Sir James Grigg:** No, Sir; I am unwilling to admit any priorities beyond those which have already been specifically accepted by Government.

**Mr. S. Satyamurti:** Do Government recognise that this surcharge falls very heavily on the poorest of this country?

**The Honourable Sir James Grigg:** That is, if I may say so, a matter of argument.

**Prof. N. G. Ranga:** In view of the fact that the budget for last year as well as for this year was prepared by the Honourable the Finance Member in order to give satisfaction to the public opinion prevailing among the income-tax payers by the removal of their surcharge, do Government consider the advisability of giving satisfaction, first of all, to the payers of this salt tax surcharge when the next budget is prepared?

**The Honourable Sir James Grigg:** My efforts to give satisfaction have not met with much success even from the income-tax payers.

**Mr. S. Satyamurti:** Therefore, Government are getting angry and refuse to give satisfaction to anybody?

**CANCELLATION OF CONCESSIONS GRANTED UNDER THE IRWIN-GANDHI PACT IN THE AREA COMPRISING THE SALT SWAMPS OF VEDARANYAM IN THE TANJORE DISTRICT OF THE MADRAS PRESIDENCY.**

1159. \***Dr. T. S. S. Rajan:** (a) Were concessions granted under the Irwin-Gandhi Pact cancelled in the area comprising the salt swamps of Vedaranyam in the Tanjore District of the Madras Presidency?

(b) What are the reasons for the cancellation?

**Mr. A. H. Lloyd:** (a) Yes.

(b) Abuse of the concession.

**Mr. T. S. Avinashilingam Othttiar:** Are Government continuing any concessions in the Madras Presidency which were granted under the Irwin-Gandhi Pact?

**Mr. A. H. Lloyd:** I believe there are still parts of the Presidency where the concessions are still in force.

**Mr. T. S. Avinashilingam Othttiar:** May I know the names of those places?

**Mr. A. H. Lloyd:** The answer to that will be given in reply to question No. 1167 which will be reached shortly.

**Mr. Lalchand Navalrai:** May I know if these concessions have been removed in the Bombay Presidency also?

**Mr. A. H. Lloyd:** In certain parts of the Bombay Presidency, yes.

**Dr. T. S. S. Rajan:** Is depriving the whole people of that privilege the only way of remedying the evil abuses of the concession by a few people?

**Mr. A. H. Lloyd:** I would invite the Honourable Member's attention to what I said in my speech on the Indian Finance Bill at page 3319 of the Official Report of the Legislative Assembly Debates for Monday, the 1st of April, 1935.

**Mr. Sami Vencatachelam Othetty:** Has the cancellation of salt concessions been uniform in all provinces?

**Mr. A. H. Lloyd:** Considering the differing circumstances, the answer is obviously in the negative.

**Prof. N. G. Ranga:** Are Government aware of the fact that on the alleged plea of two or three instances of misuse of these concessions, the local authorities are cancelling these concessions from the general public there?

**Mr. A. H. Lloyd:** No, Sir; the concession is not cancelled unless the abuse is widespread.

**Mr. M. Ananthasayanam Ayyangar:** Do the Government of India review their orders in respect of these concessions from time to time?

**Mr. A. H. Lloyd:** Reconsideration has taken place.

**Mr. M. Ananthasayanam Ayyangar:** Are they uniformly taking action in this matter?

**Mr. A. H. Lloyd:** We have no regular procedure for the purpose.

**Dr. T. S. S. Rajan:** What prevents the Government from taking action uniformly?

**Mr. A. H. Lloyd:** I would again ask my friend to refer to my speech last year on the Indian Finance Bill.

**Prof. N. G. Ranga:** Is it not a fact that the conditions imposed differ from district to district and from province to province?

**Mr. A. H. Lloyd:** No, Sir, not in substance. Where circumstances differ, they naturally differ in detail.

**Mr. M. Ananthasayanam Ayyangar:** Have Government received complaints about the improper cancellation or withdrawal of these concessions?

**Mr. A. H. Lloyd:** Certainly, such complaints, as my Honourable friend is well aware, have been raised in this House from time to time.

**Mr. M. Ananthasayanam Ayyangar:** Has even a single complaint been disposed of favourably by the Government of India up till now?

**Mr. A. H. Lloyd:** Yes, Sir.

**Mr. T. S. Avinashilingam Chettiar:** Where the concessions have been cancelled, has it been done once and for all, or if the villagers asked for the concessions once again, were they given a chance a second time?

**Mr. A. H. Lloyd:** It is not the case that once a concession has been withdrawn, under no circumstances will it be restored.

**Mr. T. S. Avinashilingam Chettiar:** What are the steps that the villagers should take to get the concessions again?

**Mr. A. H. Lloyd:** In the first place, it is for the local inhabitants to move in the matter.

**Pandit Lakshmi Kanta Maitra:** Can the Honourable Member point out any instances where concessions, which had been withdrawn once, have been reinstated after consideration?

**Mr. A. H. Lloyd:** Yes.

**Pandit Lakshmi Kanta Maitra:** In how many places?

**Mr. A. H. Lloyd:** That I cannot answer without notice.



**LEVY OF A SPECIAL CESS OF TEN PER CENT. ON THE MANUFACTURERS OF SALT TO COVER ESTABLISHMENT CHARGES BESIDES THE SALT TAX.**

1160. \***Dr. T. S. S. Rajan:** (a) Is there a special cess of ten per cent. levied on the manufacturers of salt to cover establishment charges besides the salt tax?

(b) Is the salt tax a net revenue tax, besides which two different kinds of cess are levied on the produce of salt?

(c) If so, what are the reasons for such a procedure?

**Mr. A. H. Lloyd:** I presume that the reference is to the cesses levied in the Madras Presidency. If so, the answer is:

(a) No.

(b) and (c). I would refer the Honourable Member to section 43(i) B of the Madras Salt Act, 1889, under which two cesses may be levied in addition to the ordinary excise duty. One represents the rent or assessment of land occupied by the factory, and is credited to the Government of Madras. The other cess is a payment for services rendered, being imposed with a view to recovering the expenditure on work incurred by Government and also establishment charges in excess of eight per cent. of the duty on the salt sold from the factory.

**FREIGHT RATES FOR SALT ON THE GREAT INDIAN PENINSULA AND THE SOUTH INDIAN RAILWAYS.**

1161. \***Dr. T. S. S. Rajan:** (a) What is the haulage charge on the Great Indian Peninsula Railway per maund per mile and for distances exceeding 100 miles?

(b) What is the rate charged on the South Indian Railway for the corresponding distance of one mile and over 100 miles?

(c) Is the low rate on the Great Indian Peninsula Railway meant to facilitate the transit of imported salt from the Bombay Port to South India?

(d) If not, how do Government explain the difference in the schedule of the rates?

**The Honourable Sir Muhammad Zaftrullah Khan:** (a) and (b). I presume the Honourable Member's question has reference to the freight rates for salt. I am placing on the table a statement showing the rates charged on the Great Indian Peninsula and South Indian Railways.

(c) No.

(d) There is no material difference between the schedules charged by the two Railways for distances up to 250 miles. The 'K' schedule charged by the Great Indian Peninsula Railway has been found suitable for the salt originating from the salt pans in the vicinity of the stations from which this schedule applies.

*Statement.*

The Great Indian Peninsula Railway quote schedule K rate for salt in wagon loads when booked from Bombay and other salt booking stations. This schedule is on a telegraphic basis as follows:

Miles.	Rate per maund per mile (pie).
1st 300 . . . . .	.35
301—400 . . . . .	.30
401—500 . . . . .	.25
501—600 . . . . .	.20
Above 600 . . . . .	.10

On the above basis, the rates (without terminals) are as follows:

Miles.	Rate per maund.	Rate per maund per mile (pie).
	Rs. A. P.	
100 . . . . .	0 3 11	.35
200 . . . . .	0 6 10	.35
300 . . . . .	0 9 9	.35
400 . . . . .	0 12 3	.34

The South Indian Railway quote schedules C/A and C/K rates for salt in wagon loads. The bases of these schedules are as follows:

- (i) C/A . . . . . .35 pie per maund per mile.
- (i) C/K (telegraphic)—

Miles.	Rate per maund per mile (pie).
1st 150 . . . . .	.38
151—250 . . . . .	.25
251—400 . . . . .	.125
Above 400 . . . . .	.115

On the above basis, the rates (without terminals) are as follows:

Miles.	Rate per maund.	Rate per maund per mile (pie).
	Rs. A. P.	
100 . . . . .	0 3 11	.35
200 . . . . .	0 6 10	.35
300 . . . . .	0 8 4	.29
400 . . . . .	0 9 5	.25

**Dr. T. S. S. Rajan:** Without seeing the list that is to be placed on the table of the House, may I ask whether the freight on the G. I. P. Railway for transport of salt is cheaper than that charged on the S. I. Ry.?

**The Honourable Sir Muhammad Zafrullah Khan:** Some difference begins to arise after the first 300 miles, but these rates apply not only to salt, which is despatched from Bombay, but also to other stations from where salt is despatched.

**Dr. T. S. S. Rajan:** Does not this variation in rates encourage the importation of salt from abroad?

**The Honourable Sir Muhammad Zafrullah Khan:** That is a matter for argument.

**Dr. T. S. S. Rajan:** On the face of the figures, does it not help the imports?

**The Honourable Sir Muhammad Zafrullah Khan:** I do not think it affects the position very materially. It helps the despatch of salt taken from pans in the vicinity of the stations to which the rate applies.

**Dr. T. S. S. Rajan:** Does it not help in preventing the movement of salt from South India to other provinces in the country?

**The Honourable Sir Muhammad Zafrullah Khan:** I do not know whether the Honourable Member expects that I should be able to give answers to questions relating to matters of detail in supplementaries.

**Mr. M. Ananthasayanam Ayyangar:** Is it a fact that the railway freight for salt from Madras or Vedaranyam in the South to Bengal is much more than the steamer charges from England to Bengal?

**The Honourable Sir Muhammad Zafrullah Khan:** That does not arise out of this question.

#### INDIAN STUDENTS' HOSTEL IN LONDON.

1162. **\*Mr. T. S. Avinashilingam Chettiar:** I put only clause (b) of the question. Will Government state:

- (b) what was the amount of money that Government was spending on the Indian Students' Hostel in London?

**Sir Girja Shankar Bajpai:** (b) The average annual expenditure in recent years has been approximately £2,270.

#### ATTACK MADE ON A GINNING FACTORY OWNED BY AN INDIAN AT NAIROBI.

1163. **\*Mr. T. S. Avinashilingam Chettiar:** Will Government state:

- (a) whether they are aware of the news published in the *Hindustan Times* of the 10th February, 1936 that an attack was made on a ginning factory owned by an Indian at Nairobi;
- (b) the cause of such attacks on Indian lives and property there; and
- (c) whether they have taken any steps to protect Indian lives and property there in future from such attacks?

**Sir Girja Shankar Bajpai:** (a) to (c). The Honourable Member presumably refers to an incident which occurred in the Busoga district in Uganda. Government have seen the report referred to by him. They await the official report of the incident for which His Majesty's Government have been asked.

**Mr. T. S. Avinashilingam Chettiar:** In view of the delay that it takes for any information concerning Indians overseas to reach the Government of India, will Government consider the advisability of having direct connection with some of these places where Indians have colonised?

**Sir Girja Shankar Bajpai:** I do not, in the first place, admit that there is delay in getting information. Only the other day, I was able to get information quickly about the riot in Zanzibar. In this particular case, the report, to which my Honourable friend has referred in his question, says that the natives returned to the marketing after the incident. So, it does not appear to have been very serious.

**Mr. T. S. Avinashilingam Chettiar:** Do Government get the information direct from these places, or do they get it through the Colonial Secretary?

**Sir Girja Shankar Bajpai:** It depends on the nature of each case. Sometimes we will go to the Colonial Government and get the information, but if it is a matter, which involves a question of policy, we go through the Colonial Office.

**SHIPPING COMPANIES ENJOYING MAIL CONTRACTS WITH THE GOVERNMENT OF INDIA.**

1164. **\*Mr. T. S. Avinashilingam Chettiar:** Will Government state:

- (a) what are the shipping companies that are now enjoying mail contracts with the Government of India;
- (b) when the contracts are to be renewed;
- (c) whether any of them are employing "Dufferin" trained Indian cadets in their ships; and
- (d) in view of the Honourable the Commerce Member's answer to starred question No. 456 on 14th February, 1936, are Government prepared to consider the advisability of approaching these companies even now to employ "Dufferin" trained Indian cadets?

**The Honourable Sir Muhammad Zafrullah Khan:** (a) and (b). I lay on the table a statement giving the information asked for.

(c) Yes.

(d) Government have recently addressed shipping companies engaged in the Indian coastal trade on the general question of the employment of ex-"Dufferin" cadets as officers. The companies addressed include certain companies holding contracts with Government for the carriage of mails.

*Statement.*

Names of shipping companies having mail contracts with the Government of India.	Date of expiry of the contract.
1. British India Steam Navigation Company . . . . .	31st March, 1937.
2. Bengal Burma Steam Navigation Company . . . . .	31st March, 1937.
3. Irrawaddy Flotilla Company . . . . .	28th February, 1938.
4. Indo-China Steam Navigation Company . . . . .	After six months' notice
5. Bombay Steam Navigation Company . . . . .	31st May, 1936.

**Mr. T. S. Avinashilingam Chettiar:** Will the Honourable Member place the replies he gets from these companies on the table of the House?

**The Honourable Sir Muhammad Zafrullah Khan:** No. But Government will continue to pursue the matter with them.

**Mr. T. S. Avinashilingam Chettiar:** Will Government take some opportunity to place the information that they receive from these companies on the table of the House?

**The Honourable Sir Muhammad Zafrullah Khan:** With regard to the position that may arise from the replies of those companies, if the Honourable Member puts down a question, I shall be glad to give a reply later on.

**Mr. S. Satyamurti:** With regard to the answer to clause (c) of the question, may I know how many of them are employing *ex*-"Dufferin" cadets, and how many are not?

**The Honourable Sir Muhammad Zafrullah Khan:** There are altogether five such companies. Two of them are employing them, and, as regards the third, the managing agents are employing them in other companies. I am not sure whether the company itself has employed any *ex*-"Dufferin" cadets on their steamers. One of the companies is only a river company.

**Mr. S. Satyamurti:** How many cadets on the whole are employed in these two companies?

**The Honourable Sir Muhammad Zafrullah Khan:** I believe I have given that information in answer to some question on a previous occasion during this Session.

#### EXAMINATION BY SIR JAMES PITKEATHLY OF THE WORKING OF THE LONDON STORES DEPARTMENT.

1165. **\*Mr. T. S. Avinashilingam Chettiar:** Will Government state:

- (a) whether Sir James Pitkeathly has finished the examination of the working of the London Stores Department;
- (b) whether he has submitted a scheme for the amalgamation of the London with the Indian Stores Department; and
- (c) if so, whether they have considered his report, and if so, with what result?

**The Honourable Sir Frank Noyce:** (a) Sir James Pitkeathly sailed for England on the 22nd February last, to undertake the investigation referred to by the Honourable Member.

(b) and (c). Do not arise.

**Mr. T. S. Avinashilingam Chettiar:** When is he supposed to finish his report and submit it to the Government of India?

**The Honourable Sir Frank Noyce:** As soon as he is in a position to submit it. (Laughter.)

**Mr. S. Satyamurti:** When does his leave expire?

**The Honourable Sir Frank Noyce:** I think that this work is expected to occupy him somewhere about three months, but I am not quite sure.

REPORT OF THE WHEELER COMMITTEE.

1166. **Mr. T. S. Avinashilingam Chettiar:** Will Government state:

- (a) when the Report of the Wheeler Committee will be ready;
- (b) whether it will be published; and
- (c) whether it will be placed before this House for consideration before its provisions are given effect to?

**The Honourable Sir Henry Craik:** (a) It is expected that the Report will be submitted to Government shortly.

(b) and (c). I cannot give any undertaking to that effect.

**Mr. T. S. Avinashilingam Chettiar:** What are the terms of reference to that Committee?

**The Honourable Sir Henry Craik:** They have been published.

**Mr. S. Satyamurti:** When were they published?

**The Honourable Sir Henry Craik:** A long time ago. I think about October or November last.

**Mr. M. Ananthasayanam Ayyangar:** Has any interim report been sent already to the Government of India?

**The Honourable Sir Henry Craik:** No.

POLICY WITH REGARD TO THE SALT CONCESSIONS GIVEN UNDER THE GANDHI-IRWIN PACT.

1167. **\*Mr. T. S. Avinashilingam Chettiar:** Will Government state:

- (a) whether they have changed their policy with regard to the salt concessions given under the Gandhi-Irwin pact;
- (b) whether they still stand by the Honourable the Finance Member's assurances given during the Budget discussions last year; and
- (c) if so, how many areas are still allowed to manufacture salt under the Gandhi-Irwin pact?

**The Honourable Sir James Grigg:** (a) No.

(b) Yes.

(c) The concession is allowed in all parts of British India where salt can be obtained except in the areas from which it has been withdrawn on account of breaches of the conditions attached to it. A list showing these areas is laid on the table.

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*List of areas from which the concession relating to private manufacture and collection of salt has been withdrawn.*

*Northern India.*

- (1) Whole of the Salt Range Division.
- (2) Bahadurkhel Circle of the Kohat Mines Division.

*Madras Presidency.*

- (1) Nellore District.
- (2) Ramnadi and Mudukulattur Taluks of the Ramnad District.
- (3) Cuddapah District.
- (4) Anantapur District.
- (5) Bellary, Seriguppa, Allur, Adoni and Royadrug Taluks of the Bellary District.
- (6) Kurnool, Koilkuntla, Cumbum, Markapur, Sirvel, Nandyal, Dhone, Pattikonda and Nandikond Taluks of the Kurnool District.
- (7) Tiruthoraipundi and Pattukkottai Taluks of the Tanjore District.
- (8) Chingleput Taluk of the Chingleput District.

*Bombay Presidency.*

- (1) Area within eight miles of the Sanikatta Salt Works in the Kanara District.
- (2) Area within one mile of the licensed salt works at Shiroda and the Vengurla Mahal Taluks in the Ratnagiri District.
- (3) Desert Division of the Thar Parkar District in Sind.

*Burma.*

- (1) Thaton District.
- (2) Hnitkarok village tract in the Yo Township of the Amherst District.
- (3) Ashebet and Kalayung village tracts in the Taungup Township and Khayanmaw village tract in the Sandoway Township of the Sandoway District.

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**Prof. N. G. Ranga:** Are Government aware of the fact that in several places in the Madras Presidency,—I need not trouble the Honourable Member with names—there are villages,—some of them are Nayudupet and Vallapalem in Nellore district, Devarampadu and Ganapavaram in Guntur district, and Oravakonda in Anantapur district—a date is fixed usually by the officers there, the Collector of Salt, I believe, beyond which the peasants are not allowed to gather salt, although it is a fact that the peasants have demarcated their portion with salt beds and have not gathered their salt by that time and would not be able to gather their salt before the date fixed by the local officers?

**The Honourable Sir James Grigg:** The Honourable Member seems to be giving a considerable amount of information and not asking for it,

**Prof. N. G. Ranga:** Is it not a fact that when these concessions were granted, no dates were expected to be fixed before which these peasants should gather their salt, and that the peasants were expected throughout the year to be free to collect salt whenever they found it possible to get some salt on their salt beds and salt pans?

**The Honourable Sir James Grigg:** I am not aware of that, but I am grateful to the Honourable Member for giving the information.

**Mr. S. Satyamurti:** Will Government re-examine the question and lay down a liberal policy for Local Governments and point out that this concession ought to be very generously worked, and should not be withdrawn unless there is gross abuse which Government cannot control?

**The Honourable Sir James Grigg:** The sting of that question is in the last few words. Obviously Government cannot control the abuse unless they employ additional staff. If you leave out those words "which Government cannot control" and substitute "cannot easily control", I think that represents the policy of the Government.

**Prof. N. G. Ranga:** Are Government aware of the fact that, in spite of several petitions sent by the peasants round about Nayudupetta, many of them have been arrested again and again and sentenced to various terms of imprisonment?

**The Honourable Sir James Grigg:** Again the Honourable Member is giving me information. In point of fact, there were a considerable number of questions on this subject last Session, and I made it clear that generally speaking we propose to leave the question of the restoration or withdrawal of the concessions to the local authorities.

**Mr. T. S. Avinashilingam Chettiar:** May I know whether the area in which concessions are withdrawn is approximately about three-fourths of the area in which the concessions are given?

**The Honourable Sir James Grigg:** There, again, the Honourable Member is giving me information.

**Mr. T. S. Avinashilingam Chettiar:** I am not giving information. I am asking for it.

**Prof. N. G. Ranga:** Are there any fresh places to which the concession has been extended during the last year?

**The Honourable Sir James Grigg:** The concessions apply to the whole area except the places where they are withdrawn. Whether there have been fresh activities on the part of local inhabitants in the last year, I cannot say.

**Mr. S. Satyamurti:** What is the total area or extent of the withdrawal of the concessions, since the concessions were originally granted?



**The Honourable Sir James Grigg:** I want notice of that.

**Prof. N. G. Ranga:** Will Government be prepared to consider any fresh petitions from the peasants of those places to which the concession has been granted till now?

**The Honourable Sir James Grigg:** I think I made it clear in my replies to previous question that if the inhabitants of any village or district want these concessions, they should apply to the local authorities.

**Seth Haji Abdoola Haroon:** May I know whether this concession will be allowed to indigenous fishermen in Sind and are they allowed to salt the fish there?

**The Honourable Sir James Grigg:** I want notice of that.

**RIGHTS AND PRIVILEGES OF THOSE ALREADY IN SERVICE AFTER THE SEPARATION OF RAILWAY ACCOUNTS AND AUDIT.**

1168. **\*Mr. Lalchand Navalrai:** (a) Is it a fact that on the separation of Accounts and Audit, the then Financial Commissioner, Railways, Sir Allan Parsons, in his memorandum, gave an assurance that the rights and privileges of those already in service would be duly safeguarded?

(b) Is it a fact that some Inspectors of Accounts, who had duly passed their departmental examinations and were temporary prior to the introduction of the separation of Accounts and Audit, were, instead of being allowed to retain old scales of pay of Inspectors which they were drawing, fixed in the revised scales of pay? If so, why?

(c) Is it a fact that certain clerks who, too, were temporary at that time, and were fixed in revised scales of pay, have recently been given option on the North Western Railway to elect old or revised scales? If so, why can the Inspectors not be given the same option?

(d) What was the old scale of pay and what is the revised scale of pay for clerks and Assistant and Inspectors, respectively?

(e) Were these Inspectors allowed option permissible under Fundamental Rule 23, to elect old or revised scales? If not, why not?

(f) Is it a fact that this rule also applies to officiating and temporary incumbents, *vide* Audit instructions? If so, why were these men not given benefit of Rule 23?

(g) Do Government propose to direct the North Western Railway Agencies and those of other railways, where the employees have suffered in this manner, to give the option of electing between old and revised scales under Fundamental Rule 23? If not, why not?

**Mr. P. E. Rau:** (a) The assurance is applicable only to men who were holding substantive appointments in the combined Audit and Accounts Offices.

(b) Yes. With the separation of Audit and Accounts the appointments in the combined offices ceased to exist and these temporary officers were freshly appointed to new posts on new scales of pay.

(e) Clerks who were recruited direct in Class I in the combined Audit and Accounts Offices and who under their terms of appointment were eligible for confirmation in that class against every third vacancy, but could not be confirmed as such before separation were allowed to retain their old scales as a special case.

(d) I lay on the table a statement showing the old scales in the combined Audit and Accounts Department and the scales introduced on separation in the Accounts Department.

(e), (f) and (g). Fundamental Rule 23 does not apply. This is not a case of revision of the pay of the same appointment.

Designation.	Statement.	
	Old scales.	New scales.
Clerks . . . . .	Class I. 60—4—120—5—145	Class I. 100—5—120
	Class II. 39—3—69—6/5—75	Class II. 60—5—90
Inspectors of Station Accounts . . . . .		Class III. 40—4—80
	Senior. 300—20—500	Senior. 290—20—450
	Junior. 120—15—270	Junior Grade I. 150—15—270
		Grade II. 130—8—170

**ADDITIONS AND ALTERATIONS TO THE PRESENT NEW DELHI RAILWAY STATION BUILDING AND THE UNCOVERED PLATFORM.**

1169. \*Pandit Lakshmi Kanta Maitra: (a) Do Government propose to make additions and alterations to the present New Delhi Railway station building and the uncovered platform? If so, when and in what form?

(b) Do Government propose to consider the desirability of having waiting rooms and lavatories at this station, especially for ladies? If so, when, and if not, why not?

**The Honourable Sir Muhammad Zafrullah Khan:** (a) Government are not aware of any such proposal.

(b) A copy of the question is being forwarded to the Agent, North Western Railway, for consideration.

**STOPPING OF THE DOWN FRONTIER MAIL AT THE NEW DELHI RAILWAY STATION.**

1170. \*Pandit Lakshmi Kanta Maitra: (a) Will Government be pleased to state why the downward Frontier Mail does not stop at the New Delhi Railway station?

(b) Are Government aware that many persons are unaware that the Frontier Mail does not stop at New Delhi and are, therefore, carried to Faridabad—the next halting station?

(c) Do Government intend to consider the desirability of stopping all trains at New Delhi? If not, what is the objection?

**The Honourable Sir Muhammad Zaftrallah Khan:** (a) I understand this point was discussed at a meeting of the Bombay, Baroda and Central India Railway's Local Advisory Committee when the Chairman explained that a trial had been made early in 1930, by stopping the train at New Delhi and that as the total number of passengers that entrained at the station, during one month, was only four second class and eight intermediate class, the stoppage was discontinued.

(b) The Agent, Bombay, Baroda and Central India Railway, states that no case has been reported of passengers being overcarried to Faridabad.

(c) The Honourable Member's suggestion is being considered by the Bombay, Baroda and Central India Railway Administration.

#### CONDITION OF THE COAL INDUSTRY.

1171. **\*Dr. P. N. Banerjee:** (a) Are Government aware that the present condition of the coal industry in this country is very critical? If so, will Government be pleased to state what steps have been taken to help this industry?

(b) Do Government propose to help this industry?

**The Honourable Sir Frank Noyce:** (a) and (b). I am aware that the coal industry has been passing through a period of depression. A statement containing brief references to the more important steps taken by the Central Government to help the coal industry is laid on the table.

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#### Statement.

*Measures taken by the Central Government to help the coal industry.*

(1) *The Coal Grading Board Act, 1925.*—This is intended to foster the sale of Indian coal in overseas markets.

(2) *The Indian Soft Coke Cess Act, 1929.*—This is designed for promoting the sale and improving the methods of manufacture of soft coke.

(3) *Indian School of Mines, Dhanbad.*—This institution has been established partly with a view to securing a supply of well qualified Indians for the mining industries.

(4) *Research.*—A special survey of the coalfields was carried out by the Geological Survey between 1925 and 1930. Research work on coal is carried out at a number of institutions e.g., the Geological Survey of India and the Government Test House, Alipore. In 1923 the Government of India subsidised certain experiments for investigating the possibility of improving low-grade coals by the froth flotation process but the results were not encouraging.

(5) *Reduction of surcharge on railway freights for coal.*—From 1st April, 1935, the basic percentage of surcharge was reduced from 15 to 12½ per cent. and subjected to a maximum of one rupee per ton irrespective of distance.

(6) *Freight concessions to ports, etc.*—The Bengal Nagpur Railway and the East Indian Railway allow a rebate of 37½ per cent. of the freight charge on graded coal and 25 per cent. on other than graded coal booked to Calcutta for export. These consignments, as also coal for bunkering at Calcutta, are also exempt from the surcharge of 12½ per cent.

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**Mr. S. Satyamurti:** Are Government considering the question of their attitude to the railway collieries not working up to the maximum capacity but continuing to work to a limited extent, with a view to helping private owned collieries?

**The Honourable Sir Frank Noyce:** I would point out that my Honourable colleague, the Railway Member, had that question before him recently.

**Mr. S. Satyamurti:** Is it not one of the ways of helping the industry—by the under-working of the railway collieries?

**The Honourable Sir Muhammad Zafrullah Khan:** I have had a deputation on that matter recently—I believe, after the move to Delhi, and this question was discussed with that deputation at length.

**Mr. N. M. Joshi:** May I ask whether Government are aware that the miners working in these railway mines will not like the change which the Honourable Member is suggesting?

**The Honourable Sir Muhammad Zafrullah Khan:** I note the suggestion.

**Mr. S. Satyamurti:** Have Government considered this question, or are they considering this question from all relevant points of view—not working the railway collieries to the maximum capacity?

**The Honourable Sir Muhammad Zafrullah Khan:** I believe that matter was discussed fully with that deputation. The deputation were told what the view of the Government was.

**Mr. S. Satyamurti:** What are the conclusions to which the Government of India have come?

**The Honourable Sir Muhammad Zafrullah Khan:** It will take a long time to explain that. In any case, I would require notice.

#### COAL TENDERS ACCEPTED BY THE RAILWAY BOARD.

1172. **\*Dr. P. N. Banerjea:** (a) Will Government state on what principle coal tenders are accepted by the Railway Board? Is price the chief consideration in accepting such tenders, or are there other considerations?

(b) Will Government state the principle followed by the Railway Board for the allocation of quantities to different successful tenderers? Are the same quantities allotted in cases of collieries producing the same quality of coal, having equal raising capacity, quoting the same rate, and against whom there has been no complaint in regard to their supplies to the Railways in the past years? If not, what are the reasons?

(c) Will Government state whether, at the time of allocation of quantities, the recommendations of their experts and Fuel Officers are accepted? If not, why not?

**The Honourable Sir Muhammad Zafrullah Khan:** (a) and first part of (b). The principal considerations influencing the acceptance of tenders are:

- (i) where coals of equal quality are tendered the tendered price is the principal factor in the allocation of orders;
- (ii) the capacity of each colliery satisfactorily to supply the quantity offered and the quantity allocated;

- (iii) fair distribution of orders on previous performances; and
- (iv) the distribution of the requirements over as many collieries as possible consistent with quality of coal and economic prices in order to keep as many collieries working as possible during the current depressed state of trade.

Last part of (b). The raising capacities of collieries are so flexible and indeterminate that it is impossible to make a strict comparison on the basis suggested by the Honourable Member in the second part of this question.

(c) Not entirely, but due weight is given both to the recommendations of the Chief Mining Engineer and the Fuel Officers of Railways.

**Dr. P. N. Banerjee:** Have the principles enunciated by the Honourable Member been always given effect to?

**The Honourable Sir Muhammad Zafrullah Khan:** I believe so.

**Mr. M. Ananthasayanam Ayyangar:** Is any foreign coal used in the railways?

**The Honourable Sir Muhammad Zafrullah Khan:** That does not arise out of this question.

**Mr. S. Satyamurti:** But is it used?

**The Honourable Sir Muhammad Zafrullah Khan:** I cannot say without notice.

#### JOINT TENDERS FOR SUPPLYING COAL TO THE STATE AND COMPANY-MANAGED RAILWAYS.

1173. **\*Dr. P. N. Banerjee:** Is it a fact that since last year joint tenders for supplying coal to the State and Company-managed Railways were called for the purpose of giving equal opportunities and benefits to all the tenderers offering the same kind of coal?

**The Honourable Sir Muhammad Zafrullah Khan:** No. During the past two years Company-managed Railways have been invited to participate in joint tenders for the supply of coal in the belief that more favourable prices would be obtained by so doing.

#### PRINCIPLES OF ALLOCATIONS FOR SUPPLYING COAL TO THE COMPANY-MANAGED RAILWAYS AS WELL AS TO THE STATE RAILWAYS.

1174. **\*Dr. P. N. Banerjee:** Are the principles of allocation for supplying coal to the Company-managed Railways the same as adopted in the case of State Railways? If not, what are the reasons?

**The Honourable Sir Muhammad Zafrullah Khan:** The acceptance of tenders for the supply of coal to Company-managed Railways rests with the Company-managed Railways concerned and Government has no reason to believe that such acceptances are not made in the best interests of those Railway Administrations.

**TERMS OF THE AGREEMENT BETWEEN RAJAH MAHIP NARAIN AND GOVERNOR GENERAL IN COUNCIL.**

1175. \***Mr. Sri Prakasa:** (a) With reference to the answer to starred question No. 1618, asked on April 6, 1935, laid on the table of the House; relating to the terms of the agreement between Rajah Mahip Narain and Governor General in Council, are Government prepared to call from the Provincial Government for an account showing (i) the approximate annual income from the tract taken from Raja Mahip Narain and forming part of British India, under the Agreement of October 27, 1794; (ii) the approximate amount annually spent on civil and judicial establishments in that tract; (iii) the amount spent every year on the maintenance of any *pathshala* or Hindu College; and (iv) the amount spent so far on roads, bridges and promotion of cultivation, etc., and lay the same on the table of this House?

(b) Do Government propose to see that full accounts are published?

(c) Do Government propose to ask the Local Government to prepare the accounts and submit the same to the Government of India?

(d) Are Government prepared to suggest to the Local Government that in view of this Agreement, they should seriously consider the necessity of giving substantial grants to the Municipality of Benares and other boards in that area so that the terms of the same may be properly fulfilled?

**Sir Aubrey Metcalfe:** With your permission, Sir, I will answer, parts (a), (b), (c) and (d) together.

As already stated in my reply of the 4th February, the Government of India do not admit that there has been any breach of the Agreement, and they do not propose to obtain from the Local Government statements of accounts of the nature desired by the Honourable Member which cannot be compiled without undue labour and expense; nor do the Government of India propose to make any suggestion to the Local Government in regard to grants to the Benares Municipality and other Local Boards which are primarily the concern of that Government.

**Mr. Sri Prakasa:** Is not the Local Government an agent of this Government in this particular matter, when the administration of these tracts have been transferred to the Local Government and when definite conditions were made in the contract between the Maharaja of Benares and this Government?

**Sir Aubrey Metcalfe:** I shall have to have notice of that question.

**Mr. Sri Prakasa:** Sir, I simply asked whether the Local Government is an agent of the Government of India in this matter or not. Does the Honourable Member want notice for that simple question? Will not the Honourable the Law Member help us, because it is a legal matter?

**Mr. President** (The Honourable Sir Abdur Rahim): Perhaps he will consult the Honourable the Law Member.

**Mr. M. Ananthasayanam Ayyangar:** Does Raja Mahip Narain of Benares receive any political pension?

**Mr. President** (The Honourable Sir Abdur Rahim): That does not arise out of this question.

**SCHEME PROPOSED BY THE SHRADHANAND DEPRESSED CLASSES MISSION TO ESTABLISH A DEPRESSED CLASSES SETTLEMENT IN DELHI.**

1176. **\*Mr. Ghansham Singh Gupta:** (a) Is it a fact that the Honourable the Chief Commissioner, Delhi in his letter No. 830, dated the 9th February, 1926, addressed to the Deputy Commissioner, Delhi, approved of the scheme proposed by Shradhanand Depressed Classes Mission to establish a settlement for persons whom the mission seeks to assist and give a plot of land for that purpose?

(b) Is it a fact that Government further approved in the letter referred to above that the plots will be leased out by Government to the members of the depressed classes upon the recommendation of the mission and a deed clause to that effect was included in the lease?

(c) Is it a fact that the Government, having stopped the allotments of those plots to the depressed classes, intend to put them to auction?

(d) Are Government aware of the anxiety being caused to the depressed classes on account of this decision of Government?

(e) Is it a fact that a deputation of the depressed classes mission waited upon the local authorities to ask them to reconsider their decision?

(f) Will Government be pleased to state their policy in this matter, and lay on the table all the correspondence on the subject?

**Sir Girja Shankar Bajpai:** (a) to (f). Enquiries have been made and the result will be communicated to the House in due course.

**Mr. Ghansham Singh Gupta:** When will that be? What is the likely time?

**Sir Girja Shankar Bajpai:** I hope very shortly—about a week perhaps.

**IMPORT DUTY ON LINSEED OIL IN BRITAIN.**

1177. **\*Mr. T. S. Avinashilingam Chettiar:** Will Government state:

(a) whether they are aware of the article on the "Import duty on linseed oil" (in Britain) published on page 11 of the *Hindustan Times*, dated the 20th February, 1936;

(b) whether the facts contained in it are true;

(c) whether the drawback system mentioned in the article is existent in England;

(d) in the case of articles for which preference has been given under the Ottawa Pact, over how many articles this drawback system has been exercised; and

(e) whether this does not nullify the preference given under the Ottawa Pact?

**The Honourable Sir Muhammad Zafrullah Khan:** (a) and (c). Yes, Sir.

(b) Government have no reason to doubt the truth of the fact set out in the article but they do not admit the correctness of the deductions made therefrom.

(d) The drawback system applies *inter alia* to linseed, linseed oil castor seed and wheat.

(e) No.

**Mr. T. S. Avinashilingam Chettiar:** May I have the answer to (d) again, as it is rather an important matter?

**The Honourable Sir Muhammad Zafrullah Khan:**

“(d) The drawback system applies *inter alia* to linseed, linseed oil, castor seed and wheat.”

**NEGOTIATIONS BETWEEN THE GOVERNMENTS OF THE UNITED KINGDOM AND DENMARK FOR THE CONCLUSION OF A TRADE AGREEMENT.**

1178. **\*Mr. T. S. Avinashilingam Chettiar:** Will Government state:

- (a) whether it is true that the United Kingdom Government are carrying on negotiations with Denmark for the conclusion of a trade agreement;
- (b) whether the United Kingdom Government are making negotiations with a view to the revision of the Anglo-Argentine convention;
- (c) whether the Government of India have been consulted over these matters and whether they have expressed their views; and
- (d) whether in doing so, they have consulted the commercial interests of this country?

**The Honourable Sir Muhammad Zafrullah Khan:** (a) and (c). Government understand that His Majesty's Government in the United Kingdom intend to take up the revision of the Anglo-Danish Commercial Agreement of 1933. This agreement does not apply to India. There has, therefore, been no occasion for the Government of India to express any views in the matter.

(b) Government have no official information.

(d) Does not arise.

**RESOLUTION PASSED BY THE LEGISLATIVE ASSEMBLY ABOUT THE EXCLUDED AND PARTIALLY EXCLUDED AREAS.**

1179. **\*Mr. Ram Narayan Singh:** Will Government be pleased to state whether they have forwarded the Resolution passed by the Assembly on the 18th instant about the Excluded and partially Excluded Areas to the Secretary of State for India and if so, when and with what remarks or recommendations thereon?

**The Honourable Sir Nripendra Sircar:** The resolution as adopted by the Legislative Assembly on the 18th February, was communicated to the Secretary of State for India on the next day, i.e., the 19th February, 1936, along with a summary of the proceedings of the Legislative Assembly relating to the resolution. The Government of India made no comments or recommendation in regard to the Resolution. A full record of the proceedings will be forwarded to the Secretary of State in due course. I



would like just to add that the statement I have made is that the full record of the proceedings will be forwarded to the Secretary of State in due course. I believe, since the answer was framed, this has been done. I shall be able to give my Honourable friend the information tomorrow if he will kindly ask me.

**Mr. T. S. Avinashilingam Chettiar:** When is the Order in Council in respect of that matter expected to be passed?

**The Honourable Sir Nripendra Sircar:** I cannot give the information just now, I have not got it before me.

**Mr. S. Satyamurti:** Have Government satisfied themselves that their communication was in time for His Majesty's Government to look at it, before they made up their minds?

**The Honourable Sir Nripendra Sircar:** Yes, Sir, the Resolution was passed on the 18th February and we forwarded it on the next day, i.e., the 19th February, and it reached His Majesty's Government quite in time.

**Mr. S. Satyamurti:** Have Government any information with regard to any changes made in the Orders in Council, as a result of the Resolution of this House?

**The Honourable Sir Nripendra Sircar:** Sir, I cannot give that information just now; I have no objection to accepting a short notice of that question.

†1180\*.

#### RECOMMENDATION IN THE MONTAGUE-CHELMSFORD REPORT TO PLACE LAND REVENUE ON A STATUTORY BASIS.

1181. \***Mr. C. N. Muthuranga Mudaliar:** Will Government be pleased to state:

- (a) whether the Montague-Chelmsford Report has recommended to the Provincial Governments to place the Land Revenue on a statutory basis;
- (b) what action was taken by the Local Governments on this recommendation; and
- (c) whether they called the Local Government's attention to this recommendation?

**Sir Girja Shankar Bajpai:** (a) No such recommendation is contained in the Montague-Chelmsford Report. Presumably the Honourable Member has in mind the recommendation of the Joint Select Committee on the Government of India Bill of 1919 to the effect that steps should be taken to embody in the law the main principles by which the land revenue is determined.

(b) Legislation has been passed in the United Provinces, the Punjab, the Central Provinces, Berar and the North-West Frontier Province. In Bengal and Bihar and Orissa, which are for the most part under permanent settlement, legislation has not been considered necessary. No legislation has been passed in Madras, Bombay, Burma and Assam.

(c) Yes.

**Prof. N. G. Ranga:** In view of the fact that the Government Order of 1905, passed at the time of Lord Curzon's viceroyalty, laid it down specifically that in no case should land revenue be made to exceed fifty per cent. of the net revenue from land, will Government consider the advisability of calling for a conference of the Revenue Members of all the various Provinces to see whether that particular recommendation has been adhered to, and whether systems of land assessment have not been introduced which tend to absorb for the State more than fifty per cent. of the net income from the land?

**Sir Girja Shankar Bajpai:** I am rather doubtful whether that arises out of this question, but, in any case, I can inform my Honourable friend that the instructions of Lord Curzon's Government regarding the fifty per cent. assessment were observed by all the Local Governments.

**Mr. S. Satyamurti:** Is it a fact that the Government of India declined to give permission for a land revenue Bill sought to be introduced in the Council by the Madras Government some years ago, in pursuance of this recommendation of the Joint Select Committee of Parliament?

**Sir Girja Shankar Bajpai:** I would like to have notice of that question.

**Dr. P. N. Banerjee:** Is it a fact that, five or six years ago, a land revenue Bill was prepared for the Bombay Presidency?

**Sir Girja Shankar Bajpai:** I have said that the Government of Bombay has not passed any legislation; I dare say they have had legislation under consideration.

**Mr. M. S. Aney:** Is it not a fact that a Berar Land Revenue Code was passed by the Berar Legislative Committee twice, but was turned down by the Government of India who introduced their own principles in spite of the recommendations of that Committee?



**Sir Girja Shankar Bajpai:** The question is whether certain Provinces have taken action on that report. I have pointed out that Berar is one of the provinces where legislation has been undertaken. As to whether, in regard to any particular point, the Government of India made any suggestions of principle, probably my Honourable friend will appreciate that I cannot say that now.

**Prof. N. G. Ranga:** What action do the Government of India propose to take in order to see that in those provinces where legislation has not

been undertaken, proper legislation is undertaken at least before the inauguration of Provincial Autonomy?

**Sir Girja Shankar Bajpai:** Sir, I do not think that improper legislation has been attempted in any province; and, so far as proper legislation for the future is concerned, I think Provincial Autonomy is too near for the Government of India to suggest that fresh attempts should be made now.

**Mr. M. Ananthasayanam Ayyangar:** So far as Delhi and other Centrally administered areas are concerned, have the Government of India taken any steps to place land revenue on a Statutory basis?

**Sir Girja Shankar Bajpai:** So far as the Delhi Province is concerned, according to the nature of the area, either the legislation of the Punjab or the legislation of the United Provinces applies.

**Mr. M. Ananthasayanam Ayyangar:** What about other Centrally administered areas?

**Sir Girja Shankar Bajpai:** I answered the question sometime ago, namely, that for Ajmer-Merwara the question of having something done in regard to land revenue is under consideration by Government.

#### RULES GOVERNING THE ALLOTMENT OF GOVERNMENT QUARTERS IN NEW DELHI.

1182. **\*Mr. Muhammad Anwar-ul-Azim:** (a) Will Government be pleased to state whether under the rules governing the allotment of Government quarters in New Delhi, an applicant of the non-migratory department, whom no quarter could be allotted first year due to his being junior in pay, will be given priority over new non-migratory applicants getting higher pay during subsequent years?

(b) Will Government please state whether any particular area has been fixed for the allotment of quarters to migratory and non-migratory staff attached to the Imperial Secretariat and Attached Departments?

(c) If the reply to part (a) above be in the negative, are Government prepared to take necessary steps for the protection of the rights or claims of those old applicants who are deprived of the quarters every year, merely because they are junior in pay than the new applicants of higher pay in subsequent years?

(d) If the reply to part (c) above be in the negative will Government please quote the particular paragraph of Supplementary Rule 317 E. II(2), or Industries and Labour Department (Public Works Branch) Office Memorandum No. P. 28(2), dated the 10th February, 1933, under which such preference is prohibited?

(e) If the reply to part (b) above be in the affirmative, will Government be pleased to lay on the table of the House a statement showing particulars of areas reserved for migratory officers and the other for non-migratory

officers, i.e., such and such Squares or Places have been reserved for migratory officers and such and such for non-migratory officers?

(f) What ratio has been fixed for migratory and non-migratory officers and on what principle has the fixation of ratio of quarters been made?

**The Honourable Sir Frank Noyce:** (a) Yes. Within each class old applicants are given priority over new applicants.

(b) and (e). Quarters have been assigned by groups to non-migratory and migratory personnel in the orthodox classes "C", "D" and "E" only. Two statements giving particulars of these quarters are placed on the table.

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

(f) No ratio has been fixed. The shares in the accommodation available to non-migratory and migratory personnel are determined when allotments are made on the basis of the actual demand in each class.

*List of "C", "D" and "E" Class Orthodox Clerks Quarters which constitute the Non-Migratory Area in New Delhi.*

Name of Area.	Class of Quarters.		
	C.	D.	E.
Diaz Square . . . . .	1	12	..
Pershing Square . . . . .	2	14	..
Rama Place . . . . .	..	8	..
Joffre Square . . . . .	..	48	..
Edward Square . . . . .	..	48	..
Lumsden Square . . . . .	..	23	..
Sumru Place . . . . .	..	8	..
Taylor Square . . . . .	..	36	..
Wilson Square . . . . .	2	34	..
Sivaji Place . . . . .	..	18	..
Nicholson Square . . . . .	4	28	..
Dalhousie Square . . . . .	4	28	..
Ranjit Place . . . . .	2	14	..
Clivo Square . . . . .	4	48	..
Outram Square . . . . .	4	48	..
Lawrence Square . . . . .	..	42	..
Cornwallis Square . . . . .	..	36	..
Roberts Square . . . . .	4	28	..
Sikandar Place . . . . .	..	16	..
Lake Square . . . . .	3	59	..
Havelock Square . . . . .	20	..	..
Baird Road . . . . .	12	..	..
Market Road . . . . .	8	..	..
Tughlak Place . . . . .	..	31	..
Minto Road Area . . . . .	..	117 to 155 West = 39	1 to 46 79 to 116 } West. = 104
		14 to 35 } East 44 to 55 } = 34	
Chitragupta Place . . . . .	..	..	9
Chitragupta Road . . . . .	..	..	18
Dilkusha Square . . . . .	..	..	26
Punchkuin Road . . . . .	..	..	25
Rajabazar Square . . . . .	..	..	18
	<u>70</u>	<u>700</u>	<u>200</u>

List of "C", "D" and "E" Class Orthodox Clerks' Quarters which constitute the Migratory Area in New Delhi.

Name of Area.	Class of Quarters.		
	C.	D.	E.
Diaz Square . . . . .	1	12	..
Pershing Square . . . . .	2	14	..
Rama Place . . . . .	..	8	..
Foch Square . . . . .	..	56	..
Haig Square . . . . .	..	49	..
Ganesh Place . . . . .	..	23	..
Albert Square . . . . .	3	24	..
French Square . . . . .	4	28	..
Rajabazar . . . . .	..	48	..
Market Square . . . . .	20	81	..
Baird Road . . . . .	12	..	..
Baird Square . . . . .	24	..	..
Irwin Road . . . . .	102	..	..
Minto Road East . . . . .	90	199	..
Aram Bagh . . . . .	..	..	22
Minto Road East . . . . .	..	..	13
Circular Road . . . . .	..	..	21
Minto Road West . . . . .	..	..	12
	258	542	68

#### SUPPRESSION OF HINDI AND GURMUKHI AS THE MEDIUM OF SCHOOL EDUCATION IN THE NORTH-WEST FRONTIER PROVINCE.

1183. \***Bhai Parma Nand**: (a) Is it a fact that the North-West Frontier Government are trying for the increase of subvention from the Central Revenues?

(b) If the answer to part (a) above be in the affirmative, are Government aware of a great agitation and consequent resentment amongst the Hindus against the policy of the Minister of the Province, about his attempt to suppress Hindi and Gurmukhi as the medium of school education in that Province?

(c) Are Government prepared to have due regard for the Hindus' feeling and not to have any enhancement in the subvention?

**Sir Girja Shankar Bajpai**: (a) Yes.

(b) Government have seen and read various public pronouncements in the matter, which is one primarily for the Government of the North-West Frontier Province.

(c) The question of enhancement of subvention at this stage awaits the recommendations of Sir Otto Niemeyer. The Honourable Member does not seem to appreciate that the action proposed by him would be inconsistent with the spirit of the present constitution.

**Mr. Lalchand Navalrai**: May I know from the Honourable Member whether the Provincial Government has got any authority to go into that religious question?

**Sir Girja Shankar Bajpai**: It is not a religious question, but a linguistic question.

**Sardar Sant Singh:** May I ask if the ban imposed on two vernaculars of the province entitles them to any relief from the central funds, when those central funds are contributed mostly by the Hindus and Sikhs?

**Sir Girja Shankar Bajpai:** I do not know whether that question arises, Sir. They have asked for an increased subvention, not specifically for the purpose of education, but for the purposes of administration of the province.

**Sardar Sant Singh:** Will Government ask them to change their policy in view of the fact that they want subvention from the Central Government?  
12 NOON.

**Sir Girja Shankar Bajpai:** I have already explained that, under the present Government of India Act and Devolution Rule 49, the Governor General in Council has no power to intervene in the administration of what is a transferred provincial subject.

**Sardar Sant Singh:** Are the Central Government prepared to grant them the subvention under the circumstances indicated?

**Sir Girja Shankar Bajpai:** The Government of India cannot, at the present moment, anticipate consideration of the recommendation of the Otto Niemeyer Committee.

**Pandit Krishna Kant Malaviya:** Are we to understand that the Government of India have no power of superintendence, direction and control over the North-West Frontier Province?

**Sir Girja Shankar Bajpai:** The Government of India have no power of superintendence, direction and control in regard to a transferred provincial subject.

**Mr. M. S. Aney:** Is it not open to the Government of India to impose certain conditions with regard to the protection of linguistic rights of minorities in the provinces?

**Sir Girja Shankar Bajpai:** Under the present Constitution, if my Honourable friend will look up Devolution Rule 49, he will find that the Government of India have no such power.

**Sardar Sant Singh:** Have not Government the power to refuse to give subvention under the circumstances?

**Sir Girja Shankar Bajpai:** I have already said that the Government of India cannot consider on what conditions the subvention will be given before the question of subvention is before them.

**Dr. Ziauddin Ahmad:** Will the question just now asked apply only to Punjabi and Gurmukhi in the North West Frontier Province or is it equally applicable to Urdu in Bengal, Madras, Bombay and everywhere else?

**Sardar Sant Singh:** But those provinces do not ask for subvention from the Central Government.

**Pandit Krishna Kant Malaviya:** Do the North West Frontier Province Government ask for an increased amount of subvention?

**Sir Girja Shankar Bajpai:** I do not know. Their recommendation is before Sir Otto Niemeyer.

### AMENDMENT OF STANDING ORDERS.

#### PRESENTATION OF THE REPORTS OF THE SELECT COMMITTEES.

##### *Standing Order 7-A.*

**Mr. G. Morgan** (Bengal: European): Sir, I beg to present the Report of the Select Committee on the proposed amendment of Standing Order 7-A.

##### *Standing Order 17.*

**Mr. C. N. Muthuranga Mudaliar** (South Arcot *cum* Chingleput: Non-Muhammadan Rural): Sir, I beg to present the Report of the Select Committee on the proposed amendment of Standing Order 17.

#### THE GENERAL BUDGET—LIST OF DEMANDS—*contd.*

##### DEMAND NO. 32—HOME DEPARTMENT—*contd.*

##### *Repressive Policy—contd.*

**Mr. President** (The Honourable Sir Abdur Rahim): The House will now resume consideration of the following cut motion moved by Mr. Aney regarding repressive policy:

“That the demand under the head ‘Home Department’ be reduced by Rs. 100.”

**Sir Abdul Halim Ghuznavi** (Dacca *cum* Mymensingh: Muhammadan Rural): Sir, since talking on this cut motion yesterday, I have had the advantage of reading the speech of my Honourable friend, Mr. Aney. He said that he brought this cut motion, because, notwithstanding a similar motion which he moved last year which was carried, the Government have done nothing during the last twelve months in respect of the complaint. Sir, if I may say so, that statement is not correct. The Government have done and are doing, and I shall presently show what they have done and what they are doing. He said that he demanded release of Civil Disobedience prisoners. That was his first complaint. But we heard yesterday from the Honourable the Home Member that they had been released. His second demand was the repeal of the extraordinary repressive measures. As regards that, I have already said that this House had given a verdict, and surely the Government cannot be condemned for not repealing these repressive laws in the face of the verdict of this House. Particularly, as we know the circumstances of Bengal, at any rate they seem admittedly to call for some of them. His third point was the removal of the ban on certain political organisations affiliated to the Congress. As regards the repeal of ban on certain political organisations affiliated to the Congress, in a large number of cases, I understand, the ban has been lifted.

**Mr. M. S. Aney** (Berar Representative): Not after last year; it was before that.

**Sir Abdul Halim Ghuznavi:** Government, if I may so, have good reasons to continue the ban on a few. But it will be lifted as soon as circumstances permit. That has been the Government policy, and it will continue to be so. His fourth demand was that there should be some relaxation of rules relating to the treatment of political prisoners. As regards this point, Honourable Members may be aware that the whole question was taken into consideration at the instance of the Swarajist leaders in 1929-30, and the new rules of classification of prisoners and treatment were introduced. We are now told that they are unsatisfactory. Political prisoners are claiming separate jails for themselves where they are to be allowed to associate with each other all the time they are there. Those, who like my Honourable friend, Mr. Aney, consider that the existing rules ought to be modified should approach the Honourable the Home Member with their suggestions, and I feel sure that where they are just and reasonable they will be given effect to.

As regards the treatment of detenus, if one thing is true, it may be truly said that since His Excellency Sir George Anderson arrived as Governor of Bengal, three things were attended to. Firstly, the combating of terrorism, secondly, humanitarian treatment, as far as possible, of detenus detained without trial, and, thirdly, an attempt to go to the root cause of the matter which was largely economic. The Government of Bengal have gone even further. Each and every case is periodically examined and re-examined . . . .

**Pandit Lakshmi Kanta Maitra** (Presidency Division: Non-Muhammadan Rural): Question.

**Sir Abdul Halim Ghuznavi:** The Honourable Member questions, because he is ignorant of the facts, whereas I know the facts. Each case is examined at the instance of the relations or the guardians of the detenus whenever they desire it. In suitable cases, liberty is restored. As an intermediate measure, home and village internments have increased and are increasing, useful industrial and agricultural training is being arranged for the detenus in camps and outside. Industrial concerns are being induced to give living wages and employment to detenus with a view to starting them in life as good citizens.

**Pandit Lakshmi Kanta Maitra:** How many persons have been conditionally released?

**Sir Abdul Halim Ghuznavi:** Therefore, the Honourable the Mover's information about the detenus in Bengal is far from correct. Since last year, many have been released. Both the Government of India and the Government of Bengal were very anxious to release Mr. Sarat Chandra Bose, but circumstances came in the way. He is now a free man. And the House will also be pleased to hear that, so far as Mr. Bose was concerned, a very fair financial treatment was accorded to him.

**Pandit Krishna Kant Malaviya** (Benares and Gorakhpur Divisions: Non-Muhammadan Rural): Yes, Rs. 1,000 a month.



**Sir Abdul Halim Ghuznavi:** It was Rs. 2,000 a month *plus* 1,000 for insurance.

**Pandit Krishna Kant Malaviya:** And what were his earnings?

**Mr. President** (The Honourable Sir Abdur Rahim): Let the Honourable Member go on without interruptions.

**Sir Abdul Halim Ghuznavi:** Let us see what is the treatment that was accorded to Mr. Subhas Chandra Bose. As soon as his medical advisers found that he must go abroad, he was allowed to leave India and go to the Continent for treatment, and every facility was accorded to him to go there. Sir, as I said yesterday, it is within my knowledge that for the last three years Government have made every effort to satisfy the parents and guardians about the conditions of the detenus. It is not true, as my Honourable friend, Mr. Maitra, said yesterday, that during home detention the detenus do not get any allowance. In proper cases, it is allowed.

Now, Sir, as I said yesterday, in several instances parents and relations have come to me, and I have brought their cases to the notice of Government, and in every case, the guardians were satisfied as to the treatment of their wards. It would not be proper to disclose the names of the parents or the guardians who saw me and came to me; but lest it may be said that there is no foundation for this statement of mine, I have got with me a few letters from the parents and guardians in my possession which I received in Delhi, and I shall be prepared to show them to my Honourable friends if they like. Sir, an *ex*-Member of this Assembly, Mr. S. C. Mitra, brought to my notice the case of a relation of his who it was thought was losing his mental balance. I brought this case to the notice of Government and Mr. Mitra thanked on the floor of this House the authorities for the immediate action that was taken on the representation made by him. He was released on condition that Mr. Mitra gave an undertaking. He became so violent later on that Mr. Mitra himself asked that he might be taken back and placed in the Mental Hospital.

**Mr. President** (The Honourable Sir Abdur Rahim): The Honourable Member's time is up.

**Sir Abdul Halim Ghuznavi:** I will finish in two minutes.

**Mr. President** (The Honourable Sir Abdur Rahim): The Chair cannot allow him any more time.

**Sir Abdul Halim Ghuznavi:** Then, after his treatment and cure, he began to go the same old way and had to be taken back. Sir, I submit that no case has been made out for this cut motion, and I, therefore, oppose it.

**Dr. N. B. Khare** (Nagpur Division: Non-Muhammadan): Sir, I rise to support this motion. I associate myself fully with my Honourable friend, the Mover, in regard to the cases of the political prisoners that he brought before this House, namely, the case of the Chhindwara and Betul prisoners as well as the case of my friend, Mr. Ruikar, and also the lot of the political prisoners generally in India. But, Sir, I am not going to attack this question from this point of view. This policy of Government, or what is called the repressive policy, is styled as a dual policy. It is not a dual

policy at all. It is a singularly plural policy which is in evidence in every department of Government from A to Z, from the Army to Zoological Gardens. As a result of this policy, the whole country is reduced to a sort of zoological garden where all kinds of beasts are put within cages. Sir, this policy is but a symptom, and these symptoms vary,—fines, detentions, imprisonments, externments or internments, *lathi* charges or even shooting; these are all symptoms of one disease. In dealing with this disease and these symptoms, as an orthodox physician, I propose to deal with them in the right roval orthodox fashion, and I am in good company in this House, because orthodoxy is liked here, and it has even got a financial backing. I can only probe into this question. Unfortunately at present I am not able to apply my scalpel, because I have not the power to do it. What is the disease of which this is a symptom? This disease is called Indo-phobia and the symptoms are these various manifestations. Sir, as an orthodox physician, in order to diagnose the disease, I must follow the method of interrogation and psycho-analysis. While going through this process,—I will not weary this House by going fully into it,—what do we find? What are the predisposing causes? The predisposing cause is the ever present desire in the minds of those who sit opposite to perpetuate domination and exploitation; and of course the immediate cause is anything which may occur in the meantime showing resentment. They may deny this desire of domination,—some may deny honestly and some may deny dishonestly. But there is one thing which must be remembered. There is such a thing as the sub-conscious mind which is in evidence everywhere although it is very difficult to observe. What is the situation? The situation is a struggle between the haves and the have-nots. The have-nots like curselves want to repossess what we have lost and the haves do not want to part with it. They want to put off the evil moment as long as they can do so. Therefore, in the nature of the things, the whole fabric of this Government of India, which is the agent of its master in England, is based upon three factors: three human sentiments with regard to India. One is distrust, another is fear, and the third is hatred. All these follow in the natural order of things. Therefore, the only purpose for which the Government exists in this country is, to do what? According to them, to maintain law and order. Sir, the law in this country is an ass ridden over by Satan, and order is gas and nothing more. What does this law do? It goes on kicking people with its hind legs indiscriminately in the most promiscuous manner. And what is order? It is that when superficial calm is established people go about gassing in this House as well as outside about their exploits. And, Sir, they extol their superficial efficiency to the skies. As a matter of fact, law and order should be based upon progress, happiness and contentment, but are they to be found anywhere in India? Absolutely nowhere. I shall tell you what an eminent Englishman thinks about the English themselves—George Bernard Shaw.

**An Honourable Member:** He is an Irishman.

**Dr. N. B. Khare:** That does not matter—he lives in England. He says: “We, the English, are the wickedest nation on earth and our success is moral horror”. That is what Shaw says; let alone ourselves. Much is made in this country of terrorism. I know it is an evil, I recognise it is an evil. But after all, if you look upon it dispassionately, what do you find? It is a reaction to the situation created by Government; and is used as an excuse for repression and the so-called maintenance of law and order and

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to create troubles and all sorts of things. What is terrorism? After all, what is life itself? Scientifically viewed, life is nothing else but adaptation to environment, or what you call reaction to stimuli. Everybody in this country, whether he is a loyalist or a terrorist, reacts to stimuli, and, therefore, is an anathema to Government, because he wants to possess what they possess and what belongs to him although methods may be different; therefore, whether he is a loyalist or a terrorist, it does not matter to the Government at all. Let not loyalists lay the flattering unction to their soul that they are beloved of the Government. I warn them, they are not. Whenever we talk of terrorists or ask any questions about them, the Government think that we have sympathy for them in our hearts. But I say in this House that even the Government and even high Government functionaries have got a sneaking regard for terrorists. The late Lord Morley, who was long ago Secretary of State for India, when he wrote to Lord Minto, the then Viceroy of India, before or at the time of the inauguration of the Morley-Minto Reforms, said that the Morley-Minto Reforms were a concession to the Bengal bombs and not the constitutionalists.

**An Honourable Member:** Hear, hear.

**Dr. N. B. Khare:** They think that by this counter-terrorism or by this repression, they will succeed. They will not. They have failed, and, as evidence of their failure, I will cite some few facts. When the Bengal Partition was promulgated in 1905, there was a great row about it. It was the beginning of the awakening of national consciousness in India—the National Renaissance. What has happened? In spite of repression, the Bengal Partition had to be annulled. A settled fact was unsettled, not due to constitutionalism, but to some other kind of agitation. Similarly, there was a time in the old days when the word “Swadeshi” was an anathema to Government. What do you find now? “Support Indian industries” is printed on the envelopes of Government post offices. The song “Bande Mataram” was supposed to be seditious. What do you find now? At least in my province, when at a public function the song “Bande Mataram” was sung, even the Governor, an European Indian Civil Service official, gets up. So also, to utter the word “Swaraj” was treason in the old days; now we get the word “Swaraj” even in the messages we receive from no less a person than His Majesty the King-Emperor. We were told, when we were boys in schools, that Sivaji was a marauder or a plunderer, and his pictures were prohibited. But what do you find in 1922? The then Prince of Wales, while unveiling a memorial statue of Sivaji, described that hero of Maharashtra as the greatest soldier and statesman of Maharashtra. After all, what has happened to this repression? In spite of this terrible repression, they had to yield. Of course, they yielded without any grace as is their wont, but they had to yield. I must tell them and tell the House that this yielding process was not due to any constitutionalism, not due to any constitutional method, but due to other things, which cannot be described as constitutional. How can you describe this policy of Government? I am reminded of the story of a monkey—not monkeying with ratio this time—not a fake monkey, but a real live monkey. That monkey got drunk once, and, while drunk, it got stung by a scorpion, and in that very condition, it got possessed of a ghost. (Laughter.) What mortal on the face of this earth can describe the

pranks of that monkey? This is the mentality of the Government which rules over us. (*Cries of "Hear, hear."*) They can either carry on their policy or change their policy, and restore the lost faith in constitutional methods. They can choose whichever they like. I am not here to tell them what they should do. But what do you find even in these days of comparatively calmer atmosphere? You find that this policy still persists. There is an institution in Poona called the Maharashtra Bhagini Mandal, exclusively for ladies. Apparently they do nothing but discuss about kitchen hygiene and infant welfare, but this institution is still under a ban, probably because the husbands of these ladies are politicians. Similarly, there is a Ram Mandir in Talegaon, near Poona, which is still under a ban, because some political workers go there. Again, at Asoda, in Khandesh, there is a spinning school which is under ban. There are several such institutions still under ban, about 130 of them in Maharashtra, which have no connection with the Congress. During the Congress Jubilee celebrations, our flags were torn, processions were interfered with, meetings were disturbed, and some people, who took out *Prabhat Pheries*, were arrested. The *Loka-Shakti* of Poona wrote an article propounding that India should not take part in Imperial wars in future. It was purely an academic discussion. But the Press Act was applied and a security of Rs. 4,000 taken. This is Press Act in operation with a vengeance! It is for Government to choose. They may choose the way they like. This is the parting of the ways. I may remind them of what one of their illustrious countrymen—Marquis of Lothian—says about the situation. He says:

"Nationalism is the strongest political force in the modern world. It is growing with immense rapidity in India. It is said communalism cuts across nationalism. So it does as between Hindu and Moslem, but both are for nationalist as against alien rule."

He, further on, says:

"We certainly could not govern a unitedly hostile India with our present methods. But, no doubt, if we adopted the methods of modern dictatorship and took over the press, purged the Universities, created a secret OGPU police, nullified all civil liberties and created a 'strong arm' political party to smash up every kind of political opinion not friendly to our rule, and paraded military force and ruthless executions in sufficient numbers, India could probably be kept quiet for a time."

**Mr. President** (The Honourable Sir Abdur Rahim): The Honourable Member's time is up.

**Dr. N. B. Khare:** This is exactly what they are doing. They are creating a strong pro-British party, consisting of paid and unpaid, honorary or otherwise, knighted and benighted personages to smash the advanced political opinions as represented by these Benches. People of this category—strong arm political party—how do they argue within themselves? They say:

*"Ae Hind tujko khak men kyon na milayenge ham.*

*Izzatko tere shouqse kyon na ghatayenge ham.*

*Taleem jaisi patenhain us rah jayenge ham.*

*Apne watanse nafrat kyon na karenge ham.*

*Khairkhuah englishistan ke kyon na banenge ham.*

*Sahibne dee khatehain roti dabal jo ham."*

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"Oh, India, why should I not reduce you to ashes,  
Why should I not assail your honour with pleasure?  
I will go the way pointed to me.  
Why should I not hate my own motherland,  
Why should I not be an henchman of England?  
Do I not eat the double *roti* given to me by the Sahib?"

**Mr. President** (The Honourable Sir Abdur Rahim): The Honourable Member must now conclude his speech.

**Dr. N. B. Khare:** In the end, I will say: "Do not mind their ways, let us go on strong; the eternal law of retribution will be enforced, and people will sing:

"India was India when England was a pup,  
India will be India when England is broken up."

(Laughter.)

**Mr. R. S. Sarma** (Nominated: Non-Official): Mr. President, though this political bubble, namely, the frequent demand for the repeal of all repressive laws and release of all political prisoners has been pricked only a few days ago, as was pointed out by my friend, Sir Abdul Halim Ghuznavi, when this House rejected Mr. B. Das's Bill . . . . .

**Mr. S. Satyamurti** (Madras City: Non-Muhammadan Urban): On a point of order, Sir, is the Honourable Member entitled to use the casting vote of the President, constantly as the vote of the House? You gave your vote merely for the *status quo*: your vote was not a political vote at all.

**Mr. President** (The Honourable Sir Abdur Rahim): The Honourable Member is perfectly right: the President is also a Member of the House, and, in that capacity, he gave his vote.

**Mr. R. S. Sarma:** Sir, when, on a previous occasion, last year, the opposition won a victory with the casting vote of the President, the whole Opposition cheered, but on this occasion . . . . .

**Mr. President** (The Honourable Sir Abdur Rahim): The Honourable Member is discussing the casting vote of the President.

**Mr. R. S. Sarma:** I was going to say that the speeches of that particular Member were frequently quoted on the floor of the House with approval, and, as such, I am entitled to say that your casting vote on this occasion carried an implication far more important than the 60 votes cast in favour of Mr. Das' Bill. In spite of that, I am one of those . . . . .

**Mr. M. A. Jinnah** (Bombay City: Muhammadan Urban): I understood that the casting vote was given by the Chair on the well-known principle of *status quo*, and not because you exercise your free judgment.

**Mr. R. S. Sarma:** Anyway, you said, Sir, that you gave it as a Member of the House.

**Mr. M. A. Jinnah:** Of course he is a Member of the House.

**Mr. R. S. Sarma:** He never expressed his opinion . . . .

**Mr. President (The Honourable Sir Abdur Rahim):** The Honourable Member had better come to the motion now.

**Mr. R. S. Sarma:** As I was saying, I most honestly welcome this cut motion, if for no other reason than that it gives another opportunity for people like myself and Sir Abdul Halim Ghuznavi (Laughter)—(because we are not as ignorant about these affairs as some of the Members opposite)—who have a much livelier appreciation of the dangers of this great monster of terrorism and subversive movements in Bengal—it gives us an opportunity once more to warn this House against the danger of acceding to this sentimental but dangerous demand frequently made for the release of all terrorists . . . .

**Mr. M. A. Jinnah:** Who is asking for that?

**Mr. R. S. Sarma:** My friend, Dr. Banerjea, remarked yesterday and also today that I was a nominated Member; but I may say, Sir, that I have a greater representative character than my Honourable friend, because I know that I was nominated by the Government and I know my constituency; but if I remember aright, my friend got in because the nomination paper of his rival was declared invalid and his constituency did not even have the chance of exercising their franchise.

**Dr. P. N. Banerjea (Calcutta Suburbs: Non-Muhammadan Urban):** That does not take away my representative capacity.

**Mr. R. S. Sarma:** Anyway, your constituency did not know that you were coming; I think you owe your seat to the returning officer more than to anybody else. (Interruptions.)

**Mr. President (The Honourable Sir Abdur Rahim):** The Honourable Member should go on without minding such interruptions.

**Mr. R. S. Sarma:** If I am attacked personally, Sir, I hope you will allow me to reply. As regards the repressive legislation, which Mr. Aney referred to, I should like to know the exact meaning of the words "repressive laws". If by repressive laws is meant the powers in the possession of this Government to prevent terrorists from going on with their agreeable occupation of shooting people from behind, the powers in their possession to check the press from carrying on propaganda for subversive movements, and by publishing articles eulogising murder, if these powers of the Government are to be considered as repressive laws, I think that even under a Congress Government in this land these repressive laws will find a place on the Statute-book and you will find such repressive laws will find a place in the Statute-book of every civilized country in the world.

**Mr. Sri Prakasa** (Allahabad and Jhansi Divisions: Non-Muhammadan Rural): You will find yourself in jail!

**An Honourable Member:** And in "C" class too!

**Mr. R. S. Sarma:** Though this motion was moved formally by my friend Mr. Aney, the pride of place in the discussion was given to my Honourable friend, Pandit Lakshmi Kanta Maitra, who comes from Bengal: and if I understood his speech aright, he confined himself to two particular subjects: one, the restraint existing at the moment on the freedom of speech and the freedom of writing in this country, and secondly, the detention of a large number of people in prison without trial. Sir, with regard to the freedom of speech, that exists in this country, and the restraints that Government have put on it, I shall give this House only one instance and that a very recent instance. Only the other day the Bombay Socialist League and many speakers of that League violently condemned people who took part in public meetings throughout this country for offering the present King condolences on the death of His Majesty King George V and offering greetings to him on his accession to the throne: nobody was more criticised than the present Leader of the Opposition for giving the weight of his support in this House. Can you conceive that even in a freedom loving country like England any speaker could have got up on any platform and made a speech of that sort? . . . . .

**Mr. S. Satyamurti:** Go to Hyde Park and see.

**Mr. R. S. Sarma:** I have been there very often and I have listened to a great many speeches there. In any case after listening to Mr. Satyamurti's speeches so often, I would not have missed much in Hyde Park even if I had not gone there. But I have been there and I have addressed meetings also there. Sir, I am not concerned with the good or bad taste of speeches of the members of the Bombay Socialistic League. It is a base and bigoted mind that will not sorrow with the dead or join in rejoicing over the fortunes of the living: but it gives a very good illustration of the latitude that has been given to freedom of speaking in this country. (Interruption.) I have been so often interrupted that I do not mind. I say it only affords another illustration of the great regard for the freedom of speech that my friends have got! In Bengal, some time ago, one Dinesh Gupta, a terrorist, was sentenced to death for an anarchical crime which he himself admitted and he was hanged on a particular day: that news was sent by the Government to the press and it was featured in some of the papers in Bengal—"Dauntless Dinesh dies at Dawn."

**An Honourable Member:** Very stale!

**Mr. R. S. Sarma:** I may assure my friends that it was no love of illiteration that inspired those headlines. (Interruption.) I am quite willing to be interrupted so long as the interruptions are intelligent and understandable. I have now given another illustration of the freedom of press in this country. In England, or in any other country, would this sort of thing be permitted, a man who has committed a murder and who has admitted a political murder being extolled in a newspaper headline like this

“Dauntless Dinesh dies at Dawn”? As I said, it is not love of alliteration but a definite encouragement to murder in my opinion. This shows that the press in India enjoys more freedom than it is even good for them. Sir, among the various points that were made yesterday, the main charge against the Government was that this repressive legislation is keeping under restraint a large number of youngmen without trial, and that they are all quite innocent. Arising out of that, two distinct points were mentioned and here I say the Opposition Members are totally ignorant of the actual state of affairs. (*Opposition Members*: “Oh! Oh!”) It was said that most of these unfortunate youngmen were kept in detention relying solely and entirely upon what my friend, Mr. Aney, said, the rectitude of the informer and on no other evidence. This is entirely wrong. Both Mr. Aney and my friend, Mr. Lakshmi Kanta Maitra, said that these detenus should be released wholesale. Did not the Government of Bengal try this experiment as soon as Sir John Anderson arrived in Bengal? (*An Honourable Member*: “No’.) And how did the people of Bengal reciprocate? The first gesture of gratitude which the Bengal anarchist showed towards Sir John Anderson’s new policy of releasing the detenus was by making a dastardly attempt on His Excellency’s life at the race course at Lebong. Still His Excellency Sir John Anderson did not desist from pursuing his policy of gradual release of political prisoners in Bengal. It has been said that these detenus have been kept in detention without a scrap of evidence and it is being frequently asked why not publish all the documents, why not bring them before a Court of law? This point was raised by almost every Honourable Member on the Opposition side and in the press also. Sir, I may tell my friends that this terrorist organization is an underground organization. The methods adopted by the terrorists are all secret, and therefore all activities directed towards fighting this terrorist movement must necessarily be kept secret and cannot be made public. It should be remembered that the terrorists take every care to conduct their activities in secret. The informations that Government obtain regarding them have naturally to be secret also. It will never do to expose their sources of information without seriously running the risk of drying up the channel of information altogether. To share these secrets with the public would be to destroy their secret nature, and, therefore, to that extent to weaken the fight against terrorism. Once it is admitted that secrecy of knowledge obtained about revolutionary activities and of methods by which it has been obtained is essential, it follows that in the present state of feelings in the country when public opinion is not actively opposed to those who believe in violence to the extent desirable—though it must be admitted that a change for the better is noticeable in this respect—the enquiry into allegations made about any particular person have to be held *in camera*. From such an enquiry all from whom any information on these points may in any way, through their inadvertence or otherwise, leak out, must be shut out. As an off-set against the disadvantage of an inevitable camera enquiry the next best thing that can be done is to have the proceedings and the informations scrutinised by persons who have no executive bias and are used to examine things in a judicial spirit. On this point the importance of the services of a Sessions Judge is certainly unquestioned and as the combined wisdom of two ensure greater correctness of the decision, Government have done the right thing in invariably laying before two Sessions Judges the proceedings in each case. To this extent, therefore, it has to be admitted that consistently with the claim of secrecy, Government have



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done the best that could possibly be done to see that no one suffers by reason of an error in decision. How scrupulously fair this examination of the cases of detenus has been is strikingly borne out by the opinions of Mr. Justices Beachcroft and Chandavarkar, two High Court Judges who had occasion to examine these records once. To quote on this point from a speech Sir Hugh Stephenson made in the Bengal Legislative Council, "Mr. Justices Beachcroft and Chandavarkar examined some 600 or 700 individual cases and in only 6, and those minor cases, did they find the evidence fall short of practical proof. As I know that even High Court Judges are found fault with when their decision does not concur with the wishes of the critic I will, therefore, appeal again to the evidence of the persons principally concerned, namely, the revolutionaries themselves. The 1,200 men who at one time or another had been placed under restraint have now been free men for at least three years. They have been back to their family and amongst you all and are removed from any control of the police or Government, yet there has never been a serious allegation that Government dealt with the wrong men. Take their writings in the press, take their books, they give a full history of the revolutionary conspiracy, some of them glory in their part in it and not one of them ever asserted that either he or any of his companions who were dealt with by Government were not concerned in a revolutionary conspiracy". Sir, do my friends know that not one of the hundreds of detenus released has protested that he had been unfairly detained. On the other hand their memoirs and personal experiences contributed by them to the press from time to time reveal an admission that they were misled into paths of violence by the propaganda of unscrupulous men . . .

**An Honourable Member:** Are you innocent?

**Mr. President** (The Honourable Sir Abdur Rahim): The Honourable Member must conclude his speech. His time is up.

**Mr. R. S. Sarma:** Very well, Sir, I shall finish presently, but before I do so, I want to make one personal appeal to my friends that if they are really sincere in their request for the release of these prisoners, I say that the solution lies in their own hands. Let me tell them that, to none more than to His Excellency Sir John Anderson,—I am saying this because I have had the honour of discussing this with H. E. on several occasions—(Some Honourable Members: "Oh! oh!!"), is it hateful to keep men in continued loss of freedom. It is absolutely embarrassing to the Government to keep these people under detention, but there was no option but to have recourse to this preventive detention in the interests of peace and order in the country. Mr. Aney complained that since he moved his cut last year Government have done nothing to give effect to the wishes of the House. In the first place it is a wrong statement. Government have been releasing large number of detenus—consistently with safety. But, let me ask had any Honourable Member gone back to his constituency after this motion was moved last year and tried to help the Government by telling the people of the enormous loss of money, men and reputation that the country in general and Bengal in particular suffered by the folly of terrorism? It was for these gentlemen to go to the country and say that the terrorist movement was fatal to Indian interests . . . . .

**An Honourable Member:** Did you go yourself and say that?

**Mr. President (The Honourable Sir Abdur Rahim):** The Honourable Member must conclude now.

**Mr. R. S. Sarma:** Very well, Sir. In reply to my friend, I may say that I have done it. I have taken up the question as a life mission.

**Mr. President (The Honourable Sir Abdur Rahim):** The Honourable Member must conclude his last sentence.

**Mr. R. S. Sarma:** So long as my friends do not do it, so long as they merely express indignation at the policy of detention without expressing a single word of condemnation of the terrorists and their methods or without attempting to raise a little finger telling the country about the disastrous consequences of terrorism and if you do not do that, you open yourself to the interpretation that while you deplore the results of the terrorist activities you secretly sympathise with them, and thus you are delaying the release of political prisoners.

**Mr. N. C. Ghunder (Calcutta: Non-Muhammadan Urban):** Sir, if my friend, Pandit Lakshmi Kanta Maitra, had concluded his speech, I would not have got up to break through the silence which I have hitherto observed. Sir, let me assure my friend, Mr. Sarma, that I do claim to represent my constituency, because, in that constituency, nobody came forward to contest me, although there were six other candidates in the field. It was unfortunate that my friend, Dr. Banerjee, had not to go through a contest, and, therefore, his credentials could be challenged. I come with credentials which, I take it, even Mr. Sarma will not challenge.

Sir, as I understand the scope of the motion, the question before us is, not whether the repressive laws should stand on the Statute-book or not, but whether the repressive laws should be administered as they have been administered by the Government of Bengal and by other Provincial Governments. The way in which the repressive laws have been administered, an investigation into that, is, as I understand it, the scope of this motion.

**An Honourable Member:** We are discussing the policy.

**Mr. N. C. Ghunder:** In other words, the policy underlying the administration of the repressive laws is under discussion. We had occasions before this to express our views on the question whether the repressive laws should be on the Statute-book or not. But I take it that for the present we need not bother about that question. The way the repressive laws have been administered certainly has excited a great degree of dissatisfaction . . . .

**Sir Abdul Halim Ghuznavi:** The Mover demanded the repeal.

**Some Opposition Members:** Go on.

**Sir Abdul Halim Ghuznavi:** Only the repeal he wanted.

**Mr. N. C. Chunder:** In his speech he may have raised that question, but I am going to vote on this motion without considering the question whether the repressive laws should be on the Statute-book or not. Assuming for the moment—because it does not affect me in the least how I am to vote on that question—that the Provincial Governments will have to be armed with the giant's strength,—I am considering here whether in using the giant's strength they should not be human and humane. They should use it humanely, like human beings. That is the point which weighs with me. You do not burn your house because mud has been trodden into the floor. You do not emasculate the youth of the country, because there have been some misguided youths, who have taken it into their heads that, with a few massacres or murders of policemen and Government officials, they can achieve freedom for their country. The tragedy of the thing lies in this. While you stop Congressmen from going and enquiring even into the circumstances, while you stop them from doing that, you put in your administration report a fling at the Congress for not having done anything to wean away these terrorists from their violent ways. Sir, it is all very fine to screen oneself behind an administration report and say:

“While the Congress politicians were indulging in misguided efforts to secure the general release of all detenus and to excite sympathy on their behalf irrespective of the merits or demerits of individuals and were cheerfully oblivious of the public danger involved by the proposal to flood the province with potential anarchists, the Government began to develop a policy . . . .”

All honour to Sir John Anderson, if he, after a quarter of a century of repression in Bengal, thought that mere repression would not do, if the futility of the Black and Tans has convinced him that you cannot, by military demonstration or by physical coercion, convert the revolutionary into a sensible citizen. All honour to him. But that is one thing and this is another. After a quarter of a century of repressive laws, it required a gentleman who had the experience of Ireland to change or at least try to change the method and the policy of Government with regard to these detenus. And they are taking credit for it. It is still in an experimental stage, and the way in which Government carry on their experiments, when they deal with public questions, does not fill us with any very great hope that the experiment will succeed, because they never take the public into confidence, they never take the people who could, if they were given an opportunity, control and convince those young men, into confidence. It may be that the file would be laid open before Sir Abdul Halim Ghuznavi, but the file will never be laid open for Mr. Bhulabhai Desai. And yet a word from Mr. Bhulabhai Desai will go a greater way than a volume of speeches by Sir Abdul Halim Ghuznavi. (Hear, hear.) He has not their confidence; he may have the confidence of the Government. But Mr. Bhulabhai Desai has the confidence of the people, he has the confidence of these young men. (Cheers.) Government will not give him an opportunity, Government deny to Mr. Saksena an opportunity to go over to Bengal just to find out why or how these revolutionaries came into being. When people act under the pressure of moral privation, you cannot, by mere military coercion, convince them; because they go beyond even moral persuasion if you make them desperate. You may send soldiers to villages, but you will not frighten them. But if you want soldiers to be sent there, send soldiers like Mahatma Gandhi, send people who do believe in non-violence, with whom non-violence is an article of faith, and see the result. You won't do that. You carry on experiments and you take those people

into confidence who have not the confidence of these younger men. That is not the way to tackle the problem, but still, as I said, all honour to Sir John Anderson, that he, of all others, after a quarter of a century, had the courage to lay it down that mere repression would not do. He is tackling the problem of education. All honour to him for it. As I said, the only reason is that he had the experience of Ireland. And if he could rise higher, if he could rise beyond the limitations which the Civil Service would try to impose upon him, if he could see beyond the limits that the Civil Service would allow him to be laid bare before him, if he would have confidence in the trusted leaders of the people, I have no doubt that he will solve Bengal's problem. But will he have the courage? And until he has it, how can you say that you should not condemn the Government for their repressive policy? You talk of the Congress doing nothing. But do you allow the Congress to do anything? Your laws are so framed, your powers are so wide, that a ravelling caught in the repressive gears may drag the whole garment along. Are we so cursed that we, whose children it is that are victimised by these revolutionaries, are dragged into the revolutionary fold, and pay for their violence by their blood—are we so cursed that we have no sympathy for the Government which is trying to prevent it, that we do not come forward to co-operate with that Government which try to save our own children? Why don't we do it? Because we know that if in one case the Government are right, in nine cases they go wrong, because we know that Government proceed in the wrong way, because they do not take the trusted leaders of the people into their confidence. Government move in a narrow groove, and so long as they do that, Government and the people will always have to go their own separate ways, and God take care of the consequence. (Loud Applause.)

**Maulana Shaukat Ali** (Cities of the United Provinces: Muhammadan Urban): Sir, I have spoken in the discussion over these repressive laws in the last Delhi Session, and more forcibly and in more plain language at Simla. I do not think I can add anything further to what little I said then. What I said in conclusion was that as long as these repressive laws existed, and having regard to the way in which they were worked, no decent Indian, who loved his country and his faith, could ever vote for this Government. I am not voting for this Government, simply because, when we advised them in the past, they did not listen to us, and they think that all wisdom is their monopoly, and the rest of us only come here to badger them, and ask questions, wasting their time and taking them away from their wonderful files through which they carry on the work and the administration of this country. I do not wish to say any unpleasant things.

I was watching this debate very earnestly, and when my friend, Mr. Aney, mentioned the cases of Chhindwara and Betul detenus,  
 1 P.M. I was personally interested. For four and a half years, myself and my brother, Maulana Muhammad Ali, were interned in Chhindwara, and when they found later that four and a half years' internment had not cured us who had felt for their faith and their country, they locked us up in the Betul Jail under Regulation III of 1818. When my friend, Mr. Aney, mentioned Chhindwara and Betul, I roused myself, and I felt really happy when the Honourable the Home Member took notes of the complaints of Mr. Aney, and gave me a ray of hope. I had said rough things about the Home Member and his Department in my speeches.

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because we felt bitter against these repressive laws and their administration. Now, I would earnestly request him not to listen to the advice of my friend, Mr. Sarma. I think that advice will not help him in any way. I will remind him of what Mr. Jinnah said yesterday. I think the time has come when we should really stop this wastage of energy and time on both sides. We have had enough of abusing each other and of trying to pick holes in each other. If we indulge in this kind of language further, then there will be no more clothes left on the person either of the Leader of the House or the Leader of the Opposition, and there will be no more beautiful clothes which we all admire on the person of Mr. Jinnah. They will all be torn to pieces and we will all stand before the world naked and discredited. This kind of talk does not lead us anywhere. You have tried enough of repression, and if you continue this policy without trying to find out other and more proper remedies for this evil, then you will only hasten a revolution, a very bloody revolution, when even Mr. Gandhi will not be able to help you and will be forced to hide himself in the Himalayas. You do not listen to the voice of the people. I am a very poor man, and not used to such luxurious surroundings. I came to this Assembly to see if I could be of any use to my people, but I find we are wasting a lot of time about points of orders and sections of this Act or that. I really do not pay much attention to them. Honestly, I should like to go back and address thousands of my countrymen and travel in Muslim countries and then talk to them and serve them in my own way. Then, there will be some work. I am a fighter if you will force a fight on me, but I am really at heart a man of peace in spite of my rough and fierce appearance. I love my brave brothers in the Frontier, and you, looking at my voluminous clothes, may probably feel that I was carrying inside them a few bombs or at least Pathan knives. I assure you, I am a man of peace. I am easy going; I love games; I love all good company; I love children; and I love women. (Loud Laughter.) I also love nice food. I like garden parties and dinner parties, and I am having a lot of them here. I love the company of good friends. Now, I say, let us sit down as friends and find out a solution for all the troubles that beset us. These your men in Bengal and elsewhere are taken away from their homes and locked up in jails or internment camps. Let us try to make them happy also. They have been feeling very sore about the treatment you have been giving to them. I also sympathize with you and know your feelings. I served this Government for 17 years. We are really well meaning people, but our services are not properly appreciated.

**Mr. President** (The Honourable Sir Abdur Rahim): Will the Honourable Member say something about the motion before the House?

**Maulana Shaukat Ali:** Every word I have spoken is on this motion and is an earnest appeal to the Government. My friend, Mr. Asaf Ali, told me one day: "Please don't talk any more of your having been an outlaw and a rebel in your speeches." Sir Muhammad Yakub laughs at me and at my efforts at peace making. Only yesterday, I asked the Members, who wanted my support for the Government, to pay me my price for my vote and support, and the Honourable the Finance Member wanted to make an offer of two annas only, even less than what he offered to our millionaire friend, Sir Cowasji Jehangir. I only want to make life in India a little better and happier. Let us work the new Constitution in a new

spirit of friendship and amity. It does not satisfy us. We want changes in it to improve it to satisfy us. You ought to help us. Let any impartial observer from outside come and watch this House at work. I do not mention such names as Mr. Desai, Mr. Jinnah or Mr. Satyamurti, our show babies who work hard, but even ordinary Members like us discussing our affairs and talking in a foreign language too, I am sure he will recognise that we were honest, capable and deserving people. I also want your assistance, Sir. You are holding the responsible position of the President of the Assembly. I wanted your assistance. In fact, I wanted to see you in Simla and seek your intervention and request you to calm down both sides. Owing to these acrimonious discussions, people in England have come to hate India and people in India have come to hate England. So much bad feeling has been created. Let us wipe out the slate and start on a clean account. New powers are going to be given to the people of this country, and I do say that this is the time for you to earn the confidence and goodwill of the people; and you cannot do it by resorting to all these repressive laws. Therefore, I am looking forward for a new spirit, and I do hope, the Honourable the Home Member will not disappoint me.

**The Honourable Sir Henry Craik** (Home Member): Sir, my Honourable friend, the Maulana, addressed a fervent appeal to me to listen to him. I can assure him that I listened to him with great interest and attention, and I can also assure him that his speech gave me great pleasure. I only hope that what I have to say will give him equal pleasure. But I am afraid I have to turn from the attractive subject which formed the principal part of his speech, namely himself, to a somewhat grimmer subject, the motion before the House. I do so with regret. (Laughter.) Now, Sir, this motion is, if I may say so, of the nature of those hardy annuals that bloom amid the somewhat piercing winds of a Delhi March. There is one point about the steady recurrence of this motion which I would like the House to consider. Let it, I beg, come to its verdict today, not on the past record of repression, if you can call it that, for the last ten years, but let it give its verdict on the record of what has happened since this motion was last discussed, that is, on the record of the last year, because I think and hope I shall be able to show that the last year has not been one of repression at all; and that, so far as the policy of the Government is concerned, there is really no element of repression entering into it. We have had to administer special laws, I grant, but I think I will be able to show that those laws have been administered in no spirit of repression, but only in a spirit of prevention. (Hear, hear.)

Sir, last year, my Honourable friend, the Leader of the Nationalist Party, in moving this cut, confined himself for the most part to the case of persons who had offended against the law in connection with the Civil Disobedience Movement and to their treatment. I remember myself calling attention to the fact that he had omitted from his speech all reference to the Bengal detenus, whose offence or whose suspected offence, is, of course, of quite a different character. This year, I regret, my Honourable friend should have devoted the greater part of his speech to the case of the detenus and should only have made a brief reference to civil disobedience. Sir, I will deal very shortly with the Civil Disobedience Movement and then perhaps we can go and have some lunch before I come to the more serious part of my speech. I do claim that so far as

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civil disobedience is concerned, that subject is now out of the picture altogether. I have ascertained, Sir, that there are, in the whole of India, only five persons in jail in connection with the Civil Disobedience Movement; and I have no doubt at all that all those committed offences either with some element of violence in them or after the Civil Disobedience Movement had been withdrawn by its leaders. My Honourable friend has spoken particularly about some civil disobedience prisoners from the Betul and Chhindwara districts who are in jail in his own province. Now, I have made the best endeavours, but I cannot trace such people at all. I think my Honourable friend has been mistaken, and I think that no such persons exist! (Laughter.) Sir, his claim reminds me of a silly story about two men meeting in a bar and one says to the other: "Didn't I meet you in Chicago?", and the other says, "No, I have never been to Chicago". Then the first one said, "Nor have I, it must have been two other chaps." (Laughter.)

**Mr. President** (The Honourable Sir Abdur Rahim): The Honourable Member may resume his speech after lunch.

The Assembly then adjourned for Lunch till Half Past Two of the Clock.

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The Assembly re-assembled after Lunch at Half Past Two of the Clock. Mr. President (The Honourable Sir Abdur Rahim) in the Chair.

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**The Honourable Sir Henry Craik:** Sir, I was saying, when the House adjourned for lunch, that so far as the Civil Disobedience Movement was concerned, that movement from the point of view of so-called repression, I can fairly claim, is out of the picture. There are practically no civil disobedience prisoners left, and I am glad to say that there has been no sign of any intention to revive the Civil Disobedience Movement. So, I hope that it will not be necessary to start any further measures in that connection to enforce law and order.

Now, I pass from that to a subject that has taken up the greater part of this debate, namely, those persons who are detained without trial in Bengal on account of their terroristic activities. Before I deal with them, I think the House would perhaps like to have a picture of the present conditions in Bengal so far as the terrorist movement is concerned. I have here quite a recent letter from the Local Government which contains the following information about what happened during the year 1935. It is true that no major outrage took place during the year—I am speaking only of Bengal—but there was plenty of terrorist activity in the shape of the distribution of terrorist leaflets and posters, minor outrages, the murder of suspected police agents, the possession of unlicensed arms and other such incidents. Some important absconders, who were engaged in establishing a widespread organization, were arrested and put on trial. But there are other equally important absconders who are still at large and have so far managed to elude the efforts of the police to arrest them. This shows that police vigilance cannot be relaxed and that the special weapons which Government have taken cannot at present be discarded.

**Mr. M. S. Aney:** Was it in 1935 or 1936?

**The Honourable Sir Henry Craik:** I am speaking of 1935. One of the most disquieting incidents was one which took place only the other day when a search was conducted of a vessel that had recently arrived at Calcutta and was lying in the docks. There, in that ship, most carefully concealed, most laboriously concealed—I think it took three days search to find them—there were no less than forty automatic pistols, 29 spare magazines and no less than three thousand rounds of ammunition for those pistols. I would like the House to appreciate just what that means, just what that indicates of the scale on which arms are being smuggled into Bengal. I consider that one of the gravest pieces of evidence that terrorist conspiracies are still in existence and that there is still a market for those murderous weapons.

**Pandit Krishna Kant Malaviya:** How does the Honourable Member know that these arms are smuggled for the terrorists and not for others in the land?

**The Honourable Sir Henry Craik:** That is a perfectly legitimate question.

**Mr. M. Asaf Ali (Delhi: General):** It might be the work of smugglers.

**The Honourable Sir Henry Craik:** We do know this, that smuggling has been going on for terrorists on a considerable scale for some years past and that small seizures have been made from time to time. This incident only happened less than a month ago and I quite agree that I am not in a position to say definitely that these arms were intended to be sold to the terrorists.

**Mr. S. Satyamurti:** Hear, hear.

**The Honourable Sir Henry Craik:** But knowing the conditions in Bengal and knowing how arms have been smuggled in the past and what a very large profit there is in that business, it is difficult to draw any other inference than that they were smuggled in order to be sold to terrorists.

**Mr. S. Satyamurti:** Mere suspicion!

**The Honourable Sir Henry Craik:** Let me go on with my description of the state of affairs in Bengal during the last year. I have given so far the black side of the picture, outrages, the distribution of pamphlets and the discovery of arms, efforts being made to revive the activities of the terrorist groups and so on. On the other hand, it is admitted, there has been a welcome improvement in the public tone and feeling during the past year in regard to terrorism and the Government of Bengal acknowledges that. But this improvement in tone must take a considerable time to have its full effect on the general terrorist situation. It is the sort of thing that permeates gradually down from the more responsible and educated section of opinion to the less responsible and wilder sections. There are influences at work which, if not checked, might do a great deal to prejudice that improved tone. As I have said the need for continued



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vigilance remains, but the improvement has enabled Government to grant more liberal relaxations of the restraints on detenus and also has enabled the Government to embark on the scheme for training detenus in useful trades which has been discussed a good deal in the public Press. I find that the total number released unconditionally or on money bonds, which comes to much the same thing, last year, was 217 and in addition 101 were placed in home domicile. I think the detenus hitherto selected for the scheme of industrial training number—I speak here from recollection—somewhere about 80. That makes a pretty considerable total of about 400. There are still something under 1,400 in some form of detention, but the number of arrests is steadily, I am glad to say, declining. The average arrests in 1935 was only 18 per month as compared with 52 in 1934 and 44 in 1933. Thus the number of arrests per month has dropped to half of what it was in 1933. I think, Sir, that shows that Government have not been indulging in indiscriminate repression and that as the situation improves they are doing all in their power to relax, so far as they feel justified in relaxing, the precautions they have been taking.

**Pandit Lakshmi Kanta Maitra:** On a point of information. What about the female detenus?

**The Honourable Sir Henry Craik:** The same thing applies—I am afraid I have no statistics as regards the number of female detenus, but I would remind the Honourable Member that some of the worst outrages in Bengal were committed by female terrorists. And I cannot accept the position that because a terrorist is a woman she is any less dangerous than a male terrorist.

Now, I should like at this stage to try my best to remove certain misapprehensions as regards the information which is in the possession of Government before orders are passed restraining these terrorists without trial. Honourable Members will understand that the organisation which we are up against is a secret one working underground and to combat it we have to employ equally secret methods which I cannot reveal in full. In fact, I do not know them in full. But I can say this, that the idea that a man can be imprisoned merely on the information of a paid police informer alone is entirely erroneous. The police do not employ professional spies. The information which we get about these people almost invariably starts with some kind of a confessional statement, not by the person himself, of course, but by a person in his confidence. Now, even that is never accepted until it is cross-checked by at least one other statement of a person in the inner circle. Very often, in fact, usually, those two statements would be by people entirely unknown to each other and entirely unable to put forward invented stories as corroboration. Even so, two statements of that kind would not in themselves be considered sufficient evidence for interning a man. These are re-checked in many cases by letters which are intercepted, because, when you have reason to suspect a certain person it is easy enough to intercept his correspondence; secondly, by documents, cyphers, etc., discovered in the course of house searches; thirdly, by the discovery of concealed arms or ammunition; and fourthly, by checking up the statements of accomplices by means of a watch on the movements of the person reported against.

**Mr. M. Asaf Ali:** Then why should they not be put on trial, when you have got all the evidence against them?

**The Honourable Sir Henry Craik:** Yes, I will answer that question; let me come to that in time. The evidence is then most carefully sifted and tested by a high police officer.

**Pandit Lakshmi Kanta Maitra:** And all is done behind the back of the victims?

**The Honourable Sir Henry Craik:** I think it is only fair that Honourable Members should not interrupt me. I do not interrupt them.

**Mr. President** (The Honourable Sir Abdur Rahim): The Chair hopes the Honourable Member will not be interrupted.

**Pandit Lakshmi Kanta Maitra:** I am sorry, but I only wanted information.

**The Honourable Sir Henry Craik:** I take the House into my confidence more fully than it has ever been taken before, and it is only fair to let me tell my story in my own way. This evidence is then very carefully checked and sifted by a high police officer, not an officer on the spot but an officer of the central organisation. The checking is so careful that I may tell the House that a great many people pass through the net who never ought to. It will be within the recollection of the House that one of the three District Magistrates of Midnapur who was murdered was Mr. Burge. Only a few weeks before his murder the complete dossiers and evidence against three persons came before the police. They were highly suspicious but the authorities did not consider that there was enough to justify their internment. These three persons were subsequently convicted and hanged for the murder of Mr. Burge; and I think, that shows, that the utmost care is taken to see that persons are not interned without due care and full scrutiny of their cases. Before the order is passed, the whole evidence, the whole dossier, is submitted to two judges; and I have here a long note written by two judges who have worked in that capacity, too long to read, but explaining the methods in which they work, the careful way in which they test the information in the dossier and the scrupulous care with which they go into any doubtful point. Except that the accused is not present, the thing is conducted entirely as a judicial trial.

**Mr. Ghansham Singh Gupta** (Central Provinces Hindi Divisions: Non-Muhammadian): Will the Honourable Member lay that on the table?

**Mr. President** (The Honourable Sir Abdur Rahim): The Honourable Member must not interrupt.

**The Honourable Sir Henry Craik:** I now come to the point raised by Mr. Asaf Ali,—why we do not put these people on trial. I have explained that our main sources are confessional statements. If the persons making those statements were put into Court they would be in very grave danger of their lives; in many cases they have been murdered. Almost the last major terrorist outrage was the attack in the cricket ground at Chittagong on the Europeans of that station, when I think four terrorists armed with bombs and revolvers got in among them shooting and throwing bombs:

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and it was only by the grace of God that they failed to kill anyone and also owing to the gallant conduct of a police officer, Mr. Cleary. Four terrorists were captured on the spot,—one of them was I think killed on the spot. The day after that incident a man who was equally in the plot was murdered, not because he had given information to the police because he did not, but because he was suspected of having given information to the police. Now even if these witnesses escaped that very grave danger,—and it really is a grave danger,—it would mean that the sources of information would absolutely dry up if we put them in the witness-box. I do not mean to suggest merely that a man who has once made a statement implicating somebody else would never make another statement if he is put in the box. What I mean is that none of these statements would be made unless the people making them knew perfectly well that it was not the intention to produce them in open Court.

Now, Sir, I hope I have succeeded in clearing up some misapprehensions that exist as to these points. But I want to reiterate, first, that the police do not employ professional spies or informers. The information is always, in the first instance, obtained from within the circle of the plotters themselves. Secondly, no one is ever sentenced to detention on the uncorroborated statement of a single source. It is invariably checked and counter-checked by the methods which I have described. Thirdly, in most—I cannot positively say in all—cases, there is corroborative material evidence either in the shape of incriminating documents or arms or ammunition.

Now, let me take one other point. We are often asked when there will be a general amnesty for these detenus. There have, in the history of terrorist crime in Bengal, been three such general amnesties. On every occasion when these people were released, there was an immediate and serious recrudescence of terrorist crime. That seems to be a most vital point which the House is bound to take into consideration when you press us to give a general amnesty: and it is a most vital point in another way. When you deny the guilt of these people, when you say that they are innocent people imprisoned on the word of an informer, how do you explain that every time they are let out there are more terrorist outrages? There is no answer to that; the facts are conclusive.

Sir, I was glad to hear from one of the speakers, Mr. Chunder, on the other side, a testimony of his admiration for the administration of Sir John Anderson. I was glad to hear that, because I think it is important that the House should recognise, not only the great improvement as regards the terrorist outrages that has taken place since he assumed charge of the province of Bengal, but also—and this, I think, is very largely due to his own efforts—the great improvement in the general tone of the province towards terrorism. I was glad to hear from that quarter such a fair verdict on one who is undoubtedly a very great and very successful administrator and one in whom I believe all sober sections of opinion in Bengal repose real confidence. It is a curious thing, it is a noticeable thing, that while year after year we have in this Assembly a motion of this kind and year after year—and day after day almost—I am bombarded with questions about the terrorist detenus, and a motion of this kind was carried in this Assembly, by, what my Honourable friend, the Mover, described as, “an overwhelming majority”—as a matter of fact it was a majority of five in a House of 121—there has never been any such motion even put forward

in the Bengal Legislative Council. That is a thing that I would ask the House carefully to consider. And further, I would ask them to consider this, that when Government takes the action of which you are complaining—detention without trial—they are acting under a law passed by their Legislative Council by, what I am fairly entitled to describe as, an overwhelming majority. The Act was first passed in 1930 after the Chittagong Armoury Raid. It was passed by 61 votes to 15. It was then enacted for five years. In 1932 another Act, Act XII of 1932, the Suppression of Terrorist Outrages Act, which tightened up the law, was passed, again by a very large majority—58 to 12. In 1934 an Act giving permanence to these two measures, or at any rate to the first measure, was passed by 61 votes to 16. I am entitled, I think, to describe these as overwhelming majorities, and, if we can take them as indicative of what public opinion in Bengal itself feels—and mind you, they are the people who have felt the pinch, they are the people who are in the best position to realise the misery, the sufferings, the loss of life, the economic loss, caused by this dreadful movement—then, Sir, I would ask the House to pause very carefully before it passes what will in effect amount to a vote of censure, not on us, because we are not responsible for this measure, but a vote of censure on the Bengal Government, the Bengal Legislature, and the public opinion behind them both.

**Mr. President** (The Honourable Sir Abdur Rahim): The question is:

"That the demand under the head 'Home Department' be reduced by Rs. 100."

3 P. M.

The Assembly divided:

AYES—63.

Aaron, Mr. Samuel.  
Aney, Mr. M. S.  
Asaf Ali, Mr. M.  
Ayyangar, Mr. M. Ananthasayanam.  
Azhar Ali, Mr. Muhammad.  
Ba Si, U.  
Badrul Hasan, Maulvi.  
Banerjee, Dr. P. N.  
Bhagavan Das, Dr.  
Chattopadhyaya, Mr. Amarendra Nath.  
Chettiar, Mr. T. S. Avinashilingam.  
Chetty, Mr. Sami Vencatachelam.  
Chauder, Mr. N. C.  
Das, Mr. B.  
Das, Mr. Basanta Kumar.  
Das, Pandit Nilakantha.  
Datta, Mr. Akhil Chandra.  
Desai, Mr. Bhulabhai J.  
Deshmukh, Dr. G. V.  
Gadgil, Mr. N. V.  
Giri, Mr. V. V.  
Govind Das, Seth.  
Gupta, Mr. Ghanshiam Singh.  
Hans Raj, Raizada.  
Hosmani, Mr. S. K.  
Jedhe, Mr. K. M.  
Jogendra Singh, Sirdar.  
Joshi, Mr. N. M.  
Kailash Behari Lal, Babu.  
Khan Sahib, Dr.  
Khare, Dr. N. B.  
Lahiri Chaudhury, Mr. D. K.

Lalchand Navalrai, Mr.  
Maitra, Pandit Lakshmi Kanta.  
Malaviya, Pandit Krishna Kant.  
Mangal Singh, Sardar.  
Mudaliar, Mr. C. N. Muthuranga.  
Muhammad Ahmad Kazmi, Qazi.  
Murtuza Sahib Bahadur, Maulvi Syed.  
Nageswara Rao, Mr. K.  
Paliwal, Pandit Sri Krishna Dutta.  
Pant, Pandit Govind Ballabh.  
Parma Nand, Bhai.  
Raghubir Narayan Singh, Chou-  
dhri.  
Rajan, Dr. T. S. S.  
Raju, Mr. P. S. Kumaraswami.  
Ranga, Prof. N. G.  
Saksena, Mr. Mohan Lal.  
Sant Singh, Sardar.  
Satyamurti, Mr. S.  
Sham Lal, Mr.  
Shaukat Ali, Maulana.  
Sheodass Daga, Seth.  
Singh, Mr. Ram Narayan.  
Sinha, Mr. Anugrah Narayan.  
Sinha, Mr. Satya Narayan.  
Sinha, Mr. Shri Krishna.  
Som, Mr. Suryya Kumar.  
Sri Prakasa, Mr.  
Thein Maung, Dr.  
Umar Aly Shah, Mr.  
Varma, Mr. B. B.  
Vissanji, Mr. Mathuradas.

## NOES—62.

Abdoola Haroon, Seth Haji.  
 Acott, Mr. A. S. V.  
 Ahmad Nawaz Khan, Major Nawab.  
 Allah Bakhsh Khan Tiwana, Khan  
 Bahadur Nawab Malik.  
 Aminuddin, Mr. Saiyid.  
 Anwar-ul-Aziz, Mr. Muhammad.  
 Ayyar, Diwan Bahadur R. V.  
 Krishna.  
 Ayyar, Rao Bahadur A. A.  
 Venkatarama.  
 Bajoria, Babu Baijnath.  
 Bajpai, Sir Girja Shankar.  
 Bewoor, Mr. G. V.  
 Bhagchand Soni, Rai Bahadur Seth.  
 Buss, Mr. I. C.  
 Craik, The Honourable Sir Henry.  
 Dalal, Dr. R. D.  
 Das-Gupta, Mr. S. K.  
 Dash, Mr. A. J.  
 Fazl-i-Haq Piracha, Khan Bahadur  
 Shaikh.  
 Gajapatiraj, Maharaj Kumar Vijaya  
 Ananda.  
 Ghiasuddin, Mr. M.  
 Ghuznavi, Sir Abdul Halim.  
 Gidney, Lieut.-Colonel Sir Henry.  
 Grigg, The Honourable Sir James.  
 Grigson, Mr. W. V.  
 Hands, Mr. A. S.  
 Hidayatallah, Sir Ghulam Hussain.  
 Hudson, Sir Leslie.  
 Hutton, Dr. J. H.  
 James, Mr. F. E.  
 Jawahar Singh, Sardar Bahadur  
 Sardar Sir.  
 Khurshaid Muhammad, Khan Bahadur  
 Shaikh.

Lal Chand, Captain Rao Bahadur  
 Chaudhri.  
 Leach, Mr. F. B.  
 Lindsay, Sir Darcy.  
 Lloyd, Mr. A. H.  
 MacDougall, Mr. R. M.  
 Mehr Shah, Nawab Sahibzada Sir  
 Sayad Muhammad.  
 Metcalfe, Sir Aubrey.  
 Milligan, Mr. J. A.  
 Mody, Sir H. P.  
 Morgan, Mr. G.  
 Muhammad Ismail Khan, Haji  
 Chaudhury.  
 Muhammad Nauman, Mr.  
 Mukherjee, Rai Bahadur Sir Satya  
 Charan.  
 Noyce, The Honourable Sir Frank.  
 Rajah, Raja Sir Vasudeva.  
 Rajah, Rao Bahadur M. C.  
 Rau, Mr. P. R.  
 Row, Mr. K. Sanjiva.  
 Sale, Mr. J. F.  
 Sarma, Mr. R. S.  
 Scott, Mr. J. Ramsay.  
 Sher Muhammad Khan, Captain  
 Sardar.  
 Singh, Rai Bahadur Shyam Narayan.  
 Sircar, The Honourable Sir  
 Nripendra.  
 Spence, Mr. G. H.  
 Tottenham, Mr. G. R. F.  
 Witherington, Mr. C. H.  
 Yakub, Sir Muhammad.  
 Yamin Khan, Sir Muhammad.  
 Zafrullah Khan, The Honourable Sir  
 Muhammad.  
 Ziauddin Ahmad, Dr.

The motion was adopted.

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 DEMAND NO. 36—FINANCE DEPARTMENT.

**The Honourable Sir James Grigg** (Finance Member): Sir, I beg to move:

“That a sum not exceeding Rs. 10,16,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1937, in respect of ‘Finance Department’.”

**Mr. President** (The Honourable Sir Abdur Rahim): Motion moved:

“That a sum not exceeding Rs. 10,16,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1937, in respect of ‘Finance Department’.”

*Retention of Emergency Taxation of 1931 and the Urgent Necessity of its Abolition.*

**Sir Leslie Hudson** (Bombay: European): Mr. President: I have risen this afternoon to move:

“That the demand under the head ‘Finance Department’ be reduced by Rs. 100.”

For the purpose of ventilating once again, in this House, the question of the retention of the Emergency Taxation of 1931, and the urgent necessity of its abolition.

We are dealing today with Emergency Taxes imposed for emergency purposes in a time of national crisis. If Government are entitled to expect us to make a supreme effort to help it through a crisis, we, in our turn, are entitled to expect Government to make a supreme effort to remove such emergency taxation at the earliest possible moment and to do so before any fresh expenditure is embarked upon.

What are the pledges of Government in this matter? The emergency surcharge of 25 per cent. on income-tax and super-tax was imposed under the Supplementary Budget introduced in the Autumn of 1931—4½ years ago. Political memories have a reputation for being short. Let me, therefore, refresh the memory of the House with the actual words used by Sir George Schuster in recommending the imposition of the surcharge in the September of 1931, and I ask the House to mark particularly the principles which he then laid down:

“Relief must come first in restoring the emergency cuts in pay and secondly in taking off the surcharge on Income-tax now to be imposed. I think we may predict with as much certainty as is possible for any such forecasts that these special impositions will not in any case be extended beyond March 31, 1933.”

When the time came for the Budget to be introduced in 1933, we found that the crisis had not lifted sufficiently to enable Sir George Schuster's forecast to be realised, but we were reassured by the emphasis which Sir George Schuster then laid upon the temporary character of these surcharges.

Last year, Sir James Grigg, re-emphasised Sir George Schuster's pledge and fully accepted the principles which had been laid down as to the order in which relief should be given when conditions improved. In the course of the subsequent discussions on the Finance Bill, my Honourable friend, Mr. James, moved an amendment increasing the reduction of the surcharges, and on that occasion Sir James Grigg said:

“The pledge of my predecessor in this matter remains on record and we may perhaps hope that next year it will be possible to satisfy Mr. James more fully.”

These then are the pledges that have been given to us during the past four and a half years, and I trust I have said sufficient to prove to you, Sir, and to the House, how heavily Government is committed in this matter.

How have these pledges been redeemed? The first part of the undertaking, that is to say, the part relating to the pay of Government servants, has been honoured in full.

So far as the Income-tax payer is concerned he has, after four and a half years, secured relief in two instalments each of which reduced the surcharge by one-third. Last year the Honourable the Finance Member told us that the removal of the surcharges altogether would cost Rs. 3.34 lakhs and with an estimated surplus of only Rs. 1.42 lakhs. He could not do more than remove one-third of the surcharges at a cost of Rs. 136 lakhs. The net cost of that concession must now be reduced for we know that the Honourable Member expects to receive an excess of Rs. 40 lakhs in the Income-tax receipts and part of that excess must, of course, be off-set against the loss he suffers on the remission of one-third of the surcharge.

The concession of one-third was based on an estimated surplus of Rs. 142 lakhs whereas, the Honourable the Finance Member now expects the outturn of the year to give him Rs. 266 lakhs more, so that, the actual

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amount of pre-budget surplus receipts he had for disposal last year was Rs. 408 lakhs—a sum Rs. 64 lakhs in excess of the total cost of the remission of the entire income-tax surcharges. These calculations I need hardly say leave untouched the Honourable gentleman's surplus of Rs. 500 lakhs in the previous year.

In these circumstances, we can hardly be expected to be convinced that the retention of the surcharges, even last year, was an unavoidable necessity, and the Honourable gentleman will have to exercise a considerable amount of ingenuity to convince us that he has done all that he could and should have done to honour his own and his predecessor's pledges.

Moreover, we have no assurance, no pledge, no indication of any sort or kind, that next year we are to be relieved of the remaining third of these taxes. We look in vain through the Honourable Member's Budget statement for some sign that final relief is in sight. If the Budget statement is all that can be offered to us, we might well give up hope altogether. The Finance Member has balanced his budget not only next year, and the year after, but three years ahead, to March, 1939. I understand that we are to have a bare balance in 1937-38, and an expansion of Rs. two crores in the revenue receipts of 1938-39, but the Honourable gentleman has mortgaged that expansion by his proposal to allocate it to a revenue reserve fund. I ask the Finance Member: does this mean that, so far as he can see, we shall still be bearing emergency taxation in 1940, eight years after the crisis which justified its imposition. I venture to think, Sir, that the House is entitled to some further explanation from the Finance Member in respect of this sinister forecast.

I have already made it plain that the European community in India and the important Industrial and Commercial Interests which we represent, and, I may add, Indian Commercial and Industrial opinion, are very far from being convinced that the Finance Member has done his best to relieve the tax-payer of these emergency taxes towards which we are now inviting the House to direct its attention. Numerous telegrams and letters have reached me, during the past ten days, from all parts of India, without exception, all of which voice the same keen disappointment, if not resentment, at the failure of the Finance Member to secure the total remission of the emergency surcharges. The business community in India takes the strongest exception to what has perhaps not incorrectly been described as a breach of faith.

Let me take another point. My Honourable friend, Mr. Morgan, drew attention last week to the statement in which the Finance Member invited us to take note of "India's Marvellous Power of Recuperation from Economic troubles". There is no doubt that the relief of one-third which was given to us so grudgingly last year has been partly responsible for the fresh impetus to trade which the Finance Member was able to record, and we now hear that notwithstanding this concession the Income-tax returns are greater by Rs. 40 lakhs than was anticipated. We, on these Benches, have little doubt that if the Honourable Member had the courage to abolish the remainder of the surcharges he would be further rewarded by an increase in the yield of Income-tax as a result of the additional stimulus to trade which would follow from such an action. Conversely, we are satisfied, that the Honourable Member by retaining the emergency taxes is holding up the full extent of trade recovery in India. A fact which His

Majesty's Government in the United Kingdom realised from the very outset and which we should like to see realised to a greater degree here, is that emergency taxation aggravates and prolongs the emergency in so far as that emergency is due to trade depression. It is to us a matter of great regret that the Finance Member has decided to buttress his Budget, until next March, at any rate, by crisis taxation which is artificial in the present circumstances and the continuance of which gives neither himself nor the Government a fair chance of seeing how conditions can be brought back to normal.

Now, Sir, we are perfectly well aware that the Finance Member's policy has strengthened and consolidated the credit of the Government of India. Up to a point measures which achieve that important end warrant our unqualified support, but it may well be that the credit of the Government of India is becoming an embarrassment to the trade and industry of the country. Government stocks are continuing to rise and money which should be circulating in Commerce and Industry is being locked up in Government securities. From the point of view of the Finance Member's credit that is an advantageous development, though it is by no means an unmixed blessing for the industrial and commercial economy of the country, and what is required today is a similar rise in industrial equities, a feature which would indicate the confidence of the people in the soundness, I might say in the permanence, of the country's recovery.

I come now to my final observation. It is a well-known fact, and I need not labour the point, that throughout the long negotiations for constitutional reform, negotiations which are now on the very eve of fruition, we have made it abundantly plain, at the Round Table Conferences, at the Joint Select Committee, and on all occasions when Government has sought our advice or support, that we consider it a cardinal prerequisite for the success of the reforms that they should be launched in normal financial conditions. In fact, we suggest, that the success of the new constitution will be very seriously prejudiced if it is floated on emergency taxation. What is the position in which we find ourselves today?—Twelve short months from the inception of provincial autonomy. The position is one which we cannot view with other than great anxiety. The Honourable Member's Budget calculations are inclusive of the emergency surcharges on Income-tax and Customs and Excise duties. The strength of his Budget is still being secured by these adventitious aids. Where are the funds to meet the additional expenditure involved in the Reforms? Possibly in a general rise in prices and in an increased demand for India's export commodities. But, Sir, both these circumstances are dependent upon the favourable course of world economic conditions which cannot be influenced by India alone. It is here then that we see the significance of emergency taxes. These surcharges are to be held in reserve, in the future Federation of India, as a margin of taxation for emergency measures. Surely it is unwise for the Government of India to approach the very threshold of the new constitution with any of that margin already in use.

We are not unaware, Sir, of the fact that the whole question of the finance of the new constitution is at present under the examination of Sir Otto Niemeyer, and, in that connection, I am bound to say that I am in some doubt as to whether Government is justified in providing



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Rs. 158 lakhs by way of subvention to Sind and Orissa before Sir Otto Niemeyer's enquiry is completed. Moreover, the Finance Member's own observation that the sums he has provided for Sind and Orissa "do not purport to provide any substantial margin for new schemes of expenditure, and apart from furnishing small opening balances, they are intended to do very little more than enable the provinces to balance their budgets during their first year's working" is not in itself a very hopeful commentary as to the possible future requirements of these two provinces from the central revenues. What is the extent of these "possible future requirements"? Are they, too, to be financed from emergency taxation? If so, then these subventions are likely to prejudice fair financial settlements in regard to the other provinces. If that is the case then when can Bengal hope to get the whole of the jute tax?

Let me in conclusion summarise the main points. The pledges of Government committing them to the removal of the emergency surcharges are on record, and when I say emergency surcharges, let it be clearly understood that I do not confine myself to the surcharges on Income-tax only—though in that respect the pledges of Government are most precise—but I include also the surcharges on customs and excise duties which formed a definite part of the scheme of crisis taxation imposed four and a half years ago. The time has arrived when we must speak plainly. We take a most serious view of this matter. For too long we have pleaded in vain for full and honest recognition of the just claim of the taxpayer for the removal of the emergency taxes which he is still bearing notwithstanding the fact that the emergency has passed. We are not convinced that his claim for consideration is impossible of fulfilment. We consider that this relief could be granted without in any way impairing Budget equilibrium, and ought to be granted in the interests of a sound budgetary position before the reforms are inaugurated, and in common justice to the taxpayer. I beg to move.

**Mr. President** (The Honourable Sir Abdur Rahim): Cut motion moved:

"That the demand under the head 'Finance Department' be reduced by Rs. 100."

**Sir H. P. Mody** (Bombay Millowners' Association: Indian Commerce): Mr. President, I hope my Honourable friend, the Finance Member, will not regard this motion as yet another example of legislative perversity. Some years ago, I had occasion to remark on the agonised expression which Sir George Schuster habitually wore during budget discussions. We all know that Sir James Grigg is absolutely incapable of such a purely passive attitude of mind, and if we could occasionally catch what he mutters beneath his breath, sometimes for his own benefit, and sometimes for the benefit of his immediate colleagues, this House would be a very much livelier place to work in than it is now. (Laughter.) I do feel, when we are talking of balancing of things and cancelling out of arrangements, that in view of the fact that the Finance Member very often relieves himself in this fashion, he might adopt a more tolerant attitude towards the unfortunate representatives of the much abused, depressed, so-called capitalist classes.

**Some Honourable Members:** Oh!

**Mr. S. Satyamurti:** We will change places.

**Sir H. P. Mody:** Probably we will some day. Sir, what are Finance Members the world over for, if not to be told by their critics that they do not know their jobs and that their critics know it better? We have no part or lot in the framing of the budget. We have no part or lot in the shaping of it. Well, we must get something out of budget discussions, and if we are not even to criticise the Finance Member even when he has produced a surplus,—and I am free to admit, distributed the surpluses, on the whole, and I put emphasis on the words, on the whole, wisely and fairly—I do not know what we are here for.

**An Honourable Member:** Question.

**Sir H. P. Mody:** I say that even though he has produced surpluses, he must not expect that we are going, continually, to throw bouquets at him.

**The Honourable Sir James Grigg:** I don't.

**Sir H. P. Mody:** I am very glad. It seems the Finance Member is a very quick and apt pupil, and I am glad he has sized up the atmosphere of this place. What, Sir, is the object of the motion? It is purely this, that Government having imposed additional taxation, of a most onerous character in order to tide over a crisis, must remove that taxation when the crisis is past. If Government want more money—and they are always wanting money—then I am quite sure that they will come forward with fresh proposals, and as it is the fashion nowadays everywhere that the rich are to be pauperized by more and more taxation heaped upon them, I have no doubt that if additional taxation is wanted, the Finance Member will put his hand in the pockets which he thinks will bear that burden. Well, all I can say is that if and when additional taxation is required, and if we find that there is a necessity for it and also that the burden is sought to be distributed fairly and evenly and that every interest is going to be equally taxed, then I for one shall certainly support the demand for additional taxation, even though it falls upon the classes whom I represent. My Honourable friend seems to think that a great joke.

**The Honourable Sir James Grigg:** Yes, I do.

**Sir H. P. Mody:** Well, all I can say is "wait and see". Do not produce surplus budgets; produce deficits and come forward with additional demands; distribute them fairly and evenly, and then, if I don't support you, come and say what you like to me.

Now, Sir, the capitalist classes in this country, the propertied classes, are under no delusion as to what is awaiting them under the new dispensation. The hand of most men is against them, and, recently, I have found some very exalted quarters lending support to the ranks of the Socialists in this country. We shall meet that situation when it confronts us. We are not under any delusion about it.

**Sir Muhammad Yakub** (Rohilkund and Kumaon Divisions: Muhammadan Rural): Do you mean that Sir Cowasji is going to join the Socialist side?

**Sir H. P. Mody:** He will be the last but one man, and I shall be the last. (Laughter.) I was going to say that when that situation faces us we shall know what to do. Either we shall take a leaf out of the book of our esteemed friends here and offer non-violent non-co-operation, or it is just possible we may offer something which may be much less virtuous but more effective.

**Mr. S. Satyamurti:** He is a terrorist. Intern him!

**Sir H. P. Mody:** In the meantime, Sir, my position is that we must have the right to live, and while we are allowed to live by the grace of my friends on this side and of the Government Members on the other, the pledges which have been given should be carried out, and, as Sir Leslie Hudson has pointed out in a very effective and well-reasoned speech, when there are surpluses no one can possibly say that the emergency which brought about additional taxation is any longer there. That being so, there is no reason or justification, whatsoever, for retaining these additional taxes. I repeat, so that my Honourable friend, the Finance Member, may not misunderstand me, that what we want is the carrying out of pledges as we have understood them. If the financial position of the country demands any additional taxation, we shall meet it on a direct straight issue. Sir, we have been told in these last few days by the Honourable the Finance Member that he is an orthodox financier. Well, that is about the only orthodox thing about him, I should think. He is a Brahmin of Brahmins, so far as financial orthodoxy is concerned. But if he is orthodox to the extent to which he imagines he is, then I say that one of the things that that orthodoxy demands is, that when you label an additional exaction as emergency taxation, then, as soon as the emergency has passed away, you must tear off the label and. . . . .

**Mr. S. Satyamurti:** Tear off the label and call it permanent legislation.

**Sir H. P. Mody:** I am glad to find the slow drift of my friend, Mr. Satyamurti, to the Right crystallising into a sort of alliance with the Finance Member. Am I to take it that my Honourable friend agrees with the position taken up by the Finance Member, namely, that he will tear off the label 'emergency legislation' and substitute for it the label 'permanent legislation'?

Sir, on all these grounds which I hope I have put forward as briefly as I could, I support the motion.

**Pandit Govind Ballabh Pant** (Rohilkund and Kumaon Divisions: Non-Muhammadian Rural): Sir, I do not intend at this stage to go into any intricate questions of financial policy or principle or the details of the budget and the estimates that were presented by the Honourable the Finance Member. I am one of those who believe that the country is heavily taxed and that it has been cut to the bone, and I cannot possibly over-emphasise the need of urgent relief to the taxpayer. During the last 20 years, if my memory does not fail me, taxes have been piled again and again on more than nine occasions, with the result that their incidence today is much heavier than at any time previously. I join hands with all those who want relief in taxation. I also hold that at present the

Government, as they are constituted, do not, in fact, deserve any assistance or co-operation. The House has, by refusing supplies to the Executive Council and to the Military Department, established conclusively that, if it had rested with this House, it would not give them any funds as it has no trust in their policy or in their methods. So positively as well as negatively, I am for reduction of taxation. I also hold that there is enormous extravagance today and India could get equal and better service perhaps for half of the money that it has to pay today for keeping this unwanted Government in power. So far, I think there is common ground between me and those who want relief in taxation. I repeat, Sir, that the emergency taxation was obviously meant for emergency purposes alone. We should now consider as to what were the taxes that were imposed at the time and which of these taxes should in equity be taken off first of all and should have priority. That is the question which I would like Honourable Members sitting there to apply their minds to. The Government have never been worried by anything like a pledge in these matters. A pledge was given when the income-tax was imposed in this country, and we know how it was respected. And I know of a good many other pledges. (Laughter.) I think the House remembers what one of the Secretaries of State once said: "It has been our vocation to make pledges and to break them, and it would have been more honest and more honourable if, instead of deceiving the people, we had behaved frankly with them"; so this is not the solitary occasion when a pledge had been made.

I might remind Honourable Members, and some of them might be remembering it, that Sir Basil Blackett, while presenting his budget for 1928-29 in 1928, did indicate that he had every hope that taxes would be taken off next year, as he was fully conscious of the fact that the country had been over-taxed. And, Sir, how many more taxes have been levied since 1928-29! I need not enumerate them, because they are recent events, and everybody here must be aware of these burdens. I will go back to these emergency taxes. What were they? Well, there was the sur-charge of 25 per cent. on income-tax and super-tax, on salt tax, on excise duties, on customs duties and also an increase in postal rates and railway freights and fares. All these things contributed towards the funds that were raised in September 1931 by means of the emergency financial scheme of Sir George Schuster. Well, Sir, the question that now confronts this House is, while the emergency taxes should be removed, which of these should have priority? Well, the Government, of course, are very just and they began first of all by taking off the Rs. 5,000 per month which His Excellency the Viceroy had been contributing by a self-denying ordinance imposed on himself. In the case of the Governor-General, it was 20 per cent. and, in the case of others, it was 10 per cent., so it came to Rs. 5,000.

**The Honourable Sir James Grigg:** 15 per cent. for the Executive Council.

**Pandit Govind Ballabh Pant:** So far as you are concerned, Sir James, you have regularly got your full pay since a few months after your arrival here, and your predecessor had to bear the major portion of the cut. He is lucky, I think he has been so all his life. However, leaving that alone, what I am concerned with here is that first of all the Government was struck by the penurious, the precarious and the hard lot of the gentlemen sitting opposite (Laughter), and the Honourable the Finance Member

[Pandit Govind Ballabh Pant.]

thought that the first, and the most urgent step that was called for was to restore their salaries lest they should die of starvation, and luckily none of them died and they have been all saved, and all congratulations are due to them. Next they thought of another community with whom perhaps they had something in common because they also were affected by the increase in super-tax and they thought that the poorest and the weakest folk were the gentlemen sitting there in the European Group (Laughter), and then they followed by taking off one-third from the income-tax and super-tax for the relief of that hard-hit lot there (Laughter), whose difficulties, perhaps, are not as intelligible to us as they are to those opposite with whom they have an actual, solid, genuine sympathy because of a more or less common outlook. So they were considered to be most deserving of the next stage of relief in the order of relief of taxation. Sir, I remember the Finance Member making a speech on a Resolution that was moved here as to the policy of taxation that should be observed in this country. I gathered then from what he said, and he will correct me if I am wrong, that he is against indirect taxation and in favour of direct taxation. Now what is happening? What is the actual result of the relief that he is giving? Last year the proportion of indirect to direct taxation was raised because the indirect taxes went up while the direct taxes went down because of the first cut of one-third in the emergency increase on those taxes. This year again there is a similar step taken, with the result that the ratio of indirect to direct taxation will go up, naturally higher than what it was last year. Now, I do not know really how far this is in consonance with the principles that were enunciated by the Finance Member here last year. He assured us that he is an orthodox economist. Well, I will have to deal with his orthodoxy on some other occasion but here I wish he had stuck to his own enunciation of policy as orthodoxy at least implies and involves consistency; but, Sir, he thought that those who deserve relief were those who would have more left with them after the payment of any taxes that might be claimed from them than those who had less and much less indeed. Well, it is I think the Christian maxim—"give to those who have still more and take away from those who have but little the little they possess". Well, Sir, that is the principle that was adopted by the Honourable the Finance Member. I remember, I am not mistaken, that the Honourable Baronet from Bombay while speaking the other day laid emphasis on the fact that he wanted relief for the poor and not for the rich. (An Honourable Member: "Quite right"), and I believe one eminent person, greater perhaps than many of those who are sitting here, His Highness the Aga Khan, has been making speeches all over the country to the effect that the time had come when the richer classes in this country should be taxed for the benefit of the poor (Hear, hear), and he is a man in whose shrine many people literally worship. He is perhaps the man who receives the greatest amount of friendly homage, shall I say, because he is a religious preceptor, at the Viceregal Lodge, and I, Sir, would have thought the Government would take a leaf out of His Highness the Aga Khan's book and be guided by it at least in this small matter. So, Sir, while I would not oppose the relief of taxation in any case, I think it is but just and fair that those who stand most in need should be considered as primarily deserving of relief at this time. And who does not know that the entire trouble today is due to the abrupt collapse in the value of the primary agricultural products? If that is so, can anybody deny that those who deserve this relief are

primarily those who have primarily to depend upon agriculture? For, their incomes have all of a sudden collapsed by about fifty per cent. to half. So, Sir, if the Government cannot do more, can they not at least remove the surcharge on salt? It will not cost more than a crore and a half. It was part of the emergency taxation. If you take away five annas per maund from the duty imposed on salt, my Honourable friends over there and there and in all parts of the House will all have the benefit of it as much as the poor. But the fairness of the arrangement lies in this that every one will have the benefit of it and not any particular class, not that the richer will be excluded, but that the poorer will be included. When you grant relief to those who pay income-tax alone, then you shift the burdens to the poorer classes and make it easier for the richer classes. When you relieve the masses by taking away the surcharge on salt tax you give relief to every single individual in this country. (Hear, hear.) What is more just and fair, that relief should be restricted to a few thousands who alone pay super-tax or that it should be given to every one of the 250 millions of people contributing to the exchequer in British India?

**Mr. President** (The Honourable Sir Abdur Bahim): The Honourable Member has exceeded his time limit.

**Pandit Govind Ballabh Pant:** As I have exhausted my time, I do not like to take up any more time. I hope my Honourable friends will, therefore, realise that, after all, all the profits they enjoy they eke out of others, and if they do not extend their hand of friendship to those under and around them, then certainly the days ahead may bring greater trouble than many of them imagine.

**Sir Ghulam Hussain Hidayatallah** (Sind Jagirdars and Zamindars: Landholders): I generally agree with the previous speakers that our country is heavily taxed, and, therefore, there ought to be reduction of taxes. I heard the Mover of the cut and his supporters with great attention, but I am not at all convinced by their arguments. Both of them were harping on the surplus. But they have not realised how the Honourable the Finance Member has achieved this surplus. One of the methods by which he has achieved that is that he has made dangerously inadequate provision for the redemption of a debt of 1,200 crores. What is the provision he has made? He himself admits that a provision of three crores for the redemption of 1,200 crores is dangerously inadequate. That is, we will be able to redeem our debt in 400 years. He has departed from the old convention of 1924, according to which he ought to have provided eight or nine crores. By putting off this liability, he has produced a surplus budget. Therefore, there is really no surplus at all. My Honourable friends, the Mover of the cut and his supporters have absolutely no case. How can the Honourable the Finance Member fulfil the pledge, if there was any pledge given, if he has not got a surplus budget? Again look at the finances of the Government of India? On Railways we are incurring loss to the tune of four to five crores a year; then there are the additional liabilities of subventions to Orissa and Sind; and then every year the Honourable the Finance Member has to provide a crore for rural uplift, which he must provide every year; otherwise people will say that Government, in order to combat the popular movement, made provision for two or three years and afterwards gave it up. I may tell him that if he does

[Sir Ghulam Hussain Hidayatallah.]

not provide a crore every year, then all the money that has been spent will be wasted. So, by not taking into account these liabilities and postponing the redemption of debt, he has produced this surplus. If we take the taxation of the provinces as well as the Central Government into consideration, what are my rich friends paying in the shape of taxes? In the provinces, except the surcharge on electricity, they do not pay any other tax. I am referring to the capitalists.

**Sir Cowasji Jehangir** (Bombay City: Non-Muhammadan Urban): Where?

**Sir Ghulam Hussain Hidayatallah**: What do you pay to the municipalities for the services rendered to you? So, Sir, except the income-tax to the Government of India, and the surcharge on electricity to the provinces, they pay nothing else. What have the Government done for them? Government have protected their industries to the disadvantage of the consumers. The mill industry, the sugar industry, the steel industry, all have got protection and on that score the Government are losing in the shape of customs to the extent of four crores.

**The Honourable Sir James Grigg**: Much more than four crores.

**Sir Ghulam Hussain Hidayatallah**: Much more than four crores, as the Honourable the Finance Member points out. They are getting money by putting an excise on matches and on the necessities of the life of the poor man. Therefore, I am sorry, I cannot support the motion that the surcharge should be reduced.

**Babu Baijnath Bajoria** (Marwari Association: Indian Commerce): Sir, I rise to support the motion. The emergency taxation was imposed in September, 1931, when the Government budget was faced with a large deficit. At that time by one stroke of the pen, Sir George Schuster, the then Finance Member, increased all the customs and excise duties as well as taxes on income by 25 per cent. and the salaries of all Government servants were subjected to a cut of ten per cent. These emergency measures were taken to balance the budget under exceptional circumstances. This House was also told at the time that these increased taxations as well as the pay cut were of a temporary character and will be removed when the emergency ceased. It was at that time expected that the emergency will cease at the end of March, 1933, and these fresh taxations will also be removed by that time. Sir, the burden of taxation in a poor country like India was already very high when these new taxations were levied and these fresh taxes involving as they did several crores were the last straw on the camel's back.

Fortunately, the financial position of the Government of India has been improving during the last few years and with the first signs of improvement, the Government hastened to restore first, the five per cent. of the pay cut of their servants and then, next year, the balance of five per cent. of the pay cut was restored in spite of protests from all sections of people. Even my friends, of European Group, joined in this protest.

Sir, now, the Honourable the Finance Member in his budget speech informed us that there was a surplus of 495 lakhs in 1934-35 and there are prospects of a surplus of 242 lakhs in 1935-36 and of 205 lakhs in

1936-37. All credit is due to the Honourable the Finance Member for this happy state of affairs. But his credit would have been ten times more if he would have reduced expenditure considerably and reduced the burden of taxation considerably and then produced a surplus budget or even a balanced budget. Sir, as no emergency exists at present, there is no justification for continuing the emergency surcharges and it is high time that they are removed altogether. I am grateful to the Honourable the Finance Member for removing two-thirds of the income-tax charges in two years but the mercantile community confidently expected that with the improvement of the finances of the Government of India the entire surcharges on taxes on Income will be removed this year. In this, they have been partially disappointed and I have received representation from various Chambers of Commerce to press for their total removal and I urge the Government, with all the emphasis at my command, to remove the surcharges altogether immediately.

Sir, when there are deficit budgets fresh taxations are levied and we are told that these taxations are only temporary and will be removed as soon as possible. When there are surpluses we are told that these are non-recurring surpluses and, hence, cannot be utilised for reduction of taxation and the major portion of the surpluses is spent away on construction of cities, on broadcasting, and so on. It is a policy of "Heads, I win; tails, you lose". I cannot agree to such a policy. Sir, the Honourable the Finance Member hopelessly underestimated the import duty from sugar last year inasmuch as he got more than double his estimate. I submit that his estimate of revenue from this source this year is also at least an under-estimate of one crore of rupees. This sum would be approximately sufficient to take away the balance of the surcharges on income, which I request him to remove altogether. Sir, I support this motion.

**Sir Cowasji Jehangir:** Sir, the debate today is to a certain extent a repetition of the debate on the general discussion of the budget and some of the points made by my friend, Sir Leslie Hudson, were points that I had brought to the attention of this House during the budget discussion. But one or two points have been made during this discussion which have rather surprised me. I do not find my Honourable friend, Pandit Govind Ballabh Pant, in his seat, but I am afraid I must say a word or two during his absence. I thought all along that he and his Party were foremost in reminding Government of their pledges, of their supposed pledges, of imaginary pledges; but when it comes to a pledge given in black and white and only two or three years ago, my Honourable friend has the temerity to say that it does not matter if Government do not fulfil that pledge. Such an argument not only surprised me but it surprised me more, coming as it did from my Honourable friend who is so scrupulously honest in all his arguments and who has reminded Government on more than one occasion of the pledges given 50 or 60 years ago. Sir, I am very glad to be able to believe that Government have not repudiated that pledge. It was repeated last year. We are complaining of the delay in its fulfilment and we have grave apprehensions that there will be unnecessary and unjustifiable delay. We readily admit the relief that has been given to the poorest class of income-tax payer; those whose salaries only amounted to Rs. 1,000 a year. We gratefully appreciate that relief to the poorest class of income-tax payer, but let me remind my Honourable friend that that relief was obtained after Resolution after Resolution



[Sir Cowasji Jehangir.]

had been passed by this Honourable House for three or four years. But it has been given and we gratefully admit it. Let us also say candidly that it was long overdue and we apprehend that the other relief, included in that pledge, is likely to be unnecessarily delayed. I drew the attention of the House to the forecasts made by the Finance Member, not for next year but for the year to come, in which he gives us no hope of further relief. He shows an actual deficit of two crores and he proposes to use the surplus of last year to make good that deficit in 1937-38. Well, Sir, all I can say and repeat is that with the conditions in Europe and conditions in the Far East, my Honourable friend is a bold man. He again forecasts for 1938-39 where he believes he will be able to balance his budget without further taxation. He believes there is going to be a betterment of two crores. I honestly hope that his belief will come out to be true, but there is going to be no relief for us. And his budget is based on one argument and one argument alone. He will not increase the capital charge of this country because he believes that his predecessor made a mistake in reducing the seven crores that was put aside every year to three crores. And when I read out his predecessor's arguments for doing so, I expected at least to be informed as to how Sir George Schuster was wrong in his arguments and his logic. But there was not a single word of explanation. I also took the opportunity to point out that provision was being made in the Railway budget and the Posts and Telegraphs budget. But that did not seem to appeal to the Finance Member at all. If facts can be turned down in this way I am afraid . . .

**Sir Ghulam Hussain Hidayatallah:** Will the Honourable Member kindly state where is the provision made for the redemption of railway debt?

**Sir Cowasji Jehangir:** Well, 13 crores a year are put aside for replacements and depreciation.

**Sir Ghulam Hussain Hidayatallah:** Replacements and renewals do not mean redemption.

**Sir Cowasji Jehangir:** My Honourable friend who was once the Finance Member of the Government of Bombay has still a lot to learn. This is a commercial department and in a commercial department when you set aside 13 crores of rupees a year for replacements and renewals, you are keeping your stock up to scratch. I also pointed out that ample provision was made in the Posts and Telegraphs Department, but still we hear this argument trotted out that Sir George Schuster was completely wrong; all his arguments that I read out should be put in the waste-paper basket and we should be made to pay out of revenue a crore a year what ought really to be charged to capital.

... And then, Sir, there was one argument in the Finance Member's speech which struck me as rather extraordinary,—I was not able to understand it. He said that if he did charge that one crore for Quetta to capital it would cost 75 lakhs a year.

**The Honourable Sir James Grigg:** I might take this chance of explaining that; the Honourable Member misunderstood me completely. What I said was, that the saving to the budget would be of the order of 75 lakhs a year. The Honourable Member misunderstood my argument at the

time and if he looks at my words carefully he will see that I meant that the charge on the budget in respect of borrowing would be about 25 lakhs a year and the saving would be of the order of 75 lakhs a year.

**Sir Cowasji Jehangir:** I do not see the figure of 25 lakhs anywhere in the budget.

**The Honourable Sir James Grigg:** You work it out and it will come to that.

**Sir Cowasji Jehangir:** It is 24½ lakhs.

**The Honourable Sir James Grigg:** That is roughly 25, is'nt it?

**Sir Cowasji Jehangir:** Yes, all right. Then, where does the saving of Rs. 25 lakhs come in?

**The Honourable Sir James Grigg:** The normal expenditure on Quetta in future years will be a crore a year.

**Sir Cowasji Jehangir:** I see what my Honourable friend meant to say.

**The Honourable Sir James Grigg:** I did say it.

**Sir Cowasji Jehangir:** That we would have to pay Rs. 25 lakhs in interest if it was borrowed money, whereas if he paid it out of revenue, it would be a crore. Therefore, the extra saving to revenue every year would be only Rs. 75 lakhs. That is the argument.

**The Honourable Sir James Grigg:** That is what I said.

**Sir Cowasji Jehangir:** I am glad of the explanation, because I really could not understand it. It is perfectly correct. We shall call it Rs. 75 lakhs a year, not a crore. You take Rs. 75 lakhs a year when you ought to take 25 or 26.

**The Honourable Sir James Grigg:** You have still got it wrong. I am presenting you, for the purpose of your argument, with a saving of Rs. 75 lakhs a year on the budget, not 75 *less* 25, but Rs. 75 lakhs nett.

**Sir Cowasji Jehangir:** A crore *minus* Rs. 25 lakhs.

**The Honourable Sir James Grigg:** You just said 75 *minus* 25.

**Sir Cowasji Jehangir:** I say that we ought to get Rs. 75 lakhs more in the budget than we have got. We have cut out Rs. 28 lakhs.

**The Honourable Sir James Grigg:** That is your argument.

**Sir Cowasji Jehangir:** And the rest is in the military budget which we cannot touch, but we shall take it into our calculations when we come later on to discuss the Finance Bill.

[Sir Cowasji Jehangir.]

Now, I do not believe along with my friend, the Leader of the European Group, that further relief could not have been given. I believe it could have been given. I come to the question of the income-tax payer. I know that there are many in India who believe that the income-tax in India is not so very heavy after all. On certain incomes, it is higher than the income-tax in England.

**The Honourable Sir James Grigg:** The lower ones.

**Mr. S. Satyamurti:** On the highest, you are paying much less.

**Sir Cowasji Jehangir:** No, it is not so. The income-tax is a very onerous tax on people who make a fairly big return indirectly to the revenues of this country through trade, industry and commerce. The more you go on taxing these people, the less commerce there will be, the less industry there will be, and the less will be the indirect returns to your revenues. The more loss your industries make, the less revenue to the country as a whole. Discourage your commerce, you will have much less revenue to Government. It is a vicious circle which people in England have learned to realise, a vicious circle which enables the Finance Member to show that he is bringing in a bigger income for the time being by increasing the income-tax, but which, finally, he finds has so reacted on the general revenues of the country that he finds it wiser and more advisable, in the interests of all classes, to reduce.

**An Honourable Member:** Not of *all* classes.

**Sir Cowasji Jehangir:** I should have thought that the Finance Member had realised that fact, but evidently he has not, but he will realise it or will be made to realise it in a very short time. All we complain about just now is that he has gone beyond the scope of a Finance Member in trying to predict what is coming to this country two or three years hence, when we know very well that every one of his forecasts are likely to be upset, and if I have the privilege of being a Member of this House two or three years hence, I feel confident that I shall be able to point out to the Honourable the Finance Member, whoever he may be then, that the forecasts made by the Finance Member in the year of grace 1936 have—what shall I say?—met with disaster. I have seen such forecasts before and I trust he will give us credit for a little common-sense and not ask us to believe in his betterments and in his deficits in the year 1938-39 and 1939-40. By such forecasts he has utilised two crores of the surplus for the last year by locking it up in his safe. Sir, we are passing through dangerous times. I appreciate caution, I appreciate it more today than I did when I spoke a week ago. There has been a considerable change in a week's time, leaving aside a year or two or three years hence. A great change has taken place in the last week in the world situation, and I appreciate caution more today than I did even a week ago (Hear, hear), but caution based on some logical facts, caution based, I will say, on common-sense—a trait which his countrymen possess to larger extent than any people in the world. His forecasts are neither based on logic or on common-sense. Whatever the future is going to bring us, let him be as cautious as he likes, but let him also be fair and equitable to all classes of taxpayers; and above all, let him not forget pledges given by

the Government of India, regardless of who the Finance Member was at the time. A pledge given by a Government is no less sacred because one Member of Government is changed. It remains as sacred as it was on the day it was given, and we shall insist upon its being fulfilled, or know the reason why.

**Dr. P. N. Banerjee:** Sir, I fully endorse the general principle laid down by the Honourable the Mover of this amendment, namely, that taxes levied in an emergency should be withdrawn when that emergency is over. But I must record my emphatic dissent from his view, when he seeks to apply this general principle to his particular proposals. His proposals are, that the surcharge on the income-tax and the surcharge on the super-tax be removed. But may I point out to you the various items of taxation levied in this country as emergency taxes since the beginning of the European War? It was during the War that the salt tax was raised from one rupee to Rs. 1-4-0. Then, during the years 1921 and 1922 a large amount of additional taxation was levied in the shape, largely of customs duties. In 1931, at the time of the general budget and again at the time of the supplementary budget, a large amount of additional taxation was levied, and the surcharges which were imposed at that time were surcharges not merely on income-tax and super-tax, but also on customs and excise duties; and such articles of absolute necessity for the poor as kerosene and salt were subjected to this emergency taxation. This being the position, what are the taxes which ought to be removed first, which should have priority at the time of remission? I submit that the taxes which fall very heavily on the poor should be first reduced and remitted. My Honourable friend, Sir Ghulam Hussain Hidayatullah, has just pointed out that the richer classes bear a very small proportion of the burden of provincial taxation. He is perfectly right, and if we take provincial and central taxation together, we find that the burden of such taxation on the poorer classes is immensely heavier than the burden which falls on the richer classes. (Interruption.) I have not the time to go into the details, but anybody who is acquainted with the tax system of the country knows that the burden of taxation in India falls far more heavily on the poorer classes than on the richer classes. That being so, I insist that the taxes which press heavily on the poor should be taken off first. And what are those taxes? First comes the salt tax: the surcharge should be taken off first, and then the original tax should be gradually reduced. Then comes the tax on kerosene and matches. These should be reduced immediately in order to afford some relief to the poorer classes, and when the budget of the Government shows a further surplus these taxes should be taken off altogether. Then we shall think of the income-tax. The super-tax should come last; for, who are the payers of the super-tax? They are persons with incomes of Rs. 30,000 and above: they can easily bear the burden and afford to pay the tax. If we act on the principle of ability to pay, their burden should not be relieved before the burden on the poorer classes is relieved. I insist, therefore, that the proposals which have been made by my Honourable friend, Sir Leslie Hudson, should not be accepted by the Finance Member; he is right in his general proposition that taxes levied in times of emergency should be remitted as soon as the emergency has passed away, but the application should be made in a different way. The burden which falls on the poorer classes of the population should be lightened immediately.

**Mr. F. E. James (Madras: European):** Sir, I should like to clear up one or two misapprehensions under which Honourable Members in different

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parts of the House appear to be suffering. In the first place, I think it is not altogether fair to represent that we are speaking here merely for what are somewhat loosely described as the capitalists . . . .

**Dr. P. N. Banerjee:** I did not use that word.

**Mr. F. E. James:** I did not accuse my Honourable friend of using it; but it has been used by other Members in different parts of the House. As a matter of fact, take my own constituency alone. It is principally a middle class constituency, consisting of people who are drawing medium and somewhat low salaries. They are mainly engaged either in agricultural industry on plantations where salaries are comparatively low, or they are engaged in import and export trade, where, even the Honourable the Finance Member must admit, owing to international conditions, their prosperity has been very much reduced in recent years; and there are of course a few industrialists such as are represented on the other side of the House, who have to some extent, benefited by schemes of protection. My point is this: that when we represent this view to the House we represent it, not on behalf of what some of my friends described as the wealthier classes, but, on behalf of the middle classes in our community and generally speaking in this country. That is the first point.

The second point is this: that I do want the Honourable the Finance Member to realise the strength of feeling, certainly as far as our community is concerned, on this matter. I wish he could find more time to visit the provinces and get into direct touch with the people we are now talking about. It is an astounding fact to have to say it, but we have not had the advantage of the presence of a Finance Member in the Madras Presidency for nearly ten years; and I ask my Honourable friend to take the earliest opportunity of coming down because I think it is sometimes difficult to realise in this atmosphere of Delhi and Simla the extent of feeling on certain questions in the provinces. Not only is the feeling on this matter strong, as far as my own community is concerned, but also it is strong among the middle classes of the Indian communities. I would call the attention of my Honourable friend to the published opinions of the Federation of Indian Chambers and I would also call his attention to the view expressed by the *Hindu*, the leading nationalist daily in South India, which has a circulation—a very wide one—even outside the Presidency. This is what the *Hindu* said:

“The emergency which called forth the surcharge disappeared long ago, but Sir James Grigg has nevertheless decreed that industrial production and business activity shall bear the extra burden as though that emergency continued. So far as we are able to see there is absolutely no justification for this persistent denial of substantial relief to the taxpayer. For two consecutive years there have been supposed surpluses, but the orthodox financial conscience of Sir James Grigg does not permit him to hold that this presages similar surplus in the years to come justifying the surrender of the present revenues.”

Then, they go on in a subsequent paragraph to say:

“Sir James Grigg’s apprehension that the surpluses may prove to be temporary is utterly unfounded. This will become clear to ‘all fair minded’ people whose support he besought, if they examine the course of the principal sources of the Government’s revenues in the past three years. Customs revenue in 1934-35 showed an increase in actuals over budget by no less than a crore and a half; in the current year, the revised estimates show an improvement of over 2·87 crores over the Budget estimate.”

And I would like to ask the Honourable gentleman if he could tell us, at this precise moment on the latest information he can possibly obtain, by how much do customs receipts up-to-date exceed even the estimates he gave us the other day . . . .

**Prof. N. G. Ranga** (Guntur *cum* Nellore: Non-Muhammadan Rural): Then be grateful to the poor.

**Mr. F. E. James:** Now, Sir, my Honourable friend, Pandit Govind Ballabh Pant, spoke on two main points, first of all, on the question of priorities in the removal of the surcharges, and secondly, on the general question of the re-distribution of taxation, and the rival advantages or disadvantages of direct and indirect taxation. Now, Sir, as far as priorities are concerned, we take this view: that the pledge in regard to the removal of all the emergency taxes is implicit from the very beginning in Sir George Schuster's plan . . . .

**Pandit Govind Ballabh Pant:** It is explicit. He said that all emergency taxes would be removed.

**Mr. F. E. James:** Exactly; what I mean is that by the very fact that it was described as an "emergency plan" there is an implicit avowal that as soon as the emergency is over, those taxes must come off. We are there at one with him. As far as the Posts and Telegraphs are concerned, I would put this point to him. We do not regard the postal rates as a tax. We regard the postal rates more as a payment for services rendered, and really the only question that arises in regard to that matter (for, after all, the Posts and Telegraphs Department, is a commercial department), is this; whether we are getting the cheapest and most efficient service for the money we pay . . . .

**Pandit Nilakantha Das** (Orissa Division: Non-Muhammadan): Is not all taxation for services rendered?

**Mr. F. E. James:** I do not include the postal rates and the railway freights as part of the emergency surcharge plan in the same way as surcharges on salt duties or excise or customs duties are. But as far as income-tax is concerned, we feel,—and I think we have grounds for feeling—that there was a most explicit pledge in regard to that matter, and that is why our motion refers to the whole of the surcharges. We call particular attention to this, which we regard as a most flagrant breach of the pledges which were given in the past and by which, on the Honourable the Finance Member's own showing, he regards himself as today bound.

Then, Sir, my Honourable friend, Pandit Govind Ballabh Pant, the Deputy Leader of the Congress Party, referred to the question of direct and indirect taxation. I agree with him that to some extent, at present, it is a somewhat academic issue. I would of course remind him that there are many forms of indirect taxes, and that the policy of protection itself is an indirect taxation on the poor. What I am somewhat sceptical about is the assertions which have been made, generally speaking, without concrete evidence, that the burden of taxation on certain classes of the community is far greater than the burden upon other classes of the community. I would welcome in fact an inquiry into the incidence of taxation in this country. I am perfectly sure that if an inquiry were held, we should find

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that, as far as the middle classes are concerned, whether Indian or European, it would be proved that they do pay a very large burden of the taxation in proportion to their revenue. Those of my friends, like Mr. Ranga, who believe in the policy of "soaking the rich" at all costs would not subscribe to that view, but I can assure him, so far as the middle classes are concerned, both Indian and European, if he inquired into the incidence of taxation upon them, he would find that very heavy indeed. These people not only pay income-tax, but a large proportion of the customs duties, they pay a large percentage of the excise duties, and they also pay a high proportion of provincial taxation, all of which has to be included when we are looking at the incidence of taxation generally. I feel, therefore, that there is need for a scientific inquiry into the incidence of taxation. As far as my own community is concerned, we are not afraid of such an inquiry, because we are convinced that it would show that in fact we are paying a very large proportion of the country's taxation . . . .

**Pandit Nilakantha Das:** Why don't you propose an Economic Inquiry?

**Mr. F. E. James:** As far as the general taxation policy is concerned, we have welcomed the abolition of the income-tax on assesses below Rs. 2,000 a year, but I would remind the House exactly what that means in regard to relief. When my friends talk about soaking the rich, I would also invite their attention to what precisely that means, for the rich in this country are not too numerous. Now, the total number of assesses to income-tax, at present, is in the region of 660,000. The number who are assessed to income-tax up to Rs. 2,000 a year are 387,392. So that more than half that figure of 660,000 now get relief. Above the limit of Rs. 2,000, therefore, the number of income-tax payers is 278,587, and if, as has been suggested from the other side of the House, you raise the limit still further to, for example, Rs. 3,500 a year . . . . .

**Some Honourable Members:** Who suggested it?

**Mr. F. E. James:** It has been suggested.

**Some Honourable Members from Congress Benches:** Nobody from this side.

**Mr. F. E. James:** My friends' memories are short. They should look up the debates in the House last year on the Finance Bill, and they will see that the suggestion to raise the limit to Rs. 4,000 was made. But even so, above Rs. 3,500 per annum the total number of assesses is only 148,569, and the number of assesses to super-tax is only 3,407. You may soak the rich as much as you like, but I doubt whether my friends will get as much out of that as they expect to get at present. I am quite aware that there is a suggestion which has come from different parts of the House for a re-grading of the income-tax. May I suggest that that is not at present the question at issue? We are not dealing with the redistribution of taxation policy. We are dealing merely with this question of the emergency surcharges, and we claim that they should be removed. That is the one and only meaning of our motion, and I trust that on that basis the House will

divide in our favour, and will not obscure the issue by voting on a basis which involves not only the application of an extreme form of communism but also the application of a very radical type of socialism.

**An Honourable Member:** Let the question be now put.

**The Honourable Sir James Grigg:** This debate has been epoch-making in that it has marked the inauguration of a new campaign in relief of Harijans, but it is a different kind of Harijan, namely, those who live in Bombay. (Laughter.) I really think that this will, in days to come, be marked down in our annals as a red letter day.

Of course, the main purpose of the debate has been an attempt, apart from this inauguration of the new campaign has been an attempt to try and unite all parties in this House against the Government on the question of surcharges generally.

**Dr. P. N. Banerjee:** No. All parties will not be united.

**The Honourable Sir James Grigg:** I said it was an attempt; I will come to the success of it later. But it cannot be denied that by using the formula surcharges in the general sense, it has been hoped that all parties would unite against Government. It rather to my mind resembles an attempt to stop a knife gash from bleeding by sticking a piece of stamp paper on it. (Laughter.) But that attempt, judging by the chorus of disapproval which has just been voiced, has failed, as indeed it was bound to fail, and you have got ranged on one side speakers like Pandit Govind Ballabh Pant and Professor Banerjee, and on the other side, the Baronet from Bombay, Sir Hormusji Mody, Sir Leslie Hudson, and Mr. James. Mr. James at the end has made a very praiseworthy effort, if I may say so, to stick another piece of stamp paper on, but, I think, again, judging from the chorus which greeted my opening remarks on this subject,—I think that the wound is still bleeding away wildly.

Before I come to deal with the purpose of the debate as a whole, with the real subject matter of the debate, I should like to take up one or two points which are incidental to the debate but not fundamental. Sir Leslie Hudson said quite rightly, that the reduction of taxation, and, in particular, direct taxation, is a stimulous to trade. That is undoubtedly true, but I do not think that he can afford to over-state his case. It is necessary to have some sense of proportion about it, and if I may be allowed to rake up my hideous past once more, I have had some experience in this matter. In 1922, I think it was, the income-tax in England was reduced by one shilling in the pound, which represented giving back to the taxpayers of the United Kingdom £60 millions in one year. The improvement in the yield of the income-tax in the following year—and how much that was due to the remission of taxation or how much was due to natural recovery, it is quite impossible to say—but the improvement in the yield of income-tax in the following year was of the order of five per cent. So that it is no good over-stating the argument. I mean, after all, it is no good copying the advertisement of 'Kruschen salts' which give you such a healthy feeling that they turn the poor invalid immediately into a giant weight lifter. It is necessary to bear in mind the magnitude of



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the amount involved. A remission of the remaining one-third of the income-tax and super-tax surcharges means giving back to the taxpayer something under a crore and a half a year. To say that the difference between one and a half a crore and nothing (Interruption) is the difference between wild prosperity and the present position of only slow improvement in India is not true.

**Mr. F. E. James:** I did not say that.

**The Honourable Sir James Grigg:** I will put it in another form: I do not think it is wise to over-state the exhilarating effects of a remission of taxation to the extent of something like under a crore and a half.

My Honourable friend, Pandit Govind Ballabh Pant, expatiated on the general question of the burdens on the taxpayer, and of course he was making a more general statement of the case than my Honourable friends, Sir Leslie Hudson and Mr. James, have been trying to make. I agree with him that the burdens on the taxpayer in India are heavy, taken as a whole. Some speakers referred to the burdens as heavy if you take the income-tax and super-tax by themselves. One Honourable Member made a direct statement that this form of taxation in India was higher than it was in the United Kingdom. I will, therefore, give a few illustrative figures, but I may say that I do not attach very much importance to arguments based on such figures, because the comparative weight of taxation, unless it is considered in relation to the general level of income, is not of no value. Take the case of a man with an income equivalent to £150 a year. In the United Kingdom he pays no tax; in India a little over £5. £500 if it is earned income in the United Kingdom, he pays £6, and if it is unearned, about £20. In India the corresponding figure is something over £25. £1,000 a year, earned income in the United Kingdom, about £88, and unearned income, £133. In India something like £68. I now come to the really big people, men with an income of £10,000 a year. Earned income in the United Kingdom, taxation paid is £3,610, and if it is unearned income, £3,677. In India £2,157. So that, taking income-tax taxation by itself, it is not true to say that the burdens in India in the upper ranges at any rate are much heavier than they are in the United Kingdom. (Interruption). I am not going to give way. But there is no doubt to my mind that the general burden of taxation in India is very heavy, talking of taxation all round. If my Honourable friend, the Pandit, will forgive me, I think he was a little inconsistent in this matter, seeing that, as my Honourable friend, Mr. James, has pointed out, protective taxation is also a burden.

**Mr. S. Satyamurti:** King Charles's head!

**The Honourable Sir James Grigg:** There are two King Charles's. You can have one King Charles's head but leave me the other. (Laughter).

**An Honourable Member:** Honours easy!

**The Honourable Sir James Grigg:** Protective taxation puts a burden on the community which is out of all proportion to the amount that it yields to the exchequer, and it is no good Honourable Members opposite coming forward, even my Honourable friend, Prof. Ranga, gets up . . .

**Prof. N. G. Ranga:** No.

**The Honourable Sir James Grigg:** I know you have got some motions down for increasing the duty on rice, the duty on cocoanuts. Does that not hurt the consumer? You are all tarred with the same brush. There is no doubt that you are inconsistent.

**Pandit Govind Ballabh Pant:** I am not. I will demonstrate that.

**The Honourable Sir James Grigg:** The Pandit produced a quotation from Sir Basil Blackett. I know, Sir Basil Blackett's view very definitely was that the revenue tariff which was then 15 per cent. in this country was much too high, and I have no doubt that his desire for a reduction of taxation had reference primarily to that, and if, as the Pandit says, orthodoxy means consistency, then I will accept the Pandit's dictum and I will follow it up with another: "Physician, heal thyself". I illustrated this inconsistency on the part of those opposite in some figures which I gave last year. I have not had them brought up to date and it does not matter very much because the same general order of figures, I have no doubt, prevails today. If you will compare the case of salt and the case of two protective taxes together namely, the duty on cotton piece goods and the protective part of the duty on sugar leaving out of account on both sides, in this latter instance, the amount of the excise, I think, if my memory does not play me false, I said last year that the burden on the consumer by the two protective taxes was of the order of 34 crores a year. The amount of that which comes to the exchequer and is available for expenditure, whether wasteful or benevolent, is about seven crores a year. Now take the salt duty, leaving out of account the commercial part of it the actual tax I think, yields something over seven crores a year, so that the salt duty and the two protective taxes I have mentioned yield to the exchequer about the same amount. But, in the one case, the burden on the consumer of salt is seven crores a year, the burden on the consumer of the other goods is 34 crores a year. If you really want to have yourselves taken seriously as voicers of the grievances of the taxpayer you must make up your minds where you stand on this question of protective taxation. It is no good talking about the terrible burdens on the community and, their pressing for more and more protection. The policy may be right or wrong—I am not arguing that at the moment but you cannot leave it out of account when you are assessing the burdens on the taxpayer.

As regards the suggestions of the Honourable the Baronet from Bombay, we have all heard every word of them before two or three times already this year and if I may say so without misunderstanding, I do not propose to go on answering him over and over again in more or less the same terms. His former colleague in the Government of Bombay seemed to me to completely destroy his argument but not only that, he completely destroyed it himself. He said: 'I am all in favour of caution. Look at the terrible conditions all round us. There is gloom everywhere. Of course your estimates for future years are hopelessly wrong. Of course they won't be realised. Of course they are bound to prove much worse than you have made them out to be' and simultaneously his argument is 'You have got lots of money to give away in relief of taxation. What is the good of looking forward to the future. You might just as well splash

[Sir James Grigg.]

the money about now'. In the light of that surely it is not unfair on my part to describe him as having completely exploded his own theories.

Professor Banerjea, I think, first somewhat seemed to show some signs of joining in this Agape or love feast, at which all are to unite in drinking out of the cup called "emergency taxation", but he soon walked out of that particular parlour. He agrees that emergency taxes should go when the emergency is over but he says, of course salt is much more urgent than the income-tax and super-tax surcharges. But even here there is a certain inconsistency, for, again, if my memory does not play me false, I think only two days ago, he joined the Honourable the Baronet from Bombay in a successful effort to remove from the budget the provision for the reconstruction of the civil buildings in Quetta. The Honourable the Baronet repeated his little game today and he was so pleased that he keeps on repeating: 'Here you are. We can get something out of this. Utilise it for surcharges'. Well, the Professor from Calcutta wants it for surcharges, though different ones, but only two days ago, he wanted it for Bengal.

**Dr. P. N. Banerjea:** I said: "all-provinces including Bengal".

**The Honourable Sir James Grigg:** He wants it for all the provinces. This old game is going on merrily and we are going to use this 28 lakhs for ten different purposes all at the same time.

Now, let us come back to the point which, after all, is the main purpose of this debate. I have read the pledges on this question. I have studied them rather carefully and I do not think it would be unfair to say that the specific pledges—I use the word 'specific' designedly—are confined to the pay cut and the surcharges on income-tax. The pledge in relation to the other taxes is only in so far as there is a pledge implicit in the use of the word 'emergency'. Sir Hormusji Mody used a very pregnant phrase 'pledges as we have understood them'. I think this is how he understands them. Leaving for the moment income-tax surcharges, let us come to the rest, which is admittedly included in the category 'emergency taxation'. Sir Hormusji Mody said that the emergency was past. His Honourable colleague from Bombay contradicted him, saying 'who can say that the emergency is past, with the war clouds which are gathering over Western Europe and Eastern Asia now'. And I ask, has international trade been restored to normality? Have the currency troubles of the world been settled? Emergency in that sense of the word is still in existence and in any case I think it is part of the stock in trade of Honourable Members opposite to proclaim that the emergency is co-eval with the British occupation of India.

**Pandit Govind Ballabh Pant:** It is a chronic emergency.

**The Honourable Sir James Grigg:** What is the amount of emergency taxation still outstanding? Mr. James made it clear, at the end, that he is asking the House to divide on emergency taxation as a whole. Emergency taxation, broadly speaking, is something well over ten crores a year, of which something under a crore

5 P.M.

and a half represents the emergency surcharge and income-taxation. Sir Leslie Hudson in this connection said that what they objected to and objected to all along was the floating of the reforms on emergency taxation. Well, taking the figure of something over ten crores, I ask the House to consider, in its present quieter and more studious mood, how long we shall have to wait for the inauguration of the reforms if, besides seeing our way to providing for the devolutions of taxation which are an integral part of the reforms, we have first got to remove ten crores of taxation at the centre. Sir, in this matter I have a good deal of sympathy, as I said before, with those Members of the House who desire to see taxation reduced. I quite understand that hope deferred maketh the heart sick, but I am sure, in view of the situation as we see it today, in view of what is around us, and what is ahead of us, that it would be the path of wisdom to make no new pledges, and to make no attempt to create new priorities. (Laughter.)

**Mr. M. S. Aney:** You must redeem the old pledges first.

**The Honourable Sir James Grigg:** I repeated that pledge last year, and the old pledges are there.

**Mr. S. Satyamurti:** For once you did a good thing and you regret it now?

**The Honourable Sir James Grigg:** But don't forget that I gathered from some of the Honourable Members in the House—I don't remember which side they came from—that it would be quite proper to remove the emergency taxation and put it back again under some other name. (Laughter.) Whether I have been offered that in good faith or not I do not know, but I don't wish to pursue that now. As I said I have every sympathy with the desire of those who wish to see the tax burdens reduced; in particular I have a good deal of sympathy with those who represent the interests to whom specific pledges have been given. But I am quite sure the House will agree with me if in this instance—certainly for the first time and possibly for the last time in my life—I follow the advice of the Honourable the Baronet from Bombay and restrain myself from making any attempt to look into the future. (Applause.)

**Mr. President (The Honourable Sir Abdur Rahim):** The question is:

“That the demand under the head ‘Finance Department’ be reduced by Rs. 100.”

The Assembly divided:

AYES—17.

Abdoola Haroon, Seth Haji.  
Bajoria, Babu Baijnath.  
Bhagchand Soni, Rai Bahadur Seth.  
Buss, Mr. L. C.  
Gidney, Lieut.-Colonel Sir Henry.  
Hudson, Sir Leslie.  
James, Mr. F. E.  
Jehangir, Sir Cowasji.  
Leach, Mr. F. B.

Lindsay, Sir Darcy.  
Milligan, Mr. J. A.  
Mody, Sir H. P.  
Morgan, Mr. G.  
Muhammad Ismail Khan, Haji  
Chaudhury.  
Scott, Mr. J. Ramsay.  
Vissanji, Mr. Mathuradas.  
Witherington, Mr. C. H.

## NOES—34.

Abdullahi, Mr. H. M.  
 Acott, Mr. A. S. V.  
 Ahmad Nawaz Khan, Major Nawab.  
 Allah Bakhsh Khan Tiwana, Khan  
 Bahadur Nawab Malik.  
 Aminuddin, Mr. Saiyid.  
 Ayyar, Diwan Bahadur R. V.  
 Krishna.  
 Ayyar, Rao Bahadur A. A.  
 Venkatarama.  
 Bajpai, Sir Girja Shankar.  
 Bewoor, Mr. G. V.  
 Craik, The Honourable Sir Henry.  
 Dalal, Dr. R. D.  
 Das-Gupta, Mr. S. K.  
 Dash, Mr. A. J.  
 Fazl-i-Haq Piracha, Khan Bahadur  
 Shaikh.  
 Gajapatiraj, Maharaj Kumar Vijaya  
 Ananda.  
 Grigg, The Honourable Sir James.  
 Grigson, Mr. W. V.  
 Hands, Mr. A. S.  
 Hidayatallah, Sir Ghulam Hussain.  
 Hutton, Dr. J. H.  
 Jawahar Singh, Sardar Bahadur  
 Sardar Sir.

Joshi, Mr. N. M.  
 Khurshaid Muhammad, Khan Bahadur  
 Shaikh.  
 Lal Chand, Captain Rao Bahadur  
 Chaudhri.  
 Lloyd, Mr. A. H.  
 MacDougall, Mr. R. M.  
 Metcalfe, Sir Aubrey.  
 Muhammad Nauman, Mr.  
 Mukherjee, Rai Bahadur Sir Satya  
 Charan.  
 Noyce, The Honourable Sir Frank.  
 Rajah, Raja Sir Vasudeva.  
 Rajah, Rao Bahadur M. C.  
 Rau, Mr. P. R.  
 Row, Mr. K. Sanjiva.  
 Sale, Mr. J. E.  
 Sarma, Mr. R. S.  
 Sher Muhammad Khan, Captain  
 Sardar.  
 Singh, Rai Bahadur Shyam Narayan.  
 Sircar, The Honourable Sir  
 Nripendra.  
 Spence, Mr. G. H.  
 Tottenham, Mr. G. R. F.  
 Yamin Khan, Sir Muhammad.  
 Zafrullah Khan, The Honourable Sir  
 Muhammad.

The motion was negatived.

The Assembly then adjourned till Eleven of the Clock on Friday, the 13th March, 1936.