

LEGISLATIVE ASSEMBLY DEBATES

WEDNESDAY, 9th MARCH, 1932

Vol. II—No. 12

OFFICIAL REPORT



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LEGISLATIVE ASSEMBLY:

Wednesday, 9th March, 1932.

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

MEMBER SWORN:

Major Nawab Ahmad Nawaz Khan, O.B.E., M.L.A. (Nominated Non-Official).

QUESTIONS AND ANSWERS.

CARELESSNESS OF A HEAD CLERK IN THE GOVERNMENT OF INDIA PRESS, ALIGARH.

701. *Mr. Muhammad Anwar-ul-Azim: (a) Is it a fact that Government lost about Rs. 900 in railway freight on textile oil which was required for the power house engine of the Government of India Press, Aligarh, due to the carelessness of the officiating Head Clerk? If so, what action was taken against him?

(b) Is it a fact that Government sustained a loss of about Rs 300 in despatching a waste paper wagon which was sent from Aligarh to Calcutta?

The Honourable Sir Joseph Bhoré: (a) and (b). No.

DELAY IN RELEASE OF A PRISONER AFTER PAYMENT OF A FINE.

702. *Mr. S. C. Mitra (on behalf of Mr. Uppi Saheb Bahadur): (a) Will Government be pleased to state if Hardian Singh Chandiwala was sentenced by Mr. F. B. Pool, Additional District Magistrate, Delhi, to pay a fine of Rs. 100, or in default one month's simple imprisonment on the 14th January, 1932?

(b) Is it a fact that the fine was paid on 29th January, 1932?

(c) If the answer to part (b) be in the affirmative, why was he not released till the 13th February, 1932?

The Honourable Sir James Crerar: I would refer the Honourable Member to the answer I gave on the 4th March to Mr. S. C. Mitra's question No. 643 on the same subject.

RETRENCHMENT PROPOSALS OF THE RAILWAY BOARD.

703. *Rao Bahadur B. L. Patil: (a) Are Government aware of the letter of Mr. Giri published in the *Bombay Daily Mail* on or about the 17th February, 1932, regarding the retrenchment proposals of the Railway Board?

(b) If so, are Government prepared to advise the Railway Board to discuss the matter with the representatives of the Railway Workmen's Union?

Sir Alan Parsons: (a) Yes.

(b) The subject has been discussed by the Railway Board with the All-India Railwaymen's Federation on more than one occasion.

Mr. Lalchand Navalrai: Is the Honourable Member aware that the railway unions at Bombay have decided to collect views of their members to go on strike?

Sir Alan Parsons: I have seen in the Press a report to that effect. That is all the information I have at present got.

Mr. Lalchand Navalrai: What steps are Government going to take to meet with that situation?

Sir Alan Parsons: I do not know exactly to what situation the Honourable Member refers. The reports in the Press are to the effect that the All-India Railwaymen's Federation propose to take a ballot whether there should be a strike; but if any steps are necessary, the Honourable Member may rely on the Railway Board to take them.

Rao Bahadur B. L. Patil: Does the Honourable Member think it advisable to force another strike on the country? Does he court another strike?

Sir Alan Parsons: The Honourable Member is asking for an expression of opinion; but my reply is that the Federation would be ill-advised if they attempt to cause a general strike.

Dr. Ziauddin Ahmad: Why does the Railway Board make an invidious distinction between the *Pilot* and the *Indian Daily Mail*? He refuses to read the one and he reads the other.

The Honourable Sir George Rainy: That must be regarded as a matter of luck.

DELAY OF MAIL IN NAVALGUND AND NARGUND IN THE DHARWAR DISTRICT.

704. ***Rao Bahadur B. L. Patil:** (a) Are Government aware that the post offices at Navalgund and Nargund in the Dharwar District (Bombay Presidency) are unable to get their mail bags directly from the nearest railway station and that nearly 24 hours delay is being caused?

(b) Are Government further aware that these places are business towns and have revenue, a taluka board and bank offices and criminal courts?

(c) Do Government propose to take steps to minimise the inconvenience to the people of the said towns and villages in the taluka?

Mr. T. Ryan: Government have no information. A copy of the question is being sent to the Postmaster General, Bombay, who is competent to deal with the matter.

PAUCITY OF INDIANS EMPLOYED IN DEPARTMENTS IN EAST AFRICA.

705. *Mr. Gaya Prasad Singh: (a) With reference to the reply of Government to my starred question No. 1145 of the 2nd October, 1931, will Government be pleased to obtain information whether it is a fact that about 80 per cent. of the non-European staff in the various departments of the East African Colonies, and Tanganyika consists of non-British subjects, i.e., the Goanese?

(b) What are their respective numbers or percentage; and why the number of Indians there is so small?

(c) Do Government propose to take any steps in this matter? If not, why not?

Sir Frank Noyce: (a), (b) and (c). The Government of India do not consider they would be justified in asking the Governments of the various British territories in East Africa for information of this character unless they are satisfied that the results to be secured thereby would be commensurate with the time and labour involved in collecting it. If the Honourable Member will be so good as to communicate to me all the facts which, in his opinion, justify the inquiry suggested by him, Government will gladly consider whether any action on their part is called for.

Mr. Gaya Prasad Singh: Is there no representative of the Government of India in these territories to give this information?

Sir Frank Noyce: Government have no direct representative in the British territories in East Africa.

Mr. B. Das: Is it not time to appoint an Agent in East Africa on behalf of Indians?

Sir Frank Noyce: I should like to have notice of that question.

DECREASE IN WEIGHT OF PRISONERS IN AJMER JAIL.

706. *Mr. Gaya Prasad Singh: Is it a fact that the weights of all the political prisoners confined in the Ajmer jail have decreased since their incarceration?

Sir Evelyn Howell: I presume the Honourable Member is referring to prisoners convicted in connection with the civil disobedience movement. Only two or three of them have lost weight since their incarceration.

Mr. K. C. Neogy: Is it not a fact that Government have put these prisoners on a "slimming" diet?

Sir Evelyn Howell: No, Sir.

CLOTHES OF PRISONERS IN THE AJMER JAIL.

707. *Mr. Gaya Prasad Singh: Is it a fact that only one coat and one pair of trousers are given to the political prisoners in the Ajmer jail and when the prisoners wish to wash their clothes they have to remain naked the whole day till their clothes become dry?

Sir Evelyn Howell: No, Sir. C class prisoners are provided with one woollen coat (during the cold season), one shirt, "one pair of *jangias*", one "*rumali*", one large towel and one cap. They do not remain naked when washing their clothes. A class prisoners use their own clothing.

Mr. R. S. Sarma: Will Government be pleased to state whether they would consider the advisability of appointing Mr. Gaya Prasad Singh as a non-official visitor to this particular jail?

Mr. B. Das: Does the Honourable Member consider that one pair of *jangias* is enough for a C class prisoner? Why not supply two pairs so that when one pair is washed, the other pair could be used by the prisoner?

Sir Evelyn Howell: I have no information on the subject.

Mr. K. C. Neogy: Has the Honourable Member compared the luxuries he mentioned in answer to this question with the luxuries that were granted to the political prisoners in Siberia under the Czarist régime?

Sir Evelyn Howell: I have not made that comparison.

Mr. Gaya Prasad Singh: Are there non-official visitors to Ajmer jail?

Sir Evelyn Howell: I want notice of that question.

LABOUR IMPOSED ON PRISONERS IN THE AJMER JAIL.

708. ***Mr. Gaya Prasad Singh:** Is it a fact that the prisoners like Hari Bhau Upadhayaya and other Congress leaders were forced to work on the grinding mill in the Ajmer jail?

Sir Evelyn Howell: No, Sir.

AGRICULTURISTS' RIGHTS IN THE ISTIMRARI AREA OF AJMER-MERWARA.

709. ***Mr. Gaya Prasad Singh:** (a) Are the Government of India aware that there are agrarian disputes with regard to agriculturists' rights in the Istimrari area of Ajmer-Merwara?

(b) Are Government contemplating to enact any law by which occupancy rights may be conferred on the tenants of the Istimrari area?

(c) Do Government propose to take a people's representative on the committee which is about to be appointed to determine the rights of Istimrardars and the people living in the Istimrari area of Ajmer-Merwara?

Sir Frank Noyce: (a) Certain questions were asked in this House in 1930 regarding alleged disputes between the Istimrardar of Pisangan in Ajmer-Merwara and his tenants, and copies of the replies were placed in the Library in January 1931. Since then Government have had no reports on the subject.

(b) A general revision of the Ajmer Land and Revenue Regulation, 1877, has been contemplated for some time, but it has not been found possible to undertake this owing to the prevailing financial stringency.

(c) Government are not aware that any committee is to be appointed for the purpose mentioned by the Honourable Member.

ALLOWANCE FOR OFFICERS AND STAFFS ON DEPUTATION.

710. *Mr. Lalchand Navalrai (on behalf of Bhai Parma Nand): (a) Is it a fact that Government have withdrawn the concession of 20 per cent. deputation allowance from all men on deputation?

(b) Are there any exceptions made to this general rule and, if so, in how many cases?

(c) Is it a fact that men employed either as officers or as ministerial staff in the different committees now working in India in connection with the Round Table Conference and constitutional reforms, have been allowed the 20 per cent. deputation allowance over their substantive pay or some increased salary over their substantive pay? If so, will Government be pleased to state the names of such officers giving details of their substantive pay and the increase that has been allowed to each of them and the reasons for allowing them this concession and the name of the community and religion that each of them belongs to?

(d) Is it a fact that the increase in pay has been allowed only to some of the officers and staff belonging to the minorities working in the different committees in connection with the Round Table Conference and the constitutional reforms? If so, has that increase been allowed to all officers and staff belonging to all the minorities who formed a pact in London in connection with the last Round Table Conference in London or only to members belonging to certain classes of minorities; if so, will they please state the names of the minority communities whose members have been allowed increase in pay in these committees?

The Honourable Sir George Rainy: (a) and (b). I place on the table a copy of the latest orders on the subject.

(c) The general principle is to grant to permanent Government servants employed on these Committees the pay which they would have received had they not been diverted for such duty. Exceptions have been made in the following cases—

- (i) A Superintendent in the Home Department who has been appointed as Assistant Secretary, Franchise Committee.
- (ii) Those who have been appointed as Superintendents.
- (iii) Stenographers and Reporters.

In the case of (i) and (ii) the increases have been given in view of the change in the nature of the work and a substantial increase in responsibility, and in the case of (iii) to secure for stenographers a rate of pay ordinarily granted in the Government of India offices to this class of officer; and as regards reporters, to secure sufficiently competent men for that class of work. The appointments of the personnel are made by the Committees concerned and complete information is not available.

(d) The answer to the first part of the question is in the negative. The latter part therefore does not arise.

No. F. 13-XIX-Ex.-I/31.

GOVERNMENT OF INDIA,
FINANCE DEPARTMENT.

New Delhi, the 7th January, 1932.

OFFICE MEMORANDUM.

SUBJECT :—*Fixation of the pay of temporary posts created outside the regular line of a service.*

The undersigned is directed to state that the Finance Department have been considering for some time past whether undue generosity has not been shown of late years in fixing the pay of Government servants appointed to temporary posts created for special purposes outside the regular line of their service. Although it has been incorrect since the Fundamental Rules superseded the Civil Services Regulations to refer to officials holding posts of this type as being "on deputation" or "on special duty", recommendations are still commonly made in the obsolete terms of the Civil Services Regulations; and these terms are accordingly used for convenience in this Memorandum. All such posts are now technically temporary posts added to the cadre of the holder's service; and the rule governing the fixation of pay for the holders is Fundamental Rule 40 which prescribes the fixation of pay with due regard to—

- (a) the character and responsibility of the works to be performed; and
- (b) the existing pay of Government servants of a status sufficient to warrant their selection for the post.

In recent years the pay of temporary posts of this type has been fixed according to expediency, sometimes as pay *plus* special pay, and sometimes as consolidated pay. The correct method is to fix a consolidated pay split up, if convenience so dictates, into rupee and sterling elements.

2. Possibly through the influence of Fundamental Rules 22 and 30, before they were amended in March, 1930, to eliminate the unintentional extravagance of enhanced pay for a mere change in the character of the duties performed, the tendency has gradually grown up of sanctioning enhanced pay for all posts temporarily created outside the ordinary line with scant regard to the provisions of Rule 40 of the Fundamental Rules, Finance Department, therefore, deem it expedient to restate the principles which should govern the grant of enhanced pay to Government servants whether placed (to use the familiar terms) on "special duty" within their Departments or "on deputation" outside them. They intend to apply these principles strictly to all cases coming to them for sanction, and would urge on all authorities now exercising delegated powers of sanction the extreme desirability of their applying identical principles.

3. The three principles which Finance Department now reiterate are those contained in Article 81 of the Civil Services Regulations; namely :

- (1) A Government servant placed on "special duty" or "on deputation" should have the pay of his temporary post fixed at what his pay would have been from time to time in the regular line had he not been so deputed.

Note.—If the sanctioning authority is satisfied that a Government servant so deputed would otherwise have been advanced very shortly afterwards to a post carrying higher pay than that which he was drawing at the time his "special duty" or "deputation" begins, and would continue to hold such a post for approximately the same period as his temporary post is expected to last, he may take this fact into account and fix a uniform pay throughout the period.

- (2) The sole criterion for sanctioning enhanced pay in such cases is proof of a decided increase of work or responsibility in comparison with the duties of the post which the Government servant would otherwise occupy in the regular line. Where the test of comparative responsibility is not practicable, Fundamental Rule 40 may be followed.
- (3) Any extra remuneration sanctioned because of such increased work or responsibility should in no case exceed, without the special sanction of Finance Department, one-fifth of substantive pay or Rs. 10 a day, whichever is less.

4. Government servants deputed to posts substantially parallel in work and responsibility to the posts which they would otherwise have occupied should receive no increase in pay, though the peculiar circumstances in which their duty is to be performed may justify reasonable compensatory allowances. An excellent example of this type will be found in the personnel deputed to committees and commissions. Government servants deputed as members of committees and commissions will, ordinarily, be performing no more responsible duties than they would have performed had they remained in the ordinary line of their service; and it is only in exceptional cases that any extra remuneration can be justified.

5. The foregoing principles may, however, have to be relaxed in exceptional cases, where, having regard to the importance of the duties, it is necessary to secure officers with special qualifications on special terms.

(Sd.) A. F. L. BRAYNE,

Secretary to the Government of India.

[APPOINTMENT OF SIKHS TO THE PUNJAB POSTAL CIRCLE OFFICE.

711. *Sardar Sant Singh: (a) Is it a fact that out of seven officers on the Postal side attached to the Punjab Postal Circle Office there is no Sikh as against four Muslims and a Hindu?

(b) Do Government propose to attach a Sikh officer to the Circle Office to avoid preponderance of any one community and with a view to safeguarding the interests of the Sikhs of the Department? If not, why not?

The Honourable Sir Joseph Bhore: (a) Taking account of changes being made at present, there are actually six officers on the Postal side attached to the Punjab Postal Circle Office, of whom three are Hindus, two Muhammadans, and one an Anglo-Indian. None is a Sikh.

(b) The attention of the Honourable Member is invited to the reply given to part (b) of the starred question No. 461 asked by Bhai Parma Nand on the 22nd February last.

APPOINTMENT OF SIKHS IN THE RAILWAY BOARD.

712. *Sardar Sant Singh: Will Government kindly place on the table the information asked for in starred question No. 458 which was answered on the 5th March, 1980, regarding the appointment of Sikhs in the Railway Board?

Sir Alan Parsons: A statement is laid on the table.

(a)

(i) The present strength of the Office of the Railway Board is:

	Permanent.	Temporary.	Total.
Officers	19	1	20
Subordinates (including clerks)	132	14	146
Inferior servants	79	30	109

(ii) The number of Sikhs holding the above posts is:

	Permanent.	Temporary.	Total.
Officers . . . . .	..	..	..
Subordinates	3	1	4
Inferior servants . . . . .	..	..	..

(iii)

	Officers.	Subordinates.	Inferior servants.
Permanent . . . . .	..	15	12
Provisional . . . . .	..	10	10
Officiating	2	78	..
Total	2	103	22

(iv) Permanent . . . . .	..	1	..
Officiating . . . . .	..	4	..

(b)

(i) Upper Division			5
Lower Division			5
Third Division			3
Total			13

(ii) No.

(iii) The Sikh community has not been overlooked.

(c)

	Upper Division.	Lower Division.	Third Division.
(i) Deputation vacancies	2	3	30
Temporary vacancies	1	5	28
Total	3	8	58

The above vacancies were filled up as follows :—

	Upper Division.	Lower Division.	Third Division.
Hindus	3	4	37
Muslims . . . . .	..	3	10
Sikhs . . . . .	..	1	5
Anglo-Indians . . . . .	..	..	6
Total	3	8	58

(ii) Yes.

(iii) No.

(iv) Yes. The names of the men are :

- (1) Mr. Anup Singh.
- (2) Mr. Fateh Singh.
- (3) Mr. Rajendra Singh.

The last mentioned was appointed on 4 occasions against different temporary vacancies.

APPOINTMENT OF A SIKH AS CARETAKER OF GOVERNMENT BUILDINGS IN SIMLA.

713. *Sardar Sant Singh: Will Government kindly refer to starred question No. 157 answered on the 28th January, 1931, regarding appointment of a Sikh as Caretaker of Government buildings in Simla and state if the vacancy has since been filled up? If so, when and by whom and what are his qualifications?

The Honourable Sir Joseph Bhoré: The post has not been filled. It was held in abeyance at first and has now been abolished.

**PAUCITY OF SIKHS EMPLOYED IN THE GOVERNMENT OF INDIA PRESS,
SIMLA AND NEW DELHI.**

714. ***Sardar Sant Singh:** (a) Will Government please state the total number of officiating, temporary and permanent vacancies that occurred in different grades of the Government of India Press at Simla and New Delhi, during the years 1929, 1930 and 1931 and how many of each category were given to Hindus, Muhammadans and Sikhs?

(b) Are Government aware of the preponderance of the men of only one Province? If so, will Government please state why the recruitment from that Province is not totally stopped until the other Provinces are well represented?

(c) Are Government aware that there is a great paucity of the Sikhs in each of the grades—compositors, copy-holders, clerks, etc., of the Simla and Delhi Presses, and are they prepared to take a sufficient number of Sikhs in future permanent and temporary vacancies? If not, why not?

The Honourable Sir Joseph Bhoré: I am calling for the information desired by the Honourable Member and if it is readily available, it will be laid on the table in due course. As regards the Honourable Member's suggestions for future recruitment to these presses, Government do not propose to direct that discrimination should be exercised against any particular province, nor do they intend to vary the standing orders in respect of minority representation.

**RETRENCHMENT OF HINDUS AND SIKHS IN THE RAILWAY CLEARING ACCOUNTS
OFFICE.**

715. ***Sardar Sant Singh:** (a) Will Government kindly name the Hindus of the Railway Clearing Accounts Office who have been saved from the retrenchment axe on their declaring themselves as Sikhs and what is their parentage and to which place each of them belongs?

(b) How many permanent and temporary real Sikhs have been retrenched from this office?

Sir Alan Parsons: (a) Four clerks in the Railway Clearing Accounts Office actually produced affidavits to the effect that they had embraced the Sikh religion, but on being required to submit certificates from a legally recognised Gurdwara Parbandhak Committee that they were Sikhs and having failed to do so, they have not been recognised as such.

Two were retrenched. Two were retained in service not on the grounds alleged, but because of their seniority.

None of the clerks concerned derived any benefit from their attempts to embrace the Sikh religion.

(b) Permanent—nil. Temporary 8.

Mr. N. M. Joshi: May I ask whether a man's religion gives him immunity from being retrenched?

Sir Alan Parsons: It might, in certain circumstances.

Mr. N. M. Joshi: What are those circumstances?

Sir Alan Parsons: The Honourable Member was not I think in the House during our recent debates. The orders of Government are that in carrying out retrenchment so far as possible the proportions of minority communities in service before retrenchment should be retained after retrenchment.

CANDIDATES FOR AN EXAMINATION HELD BY THE CONTROLLER OF RAILWAY ACCOUNTS.

716. ***Sardar Sant Singh:** (a) What was the total number of candidates who appeared in the last examination for Appendix D held by the Controller of Railway Accounts and how many of them were Sikhs?

(b) How many Muhammadans, Hindus and Sikhs passed?

Sir Alan Parsons: (a) 111 candidates appeared (at the examination held in November 1930) of whom 8 were Sikhs.

(b) 13 passed of whom two were Muslims, one Sikh and 10 Hindus.

STAFF AND FINANCIAL OFFICERS ON STATE RAILWAYS.

717. ***Sardar Sant Singh:** Will Government kindly state the number of Hindus, Muhammadans and Sikhs who were posted as Staff Officers on Indian State Railways and in the offices under the control of the Financial Commissioner of Railways during 1929, 1930 and 1931?

Sir Alan Parsons: Government regret that they are not prepared to supplement with figures for individual offices or classes of establishment the information in regard to communal representation already given in the Annual Report by the Railway Board on Indian Railways.

SALE OF MEAT IN DELHI AND NEW DELHI.

718. ***Sardar Sant Singh:** (a) Are Government aware that *Jhatka* meat is not allowed to be sold openly in Delhi as well as in New Delhi?

(b) If it is allowed, is it not a fact that the shops are allowed to be opened in a separate place and away from the bazars or markets or they are ordered to put *purdahs* or chicks at the doors?

(c) Are Government aware that mutton is sold openly and shops are allowed to be opened in the bazars freely?

(d) Are Government aware that beef is also allowed to be sold freely and openly in the bazars and in Paharganj?

(e) Are Government aware that great indignation prevails among the Hindu residents of the parts for hurting their religious susceptibilities?

(f) If the reply to part (d) above be in the affirmative, do Government propose to stop the open sale of beef at once and confine their sale only in special markets provided for that?

Sir Frank Noyce: (a) No special restrictions have been placed on the sale of *jhatka* meat either in Delhi or in New Delhi.

(b) There are 7 shops for the sale of raw and 12 for the sale of cooked *jhatka* meat in Delhi and some of them are situated in important bazars. The statement that these shops are forced to use *pardahs* or chinks either in Delhi or New Delhi is incorrect.

(c) Yes.

(d) and (e). I would refer the Honourable Member to the reply given to parts (a) (i) and (a) (ii) of Bhai Parma Nand's question No. 438 on the 22nd February, 1932.

(f) Does not arise.

HAWKING OF MEAT IN NEW DELHI.

719. ***Sardar Sant Singh:** (a) Is it a fact that of late in New Delhi mutton is being sold through hawkers also?

(b) Is it also a fact that only one shop of *Jhatka* meat is provided near the Gole Market and that too is in a remote corner?

(c) Are Government aware that on religious grounds the sale of mutton and beef by hawkers is open to serious objections?

(d) Are Government prepared to direct that meat is sold only in the markets and not by hawkers? If not, why not?

Sir Frank Noyce: (a), (c) and (d). There is at present no control of the sale of mutton by hawkers in New Delhi, but the issue of bye-laws to control the sale of all kinds of meat in this area is contemplated.

(b) Yes. There is only one *jhatka* shop in the Gole Market. There has been no demand for another shop there.

INCOME-TAX OFFICERS, INSPECTORS AND CLERKS IN THE PUNJAB AND NORTH-WEST FRONTIER PROVINCE.

720. ***Sardar Sant Singh:** (a) What is the total permanent number of Assistant Income-tax Officers, Income-tax Inspectors and clerks in the Income Tax Department in the Punjab and North-West Frontier Province and how many of them are Hindus, Muhammadans and Sikhs?

(b) Is it a fact that as the result of passing the last Finance Bill, the assessment work of the Income-tax Department has considerably increased and consequently new appointments had to be made?

(c) How many of the new appointments in the grade of Assistant Income-tax Officers, Inspectors and office clerks were filled up by Hindus, Muhammadans and Sikhs?

The Honourable Sir George Schuster: (a) and (c). A statement is laid on the table.

(b) Yes.

(a) The total number of permanent Assistant Income-tax officers, Income-tax Inspectors and Clerks in the Punjab and North-West Frontier Province and the number of Hindus, Mohammedans, Sikhs and others employed against these posts is as follows :—

	Perma- nent posts.	Hindus.	Muslims.	Sikhs.	Others.
Assistant Income-tax Officers .	9	2	4	..	3
Inspectors	39	23	12	3	1
Clerks	175	99	51	18	7

(c) No new appointments in the grade of Assistant Income-tax Officers were made. Thirty-one Assessing Officers were sanctioned for the Punjab and North-West Frontier Province, of which only thirty have been filled by appointment of members of the existing staff who get an allowance of Rs. 25 per mensem for the additional responsibilities involved in addition to their substantive pay. These consist of :

Mohammedans	11
Hindus	15
Sikhs	3
Others	1

Twenty-four new appointments of Income-tax Inspectors were made in the Punjab and North-West Frontier Province. Eleven of these were made by departmental promotion and consist of :—

Mohammedans	2
Hindus	6
Sikhs	2
Others	1

The remaining thirteen were directly recruited as follows :—

Mohammedans	7
Hindus	3
Sikhs	3

One-hundred and twenty new appointments of Assistant Clerks were made in the Punjab and North-West Frontier Province, 64 of which were given to Mohammedans, 35 to Hindus, 17 to Sikhs and 4 to others.

NUMBER OF SIKHS ON COMMITTEES OF THE ROUND TABLE CONFERENCE.

721. *Sardar Sant Singh: (a) Will Government kindly state the number of Sikhs taken in each of the following committees of the Indian Round Table Conference :

- (i) Federal States Committee;
- (ii) Federal Franchise Committee; and
- (iii) Consultative Committee?

(b) Will Government be pleased to state the number of Hindus, Muham madans, Anglo-Indians and Sikhs taken in each of these Committees and why no Sikh was taken?

(c) Will Government kindly state the names and qualifications of the Sikh candidates for each Committee and those of others who were taken in preference to the former?

The Honourable Sir George Rainy : The information has been called for from the Committees concerned and will be supplied to the House when received.

NON-EMPLOYMENT OF SIKHS AS GATE-KEEPERS AT ARMY HEADQUARTERS.

722. ***Sardar Sant Singh :** (a) What is the total number of gate-keepers who were recruited from amongst the Indian ex-military men for guarding the Army Headquarters in New Delhi and Simla and to which community do they belong?

(b) When were they recruited?

(c) Who made the selection and how was it carried out?

(d) Will Government kindly state the reason for which no Sikh was taken? Were not the Home Department's orders regarding communal representation in the services at the time in force?

Mr. G. M. Young : (a) 14; Punjabi Mussalmans.

(b) During 1930-31.

(c) Selection was made by the Recruiting Officers, Rawalpindi and Delhi, and approved by the officer in charge of the Army Headquarters Police.

(d) For reasons of economy and convenience, these men have all been selected from one class, as owing to the limited accommodation available, they have to live, sleep, and eat their meals together. The orders to which my Honourable friend presumably refers apply to clerical establishments only.

APPOINTMENT OF SIKHS IN THE AUDIT OFFICE, INDIAN STORES DEPARTMENT.

723. ***Sardar Sant Singh :** (a) What is the total number of Sikh accountants in the offices of the Audit Officer, Indian Stores Department and the Auditor General?

(b) Will Government kindly state the efforts made by them to give the Sikh minority its due share in each of these offices since 1924 and how or by men of which community the vacancies that occurred in the above period were filled up?

(c) What is the clerical strength of the Audit Office, Indian Stores Department at present and how many of them are Hindus, Muhammadans and Sikhs and which province they belong to?

The Honourable Sir George Schuster : Enquiry is being made and a reply will be laid on the table in due course.

ABSENCE OF SIKH ACCOUNTANTS IN RAILWAY AUDIT AND ACCOUNTS OFFICES.

724. ***Sardar Sant Singh :** (a) What was the total number of accountants in the Office of the Director, Railway Audit, and the Controller of Railway Accounts and how many of them were Hindus, Muhammadans, and Sikhs on the 1st October, 1931 and what was the proportion of each of these communities?

(b) Is it a fact that as a result of retrenchment the strength of accountants in these offices has been reduced? If so, by how many and who have been affected?

(c) Are Government aware that the total absence of Sikh accountants in these offices has been brought to the notice of Government since 1925?

(d) Are Government prepared to issue instructions for protecting the interests of Sikhs in the accountants' grade in these offices?

Sir Alan Parsons: (a) The number of Accountants in the two offices on the 1st October, 1931, was as follows:

Office of the Controller of Railway Accounts.

		Per cent.
Hindus	8	72.7
Muslims	1	9.1
Sikhs	2	18.2

Office of the Director of Railway Audit.

		Per cent.
Hindus	8	88.9
Muslims	1	11.1
Sikhs	..	..

(b) In the Controller of Railway Accounts' office, 3 posts (of which 1 was temporary) have been reduced; and 2 Sikhs and 1 Hindu have been reverted to their original offices.

(c) and (d). The posts of accountants in both these offices are filled from the cadre of accountants in the Railway Accounts and the Indian Audit and Accounts Departments and the posting of individuals at any particular time is determined by the exigencies of the moment. Communal considerations cannot affect the choice.

APPOINTMENT OF SIKHS TO THE CURRENCY OFFICE, LAHORE.

725. ***Sardar Sant Singh:** (a) Is it a fact that there are only four Sikhs in the Currency Office, Lahore, as against 57 Hindus and 27 Muslims?

(b) Are Government aware that the Sikhs in this office are in too meagre a number?

(c) Do Government propose to order the recruitment of Sikhs in all future vacancies so that they may have their due share? If not, why not?

The Honourable Sir George Schuster: The information asked for in part (a) is being collected. When it is received a reply will be laid on the table.

ABSENCE OF SIKHS FROM CERTAIN BRANCHES OF ARMY HEADQUARTERS.

726. ***Sardar Sant Singh:** (a) How many permanent, and temporary clerical appointments fell vacant in the following offices, (1) General Staff Branch, (2) Military Secretary's Branch, (3) J. A. G. Branch, and (4) A. M. S. (Personal) Branch of the Army Headquarters during 1929, 1930 and 1931 and by which community they were filled up?

(b) Is it not a fact that the Sikhs are conspicuous by their total absence in each of these offices?

(c) Will Government kindly state the efforts that they made during the above period to give the Sikhs their due share in the services of these offices of the Army Headquarters?

Mr. G. M. Young: (a) A statement giving the information desired is placed on the table.

(b) There is one Sikh permanently employed in the Military Secretary's Branch at present.

In 1929, one Sikh clerk was employed temporarily in a leave vacancy in the Military Secretary's Branch; and another was similarly employed in the Judge Advocate General's Office.

(c) The orders of Government regarding communal representation in the clerical staffs are invariably observed when appointments are made.

Branch or Office.	Number of permanent and temporary vacancies during			Number filled by persons belonging to the Communities indicated.		
	1929.	1930.	1931.	1929.	1930.	1931.
G. S. Branch	7	2	2	4 Europeans (ladies). 2 Hindus. 1 Muhammadan.	1 Hindu. 1 Muhammadan.	1 Hindu. 1 European (lady).
M. S. Branch	12	5	8	4 Soldier clerks. 1 European. 5 Hindus. 1 Muslim. 1 Sikh.	2 Europeans. 3 Muslims.	4 Hindus. 1 Muslim. 1 Anglo-Indian. 2 Europeans.
A. M. S. (P)	..	1	2		1 European.	1 European. 1 Muhammadan.
J. A. G.	7	..	1	5 Hindus. 1 Sikh. 1 Indian Christian.	..	1 Hindu.

APPOINTMENT OF SIKHS TO THE OFFICE AND PRESS OF THE PRIVATE SECRETARY TO THE VICEROY, ETC.

727. ***Sardar Sant Singh:** (a) Is it not a fact that the Sikhs are conspicuous by their absence in the following offices:

- (i) Director of Information Bureau,
- (ii) Office of the Private Secretary to the Viceroy, and
- (iii) Press of the Private Secretary to the Viceroy?

(b) How many vacancies took place in 1929 and 1930 in each of these offices and by which community were they filled up?

(c) Do Government propose to take a sufficient number of Sikhs in each of these offices in future vacancies? If not, why not?

The Honourable Sir James Crerar: (a) There are no Sikhs in the offices mentioned.

(b) During the period mentioned one vacancy occurred in the office of the Director of Public Information and two in the Private Secretary to His Excellency the Viceroy's Press. These were filled by a Hindu and two Muslims respectively. There were no vacancies in the Private Secretary to His Excellency the Viceroy's Office.

(c) The Honourable Member's suggestion will be carefully considered when occasion arises.

POSITION OF SIKHS IN THE POSTS AND TELEGRAPHS DEPARTMENT.

728. ***Sardar Sant Singh:** (a) Will Government state whether they have received a representation from the 'Sikh Rights' Protection Society with regard to the position of the Sikhs in the various services in the Posts and Telegraphs Department?

(b) Will Government please lay on the table a copy of the said representation and state what action they propose to take on the said representation in order to equalize the communal inequality?

The Honourable Sir Joseph Bhoré: (a) A representation, dated the 15th January, 1932, addressed to the Director General of Posts and Telegraphs was received.

(b) The representation set out in some detail the alleged inadequate employment of Sikhs in the Punjab and North-West Frontier Province Posts and Telegraphs Circle: it is not considered necessary to place it on the table. As regards the latter part of the question, Government are of opinion that consideration of the claims of minority communities, including Sikhs, to a share in all services in the Posts and Telegraphs Department is sufficiently secured by the orders of Government, to the effect that in making appointments to these services every third vacancy shall be utilised for the adjustment of communal inequalities, and they do not, therefore, intend to take any direct action on the representation in question.

SAFEGUARDING THE INTERESTS OF SIKHS IN VARIOUS SERVICES.

729. ***Sardar Sant Singh:** (a) Will Government state when they are going to appoint a suitable Sikh on the Public Service Commission to look after the interests of the Sikhs in the various services?

(b) Is it not a fact that the Sikhs in the following services are not represented according to their numerical strength:

1. Railway Engineering Service,
2. Superintendents, Post Offices,
3. Indian Forest Service,
4. High Court Judges, and
5. Accounts and Audit Service with special reference to Controller of Military Accounts and Account Officers in the Railway Department?

The Honourable Sir James Orerar: (a) The Honourable Member's attention is invited to the reply I gave in this House on the 28th January, 1931, to question No. 155 by Sirdar Harbans Singh Brar.

(b) I have not the information the Honourable Member requires.

APPOINTMENT OF SIKHS AS PORTERS IN THE DELHI RAILWAY MAIL SERVICE.

730. *Sardar Sant Singh: (a) Will Government be pleased to furnish the following information in respect of Delhi R. M. S.,

(i) Total number of porters and

(ii) Number of "Sikh porters"?

(b) Is it a fact that the representation of the Sikh community in the cadre of porters is *nil*, and are Government prepared to order the administrative officers to recruit members of the Sikh community in that cadre?

The Honourable Sir Joseph Bhoré: With your permission, Sir, I propose to take questions Nos. 730 and 733 together.

Information is being collected and will be placed on the table of the House in due course.

SIKH OFFICIALS IN THE RAILWAY MAIL SERVICE IN THE PUNJAB.

731. *Sardar Sant Singh: (a) Will Government be pleased to furnish the following information in respect of the R. M. S. in the Punjab Postal Circle:

(i) total number of Inspectors and other officials in the selection grades, and

(ii) number of Sikh officials in the selection grades?

(b) Are Government aware that the Sikh community has not got an adequate share in the selection grade posts, and are Government prepared to promote qualified Sikh officials to such posts?

The Honourable Sir Joseph Bhoré: (a) (i) 43.

(ii) 4.

(b) Government have not examined whether the share of the Sikh community in the selection grade posts is adequate or not, since as has been frequently stated in this House, promotion from a lower to a higher grade in the Department is regulated by considerations of merit and seniority. The representation of minority communities is secured by the reservation of vacancies occurring in such posts as are filled by direct recruitment, and Government are not prepared to allow communal considerations to override all others when it is only a question of making promotions.

TRANSFER OF INSPECTORS OF THE RAILWAY MAIL SERVICE, PUNJAB CIRCLE.

732. *Sardar Sant Singh: (a) Is it a fact that the posts of Inspectors and head sorters are interchangeable in the R. M. S.?

(b) Is it a fact that certain officials have been holding the posts of Inspectors R. M. S. in the Punjab Circle for many years, *e.g.*, Mr. Sarfaraz Hussain since 1914?

(c) Do Government propose to order transfer of such officials who are holding the posts of Inspector R. M. S. to work as head sorters?

Mr. T. Ryan: (a) Yes.

(b) The reply to the general part of the question is in the affirmative. The case of the gentleman named is not as stated.

(c) Government do not propose to make any such general transfers, the posts of Inspectors and Head Sorters are filled as the exigencies of the service may require.

APPOINTMENT OF SIKH PORTERS AND VAN PEONS IN THE RAILWAY MAIL SERVICE, DELHI.

†733. ***Sardar Sant Singh:** (a) Is it a fact that there is no Sikh among the porters and van peons attached to the office of the Superintendent R. M. S., D. Division Delhi and Head Record Office, Delhi?

(b) Are Government prepared to call for the explanations of the officials responsible for recruiting during the year 1930 and 1931 only non-Sikh candidates against the clear order of Government for giving every third vacancy to a community which is inadequately represented?

PROMOTIONS IN THE POSTS AND TELEGRAPHS DEPARTMENT.

734. ***Sardar Sant Singh:** (a) Is it a fact that during the last 10 or 11 years the graduates recruited in the Posts and Telegraphs Department were allowed higher pay than that given to non-graduates, and that seniority has been regulated on the basis of pay *i.e.*, a graduate entering the department in 1926 is shown senior to a non-graduate who entered the department in 1923?

(b) Is it a fact that Government have prescribed an examination, the passing of which is a compulsory condition for promotion to the lowest selection grade in the said department?

(c) Is it a fact that according to the principle in force at present for fixing seniority, a graduate who entered the department in 1926 is to be promoted to the lowest selection grade earlier than a non-graduate who entered the department in 1923, assuming that both the officials (graduate and under-graduate) pass the prescribed departmental examination?

(d) Are Government aware that the procedure of giving a higher position to graduates in fixing seniority is a source of grievance to non-graduates, as far as promotion to the lowest selection grade is concerned?

(e) Is it a fact that Government have now withdrawn the concession of allowing higher pay and higher position in gradation list to graduates?

(f) Is it a fact that promotion to the lowest selection grade examination is subject to the main condition of passing the examination, and that any non-graduate official who passes that examination qualifies for promotion to the said grade earlier than any graduate who joins the department later than the non-graduate?

†For answer to this question, see answer to question No. 730.

(g) Are Government prepared to reconsider the matter and make it a rule that for the purpose of promotion to the lowest selection grade, seniority in the waiting list of candidates for that grade, should be observed *strictly in accordance with the date of entry in department?*

(h) Will Government be pleased to give reasons for the continuance of the present system?

Mr. T. Ryan: (a) The facts as stated are substantially correct. But the position has since changed with the tentative discontinuance of the concession of higher initial pay to graduates and intermediates.

(b) Yes, but the examination referred to has recently been abolished.

(c) It is a fact that, as such a graduate would be shown as senior to the undergraduate in the clerical cadre, he would derive therefrom such advantage as may attach to seniority.

(d) No doubt the non-graduates regard it as a grievance.

(e) This has been done at least as an *ad interim* measure: the question whether it should become the permanent arrangement is under consideration.

(f) No, in view of the fact that the examination has recently been abolished.

(g) and (h). No. Government are not prepared to revise the existing order of seniority which depends on the conditions in force at the time of recruitment.

SIKH HOLIDAYS IN THE PUNJAB POSTAL DEPARTMENT.

735. ***Sardar Sant Singh:** (a) Is it a fact that Post Office holidays in each province of India are fixed with reference to the religious rites and festivals of the people inhabiting that province, that is to say that postal holidays allowed in the various provinces do not fall on common dates but differ according to the rites and festivals prevalent in each province?

(b) Is it a fact that no postal holiday is allowed for any Sikh festival in the Punjab and that merely instructions are issued for granting permission to Sikh employees to perform their religious rites for a few hours, *subject to the condition that they can be spared conveniently*, and that in case a Sikh requires permission for the full day his absence is to be treated as casual leave?

(c) Will Government be pleased to state the circumstances in which such treatment is accorded to the Sikh employees? Is it a fact that the members of other communities enjoy the privilege of full day's holiday on various festivals, in the Post Office Department?

(d) Are Government prepared to order that Guru Nanak's and Guru Gobind Singh's birthdays are observed as Post Office holidays in the Punjab?

(e) If the reply to part (d) is in the negative, will Government be pleased to give reasons for it?

Mr. T. Ryan: (a) There are 7 postal holidays and they are generally fixed with reference to religious festivals which are common to India as a whole though there are some differences according to local conditions.

(b) It is a fact that no postal holiday is allowed for any Sikh festival in the Punjab. Government have no information regarding the grant of permission to Sikh employees to perform their religious rites for a few hours under certain conditions or giving them a full day's absence as casual leave.

(c) It is not a fact that members of all other communities except Sikhs enjoy the privilege of a full day's postal holiday in their various festivals.

(d) No.

(e) Because the multiplication of postal holidays and the more frequent closing of post offices would prove a great inconvenience to the public.

APPOINTMENT OF MUSLIMS TO THE INCOME-TAX DEPARTMENT.

736. *Seth Haji Abdoola Haroon: (a) Will Government be pleased to state whether it is a fact that since the passing of the last Finance Bill, the assessment work of the Income-tax Department has considerably increased and, owing to that, new appointments in the Department had to be made?

(b) In making these appointments, did Government keep in view the paucity of the Muslims in the Department, and have they issued instructions to the appointing authorities to give more posts to the Muslims as compared with other communities?

(c) How many new postings of Income-tax Officers, Income-tax Inspectors and office clerks were made in the Income-tax Department in Sind, in the current and the last year and how many of them were Mussalmans?

The Honourable Sir George Schuster: The information has been called for and will be laid on the table in due course.

Mr. Gaya Prasad Singh: Do Government propose to recruit in the Income-tax Department members of different communities in proportion to the amount of income-tax paid by them?

The Honourable Sir George Schuster: No, Sir.

APPOINTMENT OF MUSLIMS TO THE INCOME-TAX DEPARTMENT.

737. *Seth Haji Abdoola Haroon: (a) Do Government contemplate making more appointments of Income-tax Officers, Income-tax Inspectors and clerks in the year 1932, in the Income-tax Department in Sind?

(b) In case any more appointments are to be made, do Government propose to issue instructions to appoint more Muhammadans to make up their deficiency in the Department?

The Honourable Sir George Schuster: (a) There is no such intention at present.

(b) Does not arise. In any case there are standing instructions in regard to recruitment to the public service in such a way as to ensure against the undue preponderance of any community.

PROVISION OF ACCOMMODATION FOR POLITICAL PRISONERS IN DELHI.

738. ***Mr. Gaya Prasad Singh:** (a) Will Government kindly state if they propose to convert the "Purana Killa" (old Fort) in New Delhi, or any other place, as a prison for the accommodation of political prisoners? If so, what arrangements are being made for their proper housing, and other necessary facilities?

(b) Have ordinary convicts been released before the expiry of their terms, from the Delhi, and other jails in the centrally administered territories from November last to make room for civil disobedience, and other political prisoners? If so, how many?

The Honourable Sir James Orerar: (a) The overflow from the Delhi District Jail of civil disobedience prisoners will be accommodated in a Camp Jail which is being constructed between the Reformatory and the Railway line.

(b) 84 prisoners have been released before the expiry of their terms from the Delhi Jail, of whom 14 were convicted by Delhi Courts and 70 by Courts in the Punjab. No prisoners have been so released from the North-West Frontier Province, Coorg and Ajmer-Merwara Jails.

Mr. K. C. Neogy: Will Government consider the desirability of utilising the Legislative Buildings as an additional jail for political prisoners?

The Honourable Sir James Orerar: No, Sir.

DISCHARGE OF SIKH CLERKS FROM THE MILITARY ACCOUNTS DEPARTMENT.

739. ***Sardar Sant Singh:** (a) Is it a fact that two Sikh clerks with 19 and 13 years service to their credit have been discharged from the Military Accounts Department, Quetta, while junior clerks with much shorter periods of service have been retained?

(b) Is it a fact that both of these gentlemen are in possession of medals awarded to them in recognition of their war services? Is it not a fact that instructions have been issued by the department that such services should have been taken into consideration? If so, were those instructions complied with in their case?

(c) If not, are Government prepared to revise their cases now?

(d) Is it a fact that a Muhammadan clerk has been re-employed after discharge? If so, on what grounds? Do not the same grounds exist in the case of the Sikh clerks?

(e) Is it a fact that petitions for voluntary retirement have been received by the Military Accounts Department, Quetta, from many hands employed? If so, are Government prepared to issue instructions that discharged Sikh hands be retaken in places thus vacated?

The Honourable Sir George Schuster: (a) Notices of discharge on re-trenchment were served on the two Sikh clerks in question. The notice of discharge on the senior of the two clerks has since been withdrawn and he will be retained in service. The answer in respect of the clerk with 13 years' service is in the affirmative.

(b) The answer to all three parts of the question is in the affirmative.

(c) Does not arise.

(d) No. Parts two and three of the question do not arise.

(e) The answer to the first part is in the affirmative. The answer to the second part is that the places vacated by voluntary retirement are surplus to requirements and will not be filled.

**SIKH REPRESENTATION TO THE DIRECTOR, ARMY AUDIT, REGARDING
REDUCTIONS.**

740. ***Sardar Sant Singh:** Is it a fact that the President, Sri Guru Singh Sabha, Lyallpur, has made a representation to the Director, Army Audit Office, regarding the making of reductions in the different offices as affecting the Sikhs? If so, what action has been taken on the same?

The Honourable Sir George Schuster: Enquiry is being made and a reply will be laid on the table in due course.

**NUMBER OF INDIAN MEDICAL DEPARTMENT ASSISTANT SURGEONS ON
VARIOUS RAILWAYS.**

741. ***Sardar Sant Singh:** (a) Will Government please state the total number of I. M. D. Assistant Surgeons on each of the following Railways:—(1) North Western Railway, (2) East Indian Railway, (3) Eastern Bengal Railway, and (4) Great Indian Peninsula Railway? What number is fixed for each?

(b) Is the number on the North Western Railway to be reduced? If not, what are the reasons for accommodating a larger number of I. M. D. on the North Western Railway than the number fixed therefor?

(c) Why has the number not been reduced so far?

(d) When is the number likely to be reduced?

Sir Alan Parsons: (a) The present and allotted numbers of Military Assistant Surgeons are:

Railway.	Present No.	Allotted No.
North Western	14	10
East Indian	2	4
Eastern Bengal	5	4
Great Indian Peninsula . . . . .	..	5

(b), (c) and (d). I would refer the Honourable Member to my reply to parts (b), (c) and (d) of Shaikh Sadiq Hasan's question No. 190 on the 10th February, 1932.

**MUSLIM AND HINDU DUFFRIES AND PEONS EMPLOYED IN VARIOUS
DEPARTMENTS.**

742. ***Mr. Muhammad Anwar-ul-Azim:** (a) Is it a fact that:

(i) the number of Muslim duffries, jemadars and peons employed in the various departments is remarkably less than the number of Hindus similarly employed; and

(ii) that in some departments only the Hindus have been employed in these vacancies?

(b) Will Government please lay on the table a statement showing the total number of Muslim duffries, jemadars and peons employed in each department as against the Hindus so employed?

The Honourable Sir James Crerar: (a) and (b). I lay on the table a statement showing the number of dufftries, jemadars and peons employed in the various departments of the Government of India and their communal composition.

Departments.	Dufftries and Record Sorters.				Jemadars.				Peons & Dafadars.			
	Total employed.	Hindus.	Muslims.	Other Communities.	Total employed.	Hindus.	Muslims.	Other Communities.	Total employed.	Hindus.	Muslims.	Other Communities.
Army	21	19	2	..	3	3	..	..	49	41	8	..
Commerce	8	6	2	..	3	2	1	..	34	34	..	..
Education, Health and Lands	21	12	9	..	4	3	1	..	45	37	8	..
Finance	13	8	5	..	3	2	1	..	28	26	2	..
Foreign and Political	20	15	5	..	6	5	1	..	85	74	11	..
Home	14	7	7	..	4	4	..	..	46	41	5	..
Imperial Council of Agricultural Research.	4	2	2	..	4	4	..	..	14	8	6	..
Industries and Labour	18	13	4	1*	4	4	..	..	52	44	8	..
Legislative	9	4	4	1*	3	2	1	..	55	47	8	..
Legislative Assembly	9	6	3	..	2	1	1	..	23	20	3	..
Military Finance	8	6	2	..	3	3	..	..	34	33	1	..
Railway Board	16	16	..	..	6	3	3	..	71	69	2	..
Reforms Office	2	1	1	..	1	1	..	..	12	10	2	..
Total	163	115	46	2	46	37	9	..	548	484	64	..

* Indian Christians.

OLD RECORD SORTERS, JEMADARS AND PEONS RETAINED IN THE GOVERNMENT OF INDIA SECRETARIAT.

743. ***Mr. Muhammad Anwar-ul-Azim:** (a) Is it a fact that there are record sorters, jemadars and peons of over-age and with over 30 and 40 years' service, in some cases, to their credit serving in the Government of India Secretariat?

(b) If so, why have they not been served with notices of retirement?

The Honourable Sir George Schuster: The information is being collected and will be laid on the table in due course.

FAMILY TRAVELLING ALLOWANCE FOR DUFFTRIES AND PEONS.

744. ***Mr. Muhammad Anwar-ul-Azim:** (a) Is it a fact that family travelling allowance between Delhi and Simla is given to the ministerial staff of the Government of India and attached offices, and is it also a fact that dufftries, record sorters, jemadars and peons are deprived of this privilege, and that they are not given travelling allowance, if they go on leave after a year?

(b) If so, will Government kindly state why they are not given family travelling allowance?

The Honourable Sir James Crerar: (a) The ministerial staff in the Secretariat and attached offices are entitled to family travelling allowance for the moves between Delhi and Simla. Inferior servants in the Secretariat comprising the grades mentioned enjoy this concession but such servants in attached offices do not. I am not clear what the Honourable Member is referring to in the last portion of this part of his question.

(b) The question of extending to inferior servants in attached offices the concession of drawing family travelling allowance has had to be postponed in view of the present financial stringency.

QUARTERS FOR DUFFRIES.

745. ***Rao Bahadur M. C. Rajah:** (a) Will Government please state the number of quarters so far built for duffries?

(b) Will Government please state the number of duffries and Record Sorters at present employed in each department of the Government of India?

(c) Will Government please state the rules governing the allotment of quarters to duffries?

The Honourable Sir Joseph Bhore: (a) There are 120 duffries' quarters in New Delhi excluding those in the Press area; 10 of the latter were utilized for general purposes in the current year.

(b) The information is being collected and will be placed on the table of the House.

(c) The practice is that these quarters are distributed proportionately to the various Departments and attached offices (migratory and non-migratory) in accordance with their demands.

QUARTERS FOR DUFFRIES.

746. ***Mr. S. G. Jog:** (a) Is it a fact that duffries in the Government of India are not receiving the full quota of their allotment?

(b) Is it a fact that of the "married" and "unmarried" quarters built for duffries of the Government of India Secretariat nearly 50 were allotted to duffries of local offices, and nearly 16 reserved for the Estate Officer?

(c) If so, what were the reasons that led the authorities concerned to do so?

The Honourable Sir Joseph Bhore: (a) No.

(b) 59 quarters were allotted to non-migratory and local offices and 71 to migratory offices. None were reserved for the Estate Office.

(c) Does not arise.

UNSTARRED QUESTIONS AND ANSWERS.

POST OF PERSONAL ASSISTANT TO THE CONTROLLER OF INSPECTION, INDIAN STORES DEPARTMENT.

140. **Kunwar Hajee Ismail Ali Khan:** (a) Is it a fact that it is necessary that the post of Personal Assistant to the Controller of Inspection, Indian Stores Department, must be held by a man who must have passed the subordinate accounts examination?

(b) Is it not a fact that Inspectors of Stores in the Indian Stores Department must remain on probation for five years before they are confirmed in their appointments?

(c) What is the designation of the post held by Mr. Kirpa Ram of the Indian Stores Department?

(d) Is it a fact that the Retrenchment Committee have recommended the abolition of the post held by Mr. Kirpa Ram? If so, why has it not been abolished up till now?

The Honourable Sir Joseph Bhore: (a) and (b). No.

(c) Assistant Director of Administration and Intelligence.

(d) No. The second part does not arise.

REFUSAL OF DISABILITY PENSIONS TO CERTAIN DISCHARGED MILITARY MEN.

141. **Sardar Sant Singh:** (a) With reference to the answer given to parts (a), (b) and (c) of starred question No. 274 on the 12th February, 1932, will Government please state whether it is a fact that the following persons were invalided from field service overseas and discharged as unfit for further military service by medical boards and their claims to disability pension rejected as per authorities quoted hereunder:

- (i) Government of India Army Department letter No. B.-15578-1-A.G.-14, register No. 6518-A.D.-2, dated 29th June, 1931, *re* Jemadar Pahlad Singh of 13th Rajputs.
- (ii) Letter No. 63/iv/62/M., dated 26th May, 1931, of the Headquarters Delhi Independent Brigade Area, *re* Subedar Harnam Singh.
- (iii) Letter No. R./121/741/25, dated 11th August, 1931, of the Corps Headquarters Bombay Pioneers, Kirkee, *re* No. 741 Reservist Lal Khan.
- (iv) Letter No. A.-T./60/1/291, dated 1st September, 1930, of the Commandant, 3rd Cavalry, Poona, *re* No. 354 Sowar Wali Mohd.
- (v) C. M. P. A. N. and E. Commands, Lahore, letter No. G.-3/1259, dated 27th January, 1931, *re* No. 469 Sepoy Badam.
- (vi) Letter No. 07321/83/A., dated 9th November, 1931, of the Headquarters Deccan District, Bularam, *re* No. 3882 Lance-Naik Chandra Ram.
- (vii) Letter No. 1300/15/A., dated 26th August, 1931, *re* No. 4130 Sepoy Gyani Ram of 6th Jat Regiment.
- (viii) Letter No. 1650/401/R.B., dated 7th August, 1931, of the Corps Headquarters, 6th Pioneers.
- (ix) Letter No. 989/477-P., dated 18th February, 1932, of the Officer in charge, I. A. S. C., Records Dagshai, *re* temporary Dafadar Peelu Singh.
- (x) Letter No. G.-3/3464, dated 26th August, 1931, of the C. M. P. A. N. and E. Commands, Lahore, *re* No. 424 *ex*-Sowar Chanan Singh.
- (xi) Letter No. A./25/2/439, dated 9th March, 1931, of 2/1st Punjab Regiment, *re* No. 2285 Sowar Bishan Singh.

- (xii) Letter No. If./Pen./Rec./12861-28, dated 28rd July, 1931, of the R. A. T. C. Muttra, *re* No. 18615 Driver Bhagdal, and
- (xiii) Letter No. G.-3/2891, dated 21st August, 1931, of C. M. P. A., N. and E. Commands, Lahore, *re* No. 2218 Sarwan Singh.

(b) Is it a fact that these cases were further examined by medical boards which came to the conclusion that their disabilities were not attributable to military service and hence no pension was granted in the cases above referred to?

(c) Is it a fact that these persons were enlisted when the Army Regulations, Volume I (1915 edition), was in force? Is it a fact that their claims to pensions were adjudged under the Pay and Allowance Regulation that came into force on 1st April, 1923, and that the provisions of the 1923 Regulations are fundamentally different from those of 1915 as regards pension (para. 1052 of A. R. I., Volume I of 1915 edition) and para. 608 of Pay and Allowance Regulations of 1923 edition?

(d) Is it not a fact that these persons were enlisted under the distinct understanding that they were to be governed by the 1915 Regulations if any new rules affected them adversely? Were these persons consulted before the changes were effected in 1923, when their status and right to pension were changed?

Mr. G. M. Young: (a) and (b). The only case with which I am acquainted is that of Jemadar Pahlad Singh. The facts are as stated in regard to him: but he was allowed a service pension. In regard to the other cases the facts are probably as stated, as persons invalided from service overseas on account of disabilities not attributable to military service have never been eligible for disability pensions.

(c) and (d). Inquiries are being made, and replies will be laid on the table later.

REFUSAL OF DISABILITY PENSIONS TO CERTAIN DISCHARGED MILITARY MEN.

142. **Sardar Sant Singh:** With reference to the answer given to starred question No. 274, part (e) on the 12th February, 1932, will Government please see whether the following cases invalided on account of (i) asthma, and (ii) trachoma, contracted in circumstances similar to those stated in the preceding question, have not been adjudged differently by different medical boards admitting and rejecting pensions accordingly?

(a) Admitted disability pension for Asthma:

C. M. A., Quetta, P. C. No. 16 of 1923 and Lahore P. C. No. 70 of 1930.

(b) Rejected disability pension for Asthma:

Adjutant General's letter No. B.-14071/4/A.G.-14, dated 18th June, 1931.

Headquarters, Delhi Indept. Bde. Area Medical Branch, Delhi Cantt. letter No. 619/62/M., dated 23rd September, 1931.

R. A. T. C. Records Muttra, letter No. If./Pen./Rec./12829-18, dated 22nd August, 1931.

- (c) **Granted disability pension for Trachoma:**
 R. A. T. C. Records Muttra, letter No. If./Pen./Rec./12657-8,
 dated 22nd April, 1930.
 Adjutant 2nd Lancer Meerut, letter No. 1978/25/1, dated 10th
 July, 1931.
- (d) **Rejected disability pension for Trachoma:-**
 Officer i/c Records C. H. Q. Bombay Pioneers, letter No. R./
 121/741/25, dated 11th August, 1931.
 Deputy Controller of Military Pensions, Lahore, letter No. G.-
 3/1978, dated 28th/30th November, 1931.
 Officer i/c Records R. A. T. C. Muttra, letter No. If. Pen./Rec./
 97/15, dated 29th August, 1931.

Mr. G. M. Young: I am prepared to accept the facts as stated by the Honourable Member. It is quite possible that some cases of asthma or trachoma have been attributed to military service, while others have not. The medical boards had the full facts before them when coming to their decision in each case.

REFUSAL OF DISABILITY PENSIONS TO CERTAIN DISCHARGED MILITARY MEN.

143. Wardar Sant Singh: (a) How do Government reconcile the answer given on the 12th February 1932, in reply to question No. 275 with the answer given to starred question No. 277 of that date? Is it not a fact that the aggrieved person cannot appeal against the decision of the medical board unless he is supplied with the grounds for their decision, and also that he cannot demand a fresh medical board?

(b) How many times were fresh medical boards ordered in the cases of Indians who have been thus disabled and whose disabilities were declared by the medical board to be not attributable to military service?

(c) Is it not a fact that the fresh medical boards are not permitted to go into the question as to whether the disability was attributable or was not attributable to military service when the first medical board declared it to be not attributable to military service (*vide* India Army Order No. 130 of 1927 and paragraph 414 of the Regulations for medical service of the Army in India referred to by the Honourable Member in answer to the starred question No. 274, answered on the 12th February, 1932)? On what grounds can such persons prefer an appeal to the superior military authorities?

Mr. G. M. Young: (a) There was no inconsistency. The grant, or withholding, or the assessment of a disability pension indicates at once to the person concerned what the finding of the Medical Board has been: and he is at liberty to appeal against that finding. The proceedings only are kept confidential.

(b) The information is not available.

(c) India Army Order No. 130 of 1927 contains provision for assembling medical boards, not in cases of appeal, but in cases in which a previous board had not been able finally to assess the degree of disability. Such boards cannot go into the question of the origin of the disability, as that

was decided by the original board. There is, however, nothing to prevent an appeal being preferred against the decision of an original board, either on the point of attributability to military service, or in regard to the degree of disability.

REFUSAL OF DISABILITY PENSIONS TO CERTAIN DISCHARGED MILITARY MEN.

144. Sardar Sant Singh: With reference to the answer given to starred question No. 276 on the 12th February, 1932, will Government kindly state whether in the case of British ranks, deaths due to pneumonia during military operations, have often been regarded as attributable to military service? If so, is it not a fact that both British ranks and Indian ranks are governed by the same principles with regard to family pension? If so, why should there be such a discrimination in the recommendations of the medical boards?

Mr. G. M. Young: The pensions of British ranks are sanctioned by the Home authorities. Inquiries have been made and a reply will be communicated to the House in due course.

REFUSAL OF DISABILITY PENSIONS TO CERTAIN DISCHARGED MILITARY MEN.

145. Sardar Sant Singh: With reference to the answer to starred question No. 276, answered on 12th February, 1932, is it a fact that the appeals were returned by Army Headquarters to the appellants, for submitting the same through the Officer Commanding, who himself had decided the cases and who declined to forward the appeal to the higher authority? Is it not a fact that in several cases appeals were returned for disposal to the self-same officer whose decisions were being appealed against?

Mr. G. M. Young: I am making inquiries and will lay a reply on the table later.

PENSIONS OF RANKS RE-ENGAGED FOR THE GREAT WAR.

146. Sardar Sant Singh: (a) With reference to the answer given to starred question No. 280 on 12th February, 1932, is it not a fact that the enlistment or re-enlistment made during the period of the war was made by giving the enlisted persons an impression that their past services would count towards pension, in accordance with the Army Regulations of 1915 which were then in force?

(b) Is it not a fact that the Officers Commanding at the time of discharge of such persons made an advance of six months pension and inserted in the discharge certificate that these persons were being discharged without pension? Is it not a fact that the Controller of Military Accounts disallowed such orders of the Commanding Officer?

(c) Did Government make any inquiry into the question whether at the time of enlistment or re-enlistment these persons were given to understand that they would get pension after their discharge just as the other men with continuous service?

Mr. G. M. Young: (a) There was no provision in the Army Regulations (1915 Edition) that re-enlisted pensioners, who continued to receive their pensions during the period of re-employment could count their previous service towards further pensions. Government have no reason to believe that any such impression was conveyed to re-enlisting pensioners.

(b) The Government of India are not aware of any such cases. They have been informed that in some cases where men were granted gratuities they were under the impression that they had been given advances of pension.

(c) No.

PENSIONS ADMISSIBLE TO WIDOWS AND MOTHERS OF DECEASED RANKS.

147. Sardar Sant Singh: (a) Will Government please refer to answer to question No. 281 of 12th February, 1932, and say if it is not a fact that the persons who joined the Army during the war joined under the rules which provided a life pension for widows and mothers in case of their death after 6th August, 1918, if the same was due to military service? Will Government please state whether the rule was changed without the consent of the person thus enlisted? If so, why?

(b) Is it not a fact that paragraph 1077 of Army Regulations (India), Volume I (1915 edition), did provide that if an heir to a family pension was adversely affected by the changed rules, he could claim pension under the rules in force at the time of the deceased's enlistment?

Mr. G. M. Young: (a) Under the rule in force before the 6th of August, 1918, family pensions were payable to widows and mothers for life, but this rule was altered with effect from that date, to provide that payment of such pensions should cease on re-marriage. It is not necessary, nor is it the practice, to consult military personnel before changes are made in the rules.

(b) The rule read as stated, up to April 1916, when it was changed so as to provide that an heir could claim to receive a pension under the rules in force before the 5th August, 1914, if the deceased soldier enlisted before the 14th January, 1915.

FORFEITURE OF MILITARY PENSIONS FOR PARTICIPATION IN POLITICAL ACTIVITIES.

148. Sardar Sant Singh: (a) Will Government kindly refer to the answer to question No. 282 of the 12th February, 1932, and state if it is not a fact that the department has in its possession full returns of the forfeitures of military pensions due to the activities mentioned in that question?

(b) If so, will Government kindly state whether it is a fact that no military pension can be forfeited on account of conviction for political offences?

Mr. G. M. Young: (a) Information is available only in respect of pensions forfeited since April, 1930. A list of forfeitures was published in India Army Order No. 91 of 1932 and in the *Fauji Akhbar* of 20th February, 1932.

(b) The answer is in the negative.

REFUSAL OF DISABILITY PENSIONS TO CERTAIN DISCHARGED MILITARY MEN.

149. Sardar Sant Singh: (a) Is it a fact that people were discharged on the recommendation of Medical Boards as being unfit for further service when they had almost finished their service of 15 years which would have entitled them to pension?

(b) Is it a fact that in most cases the un-expired portion of their service could have been covered by granting them privilege leave which stood to their credit?

(c) Is it a fact that, later on, the disability of the personnel referred to above was pronounced by the medical board to be unattributable to military service and thus they were deprived of their rights to disability pensions also?

(d) Are Government prepared to take steps to remedy the grievances of such people if their cases were brought to the notice of the department?

Mr. G. M. Young: (a), (b) and (c). Government are not aware of any such cases.

(d) Government are prepared to examine on its merits any case submitted by the individual concerned through the proper channel.

GRIEVANCES OF MILITARY MEN DENIED PENSIONS.

150. Sardar Sant Singh: (a) Is it a fact that the War Pension Act was passed by the British Parliament in 1919 establishing pension-appeal tribunals to which appeal against decisions of the Ministry of Pensions lie?

(b) If so, are the Government of India prepared to introduce legislation of a similar nature in order to redress grievances of thousands of persons who consider themselves aggrieved by the disallowance of pensions which according to them they should have earned by their service in the Great War?

Mr. G. M. Young: (a) Yes.

(b) Adequate facilities exist in India for the presentation and the consideration of pension appeals.

REFUSAL OF DISABILITY PENSIONS TO CERTAIN DISCHARGED MILITARY MEN.

151. Sardar Sant Singh: (a) Is it a fact that a number of Indian military personnels invalidated from war operations and declared as unfit for further military service by medical boards held at the time of their disablement, and who for the mere fact of their having been rendered so unfit were entitled to injury pensions under paragraphs 1053, 1057, and 1065 of A. R. I. Volume I (1915 edition), were not granted any pension at all?

(b) Is it also a fact that the individuals mentioned above were further examined by fresh medical boards, who though they held their disability as being attributable to military service, assessed it below 20 per cent. and thus rendered them ineligible for disability pensions under the new rules promulgated, *vide* A. I. I. 1056 of 1922?

Mr. G. M. Young: (a) and (b). The Government of India are not aware of any such cases: but if the Honourable Member can give me particulars of any, I will inquire into it.

REFUSAL OF DISABILITY PENSIONS TO CERTAIN DISCHARGED MILITARY MEN.

152. **Sardar Sant Singh:** (a) Is it a fact that in cases of deaths and disabilities sustained by Indian ranks, during the Great War and the Waziristan operations, where the records with regard to the cause of such deaths and disability is missing in military offices, grants of family and disability pensions have been refused, and the advantage of doubts availed of by Government, instead of allowing the same to the beneficiaries?

(b) If so, will Government please state if they are prepared to re-investigate such cases, if brought to their notice, and allow the advantage of doubts to the beneficiaries?

Mr. G. M. Young: (a) and (b). Cases are considered on their merits. The benefit of the doubt is generally given to an individual who produces some credible evidence in substantiation of his claim.

REFUSAL OF DISABILITY PENSIONS TO CERTAIN DISCHARGED MILITARY MEN.

153. **Khan Bahadur Haji Wajihuddin:** (1) Will Government be pleased to state if it is a fact that:

- (a) certain members of the Indian Medical Department who served in Waziristan in 1926, as Jemadars resigned after long services of no less than 19 years because:
- (i) they could not discharge their duties in Waziristan on account of ill-health and bad climate of the country;
 - (ii) they had contracted disability (colitis) by serving in the Great War;
 - (iii) applications submitted by them for long leave due to them were not forwarded, for unknown reasons, to higher authority for sanction as required by Army Regulations;
 - (iv) their applications requesting to be examined by medical boards were not given any consideration;
 - (v) their subsequent applications for withdrawal of their resignations recommended by the Officer Commanding for the purpose of bringing them before a medical board were rejected by the Northern Command (for precedents see notifications published in Gazette of India, Nos. 1752, 932, 311, 1087, 1665 of 1921, 562 of 1922, and 931, 1451 of 1924, showing withdrawal of similar resignations tendered by members of the Department having subsequently been sanctioned by Government);
- (b) a civil and again a military board examined them subsequently at Peshawar and found them really suffering from the disease and recommended the grant of service and disability pensions earned by them; and
- (c) they were deprived of the actual amount of service, and disability pensions due to them under the Army Regulations?

(2) If the replies to the above questions be in the affirmative, will Government be pleased to state under what Army Regulations:

- (a) their applications for long leave due to them were not forwarded for sanction to higher authorities,

- (b) they were not examined by medical board in Waziristan, and
 (c) their applications for withdrawal of resignation recommended by the Officer Commanding were rejected by the Northern Command instead of submission for sanction to higher authorities?

(3) Are Government aware that the treatment meted out to the old servants of Government in that Department has created a good deal of disappointment and dissatisfaction?

(4) Do Government propose to inquire into the cases?

Mr. G. M. Young: The following information was communicated to the Honourable Member in a letter No. 42-Y., dated the 11th April, 1931. A copy of the letter was placed in the Library:

- (1) (a) Jemadar Ahmad Baksh's case is the only one on record.
 (i) He did not show any signs of ill-health while in Waziristan.
 (ii) Yes.
 (iii) An application for long leave was received in the District Headquarters, but not until after his resignation had been accepted.
 (iv) It was not considered necessary to convene a medical board to examine this officer, as he showed no signs of any disease while serving in Waziristan.
 (v) Yes, because it was not recommended by the Assistant Director, Medical Services, Waziristan District.

(b) He was examined by a medical board at Peshawar in March, 1927, and found to be suffering from chronic colitis. The Board therefore recommended the grant of a disability pension.

(c) No. His case was reconsidered in August, 1929, and his pension was increased to Rs. 34 per mensem.

(2) (a) His application was forwarded to the District Headquarters.

(b) As I have already stated, he was not examined by a medical board in Waziristan because he did not show any signs of ill-health while serving there.

(c) No. His application for withdrawal of his resignation was rejected by the proper authority, the Command Headquarters.

(3) and (4). Government have carefully considered the case and find no grounds for interfering with the decision of the military authorities.

EXCLUSION OF THE RAILWAY BOARD'S ESTABLISHMENT IN THE REPORT OF MR. K. M. HASSAN.

154. **Seth Haji Abdoola Haroon:** (a) Is it a fact that Mr. K. M. Hassan, an officer on special duty under the Railway Board, was specially instructed to exclude the Railway Board's establishment from his report? If so, why?

(b) If the reply is in the negative, will Government be pleased to state the reasons for excluding from the report the Railway Board's office?

Sir Alan Parsons: (a) No.

(b) The Railway Board's office has not been excluded.

PERCENTAGE OF MUSLIM ASSISTANTS AND CLERKS IN THE RAILWAY BOARD'S OFFICE.

155. **Seth Haji Abdoola Haroon:** Will Government be pleased to state:

- (a) the total number of permanent assistants,
- (b) the total number of permanent Second Division clerks,
- (c) the total number of permanent Third Division clerks,
- (d) the total number of officiating assistants,
- (e) the total number of officiating Second Division clerks, and
- (f) the total number of officiating Third Division clerks

in the Railway Board's office (excluding staff of officers on special duty) and what is the number and percentage of Muslims and other communities in each of the categories mentioned above?

Sir Alan Parsons: A statement is laid on the table.

Statement showing the Number of Permanent and Officiating Assistants, Second Division and Third Division Clerks in the office of the Railway Board.

Communities.	Permanent. *						Officiating. †					
	Assistants.		II Division.		III Division.		Assistants.		II Division.		III Division.	
	No.	Percentage.	No.	Percentage.	No.	Percentage.	No.	Percentage.	No.	Percentage.	No.	Percentage.
Hindus . . .	(a) 21	65.63	(d) 37	82.23	(e) 20	64.52	7	87.5	(g) 10	52.63	3	75.00
Muslims . . .	2	6.25	4	8.89	(f) 8	25.80	1	12.5	(h) 7	36.84	1	25.00
Europeans and Anglo-Indians.	(b) 6	18.76	1	2.22	2	6.45	..	..	..	..	..	..
Sikhs . . .	1	3.12	1	2.22	..	..	..	..	(i) 2	10.53	..	..
Indian Christians.	1	3.12	1	2.22	1	3.23	..	..	..	..	..	..
Others . . .	(c) 1	3.12	1	2.22	..	..	..	..	..	..	..	..
Total . . .	32	..	45	..	31	..	8	..	19	..	4	..

* Includes 8 permanent staff away on deputation whose posts have been held in abeyance as shown below :—

† Includes staff officiating in leave vacancies and 4 provisional men as shown below :—

(a)	1
(b)	2
(c)	1
(d)	1
(e)	1
(f)	2

(g)	1
(h)	2
(i)	1

REDRESS OF COMMUNAL INEQUALITY IN THE RAILWAY BOARD'S OFFICE.

156. Seth Haji Abdoola Haroon: (a) Is it a fact that the Home Department has repeatedly issued instructions to the various Departments of the Government of India to redress communal inequality?

(b) If the reply is in the affirmative, will Government be pleased to state what action the Railway Board have so far taken in regard to their own office?

Sir Alan Parsons: (a) Orders were issued by the Government of India in 1926, regarding communal representation in the Government of India Secretariat Offices (clerical establishment).

(b) Since the issue of the orders referred to, the Railway Board have given consideration to the claims of the minority communities for a share in the recruitment of the ministerial staff of their office.

SENIORITY LIST OF ESTABLISHMENT IN THE RAILWAY BOARD'S OFFICE.

157. Seth Haji Abdoola Haroon: (a) Will Government be pleased to state whether any seniority list of ministerial establishment is maintained in the Railway Board's office?

(b) If so, what are the principles adopted to determine the seniority of the staff employed in that office?

(c) Is it a fact that:

(i) the principles laid down to determine the seniority vary in the case of different individuals;

(ii) that length of service is adopted in certain cases and pay in others?

Sir Alan Parsons: (a) Yes.

(b) and (c). Seniority is ordinarily determined by the date of permanent appointment to the particular grade or division, pay at the time of appointment being the deciding factor in the case of staff appointed from outside the Board's office.

SENIORITY LIST OF ESTABLISHMENT IN THE RAILWAY BOARD'S OFFICE.

158. Seth Haji Abdoola Haroon: Do Government maintain any list of the Railway Board ministerial establishment? If so, will they please place a copy in the Library?

Sir Alan Parsons: A list is maintained, but it is purely of domestic concern, and Government are not prepared to put a copy of it in the Library.

COMMUNAL INEQUALITY IN THE HOME DEPARTMENT.

159. **Seth Haji Abdoola Haroon:** (a) Will Government be pleased to state:

- (i) the total number of permanent Muslim Superintendents in the Home Department, Government of India; and
- (ii) the total number of permanent Muslim assistants and their percentage in respect to other communities in the Department on the 20th February, 1932?

(b) Will Government be pleased to state what steps they have taken to redress communal inequality in the Home Department?

The Honourable Sir James Crerar: (a) (i). There are no permanent Muslim Superintendents in the Home Department at present. I may, however, state for the Honourable Member's information that a Muslim is at present officiating as a Superintendent.

(ii) Of 23 posts permanently filled three are held by Muslims, 10 by Europeans and Anglo-Indians, 9 by Hindus and 1 by an Indian Christian.

(b) Government will, as they have done hitherto, pursue their policy of reserving a proportion of vacancies filled by direct recruitment for the redress of communal inequalities.

DECREASE OF MUSLIM EMPLOYEES IN THE HOME DEPARTMENT.

160. **Seth Haji Abdoola Haroon:** (a) Are Government aware that the percentage of Muslims on the permanent establishment of the Home Department has considerably decreased as compared with the previous years?

(b) Do not the instructions which the Home Department have issued for the guidance of other Departments apply to that Department itself?

(c) If the reply to part (b) is in the affirmative, will Government be pleased to state the reasons for such decrease?

(d) What steps do Government propose to take in this direction?

The Honourable Sir James Crerar: (a) No. A slight temporary decrease has occurred owing to the death of a Muslim Assistant a month ago. The vacancy has not yet been filled.

(b) Yes.

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

AGE AND SERVICE OF STAFF IN THE RAILWAY BOARD'S OFFICE.

161. **Seth Haji Abdoola Haroon:** Will Government be pleased to state the total number of staff in the Railway Board's office:

- (a) who have attained the age of 55 and above,
- (b) who are above 50 but less than 55 years,
- (c) who have put in 30 years service and more,
- (d) who have put in 25 years service and more, and
- (e) who are on extension of service?

Sir Alan Parsons: If the Honourable Member refers to establishment other than gazetted or inferior establishment, the figures are:

- (a) 1.
- (b) 7.
- (c) 1.
- (d) 6.
- (e) Nil.

PAY OF THE CASHIER, RAILWAY BOARD.

162. Seth Haji Abdoola Haroon: (a) Will Government please state what is the substantive pay of Rai Bahadur Ishar Das Puri, Cashier, Railway Board?

(b) Does he receive any allowance, and personal pay? If so, what is the amount of the allowance and the personal pay separately?

(c) Do Cashiers in other Departments of the Government of India Secretariat receive any personal pay in addition to the cash allowance of Rs. 50?

(d) If he is receiving a personal pay what are the reasons for giving personal pay to the Cashier of the Railway Board?

(e) Is it a fact that personal pay granted to Railway employees has been withdrawn on account of the present financial stringency? If so, what are the reasons for not withdrawing the personal pay of the Cashier, Railway Board?

Sir Alan Parsons: (a) Rs. 350 per mensem.

(b) He receives, in addition, special pay of Rs. 50 per mensem which is attached to the post of Cashier and personal pay of Rs. 50.

(c) No.

(d) His long and meritorious service, and the fact that if he had not been retained in his present post in the interests of the work he would have been eligible for promotion to the 1st division in which he could have risen to a pay of Rs. 500 per mensem.

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

RAILWAY PASSES ALLOWED TO THE CASHIER, RAILWAY BOARD.

163. Seth Haji Abdoola Haroon: (a) Is it a fact that Rai Bahadur Ishar Das Puri, Cashier, Railway Board, is entitled to first class privilege passes?

(b) Is it a fact that Superintendents, Railway Board, are entitled to 2nd class privilege passes?

(c) Is it a fact that Rai Bahadur Ishar Das Puri and Superintendents of the Railway Board are gazetted officers?

(d) If the answer to the above is in the affirmative, what is the reason for the discrimination in regard to the class of the privilege passes?

Sir Alan Parsons (a) Yes.

(b) Yes, except those in receipt of pay above Rs. 750 per mensem.

(c) Yes.

(d) Rai Bahadur Ishar Das Puri holds the honorary rank of Assistant Personnel Officer which entitles him to first class passes under the rules.

MUSLIM CLERKS IN OFFICES UNDER THE CONTROL OF THE FINANCIAL COMMISSIONER, RAILWAYS.

164. Seth Haji Abdoola Haroon: (a) Will Government be pleased to state the total number of clerks and sub-heads by communities transferred to the control of the Financial Commissioner, Railways, immediately on the separation of audit from accounts on State railways and their respective strength in January, 1932?

(b) What is the proportion of the Muslim element after a lapse of three years since the separation scheme was enforced?

Sir Alan Parsons: Government regret that they are not prepared to collect these figures, in view of the large amount of work entailed.

REPRESENTATION OF MUSLIMS IN THE SUBORDINATE RAILWAY ACCOUNTS SERVICE.

165. Seth Haji Abdoola Haroon: (a) Will Government be pleased to state:

(i) the total number of accountants, both in reserved and non-reserved posts, arranged by communities, transferred to the control of the Financial Commissioner, Railways on separation of audit from accounts on State railways, and

(ii) the number of persons by communities, directly appointed as accountants on State railways subsequent to separation, and the number of those granted exemption from the compulsory examination?

(b) Do Government consider the representation of Muslims in the subordinate Railway Accounts Service adequate?

(c) Is it a fact that instructions were issued to confirm members of minority communities even out of their turn to raise their representation to the desired level?

(d) If the answer to part (c) above is in the affirmative, what was the practical outcome of these orders?

(e) Are Government aware that despite the negligible proportion of Muslims in the subordinate Railway Accounts Service, qualified Muslims have been reverted in contravention of the instructions quoted in part (d) above?

Sir Alan Parsons: (a) (i). Audit was separated from Accounts at different dates on different railways. The position on the 1st April 1930, the date on which the separation of Audit from Accounts was completed, was as follows:

Hindus	135
Muslims	11
Anglo-Indians and Indian Christians	19
Sikhs	7
Other minority communities	2
	—
Total	174
	—

(ii) There have been 31 direct recruits of whom 16 were Hindus, 7 Muslims, 4 Anglo-Indians, 3 Sikhs and 1 Jain.

In addition to those exempted from passing the departmental examination under paragraphs 8 and 9 of Railway Memo. No. 5565-F., dated the 31st July, 1929, the following have been granted exemption:

2 Hindus	2 Muslims	Total 4.
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(b) It will be seen from the figures just given that Muslims are obtaining an increasing proportion of the posts in this service.

(c) and (d). The instructions to which the Honourable Member is referring were, I think, issued by the Auditor General and related to the permanent appointment in the Indian Audit and Accounts Department of persons previously in the temporary establishment, and they do not apply to promotions. As the Honourable Member will see from my answer to part (a) (ii) of this question, nearly 50 per cent. of the direct recruits taken as accountants into the Railway Accounts Department have been members of minority communities.

(e) No.

INSTRUCTIONS ISSUED BY THE RAILWAY BOARD RE CRITERIA TO BE OBSERVED IN DISCHARGE OF RAILWAY EMPLOYEES.

166. **Seth Haji Abdoola Haroon:** (a) Has the attention of the Government of India been drawn to the Railway Board's circular letter No. 683-E. G., dated the 3rd March, 1931, to Agents of State Railways laying down criteria to be observed in the discharge of employees during the reduction campaign?

(b) Is it a fact that the Finance Department of the Government of India has also issued a circular letter No. 78-XI, Ex.-1/31, dated the 3rd August, 1931, stating the principle in carrying out similar reduction?

(d) Will Government be pleased to state if there is a disparity between the instructions issued by the Government of India, Finance Department, and the Railway Board? If so, why?

(d) Do Government propose to take early action to eliminate the disparity?

Sir Alan Parsons: (a) Yes.

(b) Yes.

(c) There is some difference, due to the difference between a commercial department, and the ordinary civil departments of Government.

(d) No.

MOTION FOR ADJOURNMENT.

GRANT OF A SUBVENTION TO THE NORTH-WEST FRONTIER PROVINCE.

Mr. President: I have received a notice from Mr. B. Das that he proposes to ask for leave to make a motion for the adjournment of the business of the House to-day for the purpose of discussing a definite matter of urgent public importance as follows:

“The grant of a subvention to the North-West Frontier Province”.

Mr. B. Das (Orissa Division: Non-Muhammadan): Sir, since I gave notice of this motion, it has been pointed out to me that in the procedure which Government have adopted, it is their intention that this House should discuss the subject of subventions under the grant to the North-West Frontier Province: so I am now satisfied that no cause of adjournment arises as we are to discuss the subject later on.

Mr. President: I take it that you do not wish to ask for leave?

Mr. B. Das: I do not wish to ask for leave. Sir.

STATEMENTS LAID ON THE TABLE.

STORES PURCHASED BY THE HIGH COMMISSIONER FOR INDIA.

The Honourable Sir Joseph Bhoré (Member for Industries and Labour): Sir, I lay on the table a statement furnished by the High Commissioner for India showing all cases in which the lowest tenders have not been accepted by him in purchasing stores for the Government of India during the half-year ending 31st December, 1931.

HIGH COMMISSION

INDIA STORE

ABSTRACT OF CASES in which tenders for stores demanded by the Central Government, goods demanded, were accepted on the grounds of superior quality, inspection, quicker

HALF-YEAR ENDING

PART B.*—Cases in which the discrimination is

Stores ordered.	Contract number.	Name of Contractor.	Amount of Contract.
Compasses, prismatic No. 60.	M. 2261/4121/12-12-31	E. R. Watts & Son, Ltd.	£ s. d. 104 2 6
	M. 2262/4121/12-12-31.	Francis Barker & Son, Ltd.	90 0 0
Bodies for breakdown vehicles, No. 12.	M. 176/2433/19-10-31	Morris Commercial Cars, Ltd.	194 2 6 (British). 1,518 12 0 (British).

*Parts (A) and (C) are blank, as during the period no foreign tenders were set aside in

ER FOR INDIA.

DEPARTMENT.

rnment, other than the lowest complying with the technical description of the superior trustworthiness of the firm tendering, greater facility of delivery, etc.

31ST DECEMBER, 1931.

between British firms only.

Lowest Tender not accepted.	Reason for acceptance.
<p style="text-align: center;">£ s. d.</p> <p style="text-align: center;">178 15 0 (British).</p>	<p>The indent stated that the compasses were required in India as early as possible before 29th February, 1932. The lowest tenderer offered delivery in May, 1932. To meet the delivery required by the indent the order was divided between the next two lowest tenderers.</p>
<p style="text-align: center;">1,488 0 0 <i>Plus cost of delivery of chassis.</i> - 16 16 0</p>	<p>The second lowest tender was accepted, having regard to the earlier delivery offered, and to the request of the indenting Department, that bodywork should be undertaken whenever possible by the builders of the chassis.</p>
<p style="text-align: center;">1,504 16 0 (British).</p>	

favour of British tenders and there was no case of discrimination between foreign firms.

EXPENDITURE INCURRED ON CERTAIN SOLDIERS RETURNING TO ENGLAND.

Mr. G. M. Young (Army Secretary): Sir, I lay on the table a statement giving the information promised in reply to parts (b) and (c) of starred question No. 83, asked by Mr. A. Das on the 3rd February, 1932, regarding expenditure incurred on six British soldiers who went from Allahabad to Rangoon and thence to the United Kingdom.

(b) For administrative reasons it was necessary for the men to return to their unit in Rangoon. From there they were sent to the United Kingdom by the most convenient and cheapest route, namely *via* Calcutta and Bombay. The soldiers did not have any rifles with them while under training at Allahabad.

(c) The cost of rail and steamer fares from Allahabad to Rangoon and from Rangoon to Calcutta amounted to Rs. 215. The journey from Calcutta to Bombay was by troop train and no extra cost was incurred on account of these six men.

There was no extra expenditure on account of salaries and no travelling allowance was granted to the men.

REPRESENTATION OF MUSLIMS IN THE INCOME-TAX DEPARTMENT, BIHAR AND ORISSA.

The Honourable Sir George Schuster (Finance Member): Sir, I lay on the table the information promised by the Honourable the Finance Member in reply to unstarred question No. 81 asked by Mr. M. Maswood Ahmed on 22nd February, 1932, regarding representation of Muslims in Income-tax Department, Bihar and Orissa.

(a) The number of Muslim Income-tax Officers employed in Bihar and Orissa in 1924 was 3, and the number of Muslim Income-tax Officers and Assistant Income-tax Officers now employed is 2 and not 1.

(b) Of the 3 Muslim Income-tax Officers in service in 1924, 1 was discharged at the end of 1925, for failure to pass the departmental examinations, and another retired on an invalid pension in 1927. Another Muslim officer was appointed in 1925, and is still in service. No appointments were made to fill the vacancies created by the discharge of one Income-tax Officer, and the retirement on invalid pension of the other officer, since the present strength of the staff of Income-tax Officers in Bihar and Orissa is in excess of the strength sanctioned in 1928.

(c) The cadre of Income-tax Officers and Assistant Income-tax Officers has been revised and no direct appointments to these services are now being made or have been made since the end of 1925. Vacancies when they occur will be filled by the promotion of selected Inspector-Accountants. Of 11 Inspector-Accountants appointed in 1928, 2 are Muslims, and of 9 temporary Inspector-Accountants sanctioned as a result of the increase in work due to the lowering of the taxable limit for a period of 15 months at end of 1931, 2 are Muslims.

(d) The claims of Muslims will not be lost sight of when vacancies occur.

(e) As already stated in reply to part (b) it is not likely that there will be any vacancies in the near future in the Income-tax Officer's grade and therefore no immediate action is possible.

PETITIONS RELATING TO THE HINDU MARRIAGES DISSOLUTION BILL AND THE HINDU UNTOUCHABLE CASTES (REMOVAL OF DISABILITIES) BILL.

Secretary of the Assembly: Sir, under Standing Order 78, I have to report that seventeen petitions as per statement laid on the table have been received relating to the Bill to remove certain doubts regarding the dissolution of marriages of persons professing the Hindu religion which was introduced in the Legislative Assembly on the 27th January, 1931, by

Sir Hari Singh Gour, and fifty-seven petitions as per statement laid on the table have been received relating to the Bill to remove disabilities affecting the untouchable castes of the Hindu community which was introduced in the Legislative Assembly on the 18th February, 1932, by Mr. R. K. Shanmukham Chetty.

STATEMENT.

Petitions relating to the Bill to remove certain doubts regarding the dissolution of marriages of persons professing the Hindu religion which was introduced in the Legislative Assembly on the 27th January, 1931.

Number of signatories.	District or Town.	Province.
16	Belgaum	Bombay.
9	Benares City	United Provinces.
7	Benares City	United Provinces.
7	Benares	United Provinces.
12	Akola	Bombay.
2	Calcutta	Bengal.
2	Murshidabad	Bengal.
7	Rajkot	Bombay.
10	Allahabad	United Provinces.
9	Allahabad	United Provinces.
12	Rajkot	Bombay.
6	Nathedewara	United Provinces.
6	Kurnuol	Madras.
14	Lakhimpur Kheri	United Provinces.
11	Badaun	United Provinces.
8	Badaun	United Provinces.
8	Nathedewara	United Provinces.
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STATEMENT.

Petitions relating to the Bill to remove disabilities affecting the untouchable caste of the Hindu community which was introduced in the Legislative Assembly on the 18th February, 1932.

Number of signatories.	District or Town.	Province.
2	Rambagh	Bombay.
2	Rambagh	Bombay.
1	Surat	Bombay.
1	Benares	United Provinces.
11	Nasik	Bombay.
5	Nasik	Bombay.
11	Monghyr.	Behar and Orissa.
13	Muttra	United Provinces.
4	Muttra	United Provinces.
1	Sholapur	Bombay.
37	Satara	Bombay.
10	Sholapur	Bombay.
9	Thumbuchelly	Madras.
14	Kathiawar	Bombay.
5	Meerut	United Provinces.
12	Ahmedabad	Bombay.

Number of signatories.	District or Town.	Province.
13	Ahmedabad	Bombay.
10	Benares Cantonment	United Provinces.
10	Benares Cantonment	United Provinces.
3	Meerut Cantonment	United Provinces.
17	Kutal Kushai . . . . .	.....
1	Damadardham . . . . .	.....
12	Benares City	United Provinces.
1	Kathiawar	Bombay.
12	.....	Bengal.
1	Buleshwar	Bombay.
2	Thakurdwar	Bombay.
11	Nasik	Bombay.
10	Nasik	Bombay.
8	Lakhimpur	United Provinces.
12	.....	Bombay.
9	Pakur (District S. P.) . . . . .	.....
16	Dheogarh	Behar and Orissa.
17	Dheogarh	Behar and Orissa.
17	Ara	Behar and Orissa.
9	.....	Bombay.
5	.....	Bombay.
79	Monghyr	Behar and Orissa.
3	Shahabad	Behar and Orissa.
2	Shahabad	Behar and Orissa.
5	Brindaban	United Provinces.
2	.....	.....
19	Belgaum	Bombay.
7	Benares City	United Provinces.
8	Benares	United Provinces.
9	Benares City	United Provinces.
13	Akola	Bombay.
7	Rajkot	Bombay.
9	Allahabad	United Provinces.
10	Allahabad	United Provinces.
11	Rajkot	Bombay.
10	Nathewara	United Provinces.
10	Nathewara	United Provinces.
5	Kurnool	Madras.
17	Lakhimpur	United Provinces.
17	Badaun	United Provinces.
16	Badaun	United Provinces.
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THE GENERAL BUDGET—GENERAL DISCUSSION.

Mr. President: (The Honourable Sir Ibrahim Rahimtoola): Order, order. The House will now proceed to the general discussion of the Budget. I propose to impose a time limit of 20 minutes for each speech.

Mian Muhammad Shah Nawaz (West Central Punjab: Muhammadan): Sir, towards the close of his able and brilliant speech on Monday last, the Honourable Sir George Schuster struck a note of optimism. He tells us that we have in the past year ridden a storm of great intensity and that we have emerged from it stronger than before; we have overhauled our expenditure and that the next year will give us a safe margin

of revenue. But, Sir, when we go behind the consoling words of our able friend, we find a vast desert of poverty prevailing in this vast sub-continent of India, and the optimism promptly vanishes. For a feat of admirable accountancy and of good stewardship, our esteemed friend is certainly to be congratulated, but from the point of view of the man who is forced to pay additional taxation, the Budget is a tragedy. Admittedly the purchasing power of the people is at its lowest ebb; admittedly the prices of agricultural produce have gone down and still are very low. Admittedly the heavy taxes are a drag and a clog on the country's economic revival. For all this our Honourable friend is not to be blamed, for he has inherited a legacy of prodigal expenditure by his predecessors, I daresay the Biblical story of the prodigal son is oft repeated. He is making the best of the bad job. Mr. President, Sir George Schuster may point to the heavy taxation in other countries, but we should not forget that most of the Western Governments are rendering social services to the public. For instance, take the case of Great Britain. Great Britain is supporting over two millions of unemployed, besides a host of public welfare institutions. Now, Sir, what is the position in India? The various Retrenchment Committees have retrenched many Indians and some Europeans. In other words we have increased the unemployment. The General Purposes Committee and other Committees recommended adequate compensation to those persons who have been discharged, but the Government of India, while accepting our retrenchment proposals regarding the abolition of various offices and their incumbents, have not given adequate compensation to them. Again, Sir, we find that in the provinces and in the Central Government the beneficent departments are ruthlessly cut down. Does this state of things prevail in other countries of the world? I submit not. Therefore, I humbly submit that the state of things in this country is far worse than in other countries. The fact of the matter is that unless and until the reparations and the war debts are cancelled, there cannot be complete economical revival, and we have not yet fathomed the abysmal depth of the depression to which we might descend. Hence we must cut our coat according to our cloth.

Now, Sir, it was hoped that the Supplementary Finance Bill, which we had passed in November last, would reduce our deficit from 19 crores to 10.17 lakhs and that we would get a surplus of nearly 5.17 lakhs in the coming year. But what do we find? The deficit amounts to 13.66 lakhs and the anticipated surplus for the next year amounts to 2.15 lakhs. The conclusion is irresistible that the people of this country are being taxed beyond their capacity and that there has been a staggering fall in the purchasing power of the people. Imports show a decline of nearly one crore within the last 10 months as compared with the figures of the last year; exports show a fall of 1.30 lakhs; cotton textiles have fallen from 49 to 15 crores; there has been a conspicuous fall in silver and other commodities. Sugar has fallen from 15 crores to 4 crores. It may be argued with some show of reason that the fall in cotton piece-goods is due not only to the fall in the purchasing power of the people but also to the activities of the Congress, such as the boycott of foreign goods and so forth, but this cannot be said of sugar. Sugar is a necessity for the maintenance of one's constitution. This proves beyond any shadow of doubt that the poor people of this country have taken to other substitutes for sugar or that they have given up its consumption.

[Mian Muhammad Shah Nawaz.]

Silver used to be a very popular metal with poor people. It was a sort of investment, because large quantities of silver were consumed in the manufacture of cheap ornaments. Now instead of silver being in demand we find that it is being sold in large quantities. That shows that the poor people have gone down to conditions which are almost unbearable. It appears to me that we have reached by heavy duties the stage of diminishing returns. Again, Sir, our friend may find some consolation in the fact that the increased duties on kerosene oil and salt have substantially helped to realise the estimates which were put forward by him in November last, but it should be remembered that kerosene oil and salt, like air and water, are vital necessities of life and their consumption cannot be reduced. It should not be taken as a criterion to show that the poor people have not suffered. Sir, I am of opinion the Government of India should make up their minds to cut down their administrative expenditure and bring it into close relation with the tax-bearing capacity of the people.

There are, however, some redeeming features in the Budget. For instance, the import duties on machinery and raw cottons have served their purpose and the anticipated amounts therefrom are realized. Sir, I am in agreement with our able friend that the effect of half an anna per pound on raw cotton is distinctly beneficial to the interests of the agriculturists, and I do congratulate the Honourable Sir George Schuster on it. As regards luxuries, such as motor cars and others, the amounts of duties collected have gone down and prove the fact that even the rich people are unable to bear the additional burden. Sir, the Honourable the Finance Member was able to say that the military expenditure has been cut down to a figure amounting to Rs. 46 crores. He also told us that His Excellency the Commander-in-Chief has frankly said that the normal expenditure on the military cannot be less than Rs. 48 crores. Whatever may be the opinion of His Excellency the Commander-in-Chief, the House is satisfied that there is ample room for retrenchment in the military expenditure. Sir, having regard to the low prices of agricultural commodities now prevalent in this country, the military expenditure should have been brought down at least to the level recommended by the Inchcape Committee. I still think that the number of troops can be reduced. For instance, what is the use of a whole brigade at Razmak? I know that place very well, and although I approve of the forward policy, I am not satisfied that a whole brigade is really necessary at Razmak for the protection of the frontier. Again, I suggest that a committee consisting of experts should go into the administration of the Railway and the Post Office Departments in order to eliminate waste, because we are of opinion that a lot of waste still exists in these departments.

Sir, the Honourable the Finance Member has referred to the currency policy of the Government and the exportation of gold. I am not an expert in these subjects, but I believe that when we pegged the exchange to 1-6d we really made a mistake; we should have pegged it to 1-4d.; but having pegged it to 1-6d., it is not desirable that it should be dislocated and disturbed. And having regard to all the circumstances, I am constrained to approve of the currency policy of the Government. As regards exportation of gold, the reasons given by my Honourable

friend seem to be on the whole sound, but I desire to ask one question. Why is it that France is hoarding gold and purchasing gold? The exchange of France is quite stable, and yet she possesses 100 millions worth of gold in the vaults of her banks. There is a lurking suspicion in the minds of Indians that the gold is being sent to England for the benefit of England and that there will be no gold left for India, and that Indians will not be able to re-purchase gold in the future time and there will be nothing else but paper currency. That is a question which my Honourable friend has got to answer and should answer in order to remove suspicion from the minds of the people. As I said, I am not an expert in this subject, and having regard to all the arguments put forward by my Honourable friend, I think he is probably right that the exportation of gold will not be disadvantageous to India at the present juncture. What we need most at the present time of depression, and what the public weal requires, is that all elements should be welded together to bring about prosperity, which is not easy to build up. I am distinctly of opinion that the Congress is not right in threatening the civil disobedience campaign. Sir, we should rally round the Round Table Conference and other Committees. I do not know whether the Committees are doing much; I believe they are not doing much, but every effort should be made to bring about a lasting settlement between Great Britain and India for the benefit of the two nations. (Applause.)

Sir Hugh Cocke (Bombay: European): I have had the privilege of listening to nine Budget speeches in this House, five under the regime of Sir Basil Blackett, and four under the regime of the present Finance Member, and I think I have probably heard my last Budget speech in this House. But it is interesting to look back over these nine years, and it is incidentally interesting to find that those nine years' figures are given in the Memorandum—9 or 10 years—and to review the period of the previous five years of Sir Basil Blackett, how gradually the provincial contributions became eliminated—not abruptly but gradually that was effected,—and how at that time every one thought that the next five years of the current Finance Member, bearing in mind the fact that we were getting farther away from the climax of the war and from the anti-climax of the peace—how we anticipated that in the next five years our revenues would go ahead and possibly taxation would be reduced and so on, and to contrast with that expectation, which I think was a general expectation, what has actually happened. It is rather a dismal picture, and a good deal of sympathy I think may be extended to our present Finance Member for having struck a period such as he has struck.

This is not an occasion, particularly this year when the Budget is devoid of taxation proposals, to offer anything very constructive I think in the way of suggestions, and I certainly have not been able to think of anything very material which can help the position in the future. It is more an occasion for a general review of the past year, the present position, and the immediate future. One point in that general review which I should like just to touch upon is contained in paragraphs 43 and 44 of the Budget speech, where it is pointed out that the problem of federal finance, which is being considered by a committee at the present time, is one which must be very carefully tackled so as to leave the centre with expanding forms of revenue. As we know, there have been suggestions that the greater part of the income-tax should go to the provinces, and if that is feasible. I

[Sir Hugh Cooke.]

think that is a suggestion to which no province will object. But it is important in view of the trend of the customs revenue,—the falling trend of the customs revenue—it is important in any future scheme that the Central Government should not be starved of adequate finances.

It is interesting to look to the future,—I am not talking now of the immediate future, but some time into the future—and to consider what the problems of Finance Members will be, particularly having regard to the possibility of further fallings off in customs revenue. The Honourable the Finance Member indicated in his speech that certain items, luxury items perhaps, such as liquors, sugar to some extent, imported piecegoods, and similar items, were not going to help our revenue in the future as in the past. That I think everybody appreciates. To some extent this is due to the protective policy. There are various other reasons, and of course the surcharge put on last year has undoubtedly not brought in the increased revenue which was anticipated on these particular items. Now, that being so, the Finance Member indicated that it might be the case in the future, if further taxation is necessary, that a few annas per head on the masses might have to be considered. That is a problem which possibly Indian Finance Members of the future will have to consider, and it is important, for unless it is possible for the Governments of the future to continue the policy of retrenchment and the cutting down of expenditure, unless they are able to do that, if the country is to develop and if the social services, which my friend referred to just now, are to be increased, and the lot of the poor man to be helped, it is important to consider, and it will be important in the future to consider, whether the basis of taxation on the masses will not have to be increased to a small extent. One knows of course that there are large numbers in this country who have not the means to be assessed to taxation to any extent at all, but the figure of an anna per head per month, or something of that sort, is a tempting one and it is possible that in the future the Finance Members will be tempted to pursue that method of broadening the whole basis of our taxation without seriously, I think, and possibly the whole country may think then, without crippling the lot of the average man.

The particular difficulties of the present time were well illustrated, I think, by the Finance Member when he compared the average revenue of the five years, 1923—26, with the present position. One does not want to go into figures to any great extent, but it was rather alarming to note that the commercial departments have dropped from nearly seven crores—I am talking now of the average figure for those five years—to nothing, and possibly to a small loss. The finance heads dropped from something over 6½ crores to something under 4½. Opium dropped from 2½ crores to 60 lakhs. Provincial contributions, which in the early days of those five years, brought in 9 crores, have gone by the board. The amount required for the reduction and avoidance of debt had increased by 2½ crores. The further provision necessary for the bonus and interest on Postal Certificates has necessitated a further Budget allotment of 2 crores. All these figures together came to the colossal amount of 24½ crores, a figure which has got to be faced to-day and made good in other directions. 11½ crores are being met out of retrenchment, and therefore the balance of 13 crores has to be made good from other sources of taxation. It is interesting to consider,

town on the Arabian Sea. My Honourable friend thinks that he can derive that surplus of 1½ lakhs of rupees from the extra sale of dates in Aden, but I know that after a year or two, the Central Government will ask the House to foot the bill to the extent of the 10 lakhs or 15 lakhs by the creation of this Chief Commissioner's Province. I am surprised that big constitutional questions like the creation of a separate province and its administration and the policy of giving a subvention to a province like the North-West Frontier Province are brought out by the back-door in the speech of the Honourable the Finance Member. Sir, the Simon Commission went into that aspect of the question whether under the Government of India Act and under the Devolution Rules any grant can be given to any province, and the Simon Commission came to the definite conclusion that at present there is no such provision. What did they recommend? In para. 187, page 155 of the Simon Report, Vol. II, it is stated :

“The view is authoritatively held in India,”

I hope the authority means the Treasury Benches :

“on the construction of the present Devolution Rules, that it is not permissible to incur expenditure from central revenues on provincial subjects or to make assignments from central to provincial revenues for expenditure on a provincial subject, except in so far as such expenditure represents payment for services rendered by the provincial Government But we are strongly of opinion that so rigid a division between expenditure on central and provincial subjects should be modified. We recommend that it should be rendered constitutionally possible under suitable restrictions to assist provincial objects from central funds and *vice versa*.”

Sir, subsequently the Haig Committee which was known as the North-West Frontier Province Subject Committee, again alluded to that subject, and they recommended in paragraph 50 of the Report as follows :

“It is an essential part of the whole scheme that the subvention should not be voted annually by the Federal legislature. We think that the most convenient course would be that the amount of subvention should be made by rule under the Government of India Act a statutory charge on the Central Revenues.”

Sir, the Honourable Members on the Treasury Benches are constitutionalists and we heard from their supporter, my Honourable friend Dr. Dalal, that he wanted us to be constitutionalists. Why do Government break the law at every stage? If the Devolution Rules are to be amended, or the Government of India Act is to be amended, why did the Government of India not approach this House to discuss that very subject? Now, the whole question comes through the back-door of the Honourable the Finance Member's speech for discussion. Every new province would require a subvention. Certain old provinces require subventions too. As there will be a specific cut on this motion and as the House will be afforded an opportunity to discuss this question, I reserve my further remarks on this subject to a later time.

I will now come to the financial aspect of the Honourable the Finance Member's speech. Sir, I have every sympathy with the Honourable the Finance Member when he says that the rich man is evading taxation, and he asks this side how the rich man can be made to pay an equitable share of taxes. I think the Taxation Inquiry Committee did not go properly into that aspect of the question. Let it be a committee of this House or an outside committee, and let that committee sit and find out if the incidence of taxation is properly distributed and whether it is not a

[Mr. B. Das.]

fact that the poor man and the consumer is today paying more than the rich man on the earning basis. Then I entirely agree with my Honourable friend that the protective tariff has lowered the Customs revenue and certain other items of revenues that come from the richer classes. How is the State going to be administered and how are we going to tax the richer classes or the investing classes so that they may contribute their due quota to the Central finances? I would suggest that Government should legislate that after a certain minimum percentage of dividend, every industry receiving protection should contribute to the Central Exchequer money to the extent of the amount of protection that that particular industry receives on the production basis. Otherwise it will be always the poor man who will pay. My Honourable friend gloated over the fact that he has got more money through his taxes on betelnuts and on kerosene and he also said that they come from the poor man. I know the poor man pays till the last; he takes his one meal a day or sometimes half a meal and yet he is so loyal and honest that he pays his taxes and dues to the Government, whether provincial or Central. He does not keep three income-tax books, one for the income-tax official, one for the law courts and one for his own use. Sir, equity and justice demands,—and I hope my Honourable friends will support me in this,—that the incidence of taxation should be distributed fairly and properly. My Honourable friend also invited us to suggest other systems of taxation. From that I conjecture that he does not think his Budget will balance as he anticipates but that it will be a deficit Budget, and next year he will come forward with proposals for fresh taxation, and therefore he invites our advice on the matter. I did advise last session when the Supplementary Finance Bill came up that the duties on kerosene oil should be equalised because it is no use paying to certain capitalists a bonus of a crore and a half. I also suggested that there should be an export duty on tea and larger export duties also on hides and skins; and I think the Finance Member will have to consider those suggestions before he thinks of raising the duty on kerosene once again so that the poor man will pay a little more and the rich man go scot free.

Sir, I will now come to another aspect of the Budget, namely, the public debts. The other day we had a discussion in the House about public debts, and my Honourable friend the Finance Member in his Budget speech has informed the House that certain provinces have taken large debts and has asked us whether we had any advice to offer on this matter of the borrowings of provinces. Sir, under the new constitutional reforms the provinces will get a much larger control in their households and one point that I would like to insist upon is that whatever past loans they have incurred before their autonomy, should be the first charge on the provincial revenues. Rules should be so devised that on these loans, which insolvent provinces like the Punjab or Bombay have already incurred, they must pay their interest, as first obligatory charge to the Central Government. Thereafter they can carry on their Government, and if their financial credit entitles them to borrow money from the public, they can borrow on their own account. But that is another issue. If the Provincial Governments, who have borrowed large sums of money in the past and which they pay to the Government of India on an 80 or 100 years' basis of distribution, and which the Government of India have already paid up or do pay out on a 15 or 20 years' loan basis, are allowed freedom of borrowing money on their own account, and if they do not desire to

out to lead revolutionary movement in Bengal. Will not our sisters in Bombay Colleges and Schools give the lead? It is their duty to see that no College—no School is allowed to work when British tramps land in Bombay". Sir, the object of the Congress is to create ill-feeling against Government because of the action Government would be constrained to take against women. On grounds of humanity and on grounds of policy Government officers would be expected to exercise great restraint and patience in dealing with women. But there is no reason why women should be immune from the consequences of their actions. Women also must be dealt with under the law. Mr. President, however much the Congress may harass and embarrass Government, I say this from what I know of the English character that no Englishman worth his salt will ever get out of his responsibility to the Indian people; and there can be no doubt that the prestige of the British Government stands higher to-day; not merely in India but in the world at large, for having exhausted every means of eliciting the whole gamut of Indian opinion, and for pursuing steadily thereafter the chosen course of constitutional progress in spite of every attempt to turn it into chaos; what is more, no honest doubt of the British policy can persist in the face of national determinations, especially so when we remember that at the present juncture we have at the head of the administration a statesman of the type of His Excellency Lord Willingdon, who is a Viceroy of ripe experience, sound judgment, and a strong sense of duty—a Viceroy who wins golden opinions wherever he goes.

Now, Mr. President, let us consider for a moment what obtains in the social scale in India at the present time. At the top of the social scale there are Indians as highly educated as their equals in Great Britain and other parts of Europe; at the bottom of the scale there are poor destitute rural masses, who do not care a bit for politics and who do not understand what political representation means; and in between these there are dozens of other degrees of education. Then there are different races, castes, and creeds. There are Hindus, Jains, Mussalmans, Sikhs, Parsees, Jews, Anglo-Indians, Indian Christians, Depressed Classes and so on. I submit what is suitable for one is utterly unsuitable for the other. I do not for a moment suggest that the new constitution should be delayed in any way. I faintly hope that the new constitution will be placed on the Statute Book without a moment's unnecessary delay. But I respectfully ask: can India in the circumstances I have mentioned rise to constitutional freedom by a stroke of the pen? The maintenance of law and order is the first condition precedent to any constitutional progress in India. The Congress Leaders aspire themselves to be the rulers of India in the future. I have nothing but admiration for these aspirations, which are the natural outcome of human instinct to manage one's own affairs, as Lord Irwin says. But would it not be to their interest that the transfer of command shall be a transfer of power and not of weakness? If the agitators have the real welfare of India at heart, it is high time that they quieted down. It is urgently, imperatively, and vitally important that peace and order should reign everywhere, and that the Congress Leaders should shake off the war mentality, and should ask to be invited to serve on the different Committees of the Round Table Conference now at work, and should make use of their great talents in contributing to the building of the new constitution such as would be suitable for all classes of the people of India.

Mr. B. Das (Orissa Division: Non-Muhammadan): Sir, when I heard my Honourable friend Dr. Dalal airing his views about the attitude of the Congress, I did not know whether he was speaking for his constituency, the Treasury Benches, or for himself. I would not like to reply to Dr. Dalal, because any observation that comes from the supporters of the Treasury Benches needs no reply from this side of the House or from any one in the country, but I want to make clear one aspect of the question. It is that the Congress did not first break peace with the Government. It was the Government which first arrested Mahatma Gandhi and sent him to jail, and thereby all negotiations for peaceful settlement fell through. Here I have got a newspaper cutting which says that a certain meeting took place in London protesting against the arrest of Mahatma Gandhi and other repressive methods of the Government of India, and it was presided over by that great humanitarian and philosopher, the Honourable Bertrand Russell (now Earl Russell), where a Resolution was passed and that was the only Resolution passed, which runs thus:

“That this meeting protests against the coercive policy of the Government of India and urges the withdrawal of the Ordinances and the release of political prisoners and demands the immediate re-opening of negotiations with the Congress.”

What does that mean? Does that mean that the Congress was at fault? Well, to speak in the voice of gramophones at times suits, but it does not always suit. This Resolution was moved by Professor Laski—I hope the Honourable the Finance Member knows this gentleman well and knows also Bertrand Russell. I find Mr. George Lansbury, the Leader of the Opposition, participated in that debate and serious charges were made against the Prime Minister and the Lord Chancellor, but no reply came. Let me quote again:

“Professor Laski also had a very pointed word to say to his friend the Lord Chancellor. He hoped that the noble Lord would take an early opportunity of explaining to the public in general and the Labour Party in particular ‘What precisely he thinks he is doing on behalf of India in the British Government at the present time’. The speaker recalled some of the things Lord Sankey had said about India and the intensity of his desire to serve her interests. In these circumstances, said the Professor, there is surely some explanation which the Lord Chancellor owes to us and to his own conscience. And what could the Government possibly hope to achieve by this policy of coercion? Does it believe that it can crush the national spirit of India by lathi charges and rifle fire? Sooner or later the Government would have to discuss these matters with Mr. Gandhi and his colleagues. Why not today instead of tomorrow?”

Sir, I think that is the best reply to any attack that comes from the supporters of the Treasury Benches on a matter where they have no right to speak.

I now come to the Budget speech of the Honourable the Finance Member. It required a very long speech to narrate the events of financial distress and incidentally the low purchasing power of the masses and also the low ability of the capitalist class and other classes to pay taxes to Government. But the one curious thing that I found was that in moments of serious financial distress, the Honourable the Finance Member has adopted two orphans, one is the North-West Frontier Province and the other is Aden. My Honourable friend in adopting the first orphan from the North-West part of India has asked this House to give a subvention of one crore of rupees per annum and of that little orphan, Aden, he showed us a surplus of a little over 1½ lakhs to bring Aden under a Chief Commissionership. I cannot understand why the Bombay Presidency was deprived of that little

Sir, I have finished the very disjointed remarks I have to make. I trust that the anticipations of those who think things will improve this year will be justified and that everyone in this House will do all he can in his constituency and throughout the country to help in the improvement of financial conditions which react very much on the masses.

Dr. R. D. Dalal (Nominated Non-Official): Mr. President, in the first place let me assure you that I shall strictly follow your injunction—I mean the time-limit of 20 minutes, and I shall be as brief as possible. In these days of deficit Budgets it behoves us to cast about for ways to effect economies and to reduce expenditure as much as possible. With that view I desire to make a suggestion, which is fraught with enormous potentialities of benefit and substantial savings to the Provinces. This Honourable House must be aware that the Haffkine Institute at Bombay supplies anti-plague vaccine to the whole of India, and that the Central Institute at Kasauli supplies anti-cholera vaccine to the whole of India. Similarly on grounds of economy and on grounds of uniformity it is highly desirable to have an all-India Institute for supplying vaccine lymph for vaccination against small-pox. This is a medical subject, and I know that the House is not much interested in medical matters; but I shall be as brief as I can and shall refer to only a few salient points, and I hope the House will bear with me.

Mr. Lalchand Navalrai (Sind: Non-Muhammadan Rural): We are hearing you very patiently.

Mr. President: Order, order.

Dr. R. D. Dalal: May I be allowed to point out that the Belgaum Vaccine Institute is a Model Vaccine Institute in the whole of India. With a little capital expenditure and with a little increase of the present staff this Institute can supply vaccine lymph to the whole of India. At present this institute supplies vaccine lymph to all Vaccinators in the Bombay Presidency, some Indian States, and all military medical officers in the whole of India. It also supplies vaccine lymph to Aden, Goa, Zanzibar, Beherin, Bushire, and Bundur Abbas. The results obtained with the Belgaum vaccine lymph are the highest as compared with those of other Vaccine Institutes in India. The Belgaum Vaccine Institute manufactures vaccine lymph only. With a view to obviate any risk of contamination Government have disapproved a combination of the Vaccine Institute with Bacteriological Laboratories. Now I shall mention one more point, and it is that the Belgaum Vaccine Institute answers all the requirements of a Vaccine Institute, namely, that the climate should be cool and healthy so that vaccination of animals may be carried on all the year round, the water supply should be pure and abundant, there should be no difficulty in getting animals for vaccination, an extensive grazing area should be available, and the site should be far removed from the crowded human habitations of a town, in which the soil is fouled by human and animal excreta. I earnestly commend this suggestion to the consideration of the Government of India, and I emphatically urge that the Government of India may convene a Conference of Provincial Ministers to examine this question in all its bearings.

Sir, in view of the present grave financial situation I think it is desirable to revive the stamp duty on cheques. This duty was abolished in

[Dr. R. D. Dalal.]

order to develop banking in the country and to encourage the rural population to make interest-bearing deposits of their savings in the Banks instead of investing them by purchase of precious metals; and it was considered that the abolition of the stamp duty on cheques would hold out some prospect of a ready and wide adoption in Bazars of cheques instead of cash as a means of payment. About 5 years have elapsed since the abolition of the stamp duty; so it would be interesting to find out if the rural masses have actually availed themselves of the banking facilities. I hope the Honourable the Finance Member will kindly examine this question of the revival of the stamp duty on cheques, and also on bills of exchange payable on demand. I am conscious that it will not help Central Revenues much; but it will afford some relief to the Provinces, especially the Bombay Presidency where the bulk of the stamp duty was collected.

In his admirable Budget speech the Honourable the Finance Member referred to the efforts made in certain quarters to propagate mistrust; and he added that Bombay with her strange passion for self-inflicted wounds may find herself wounded beyond recovery; and in the concluding portion of his speech he appealed to the Indian public for co-operation. Taking that as my text, Mr. President, with your permission I now turn to a subject, which is uppermost in the mind of every Honourable Member—I mean the political war between the Congress Party and the Government. I have made a close study of the events during the last two years, and I must say that the consistent policy of Government has been to secure co-operation. What are the proofs? The Round Table Conference, the Delhi Settlement and the Simla discussions and as a result the presence of Mr. Gandhi in London (I may state in passing that I have great regard and respect for Mr. Gandhi with whom I had an interesting conversation at Amboli in my Division), the Franchise Committee, the Finance Committee, the Indian States Committee, and the Consultative Committee of the Round Table Conference are the methods employed. But, Sir, it has been impossible for Government to co-operate with a body whose whole policy is to terrorize its officials, to hamstring its finances, to increase the difficulties of the administration, to paralyse the whole machinery of Government, and to proceed steadily with preparations to oust the established Government by revolutionary methods. In these circumstances can any Government worth the name look on unmoved? In the circumstances I have mentioned, are not the Government entitled to promulgate Ordinances to ensure the maintenance of law and order?

An Honourable Member: Not the law but the order.

Dr. R. D. Dalal: Sir, it is universally recognized that the executive must have full powers to meet emergencies; so Ordinances are nothing more than drastic remedies for a drastic disease. The recent dastardly outrages in Comilla and Calcutta by women students mark a new and terrible departure in the history of political crime in India. It is very sad and it is a matter of deep regret that the Congress have adopted as part of their policy the use of women, and have laid great stress on bringing women of respectable families into the firing line. About the middle of January I saw a Congress bulletin, and so far as I remember it was to this effect—“The Desh Sevikas are doing their duty. Women students are coming

when we are discussing the question of future taxation, that the income from such heads as kerosene oil, salt, betelnuts has not suffered. On the other hand it is better than was expected. It is interesting to contrast that with the extraordinary continued development of investment by the people. It was pointed out in the Budget speech that the Treasury Bonds loan last year produced $6\frac{1}{2}$ crores through the Post Office, most of which presumably comes (that figure includes conversions) from people of moderately small means, and whereas 4 crores was expected last year from Cash Certificates and savings banks, actually it is expected that 7 crores will be reached this year, rather over 7 crores, and also 7 crores next year. Then if one goes back, one is struck by the fact that the savings bank balances and the Cash Certificates together in 1923 came to $26\frac{1}{2}$ crores, and in 1932 they come to $82\frac{1}{2}$ crores. The amount has practically trebled in 9 years. It is an interesting problem to consider why that great increase has taken place in view of the fact that we are told that the lot of the ryot and the agriculturist has not improved. At any rate, even if it has improved over the series of years, it has now gone back and the ryot to-day is in a very unfortunate position, a proposition which I do not dispute for a moment, although possibly it may not be so in some parts of the country. I suppose this great development of saving is due to the educational policy of the last 30 years and that most of it comes from people who are in receipt of incomes of Rs. 50 and upwards, but there is no doubt that there has been a very great development of thrift. There is no doubt that the figures have reached such large proportions that it has been very helpful to the Finance Member in financing the country. If we are going to see this continued in the future, it is very hopeful that the borrowings will come more and more from the masses rather than from the classes and the banks. It is satisfactory to note that $7\frac{1}{2}$ crores of the Treasury Bills were prepaid this year without borrowing and that if the time is propitious for a loan later in the year, which will in any case be required to the extent of $14\frac{1}{2}$ crores to repay the 6 per cent. loan of 1932, if the times are good, that amount will be increased and a further amount of Treasury Bills will be paid off. The amount gathered in by the Government on Treasury Bills has reached a very high figure and it would be a good thing if that figure could be reduced and some of the short term loan funded. On the vexed question of the export of gold, I think it will be generally accepted,—I do not know whether all Members of this House will accept it, but I notice that in the Council of State yesterday there were only two Members who were averse to gold being exported,—it must be accepted now that the export of gold is a good tendency and if it goes on for some time to come, it will also be a good thing. What the amount of gold is which is lying dormant to-day we do not know, but at any rate we are told that 700 crores has been imported in the last 30 years, and that to date something over 50 crores has been exported. What happens to that 50 crores? If the greater part of that 50 crores goes to be spent on luxuries, then I think the export would be admitted not to be good, but it must be assumed that a very large part of that 50 crores finds its way to interest-bearing securities. If that is so, the man who takes his 500 rupees worth of gold to the bank and invests Rs. 400 of that in the Savings Bank is doing good to the country and therefore that is a process which we all ought to like to see continued. It augurs well for the success of Government borrowing in the future and it augurs very well for the future starting of the Reserve Bank. It is possible that some further part of the gold may be tempted out for the purpose of earning interest from the Reserve Banks.

[Sir Hugh Cocke.]

The Finance Member completed his Budget speech with a general review of the conditions. He said that on a broad review of the position we may feel satisfied with the position. He pointed out that next year,

12 Noon. putting aside the question of the reduction or avoidance of debt, taking the two years together, there will be a surplus. He also pointed out that next year he anticipated a substantial surplus. I do not know whether the anticipation will prove unduly optimistic, but it may prove so. It is suggested that the income-tax Budget expectations may not be justified. That is obviously a very difficult thing to predict, because a lot depends on the extent to which the collection of the 12½ per cent. surcharge will not be effected this year but will be thrown into next year. But hoping as we do that the Budget figures will be obtained and that still better results may be possible, the Finance Member goes on to state that sections of the Indian public are not helping, because they are full of pessimism. That is one of the things which all Members of this House should I think try to counteract. The times are difficult enough, and it is very essential that the financial position of this country should be improved; and if sections of the Indian public do adopt a course of action which is contrary to that fulfilment, then obviously it is not going to be helpful, and the more the Members of this House in their constituencies can persuade the people to marshal their forces of economy, hard work, peace and so on, the more is that going to react very much to the country's benefit.

Reparations and war debts is another big problem which we hope will be solved in the current year, and that is a matter which is going to have world-wide reactions and to help everybody in every country very much. The situation, as the Finance Member says, will require very careful watching. It may be that despite the upward trend which is rather indicated at the present time, his Budget expectations may not be fulfilled, but one cannot help feeling, taking all the indications as they are, that there is a general feeling, which has some evidence behind it, that we have reached rock bottom and that the future tendency should be upwards. If that is so, we shall have nothing to fear. In any case the financial position of this country, owing to the policy pursued as long back as we can remember, is absolutely sound, viz., that Budgets have got to be balanced, and with one or two exceptions, that has been achieved. Looking at the figures on the first page of the Memorandum, one sees two terrible years to start this table—when we had adverse balances of 23 crores and 10½ crores. It is interesting to note, before allowing for any reduction or avoidance of debt or for transfers to or from the Revenue Reserve, that is taking the figures in column 3, and ignoring the Budget year, figures are given for 11 years, and there are two heavy deficits in the first two years and the two deficits in the last two years, including the present year, 1931-32, and the sum of these deficits comes to exactly one crore more than the seven surplus years in between; exactly one crore. In other words, taking the result of those 11 years, our expenditure has exceeded our revenues by one crore, without any reduction of debt. That comparison is rather hard on the present years in that it takes in two very very bad years at the start. If there is one suggestion I would make in connection with this very admirable set-out of the figures, it would be that the actual results of the revenue and expenditure as shown on page 1 might be given for a much longer period. It would be interesting to look back and see what our Budget deficits and Budget surpluses have been over a much longer period.

province of Ajmer-Merwara now as no discussion of its Budget is possible under the procedure which obtains for the discussion of Demands for grants in this House.

Of the three centrally administered areas, the North-West Frontier Province has recently been raised to the status of a Governor's province, and the full benefit of the reforms is being given to it. Sind is soon going to be similarly favoured. All major provinces have already been promised not only great advance, but full autonomy. But has even a thought been given to the future of Ajmer-Merwara? When Bengal is unable to find room for her detenus, Government's eyes are turned towards Ajmer. The Simon Commission not only ignored this province altogether, but I am sorry, I have to use a strong word, discredited itself by recommending that the one little thing given to Ajmer-Merwara in the way of reforms—that of electing Member to this Assembly—should be withdrawn and instead of election, nomination should be substituted. This very fact shows the reactionary character and attitude of that Commission towards the interests of India. The Government of India in their despatch to the Secretary of State have also ignored the future of Ajmer-Merwara. Coorg with half the population of Ajmer-Merwara and half its size has been given a Legislative Council of its own to administer its affairs. Why, then,—what possible political objection could there be to giving a similar right to Ajmer-Merwara? What objection could there be to giving the people of Ajmer-Merwara, who in point of literacy and social amenities of life are far more advanced than the people of Coorg, the privilege of participation in the administration of their own affairs as the people of other provinces enjoy? I hope that Government will even now consider this matter and not turn a deaf ear to all appeals for justice, and not show to the people that it has banged the door of fair play against the people of that province. The treatment given to Ajmer-Merwara, when contrasted with that given to the North-West Frontier Province, places the Government in a very unfavourable light. A crore of rupees a year has been given to the North-West Frontier Province from the central revenues of the country but not a pie to Ajmer. According to the Budget estimates before us, the income of Ajmer-Merwara is, after excluding currency and receipts-in-aid of superannuation, Rs. 16,96,600, and the expenditure is Rs. 14,79,000, to which if we add all expenditure under other heads, excluding of course Interest on Ordinary Debt, Currency, Political and Territorial Pensions, Superannuation Pensions, etc., which practically have nothing to do with the administrative expenses of Ajmer, it comes to Rs. 15,07,500, thus leaving a credit balance of Rs. 1,89,100. If we add to this, say, Rs. 89,000, on account of civil works, which come under a separate head, still there is a saving of 1 lakh. Even if you give up the whole of 1,89,000, still Ajmer is found to pay its way and is in no sense of the term a deficit province. But what do Government do for it? It is a centrally administered area like the North-West Frontier Province and Delhi. If the North-West Frontier Province can be given a crore of rupees a year, is Ajmer-Merwara not entitled to get one-fourth of it or even 10 lakhs a year for its advancement? What then is the reason that it is ignored? Is it because there is no Khan Abdul Ghaffar Khan in Ajmer-Merwara? Is it because there is no red shirt movement there? Is it because there is no no-rent campaign in Ajmer-Merwara? Is it because no political murders are

[Diwan Bahadur Harbilas Sarda.]

committed there? If these are the reasons, people will soon come to believe that if they want justice to be done to them by the Government of India, they must develop the power to give trouble to the Government and actually give some trouble before they can expect to get justice. I know that my cry for justice is a cry in the wilderness. For the last ten years, every year when the Budget comes up, I get up and say something asking for justice for Ajmer-Merwara but I know that nobody listens to it. The attitude towards Ajmer of the Government is shown in the treatment accorded to it in the Budget estimates. Incidentally, these estimates also show how the Government of India treat and have treated the recommendations of the General Purposes Sub-Committee. Sir, the General Purposes Sub-Committee examined the question of education and medical requirements in Ajmer-Merwara, and finding that education had been starved there they could not find it possible to recommend any cut in Account No. 4 which concerns expenditure on education. But what do we find in the Budget presented to us by the Government of India? "The summary of the results of retrenchment operations in the civil expenditure and in the military estimates" lying before us shows that while the Retrenchment Committee recommends no retrenchment, Government have applied the axe to education and made a cut of Rs. 64,000 out of the grant. The seriousness of this cut, the heartlessness of Government and the grievous effect it will have on the welfare of the people will be clear when we consider

Mr. B. Das: Were you not a member of the General Purposes Committee?

Diwan Bahadur Harbilas Sarda: Yes, but the General Purposes Committee did not recommend the retrenchment of a single pie. It is the Government of India, treating the Report of the Committee contemptuously over the head of that Committee, have ordered this cut, without considering what the requirements of Ajmer-Merwara are. Did they have any data before them when they made this cut? Did they examine a single witness to find material to justify the cut? That is my complaint. That is why I say we are crying in the wilderness and Government do not care tuppence for what happens to that province. I was saying that the seriousness of the cut will be appreciated when we consider that this cut in one single department not only represents more than one-third of the entire retrenchment of expenditure in that province covering 13 departments, but that the largest cut in any other department is less than 38 per cent. of the cut in education; that is to say, no other department has been subjected to a cut of even 40 per cent. of the amount to which education has been retrenched. This unsympathetic attitude of Government towards education in Ajmer on the eve of a new constitution promising to India great advance on the path of self-government, contemplating a much extended franchise which in itself demands a better educated and more literate population than the present one, this attitude of Government in view of all this is, to use the mildest expression, deplorable. I fear it is wasting breath to discuss the matter any further. But I feel I shall be failing in my duty if I do not take this opportunity of protesting against Government's treatment of Ajmer-Merwara, for this is the only opportunity when we can deal with the

Mr. B. Das: Thank you.

Mr. H. P. Mody: I was going to remark that as regards Customs and Income-tax, it is abundantly clear that the customs duties have reached the stage where the law of diminishing returns has definitely set in. I am not going just now into the question of protection and revenue; it is a large field, and I am sure some of my friends will in the course of the Budget discussion raise the question and give me an opportunity of saying something. As regards income-tax I do not think it is fair that in a time of great distress when peoples' incomes have dwindled to half, and in some cases to nothing at all, that actually more tax should be collected from a limited number of people than they were paying when they were earning a great deal more. A wag once remarked that in order to stimulate energy, enterprise and thrift there was nothing that could beat twins. Evidently, the Government of India seem to think that there is nothing like income-tax to stimulate energy, enterprise and thrift. From the way in which they have gone on piling burden after burden on the people, the Government of India seem to think that it is fair, right and financially sound that a limited class of people should go on paying more and more year after year. Sir, I would like to sound a provincial or, if you would like to call it, a parochial note. So far as income-tax is concerned, it is my province that suffers the most, and it is a province where the taxation per head is also unfortunately the very highest. Therefore, Sir, we who represent Bombay interests will continue to press upon the Government of India the necessity of lightening the burden upon a province which has contributed in many other ways materially to the resources of the Government of India.

Mr. B. Das: Why don't you ask for a subvention?

Mr. H. P. Mody: If we go on much longer at the present rate, we may be reduced to that; we will probably have to take the hat round for Bombay, if the present state of things continues, and I hope at that time my friend Mr. B. Das will be as willing to come forward with a subvention as he will be when his province of Orissa is separated.

Then, Sir, there are several more features, but I shall confine myself only to one, and that is the question of inflation. For years we have condemned the Government of India for deflation, and our condemnation was justified. Deflation is as bad for business as for tyres. The Government have now expanded currency, and the critics are at them again. Personally I do not think that their policy amounts to a resort to the printing press, but an expansion calculated to meet the requirements of trade and industry.

These are some of the main features of the Budget which it has been possible to expound in the course of a twenty minutes' discussion. I shall only add that while I recognise the difficulties of the Government of India, while I realise that it is a very abnormal situation that we have to meet while I also recognise that India is meeting that situation in a way in which few countries in the world have been fortunate enough to do. I say, Sir, that in spite of the fact that we have ground for a little optimism and not for unadulterated pessimism, the situation is ~~not~~ by any means

[Mr. H. P. Mody.]

free from anxiety, and the Government of India will have to conserve the resources of the country in every possible way. I hope, that the next Budget which the Honourable the Finance Member will present will not only show a happier position of affairs, but will also show a better appreciation of the cardinal facts of the situation, which are that we have reached the limits of taxation and that what is now required is a drastic reduction of civil and military expenditure and a radical overhaul of the machinery of Government.

Diwan Bahadur Harbilas Sarda (Ajmer-Merwara: General): Sir, while I offer my felicitations to the Honourable Sir George Schuster for the courage and skill and ability which he showed in handling the financial situation of the country which only last year showed a deficit of Rs. 37 crores for the two years 1931-32 and 1932-33, and on his presenting a Budget to us now with a surplus of Rs. 2 crores—while I give him the meed of praise due to him. I cannot offer with equal justice felicitations to the Government of India on the manner in which they have tried to handle the political situation in this country. I am concerned at present with the political situation of the country so far as it affects the finances of the country and the Budget grants which are now before us. It is true that the financial situation which the Honourable the Finance Member has tried to straighten out is due to a certain extent to causes beyond the control of the Government of India; still there is no doubt in the mind of an impartial observer that the situation would not have become so bad as it has become if the financial policy of the Government of India had not been controlled by the British financiers acting through the Secretary of State, and if the Government of India here had shown more courage and statesmanship in dealing with the affairs of this country. The fall of over Rs. 4 crores in the estimated customs revenue is very significant. The two chief causes of this fall are the diminished purchasing power of the people and the disinclination of a very large portion of the public to buy British goods. That the purchasing power of the people has diminished itself condemns the policy of the Government of India. While the resources of the country remain the same as they were, while the people remain as industrious and do their work with the same energy and give the same time to national industries—if while all this is done, the purchasing power of the people diminishes it shows that the Government of the country is not paying due heed either to the principles of taxation or to other matters which tell upon the finances of the country. If the Government of India take good care of the interests of the country, there is no reason why, other things remaining equal, the purchasing power of the people should be very greatly diminished. As regards the disinclination of a large portion of the public of India to buy British goods, the fact that children of the age of 4 or 5 refuse to accept caps and clothes made of British cloth shows that there is something wrong, and it is time that the Government gave serious attention to causes which have given rise to this state of things. Sir, this spirit is spreading, and in the interests both of Britain and India it is necessary that early steps should be taken to win the confidence of the people and that Government should do nothing further to antagonise them. I will not discuss this question any further, because I want to say a few words with regard to my own

started in 1929, and became very acute with the collapse in Wall Street which took place in October of that year. All the world over, business houses and commercial men immediately set themselves the task of adjusting their affairs to the new conditions which had arisen. What has the Government of India done? They came forward only a few months ago with proposals for retrenchment, and from 1929 till to-day the total effective cut they have made in the expenditure of the country amounts to just 90 lakhs of rupees. I cannot say, nor do I think anybody can say, that this is a state of affairs on which the Government of India are to be congratulated; the truth is that they have been caught napping. They allowed the situation to grow until they found they were face to face with a crisis of abnormal dimensions, and then they started devising heroic remedies to right the situation.

It is not possible in the course of twenty minutes to survey the whole of the Budget; I must rush through various items; and the first thing I would like to do is to take a little peep into the future. The one conclusion that is forced upon me is that the Government of India requires to be thoroughly overhauled. I am not saying this as a matter of criticism of anybody. The machinery of Government, in my opinion, is much too cumbrous, much too elaborate for the simple needs of the country, much too efficient, if I may say so, for the very primitive organisation of the resources of the country. The Government of India seem lost in endless despatch boxes and blue books. They compile elaborate statistics and what is a great deal worse they dump them on us. I get every year a number of books and tomes enough to fill a whole shelf; they range over every branch of human activity—zoology, minerology, geology, veterinary department

Sir Frank Noyce (Secretary, Department of Education, Health and Lands): May I ask what is the thickness of the Annual Report published by the Bombay Millowners' Association?

Mr. H. P. Mody: I am very glad my Honourable friend has asked that question. He will be sorry when he hears my reply; and that is this; the association which I represent does very important business and for the whole year of its activities it gets out a volume of a few hundred pages. What is the record of the Government of India and the Provincial Governments? The pages run into some thousands and tens of thousands; I am not sure they do not run into six figures, and they range over all manner of subjects in which the ordinary man has no interest. Why should they compile and chuck these volumes at our heads? I am sure that I am not interested in these matters. It is just as appropriate as a present which I received the other day of a book from its lady author, and the title of the book was "The care of the expectant mother". (Laughter.) I do not know why I should have been expected to be interested in a subject like that.

To resume the thread of my argument, I say the Government of India's machinery requires to be overhauled for three very solid reasons; one of them is that, constituted as they are, the scope for effective retrenchment is now very small. I believe that further retrenchment can be effected; the retrenchment that has been made so far has not gone far enough. But if you look at the amount of the civil expenditure, you will see that what may be saved to the tax-payer is perhaps a couple of crores, or three crores at the very outside. There is another consideration, and that is, that further taxation is not possible without crippling the resources of the

[Mr. H. P. Mody.]

country very considerably. In a land where agriculture is in a primitive state and where industrial development is still in its infancy, it is not possible for the Government of India to find all the money which a civilized Government needs for the purpose of carrying on the administration, and therefore, while you may cast your net wider,—and it is a point on which I would over and over again lay stress,—and rope in classes of people who have not yet contributed to the general revenues of the country, after all it is only a very limited field in which you will be able to operate.

Then, Sir, consider the enormous amounts required by this country in order to enlarge the field of its social services. After all, what is it that we get in return for all the taxation which is piled upon our heads both in the provinces and in the Government of India

Mr. N. M. Joshi (Nominated Non-Official): Nothing.

Mr. H. P. Mody: The expenditure on social services is very limited, and one has only to compare what England, Germany, France, America and various countries in the West spend upon activities which materially and morally better the lot of the people. In view of all this, I submit with great confidence that unless some overhaul of the machinery of Government is made and it is adjusted to the needs of the people, I do not think that the situation in another ten years will be any better than it is at the moment. Take, Sir, the instance of the Government of Bombay. Every imaginable avenue of taxation has been explored, and retrenchments have been effected, and the Government of Bombay now find that the only thing left is to see whether the machinery of Government cannot be thoroughly overhauled with a view to effecting real saving; and that, I say, will be the lot of the Government of India in a few years.

Another grievance that I have got against the Government is that there has not been drastic enough reduction in military expenditure. I shall touch upon it very briefly. I have already said once that the Army authorities and the Commander-in-Chief deserve great credit for what they have done, but let me at the same time tell them that what they have accomplished falls far short of the requirements of the country, and of the demands which the popular representatives will continue to make. There is no question about it that the Army in India is maintained beyond the strength at which it should be maintained if regard is had to the capacity of the tax-payer. Perhaps, a cut will be moved in the usual course of events in connection with the military expenditure, and at that time I hope to be able to expound my views.

I will now pass on to the main features of the Budget. My friend Mr. B. Das said, I hope, with his tongue in his cheek, that the richer classes were not being taxed and that the burden was falling upon the poorer classes, and he actually said that the Finance Member had gloated over that prospect. Now, what is the real position? Out of a revenue of 80 crores, 52 crores are contributed by Customs and 18 crores by income-tax, that is to say, 70 crores out of 80 crores are contributed by the people who cannot by any stretch of imagination be called the poorer classes. I am not making light of the miseries of the poor. As a matter of fact, what distresses me is that on articles which the poorer classes have to consume, kerosene, salt and things like that, the revenue has actually been estimated at a greater figure than in the present year.

pay their interest charges to the Central Government, what authority would be exercised by the Central Government to realise such loans from the Provincial Governments is a matter that must receive careful consideration. Another thing which was referred to by the Finance Member the other day is the question of overdrafts which the Provincial Governments draw at present. I think future transactions should be on a strictly commercial basis. This will apply also to commercial departments like the Postal Department and the Railway Department. In monthly overdrafts—as when we draw from banks,—the Provincial Governments will have to pay a certain interest to the Central Government, and if the Central Government have an over-balance from the Provincial Governments let them pay a certain interest on such monthly balances to the provinces. But I think at present the provinces are taking too much advantage of the Central funds.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): Do the Government of India lend money to the provinces interest-free?

Mr. B. Das: At present certain Governments are drawing two crores to three crores overdrafts every month, and part of it they are utilising to pay interest charges to the Government, but they do not pay any interest on these overdrafts.

Sir Cowasji Jehangir: Examine your accounts.

Mr. B. Das: The other day my friend was not present when we discussed the subject on the Public Accounts Committee's Report. I would suggest to my Honourable friend to read the Report of the Public Accounts Committee, in which he will find that we have discussed this subject for the last two years. Of course, I have not the experiences of a Finance Member of any Government as my Honourable friend has had, but I know that as a fact from the papers placed before us.

Sir, my Honourable friend, Sir Hugh Cocke, suggested that the excise duty on matches should come to the centre. I was surprised

Sir Hugh Cocke: No, Sir. I said nothing about matches in my speech.

Mr. B. Das: Very well, Sir. I drop the subject. But my Honourable friend said that income-tax or part of it should go to the provinces as recommended by the Federal Structure Committee and also in Sir Walter Layton's scheme. But I know that in a certain corner of this building a committee known as the Federal Finance Committee is or was sitting. We never knew of its existence, and the other day in reply to an interpellation of mine, the Leader of the House said that there is an Indian expert on that committee. If my Honourable friend the Finance Member advised the Leader of the House that Mr. Sundaram happens to be an Indian expert, then I say that he is an expert of the Finance Department. He does not represent non-official India or the provinces. There were two other members Sir Akbar Hydari and Colonel Haskar, who represented the interests of the Indian States, and British India went unrepresented. Why was that so? Because the cry of the provinces today is to get an equitable adjustment of the revenues of India so that the provinces can develop themselves. My Honourable friend cannot afford to spare any money for the provinces, and he could not allow non-official representation on that committee. So he allowed two gentlemen from the Indian States who have no interest in British India and do not understand the financial problems that face British India. These two gentlemen and the Finance Department's expert and the so-called experts who came from 6,000 miles

[Mr. B. Das.]

away deliberated together and I do not know if they have vanished from India. This is an insult to this House which this House will not forgive the Government. And yet they want our co-operation! Sir, my Honourable friend at the end of his speech gave the House a warning. He said that they are determined to carry on even if they do not receive co-operation from the Congress and from this side of the House. Am I not here to give my best co-operation to the Government in my humble way? Are we not here to give our co-operation? And, Sir, has our co-operation been accepted? In the Federal Finance Committee no provincial financier and no Central financier was allowed. Our cries went unheard and the provinces go begging from door to door and borrowing money for daily upkeep and they will always be starving.

That shows that even our co-operation has been refused. You say "We are determined to carry on". I say, "carry on; carry on with the Ordinance *raj*; carry on your financial system even by special Ordinances which my Honourable friend the Home Member will readily help you to draft".

Mr. H. P. Mody (Bombay Millowners' Association: Indian Commerce): Sir, I would like to congratulate my Honourable friend the Finance Member on the very illuminating survey he has made of the financial position of the country. He has put up what I regard as a very able defence, and I have no doubt that some at least of the Members on this side of the House will be willing to give him the benefit of the doubt. It is now the pleasant duty of the Opposition to tell the Finance Member what they think of his management of the finances of the country, and I hope my Honourable friend will listen with as much attention and sympathy as we have always accorded to his utterances on the financial situation. The point of view that I would like to commend to my Honourable friend is that of the President of a South American Republic who, not having been shot at for a whole fortnight, exclaimed with disgust "Gentlemen, this want of interest in public affairs is the curse of our country". That is the point of view which I would like my Honourable friend the Finance Member to adopt towards our criticisms of his Budget. It is an indication of the interest which this side of the House always evinces in a matter of vital importance to the country.

Now, when I survey the general picture which my Honourable friend has presented, what do I find? I find that in the course of the last eleven years up to date, the Government of India have played ducks and drakes with the finances of the country and have lived beyond their income to the tune of 56 crores of rupees. It is beside the point as to who is responsible for this state of affairs. I quite agree with my Honourable friend, Sir Hugh Cocke, in sympathising with the present Finance Member in the difficulties with which he has been confronted ever since he assumed charge of his portfolio. I do not criticise the present Finance Member. My criticism extends to the Government of India—who with unlimited powers of taxation and with unlimited control over expenditure have allowed the country to live beyond its income to the tune of 56 crores in eleven years. That being the position, it is not surprising that the country's finances are what we find them to be to-day.

Now, Sir, what has been the effort of the Government of India to meet that situation? And here with regret I am obliged to indulge in a criticism of my Honourable friend the present Finance Member. The depression

Budget of Ajmer-Merwara as the guillotine will come long before Demand No. 81 is reached. Government do not think it is their duty to see that once in ten years at least that Budget should be placed before this House and discussed. Considering all this, I think it is my duty to put on record a strong protest on behalf of my province against the way in which my province is treated by the Government of India.

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

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. President in the Chair.

Raja Bahadur G. Krishnamachariar (Tanjore *cum* Trichinopoly: Non-Muhammadan Rural): Sir, I desire to congratulate the Honourable the Finance Member on the lucidity of his speech, but not in the sense in which other Honourable Members congratulated him. Sir, if ever I had a bad case, a case which no one would view with favour and if I wanted somebody to put up that case in a most alluring light as if there was a great deal behind it, I would know exactly what to do, but unfortunately my Honourable friend, the Finance Member, has mistaken his profession. He is not in the legal profession and therefore I do not know how to do it. Now, Sir, having said so much, the trouble is what to say. After hearing the Honourable the Leader of the European Group as well as my friend, Mr. Mody, I find there is absolutely nothing to say, but as we are on the general discussion of the Budget and one is expected to say something . . .

Mr. President: There is no obligation on the Honourable Member to speak.

Raja Bahadur G. Krishnamachariar: But I will tell you, Sir, why I speak. Those of my Honourable friends who are in the legal profession are acquainted with a class of witnesses, who though called probably to prove a very very formal matter, is always spoiling for making a statement that counsel on the other side just for fun's sake pursue him and although he does not probably know anything about it, yet he goes on answering questions till he himself is completely wearied. In that way I have an urge to speak, but, Sir, once I am on my legs, I do not know what to speak about—and I am not alone in the matter. To a certain extent my own defects may be the reason, but then I have got the authority of my Honourable friend, the Finance Member's speech for wondering as to whether there is anything to speak on, because, Sir, if you will kindly refer to the first five or six paragraphs of the Budget speech, what does it amount to? "We budgeted for a certain position; unfortunately it did not come out as we thought. In September, I made a forecast. I said at the time it was a guess, and it turned out to be worse than a guess. Now I know something about the way and I think the position may be a little bit better now. But unfortunately is it better? Even now the world conditions are such that no Finance Minister can possibly present estimates as being infallible." What shall I do? There is not even the excitement of fresh taxation, which, as my Honourable friend, the Finance Member, says, at times gives

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a sort of instigation to speak, and even that does not exist. No new taxation; everything depends upon world conditions; and no one can say with certainty whether your forecasts are going to be right or wrong; and last of all, there is no silver lining to the cloud, that the taxation which has been thrust upon us last September is ever going to be taken away. What, then, does that mean? Whatever it may be I must muster up strength and make one observation which I hope the Honourable the Finance Member will kindly oblige me by acceding to, and that is that next time he comes up for fresh taxation—as I am afraid he is going to do so judging from the way he has talked about kerosene and betel nuts—he will try his best to save the poor man of which I am one. (Laughter.)

Sir, my Honourable friend, Mr. Das, said that the taxation scheme has been so framed that the rich man is excused, and my Honourable friend, Mr. Mody, in order to refute that charge, said a number of curious things which I do not understand, and if I make a foolish statement I hope the House will excuse me. He said that the customs revenue is something like 52 crores and that his community, *i.e.*, the commercial community, contributes the whole of that. Coming to the income-tax, unfortunately he did not elaborate that position. Now I find that the customs revenue is made up of taxes on articles imported from foreign countries which the Government taxes at the port of import. Now taking cloth, for example, I should have thought that that is not consumed by my friend, Mr. Mody's community but by the entire population of India, and whatever customs duty is levied upon cloth is not paid by him but by the poor man. Likewise it is perfectly true that there are certain capitalists in Bombay who pay income-tax, but if you look at the calculation given by the Honourable the Finance Member last time when he introduced the Finance Bill, you will find that the taxes, which are recovered from people with incomes between Rs. 1,000 to Rs. 2,000 as against those with incomes above Rs. 10,000, run to five or six figures. Therefore, Sir, apart from what Mr. Mody says, I respectfully submit that we already have been pressed by this taxation and the only thing that interests me is to see relief in taxation granted to the land-owning classes. (Laughter.) That unfortunately does not seem to be in sight and therefore I say that, notwithstanding the great enthusiasm to which I tried to work myself up, I feel very very depressed, much more depressed than the depression world conditions cause in the Finance Member by making it impossible for him to forecast his Budget. Then with regard to the question of the export of gold, there are two opinions, just as there are two bodies of opinion in favour of a ratio of 1s. 4d. and 1s. 6d. Who is right, I must say I do not know. I have no doubt that Government quite honestly believe that it would do the country some good if a portion of the gold went out of the country, but so they did when they started selling Reverse Council Bills and when exchange mounted up to 2s. 7d. or so, and they said it was a very good thing for the country. When however a tremendous lot of money went out of the country and was lost to it, then it was realized that it was a mistake. I certainly hope that so far as this matter is concerned, they will not be making the same mistake as they did in the matter of the Reverse Councils.

There is only one other remark I would submit and it is with reference to paragraph 78 of the Finance Member's speech, where it is said that in spite of the general depression, the country shows an enormous potentiality,

as for example by absorbing securities by means of Post Office Cash Certificates, and so on. Now it is perfectly true they got the 6½ crores for their loan, but unfortunately I have never come across any statistics to show how much of it was really contributed by persons whom the Honourable the Finance Member takes credit for as showing that they have a remarkable power of appropriating these securities. Similarly, Sir, it is said that there is a considerable amount of money with the masses for investment. I do not accept that statement because it is a statement which, so far as my experience goes, is absolutely contrary to the facts as I know them. I do not think that the masses of India have plenty of money or any money with them. If that were the case, we would not say here every time that there is a taxation proposal that the poor men should be left alone. Sir, years ago Sir William Hunter, Director of Statistics in India, said that 40 million people go through their life with one meal a day. Nobody has since made a calculation about it, but if you were to make a calculation, I am sure it would come to about 60 million people who go through life with only one meal a day or less. I cannot therefore for a moment agree to the statement that those masses of India have got enough money in reserve because a few Postal Cash Certificates have been sold. These Postal Certificates are absolutely unknown to millions of villagers. I myself did not know for a long time what these Postal Certificates were. Sir, that is the position so far as the country is concerned.

Another statement that I wish to make is about the agricultural condition of the country. It has been said that the agricultural condition has been good during the year. I do not agree with that statement. If you take the Madras Presidency, you will find the agricultural condition as bad as you could ever imagine it to be. It is so bad that even the Madras Government was induced to allow us to pay our *kist* one month after the due date. You know, Sir, very well how the land revenue administration is run in this country. One Collector to whom I had the misfortune to apply for remission said that I did not cultivate my land simply to spite the Government and to ask for a remission. Sir, I happen to own some land and the yield from it comes to a good figure. I pay Rs. 10,000 a year to Government and in this particular taluk I was paying only Rs. 3,000. It was mentioned by the Collector that I did not cultivate my land out of malice and waited for the time when the applications for remission were entertained. It is to that absurd length that the officials could go in the matter of the remission of land revenue. If even those officials could soften their hearts and if even they could allow us to pay our land revenue not at the usual time but, say, one or two months later

Mr. K. Ahmed: (Rajshahi Division: Muhammadan Rural): Agriculture is a provincial subject.

Raja Bahadur G. Krishnamachariar: To a man like myself it does not matter what the classification of the subject is; the burden is all the same. It may satisfy arm-chair politicians who have not got to pay any kind of tax to differentiate between various subjects. But it is we, the agriculturists, who can say where the shoe pinches. Therefore this distinction of provincial and central does not appeal to me at all. I have got to shell out the money all the same whereas my Honourable friend over there has not got to.

[Raja Bahadur G. Krishnamachariar.]

I maintain therefore that it is not correct to say that the agricultural condition of the country during the year was normal. Sir, I do not wish to take up the time of the House by repeating what I said the other day about the Marwari who measured the depth of water running in a stream and got himself washed away. Many of us are starving. The trouble is that these statements are all made without taking into consideration separate provinces but in a broad way. I do not know whether they are made as a counter-blast to those statements that are supposed to be made by Indians which have the effect of creating panic, or whether they are made by the Government of India as they believe them. But the fact remains that these statements are so made.

Sir, there is another matter which has just struck me and upon which I think I should make one observation. This is with regard to the self-inflicted wound of Bombay which might become a sore incapable of being cured. Sir, there is an old Sanskrit saying which says:

“Pravojanam Anuddutya mandopi Na Pravartate.”

“Even a fool does not start a thing without first finding out the gain and the loss which would result from it.” Have Government devoted any portion of their time to find out why the millowners of Bombay inflict that wound and keep so much cloth locked up which they do not allow to be sold? Therefore I must say to Government, that before making this statement, they should find out why they have done so. They will be well advised to take the advice of the philosopher Bacon, “Remove the cause that contributed to it and not simply jeer at it”. In conclusion, Sir, I would say that whenever there is any necessity for levying any taxation, for Heaven's sake do not tax the poor people.

Mr. B. Sitaramaraju (Ganjam *cum* Vizianagaram: Non-Muhamadan Rural): Sir, one of the main grounds which justified the transfer of the sovereignty of this country from the East India Company to the direct control of the Crown was the deplorable condition of the finances of the Government of India under the Company. On that occasion John Bright remarked that the true test of a Government is the test of its finances. The merits of a Government and the condition of the people are tested that way. The country has been directly under the control of the Crown now for 70 years and the change has not improved matters. On the other hand we are faced with bankruptcy. If there is a bankruptcy budget, it is this. No doubt the Honourable the Finance Member in unfolding his tale of woe anticipated our bitter criticism. He made allowances for our feelings in the matter. Had he been a Member of the legal profession, he would have made his fortune, drawing a princely income. He is far too clever for us as a Finance Member, if I may be permitted to say so. We certainly envy the Government of India because he sits on that side of the House. We would like to know what Sir George Schuster would say if he were on this side of the House criticising that Budget. The Honourable the Leader of the European Group, a few years ago in discussing the Budget of Sir Basil Blackett, remarked that the Finance Member of the Government of India had the face of a cherub but his methods were certainly the methods of a Tank

Sir Hugh Cocks: If the Honourable Member is accusing me of that statement, I certainly did not make it. It was made probably by some other Member of this Group.

Mr. B. Sitaramaraju: I accept that correction. I have no hesitation in adopting those remarks myself. We have no quarrel with the Honourable the Finance Member, but we certainly object to the methods of raising taxation adopted by the Government of India. On the last occasion I said that the Honourable the Finance Member appeared to have no control over policies of the Government of India with which we have every reason to be dissatisfied. At the very outset of his speech, the Finance Member stated that we are not called upon to deal with another Finance Bill. It is so not because the circumstances which are disclosed now did not justify another Finance Bill with fresh taxation proposals, but because he could not have decently thought of bringing so soon after the last Finance Bill another one this session. I do not propose to go back over the ground covered on the last occasion and the circumstances under which the last Finance Bill was passed when the modifications we suggested were rejected, when the advice we offered had been disregarded and when our suggestions were set at naught and the Bill was passed over our heads. I would like to say this much, that our position on this side of the House and the constitutional privileges which we appear to possess on this side of the House are very unreal. I will take another opportunity of discussing that constitutional justice and the administrative wisdom of over-riding the wishes of this House, notwithstanding the promises held out by Sir Malcolm Hailey when he was presenting his first Budget in the First Assembly, namely, that whatever might have been the practice in the past, if they would incur expenditure in future, it would be under our mandate, and if they impose taxation, it will be by our vote. That promise has been unreal. From a constitutional point of view our position here is so unreal that I do not think we can make any useful contribution. If we offer suggestions which are not acceptable to Government, they are disregarded and if we have got to agree with the Government on all points, our presence is superfluous. Under these circumstances it is very difficult for us to say what co-operation we can possibly offer except to listen to the remarks of the Honourable the Finance Member. I would like however to say this much, that on the last occasion, what we said was that several crores were proposed to be met by taxation and that we were prepared to accept taxation so long as the incidence of that taxation had been properly distributed, and that the burden of taxation had not been made to fall unduly upon poor people, and that more retrenchment had been effected. But what actually happened was the other way round. We told the Honourable the Finance Member that there is a law called the law of diminishing returns which would tell heavily on several of his proposals. In spite of that, the Bill was allowed to go through in the way in which it was presented to the House. What is the result? We find that so far as the customs revenue, which is our mainstay, is concerned, there has been the same law of diminishing returns which we feared and warned the Government of, in operation. Now we find no less than a 50 per cent. fall under that head alone. We are now told about the still favourable trade balance. If we exclude the export of gold, then the tale would be different.

Speaking about income-tax we are told of the evasion of income-tax as having been responsible for a fall in receipts. I am prepared to admit this much that there may be some cases where there is certainly evasion, but there are also cases where the income-tax falls heavily upon people who cannot afford to pay and yet are made to pay.

[Mr. B. Sitaramaraju.]

If you take the sum total of all losses and gains it will be seen that, after all, the budgetary position cannot be hoped to be altered in any case. At the same time I do not mean to say that the Honourable the Finance Member has not done fairly well in his own way and from his own point of view. There was a deficit of 39 crores estimated in September last and the combined deficit now is 11 crores. Therefore the Honourable the Finance Member may be congratulated to this extent that he was able to save about 28 crores of expenditure. For this achievement having the power not to do it and yet having done it we must congratulate him. He has also indicated the possibility of finding other means of raising revenue, and provincial revenues were brought into discussion both by the Leader of the European Group and also by my Honourable friend Mr. B. Das. In this connection I should like to say that when the Leader of the European Group was asking for the strengthening of provincial revenues, he did not consider the great need which the provinces themselves have to strengthen their own revenues. Practically every province, except the Central Provinces, is a deficit province to-day. If the Federal constitution is to be a reality in the future, if provincial autonomy is to be a success, it is absolutely necessary that the provinces should have ample funds at their disposal if the constitution is to be worked in reality. I am not able to understand how those finances which are now crippled in the provinces could become better if means are not to be found to strengthen them. The mainstay in the provinces is excise revenue which, due to several causes, political as well as economic depression, have been showing very poor figures and the provinces themselves are not able to maintain themselves on that account. The mere question of raising the excise revenue will not serve any useful purpose. The provincial revenues have got to be satisfactorily settled if provincial autonomy is to be worked with success. It has been suggested by one speaker that income-tax could be handed over to the provinces. I, for one, would welcome that proposal that income-tax should be handed over to the provinces for this reason, apart from any other, namely, the Provincial Governments have their own land revenue system under their control, and with the huge establishment for the collection of land revenue which they have got, it would be far cheaper to collect income-tax, and we would not be faced with this huge expense that is incurred in connection with the collection of income-tax. It has been suggested that other means have to be found for increasing the revenue of the country. So long as retrenchment has not been fully carried out, so long as this side of the House is not yet satisfied that every possible avenue of retrenchment has been explored and given effect to, it is very difficult for Honourable Members on this side of the House to agree to any fresh taxation.

I should like to say a few words on the question of military expenditure. The military expenditure is like the Old Man of the Sea in the story of Sindbad the Sailor, hanging very heavily round our necks. I dealt with this expenditure a few days ago and I do not want to repeat now what I said on that occasion. I would like to say this much that the military expenditure in this country is too heavy, and the country cannot afford such heavy expenditure under this head. The whole view of the Army in India has got to be examined. If the British Army in India is intended to hold India for England, then surely it must be England which has got to pay for it. But if on the other hand the British Army is intended for the defence of India, then certainly we can very

well afford to have a cheaper army. It was said by the then Leader of the European Group, Mr. Arthur Moore, that India has got a great land barrier which ought to be properly guarded and for which this army is required. On that occasion I had no opportunity of replying to him but I should like to do so now. If the Honourable gentleman would scan the map of India a little more carefully, he would find an impenetrable barrier called the Himalayas on the north, and but for the Khyber and Bolan Passes, God has made our land position impregnable and practically secure. A small army can keep the whole of the land barrier under control. As regards the bogey of the tribal terrors on the North-West Frontier it will be found to be unreal and certain to be exploded under a real provincial Government now called into being as a result of the constitutional advances. If the defence of India has really got to be considered, it has to be considered from one view, a view that has not been taken by the Government of India in all fairness to the people of this country. It is the absolute necessity of providing a navy for India. If there is anything that has got to be protected it is our coast, which is bounded by the sea on all the three sides. Therefore, nothing having been done in that direction, one cannot say it is for the defence of India that large sums of money are being spent.

Then, Sir, the other day we read that on the separation of Burma, Burma would be satisfied with 2 millions of rupees for expenditure towards army purposes. If that is to be accepted as a proper figure for one province, then on that calculation 18 millions ought to be quite sufficient for the maintenance of the army in India. In fact it was 18 millions which was once the stabilised figure for army purposes under Lord Ripon's Government. I am alarmed at the indication made in the Budget speech that His Excellency the Commander-in-Chief has said that he could not accept any figure lower than 48 crores. Sir, a bold policy is wanted in this direction to deal with military expenditure notwithstanding the remarks of the Commander-in-Chief. The position as stated by Lord Incheape cannot hold good today because his figures do not count at the present moment on account of the fall in prices of food-stuffs. When that figure was 55 crores for military expenditure, it was argued by the military authorities that they could not reduce that expenditure, and still it was found possible to reduce it to 50 crores. And then when the military authorities said that it could not be less than 50 crores, still it could be found possible to reduce it to 46 crores; and if His Excellency the Commander-in-Chief says today that 46 crores is not sufficient for him and it cannot be reduced, I would like to say that from past experience we can very well urge further reduction, which will be found possible. For after all if the real purposes of this country are to be served and if the defence of this country is the only criterion for which this expenditure is to be incurred, then certainly this country can very well afford to have an army at a cheaper cost. I do not propose to deal with the question of Indianisation at present, but that would certainly bring the cost of the Army to a lower figure.

There is another question that I would like to deal with and it is this. In this country not only is the question of the Army to be reviewed and the whole purpose of the Army has to be discussed, but we have also to consider the question of the salaries paid to our officials and review the whole question of the services. What we really need in this country if we are to be saved from bankruptcy is a national standard of wages. When we are a poor country and cannot afford high salaries for our servants, then surely we cannot be made to pay the high salaries which are being paid

[Mr. B. Sitaramaraju.]

today. I do not for a moment wish to bring in the question of racial discrimination in this matter. But what I say is that it is much cheaper to have a national standard imposed on our public services. If we need European experts, we can get them and pay them accordingly, but so far as Indian needs are concerned, we need a cheaper service. I should like to say that every public servant in this country must be prepared to accept a lower salary than is paid now. In this connection I should like to invite the attention of the House to the late Mr. K. C. Roy's suggestions before the Lee Commission as well as before our Leader's Retrenchment Committee, when he fought for the need to fix a national standard. It may be interesting in this connection to note that in the case of the Vice-Chairman of the Imperial Council of Agricultural Research, I am informed that he made a voluntary surrender of Rs. 1,000 in his salary. Sir, it was a voluntary surrender made by him, and the congratulations of this House are due to him. I hope the Retrenchment Committee will give a further lead in this matter and make suitable reductions, and that patriotic men like Sir T. Vijayaraghavachariar will come forward and surrender their salaries, for we cannot afford to pay these costly salaries. If we need any European experts, who could not be had for a lower salary, then we could get them as experts, but so far as the services of the country are concerned we cannot afford to pay the present salaries—salaries too high to be paid by a poor country.

Then, Sir, about the future entrants, I would like to know what the Government of India are going to do. They have not yet announced their plans as to the future entrants in the services. I understand that some Provincial Governments have already moved in this matter, and I should like to know from the Finance Member what proposal the Government of India are going to make in this direction.

Khan Bahadur Mukhdum Syed Rajan Bakhsh Shah (South West Punjab: Muhammadan): (The Honourable Member spoke in Urdu a translation of which will appear later as an Appendix to these debates).

Mr. N. M. Joshi: Sir, the speech of the Honourable the Finance Member was somewhat difficult to understand.

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): Why?

Mr. N. M. Joshi: He first tried to show that the country's trade was in a bad condition. Then he said that our exports and imports are only half of what they should be, and that this was due to the low purchasing power of the common people. This he proved by showing that the customs duties, in spite of increased rates, have not produced correspondingly increased revenue. On the other hand, he tried to show that the financial condition of the Government was intrinsically sound. It is true that it is apparently sound. He has by some method converted the huge deficit of last year into quite a good surplus this year. How he has achieved this miracle it is somewhat difficult to understand. I feel, Sir, that he

achieved this miracle firstly because the poor people of this country are thoroughly ignorant; they do not know what the Government do; they do not know who exploits them and how they are exploited; and secondly they are too patient. They not only do not revolt when their burden becomes too heavy, but they do not even groan and grumble

Mr. S. C. Mitra: They starve and die.

Mr. N. M. Joshi: It is, Sir, on account of these causes that the Honourable the Finance Member was able to reconcile the two apparently contradictory positions which he himself placed before this House.

Mr. B. Das: You forget the Ordinances?

Mr. N. M. Joshi: Well, Sir, in examining the proposals contained in this year's Budget, let us examine from whom the revenue has been obtained and on whom the revenue has been spent. When we consider this question, the main items of revenue are, as has been pointed out, the customs duties, which amount to about 52 crores, the salt tax, which produces 9 crores and the income-tax which gives about 18 crores. Now, my friend Mr. B. Das pointed out that this shows that the burden on the poor people has been growing, and my friend Mr. Mody said that Mr. Das had his tongue in his cheek when he made that statement. I feel, Sir, that my friend Mr. Mody was giving loose rein to his tongue when he hinted that the 52 crores of rupees obtained from customs mainly fell on the richer people. Sir, it is admitted on all hands that when you derive your revenue from customs duties, the relative burden falls very heavily upon the poor people. This fact does not require any proof. It has been admitted by every authority.

Mr. H. P. Mody: Still we would like to have it.

Mr. N. M. Joshi: Sir, that a Government should get 61 crores of rupees by indirect taxation and only 18 crores by direct taxation shows that there is no proper adjustment of the taxation in the country. The taxation falls more heavily upon the poor people. The proper principle of taxation, as I have pointed out several times in this House, is that the burden of taxation should fall upon people according to their ability to bear the burden. That is the only sound principle of taxation, and if you remember this principle of taxation, there are huge masses of people in this country who have absolutely no margin to spare for paying any tax to the Government. I do not suggest for a moment, Mr. President, that we have reached the extreme limit of taxation, as has been said by several speakers, but I must say this that the extreme limit of taxing the poor people in this country has been reached. Sir, the very principle of taxation which this Government follows is wrong. That principle Government will have to give up if they want that the burden of the cost of Government should fall upon shoulders which are better able to bear it than upon those who are less able to bear it. At least, the Government should try their best to keep some balance of the burden that should fall upon people who cannot bear the burden, so that it could fall upon people who could bear it. The Honourable the Finance Member himself admitted that the burden does fall upon the poor people, but unfortunately he made a statement that if in future we are to get more revenue, if Government needs require

[Mr. N. M. Joshi.]

more revenue, that revenue could come only by taxing the masses of the people. He perhaps wanted to hint that the limit of taxing the rich people has been reached, but that the limit of taxing the poor people has not yet been reached. I think, Sir, he is mistaken if he thinks that the limit of taxing the poor people has not yet been reached. It is not right to say that simply because the customs duties on the necessities of life could still produce a little more revenue, that the limit has not yet been reached. If you tax the necessities of life of the poor people, they must either die and refuse to consume your goods or they must pay you your revenue. How is the Honourable the Finance Member to know that the limit has not been reached unless people begin to die and do not consume the necessities of life? Sir, although these necessities of life give you still more revenue, your customs duties on cloth do not give you more revenue, although the duties have been increased; your customs duties on sugar do not give you more revenue although you have increased the duties. This fact shows that there is absolutely no margin left for the poor people to purchase sufficient clothing and sufficient sugar. I therefore feel that the Honourable Member in charge of our finances should revise his notions about the capacity of the poor people to pay taxes for the responsibilities of Government.

Then, Sir, I do not think that, although we get Rs. 18 crores from our income-tax, the limit has been reached. I feel that the limits of our taxable income are still above those of other countries. Not only that, but I shall go still further and say, if you compare the average income of an Indian which according to my calculation will not be more than Rs. 50 or 60 a year, there is still a margin for lowering the limit of the taxable income. (Mr. Lalchand Navalrai: "How much is the Honourable Member taxed?") When the question will come up for detailed discussion, I am quite prepared to place my views before the House, but to-day I am quite content to make this statement that there is still a margin for lowering the limit of the taxable income for the purpose of income-tax. We are leaving all incomes free which are below Rs. 1,000. The average income is Rs. 50 or 60, and considering that the present limit is Rs. 1,000, I am sure that there is still a good margin for lowering that limit. (An Honourable Member: "It will hit your labourers.") I quite realise the interruptions which are being thrown out. I have seen the temper of this House, and I have seen the behaviour of this House. This House has clearly shown, by throwing out the recent Income-tax Amendment Bill, that it could only effectively act as tools of the capitalists and nothing else. They have succeeded in doing nothing in this House except as tools of the capitalists. Sir, I do not wish therefore to dwell on this subject much longer, but I wish to say a few words about the arrangements that we are making for federal finance.

My Honourable friend Sir Hugh Cocke has made some remarks on this subject; he was anxious that there should be sufficient finance left to the Federal Government. Sir, I am equally anxious that the future Federal Government should have sufficient finance at its disposal. Unfortunately, under the influence of the Princes, the Federal Structure Committee and the Round Table Conference so far seem to hold that the only proper taxation for the Federal Government is indirect taxation. I feel that it would be a calamity to the poor people of this country if the Federal Government could only secure its revenues by indirect taxation. There

can be no adjustment between the burden thrown on the poor people and the burden thrown upon the rich people if the Federal Government is compelled to derive its revenue only by indirect methods of taxation. There is one more point which I wish to mention in this connection, namely, that in the federal scheme of finance it has been stated that the borrowings of the Federal Government should be on the security of the finances of the Federal Government and the finances of the British provinces. (*An Honourable Member*: "Also Indian States.") The scheme omits the finances of the Indian States. I cannot understand if the Federal Government is to finance itself

Mr. President (The Honourable Sir Ibrahim Rahimtoola): Order order. On a Budget speech I do not wish to interrupt Honourable Members, because the widest latitude is allowed, but as a member of the Federal Finance Committee it is open to the Honourable Member to represent his views before that Committee as one of its members, instead of raising a discussion on the floor of the House.

Mr. N. M. Joshi: I am quite prepared to bow to your decision and give up that point. I shall now refer to the manner in which the Government spends their money. If you come to that question, you will find that most of the money the Government have spent on the Army, 46 crores, civil administration Rs. 15 crores, and interest Rs. 20 crores. If you consider this distribution of the expenditure, you will find that, although Government derive their revenue from the common people of the land, still they spend their revenue not for the benefit of the poor people but for the benefit of others. Take the expenditure on the Army. For whose benefit is this expenditure incurred? Do the common people require a large army? The statement of Karl Marx that the workers of the world have nothing to lose but their chains still remains true. The poor people have absolutely nothing to lose. They do not want an army to safeguard their interests. If an army is required, it is required for the protection of the property of the rich people, and therefore, when the Government spend Rs. 46 crores on their army, they spend that money for the benefit of the rich people. The poor people have only to safeguard their lives, and I am quite sure that they will be quite capable of safeguarding their lives. It is not they who require an army to safeguard their lives; it is others who require an army to safeguard their properties and their lives. I therefore feel that the Government, while deriving their money from the common people of the land, do not spend that money on those from whom they derive it. (*An Honourable Member*: "What about soldiers?"). I am quite prepared to admit that the Government spend a small fraction upon the poor people. They maintain the soldiers, but if you compare the expenditure per head on a soldier and on an officer, it will be seen that they spend several times more on their officers than on their soldiers. If you take the civil administration, it is the same thing. You have got no money to give family travelling allowances to your daftaries; you have enough money to give allowances to your officers. It was only this morning that the Honourable the Home Member said in these days of depression and retrenchment he could not consider the question of giving family travelling allowances to the daftaries. I therefore feel that the Government, while deriving their revenue from the poor people, spend much less on these very classes. I agree at least once with my Honourable friend Mr. Mody that the Government should spend more

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money on social services than on their Army. I feel therefore that the Government of India must change their policy as regards not only how the revenue should be obtained but how the revenue should be spent. Unfortunately, the Government have always made difficulties about finding money for purposes from which poor people are likely to derive benefit.

Before I close, I wish to refer to one more point, and that is this. The Honourable the Finance Member has admitted that our present troubles are due to the international circumstances. Many countries in this world have gone mad over the question of protection and tariffs. (*Mr. G. Morgan*: "Hear, hear.") Many people have gone mad in hoarding gold. The trouble of the world is due to war reparations. In all these questions, I hope that the Government of India will exert their influence in such a way that the troubles of the world will be lessened at least step by step. The Government of India have immense opportunities. They take part in international conferences and committees. I hope therefore that the Government of India will use all their influence in seeing that the policy of the international world will be so directed that there will soon be a recovery from the depression.

Then, Sir, there is one point about the exchange and currency policy. The trouble of the world is due to the hoarding of gold. Fortunately we are off the gold standard.

Mr. President: The Honourable Member's time is up.

Mr. Bhuput Sing (Bihar and Orissa: Landholders): Sir, the perusal of the Honourable the Finance Member's speech makes it abundantly clear that though the Government have gone on increasing the taxation from year to year yet the expected revenue from such increased taxation has never been realised. In spite of that, the Bureaucracy went on increasing the taxes till the last Finance Bill has put the last straw on the camel's back. I admit that the world wide trade depression is one of the causes of the present deplorable state of the finances of my country, yet a major part of the responsibility for bringing the country to this sort of financial bankruptcy and ruin lies on the shoulders of the present irresponsible bureaucrats. The present system of irresponsible administration will always take to dubious means of manipulation of figures, giving them a false appearance and gloss showing that everything has been done in the best interests of India. The Honourable the Finance Member in his speech compared the Budget estimate of 1931-32 with the Budget for 1932-33, and showed that the customs revenue in the Budget of the current year was 56,46 lakhs whereas the revised estimates showed a fall by about 10 crores, but there appears to be no justification as yet to budget the revenue of the next year at 52,31 lakhs, that is about 6 lakhs more than the revised estimates of the current year. Sir, it is nothing but intentional over-budgetting and adopting a policy of drift with the hope that trade might revive and prices might go up and the purchasing power of the masses might be increased, resulting in an expected increased revenue. We find that for the last few years the revenue has been regularly and consistently decreasing. Is there any justification for budgeting the customs revenue at a higher figure than the revised estimates of 1931-32, which is only 46,23 lakhs? This over-budgeting on the receipt side is also one of the

causes of the financial stringency in the Government of India, which, in course of time, if pursued continually, I am afraid, might bring about the total financial bankruptcy of India. The revenue is falling off and it is certainly due to a great extent to world wide trade depression, but the main causes of this decrease of revenue are political. The present system of administration by means of Ordinances can never yield better revenues even if the taxes are increased by ten times the present rate. We can never expect even to realise in 1932-33 the revenue shown in the revised estimates of 1931-32 unless the present political grievances of the people are removed and redressed. Government have tried to raise postal revenues by raising the rates of postage; they tried the same methods of raising the railway revenue by means of increased railway rates and fares; they tried as well to raise the customs revenue by increase of import duties, but with what result. They never realised their expected revenues due to all this increased taxation. Even in the case of sugar, the Honourable Member has referred to the fact that, owing to a falling off in the purchasing power of the people, the expected revenue from the import duties on sugar has not been realised. But I will put this decrease in this item of revenue as due to the Indian masses using more *gour*, *i.e.*, molasses, instead of foreign imported sugar. The people of India have got so much exasperated at the irresponsible administration by a handful of British officials, helped by another few hundred British merchants, that they would like to end the present administration not by means of refusing stipends in the Assembly but by refusing supplies to Government in the form of taxes through their self-denial and abstinence. If after all these, the Government have not come to their senses yet, they will never wake up till the whole fabric of bureaucratic administration suddenly collapses by financial bankruptcy.

There are two methods of balancing a budget in a country. One is by increasing the tax revenue, and the other by reduction of expenses. In this unfortunate country when the revenue is falling off year by year, the steel frame constitution will not take to real retrenchment and economy. The whole country has been crying for the last two decades for the reduction of the military expenses and of the cost of the top-heavy civil administration. But the Government never cared for it so long as they could get public loans and could avoid retrenchment. Even now in these days of financial stringency, Government have not taken to real retrenchment. In the field of the so-called retrenchment we find that only men at the bottom are being axed. Thereby the number of Indians unemployed is being increased. In the speech of the Honourable the Finance Member he has given a figure of 299 as the number of gazetted officers retrenched. May I ask him as to what is the number of Imperial Service European officers whose posts have been retrenched out of the total of 299 officers. As everybody knows, no reply would probably be forthcoming to this plain question, as only the posts held by men who rose from the subordinate services or from the ministerial grades to the so-called gazetted ranks have been abolished. I may take as an example only one part of the administrative machinery of the Government of India, namely, the Government of India Secretariat, which will give ample proof to my statement. Everywhere we have heard Superintendents, Assistant Secretaries or Assistant Financial Advisers or Under Secretaries who have been promoted to such ranks from other services have been retrenched. I have yet to learn whether any posts of Secretaries, Deputy Secretaries, Additional or Joint Secretaries or Deputy Financial Advisers held by European Imperial

[Mr. Bhuput Sing.]

Service officers have been retrenched. It is apparent that the Government of India are determined not yet to make a real reduction of expenditure to balance their Budget. Even when a cut in salary has been agreed to, the effect of it has been neutralised, so far as the highly paid officers are concerned, by merging that cut in salary with the surcharge on income-tax. The net result is that the lesser the pay of officers, the more they are asked to pay to Government by way of a cut in their salaries. Is this the reduction in salary which the country demanded so long? I am positive that the country never demanded this sort of retrenchment. I would ask the House now to make a definite demand that a graduated cut in salary, beginning from ten per cent. rising right up to 25 per cent. at the top, should be enforced to bring down the present heavy cost of the top-heavy administration.

I now come to the Army, and there as usual the state of affairs is most deplorable. We have been told that the military estimates have been reduced to 46½ crores, but what is the method adopted in reaching that figure? It is mostly by deferring the present expenditure to future years that the Budget figure of 46½ crores has been arrived at. Further there is certain other Army expenditure which by manipulation is shown in the civil estimates. I would like to mention some of the items such as the cost of the Survey Department, the cost of the Frontier Constabulary and the loss to the State due to strategic lines, which are really military estimates though shown under civil heads. If we add all these costs to the military estimates, I am sure the military estimate for the next year would be somewhere near the figure of 60 crores or more and certainly not at 46½ crores as estimated. Sir, with these few words, I conclude my remarks.

Mr. S. G. Jog (Berar Representative): Sir, before I proceed, I must thank the Chair and also congratulate myself on the triumph of the proverb that patience and perseverance succeed in the long run. Also things which are secured only after meeting with some resistance are more valuable than those which are easily got. Sir, I am really in a fix as to whether I should humour the Finance Member or hammer him on the production of his speech. (*An Honourable Member*: "Hammer him.") A voice on this side of the House tells me that I should hammer him, but my association with him, Sir, on the Standing Finance Committee has created a soft corner in my heart for him, and I extend my sympathies to him and I quite realize his hard labour and his efforts to solve the Indian problem. As regards applauding his speech, I may say it had already been applauded before it was actually delivered. Only the day before yesterday when he was in the mid-portion of his speech, I went out and I got the newspaper summary of Reuter; it gave some summary of his speech and put the words at the end in brackets. "Loudly applauded". I just came and ascertained whether the Finance Member had delivered his speech, but I found he had finished only a quarter of it. So if it is not for anything else, I must congratulate the Finance Member on having probably sent his speech in advance, and on the anticipation that the House would loudly cheer him. Of course at the end of the speech we could see that he was loudly applauded no doubt, but I must congratulate the impatience of the newspaper agencies on giving publicity to an anticipated loud cheering long before it actually took place. (*An Honourable Member*: "These are subsidised news agencies.") I know some instances where some speeches

were not delivered at all, but they were published in certain newspapers as having been delivered. Anyway we know his speech was applauded as a matter of fact.

Now I have taken some pains in reading the Finance Member's speech, and really I would congratulate him that he has succeeded in showing a surplus Budget of a small amount, but so far as the taxation goes, I think the speech is more or less a tragedy. Referring to the incidence of taxation, he has said that the revenue that has been collected is mostly from kerosene, salt and the surcharges, but we know that in many countries articles of prime necessity are as a rule exempted from taxation, and the very fact that the Finance Member is compelled to have recourse to this process of taxation shows that this is his last resource: and if this time he fails in recovering revenue, I would ask him what recourse will he have next time? Sir, it is said the richer classes' capacity of taxation has been reached, it is said that the middle classes' capacity of taxation has been reached, and that the lower classes' capacity of taxation has not yet been practically touched and probably next year these people would have no alternative but to stop burning kerosene and even eating salt! Sir, that is the only way of making the Finance Member change the incidence of taxation. As for the Labour Member, who is unfortunately absent now after making his speech, it is very difficult to see eye to eye with him; apparently he seems to labour under a misunderstanding, and I think he may take it as a privilege to do so. However, he has given a few points for this House to consider. Many other Honourable Members have made references to many Departments and have made some valuable suggestions. In one word I should say that the burden of the song in the whole of the Finance Member's speech is, "Higher taxation and lower returns". Sir, I am extremely doubtful whether the word "song" can be appropriately used for the Finance Member's speech. A song generally is something amusing to hear, but the song which the Finance Member gave was rather jarring to the audience, and therefore the word "song" is not appropriate. So only for the sake of simile I used that phrase. With regard to the speech, it is very difficult to see any redeeming feature. I was trying to find a few points where I could stand up in defence of my Honourable friend, but I think I have not been able to succeed except in one point where it comes under military expenditure. Therein he says that:

"Honourable Members will find among their Budget documents the Army Department papers giving a detailed account of the methods by which this reduced figure has been reached. The total reduction which is raised to 5½ crores to allow for certain unavoidable new items such as the establishment of the Indian Sandhurst, is made up of, first, 1.40 crores from cuts in pay, secondly, 3.10 crores from retrenchment measures in recurrent expenditure. . . ."

So throughout the whole of the Honourable the Finance Member's speech, this is the only green spot which I could touch, and ever since this Round Table Conference and the various committees were set up, nothing tangible has been got so far except the projected establishment of the Indian Sandhurst, which is really a piece of good news for us. I should like to develop that point at some length further if I get an opportunity later on while speaking on the cut motions, but here I will content myself with making a few general observations as regards the Army policy of the Government of India. It has been indeed an established principle that the defence of India is the main concern of Indians and that it is for the Indians to solve the problem, and it is in that view that the Round Table Conference made

[Mr. S. G. Jog.]

a suggestion for the appointment of an expert Committee for the immediate establishment of a military college later on. But confusion and difficulties arose about the interpretation of the terms of reference and the Government of India took upon themselves the responsibility for fixing the number of the Indians to be taken into the college. In the minute appended to the Report of the expert Committee by my Honourable friend, Sir Abdur Rahim, he says :

"We set out here in full this Resolution as it must be taken to be an integral part of the terms of reference.

(1) The Sub-Committee consider that with the development of the new political structure in India, the defence of India must to an increasing extent be the concern of the Indian people and not of the British Government alone." In order to give practical effect to this principle they recommend :

(a) That immediate steps be taken to increase *substantially the rate of Indianisation* in the Indian Army to make it commensurate with the main object in view, having regard to all relevant considerations, such as the maintenance of the requisite standard of efficiency.

4 P.M. "(2) in order to give practical effect to this principle they recommend :

(b) That in order to give effect to (a) a training college in India be established at the earliest possible moment, in order to train candidates for commissions in all arms of the Indian defence services. This college would also train prospective officers of the Indian State Forces. Indian cadets should, however, continue to be eligible for admission as at present to Sandhurst, Woolwich, and Cranwell.

(c) That in order to avoid delay the Government of India be instructed to set up a Committee of Experts, both British and Indian (including representatives of Indian States), to work out the details of the establishment of such a college.

(3) The Committee also recognise the great importance attached by Indian thought to the reduction of the number of British troops in India to the lowest possible figure and consider that the question should form the subject of early expert investigation."

This question of the establishment of the Military College has got much to do with the scheme of Indianisation of the military services as a whole and ultimately it has got a direct bearing on the military expenses of India. On the main question of the military expense, the Finance Member, taking the cue from His Excellency the Commander-in-Chief, says this :

"On these considerations His Excellency wishes it to be made clear that he cannot regard the budget figure of 46.65 crores as representing a new *standard* level of standing charges, and that the normal cost of the Forces at their present strength when the cut in pay is restored must be recognised to be about 48 crores even if the prevailing low prices for grain, etc., continue. I have thought it right to let Honourable Members know the conclusions which His Excellency has drawn from the facts of the present situation, and I can only add that the Government will continue to press for all possible efforts to secure further recurrent economies and that the campaign for retrenchment will not be regarded as finally closed with the achievements of this year."

Over and above the remarks made as regards the other Departments the Finance Member has made alarming statements that henceforth there is no margin for reducing the expenses under military. He says that 48 crores may be taken as a standard for the military expenses. If the question of the Indianization is taken, as I said just now, in its proper spirit, I think the question about the military finance will find an easy solution. On the contrary, what do we find? The recommendations of the Military College Committee have not been pushed through, nor have the recommendations that have been made by the previous Committees. What they have

suggested now is the selection of only 60 cadets—30 half-yearly—, out of which only 15 go by competition and some of them go also to States. I take this opportunity of bringing to the notice of the Government of India that this arrangement, although it may be considered to be an advance on the previous arrangement, is not sufficient, on the whole, to meet the growing aspirations and the growing demand of the Indians in the case of the military services. I also congratulate the Finance Member for the immediate steps taken for some advance in this line but it is hardly satisfactory. I further suggest that in the near future steps should be taken for reviving the whole scheme and preparing a fresh scheme so as to bring it in a line with the growing aspirations and the demands of the Indian people. It will give facility to the military training of Indians and side by side it will solve the problem of military expenditure. This is one of the aspects which I had a mind to touch upon and I have touched it. If I get another opportunity, I will be able to deal with this question at greater length.

There is, Sir, one thing more which I have found in this Report as regards the cadets that are to be taken from the Native States. The Government of India has been very generous towards them. In these lean years I see no reason why the Finance Member should not take contributions from the Native States. They are going to admit candidates from Native States, but they have shown their unnecessary generosity in not accepting contributions or making a claim for the establishment of that college. On page 13 they say:

“We do not recommend that Indian States should be invited to contribute any funds towards the establishment of the College, or its maintenance when established. In view of this, the majority of us consider that the full expenses of the course should be payable in respect of all Indian State Forces cadets whether entering the College by competition within the State or as army cadets. The cost of any remission of fees granted to individuals should be borne by the State concerned.”

In these lean years when we are establishing a college and are spending a large amount of money over its establishment, we see no reason why the Government of India should be so generous in making this concession to the Indian Native States. Most of the Indian States are coming forward to help you in stamping out the civil disobedience movement. If you open any newspaper, you find every day a regular list of Princes who are coming forward to help Government. Why should not the Government make use of this and take some donation from them for the establishment of this college instead of making all these concessions to them? As regards other points, I am very thankful to other Honourable Members who have touched upon them, and I have no desire to repeat what has already been said by many Honourable Members. But there is one thing which I should like to bring to the notice of the House. It would not be fair on the part of this House to unduly criticise the Finance Member, because you all know the special circumstances under which he is handling the financial affairs of the Government of India. We are passing through unprecedented times. It is really unfortunate for him that he has come here during the time when debts and deficits have become the order of the day. All Provincial Governments and even the foreign Governments are coming forward with deficit Budgets, and under such circumstances there is no doubt that he is trying his best to make the best of a bad bargain. To that extent, I think, this side of the House might show some sympathy to him. At the same time, he must not shut his eyes and he must face facts as they actually are. The taxing capacity of the people

[Mr. S. G. Jog.]

has reached its lowest ebb and it is not enough to make an yearly feat of accountancy by making a sort of balanced Budget showing both sides. What we have to find now is the taxable capacity of the people before you tax them. That is the point to which I would very much like to draw the attention of the Finance Member, and before he launches any programme of taxation, he ought to revise and review the situation from this standpoint. As I have already said, it will be unfair to criticise the Finance Member for the unfortunate position in which he finds himself. He has inherited a legacy of a prodigal son from his predecessor

Mr. President: Order, order. The Honourable Member's time is up.

Mr. N. M. Dumasia (Bombay City: Non-Muhammadan Urban): Mr. President, the general discussion on the Budget statement involves more or less a repetition of what the previous speakers have said and covers the same ground, and what the previous speakers have said is the repetition of what they were saying in previous years without creating any effective impression on the Honourable Members on the Treasury Benches. I, therefore, do not propose to say anything on the need for retrenchment, for it will fall on unheeding ears, or indeed on the inability on the part of the people to bear this crushing burden. An eloquent testimony to this is supplied by the results of the abnormal taxation of November last which has failed to bring that revenue to the Government which they expected it would produce, while it has reduced the purchasing power of the people. We are told that we are sharing the effects of the world depression. That may be so. But we are suffering from the unpreparedness on the part of Government to meet an unparalleled situation that has arisen. The fall in the prices of commodities to which our misfortune is attributed is the result of the Government's not heeding the wise saying, "Cut your coat according to your cloth" and the refusal to read the signs of the times. One of those signs is the five year plan of Soviet Russia. That powerful factor in the revolution of economic conditions of the world is still ignored. The fall in the price of wheat due to dumping by Russia might any day be followed by a fall in the price of cotton when Russia is ready in a year or two to dump bales of shortstaple cotton which will specially compete with India.

Mr. N. M. Joshi: You have got your cotton duty.

Dr. N. M. Dumasia: That cotton duty will not in any way be effective as we have seen in the case of other commodities and it will not compensate for the loss of foreign markets to India. If Government refuse to take a leaf out of Soviet Russia's book and adopt a five-year plan, and fail to help to organise Indian industries and agriculture, the mere piling up of taxation, an artificial exchange rate, and the manipulation of currency will not save the situation but ruin the country. The Honourable the Finance Member referred to the distressing feature which is ruining the prosperity of Bombay. He characterised it as a self-inflicted wound; these wounds have not been inflicted by friends but by enemies of Bombay. Some of them, for their own gain, are out to ruin Bombay so that in the fall of Bombay they may rise. The situation is really painful. Every patriotic citizen must do his best not merely to condemn but to suppress the movement which is eating away the vitality of the City and is causing irreparable loss to industry and commerce. But I cannot help remarking that

the step-motherly interest of the Government of India allowed the disease of discontent to be chronic by delaying measures of relief from the unfair excise impost which weighed heavily on the City for a number of years, and protection to an important industry on which the prosperity of the Presidency depended.

Then, Sir, there was the mill strike and there was picketing of mills. But the Government of India refused to make picketing illegal. It is possible that if they had taken steps, then perhaps the Ordinances against picketing would not have been necessary and the task of the Bombay Government would not have been so difficult as it is today.

Mr. N. M. Joshi: It is picketing which is helping you now.

Mr. N. M. Dumasia: What we require is help of the representatives of labour, including the Honourable Member, Mr. Joshi, to put down disorders. That help in which Government rely is not forthcoming and that is the tragedy of the situation. My Honourable friend Mr. Joshi attacked the capitalists. If anybody has less reason to attack the capitalists, it is my Honourable friend. For, were it not for the capitalists, Bombay would not have been built and labour would not have been flourishing and my Honourable friend Mr. Joshi would not have been provided with funds to carry on his social service work. But these are not days of gratitude. The Honourable the Finance Member referred to the improvement in prices of some of the popular scrips on the Bombay stock exchange. These prices, I regret to say, are not evidence of returning prosperity, for which we all hope and pray. They were unduly depressed by the invasion of bears and the wave of pessimism that swept over the country; and the recovery in prices is only due to the fact that the concerns are in the hands of able hands and were these concerns controlled by an efficient Government, such as ours, they would have gone the way of the present Government finances. The Honourable the Finance Member then instanced the recovery in the price of Tata Iron and Steel Company's ordinary shares, 80,000 of which are held by a Syndicate as a speculative counter. But the real position can be gleaned from the fact that the 7 per cent. preference shares of the Company, on which there is an accumulated dividend of Rs. 50, are quoted today at Rs. 45. This shows the dire stress to which our beautiful city is reduced. There is no confidence, there is no money, and in spite of the protection which the Government have given to the company, and for which they deserve our thanks, the shareholders have not been benefited in the shape of dividends. I hope the Government will enquire into the causes of the dire distress that is prevailing in the city. If today Bombay had been in a happy condition, the finances of the Government of India would not have been reduced to this dire state. But the policy of the Government is to kill the goose that lays golden eggs. Sir, my Honourable friend Mr. Joshi said that the limit of income-tax should still further be lowered. My Honourable friend has been absent from India for a very long time. He has been attending the Round Table Conference; he has been attending the Labour Conference and so on, and so he is not in a position to know the distress in which the small salaried men are placed today. To tax an income of one thousand rupees a year and to give it retrospective effect has created distress which, if Mr. Joshi knew, he would not have advocated the lowering of the income-tax limit still further. That attack on capitalists comes with ill-grace from Mr. Joshi. Bombay is today made by

[Mr. N. M. Dumasia.]

capitalists and by labour and not by representatives of labour. If anybody has failed to improve the lot of labour, it is the representatives of labour. With these remarks I resume my seat.

Mr. Nabakumar Sing Dudhoria (Calcutta Suburbs: Non-Muhamadan Urban): Sir, the Honourable the Finance Member's Budget speech raising alternately hopes and fears in us is altogether a dismal record. Despite distressing trade depression and general lack of purchasing power, when he sees some silver lining in that gloomy picture through the help of mere "average calculations" by reason of this year's investments in Post Office Cash Certificates, Savings Bank deposits and Treasury Bonds, he not only thereby deludes the public but also gulls himself to some extent about the country's present financial situation and the fabulous hoardings of the Indian people. The temporary rise in some shares, here and there, just on the eve of the presentation of the annual Budget, he manages to forget, is due to manipulations in interested quarters and that for obvious reasons.

Sir, in treating us to a homily about the virtues of the export of private gold from this country to the extent of 55 crores during the course of the last six months, the Honourable the Finance Member ingeniously attempted to explain away the Indian opinion in the matter. But what he has managed to ignore is the significant fact that the unrestricted gold export has materially benefited his country which was getting gold-depleted, at the expense of India, as disclosed by the statements of English Cabinet Ministers, Bank Managers, and commercial magnates. This is confirmed by what has appeared in the *Statesman* and the *Nation* which say that the repayment of 30 millions to America and France could not have been made without the export of gold from India. Referring to the Financial Secretary's statement, that paper observes:

"But the return of 80 millions will cause us a good deal of trouble unless gold continues to come from India on an increasing scale."

The export of large quantities of gold from India at a time when every other country was trying to stop its gold from going out had been quite dangerous. It might have temporarily relieved the Secretary of State by placing him in possession of funds for the repayment of sterling loans; it could have also improved temporarily the acute financial condition of India, but it did not mean her ultimate good. It was simply replacing the gold of India with printed paper or with the depreciated silver rupee and amounted to substantially reducing the capital wealth of India instead for mobilising it for national purposes at a most critical period of her history. Curiously enough the Government of our country has consistently ignored the Indian opinion in matters of money-policy affecting this country.

Customs revenue, Sir, through the help of which the Honourable the Finance Member purported to rehabilitate his finances, has entirely belied his expectations. So far the main deterioration factors are sugar, silver, cotton piece-goods and liquors. Apart from the fact that no real national purpose will be served by protection, if you choose to build up enormous industries unduly sheltered from competition when this industrial progress and splendour are to rest upon sweated labour. To starve a whole nation to build up a few individual fortunes is not the way to build up democracy in this or any other country.

Then, Sir, the Honourable the Finance Member, in adumbrating the retrenchment schemes of his Government, has been pleased to tell us that while retrenchment has been widely adopted, no new expenditure is being incurred for the coming year. But may I remind him that the present financial crisis is not the outcome of things and events of one or two years? It has been the result of a hare-brained policy of wilful waste, extravagance and exploitation continued through years. I have only to refer the Honourable the Finance Member to the Report of the Inchcape Committee to obtain an idea of the waste and extravagance of the important Government Departments, of the military services, of the State Railways, during the last decade. Need I also remind him about the exchange muddle of 1920-21 and the abnormal and continually-expanding growth of expenditure on civil and military administrations during the last decade, resulting in heavy deficits met with Treasury Bills and culminating in continuous additions to the public debt of the country? Sir, it is some relief no doubt to find that circumstances have forced a somewhat rigid course upon the Government for the coming year, but the commitments to which they were already committed leave them no other option but that in such abnormal times. Schemes like the New Delhi Capital project, the Sukkur Barrage and the Vizianagram Harbour, occasional Royal Commissions, League delegates and League contributions year by year, Round Table Conferences year after year, prolific enquiry committees one after the other, inordinately-long State trials, unwanted and costly railway projects, numerous political subsidies and secret service expenditure, are only some out of the great multitude which have already engulfed vast resources of the country and still contemplate to swallow up large amounts to which are to be added the reckless borrowing policy and iniquitous conversion operations. In fact we do not know where all this will lead us.

Sir, the piling up of direct and indirect taxes upon the country at such a period of industrial, commercial and agricultural gloom reflects a most unwise and unprecedented financial policy. The Linitgow Commission, which was practically a White Commission and which investigated into the taxable capacity of the Indian people, declared so many years back that the utmost limit had been reached so far as the taxation of the people was concerned. But the Government in their reckless ways have chosen to ignore the recommendations of that Commission and the people have also managed to forget all about it. The Government should lay down a clear-cut policy for their taxation schemes, as to how far they would go directly and how far indirectly in imposing their taxes, just as they are doing in the Honourable the Finance Member's own country.

Sir, notwithstanding Bengal's largest contributions towards income-tax, super-tax and customs revenue and in spite of her greatest income-producing capacity, when the people of Bengal cry themselves hoarse over the revision of the Meston Award by reason of its admitted inequity, they are told that nothing can be done during the continuance of the reforms. But that plea did not stand in the way of creating a regularly equipped province in great haste at the North-West Frontier in spite of our impending acute financial situation. And who knows that, following that precedent, a new province will not be ushered into being in Sind a few months hence, before the new constitution is actually introduced? Subvention of a crore, in addition to what we are paying for three years to come for the newly created province I do not grudge, but the Government should be more explanatory, instead of confusing, in showing all the items

[Mr. Nabakumar Sing Dudhoria.]

of expenditure for that province, because apart from a huge sum on Watch and Ward on the civil side, there is shown about one crore and over on the Watch and Ward non-voted under the political head. Then there is also no credit shown on the military side for the transferred Public Works Department from the military to civil works, just as the Dehra Dun Staff College transfer has not been credited to the military side.

In conclusion, Sir, I have only to say that the crisis through which our country is passing at the present moment must not be construed as a passing phase. The acute financial depression in the country coupled with the widespread acute world conditions is most desperate and discouraging no doubt. To this is to be added the prevailing political discontent and distrust and Government's most reactionary policy in the preservation of law and order reacting prejudicially on the present financial situation of the country. All this that is passing before our eyes, Sir, is the reflection of the world spirit, and India has not escaped and cannot escape from the political and economic influences which the Great War and the Peace of Versailles have been exerting on all countries. The old economic equilibrium of the world has been radically altered. Patchwork remedy will be no solution of the present financial problems. Comprehensive schemes for reforms in the best interests of the people are really needed now. All financial administrations, however well-meaning, honest and efficient they may be, are bound to collapse, unless there is sincere and substantial co-operation in their management between the rulers and the ruled.

Mr. Lalchand Navalrai: Sir, the picture of the Budget that has been presented is indeed very dismal and gloomy. A clear deficit of 11½ crores has been brought out. Another disappointing feature is that the deficit has arisen from the fall in the imports and exports of the country. The decrease in imports and exports is just by one half. Foreign textiles have dropped from 49 to 15 crores, and sugar from 15 to 4 crores. I do not propose to say that the Finance Member is to blame for it. On the contrary in the situation in which he is placed and in the way in which he has to meet with the difficulties before him, I do not think I should quarrel with him for having brought out a deficit Budget. But I do quarrel with the very system of administration which is responsible for this deficit. It has been said that the deficit at present is due to world-wide causes and to depression all round. That is true; but one important factor has been missed and that is this: it is true that the world depression is responsible to a great extent; but it cannot be forgotten that it is the Indian political situation and Indian political conditions that are also responsible for this deficit. At present what we find is that there is no peace in the country; there is turmoil all round; and in that condition do you expect that the trade, the commerce and industries—even agriculture—will increase? Is it not therefore very necessary to emphasise this point? It is high time now that the Treasury Benches should take the lead in this direction and press upon the Cabinet to cry a halt in the present policy and not to rule the country by Ordinances, but by the ordinary law. Not only have these Ordinances superseded the ordinary law, but they are being applied in such an extraordinary manner that I would call it simply inhuman. Again what is the real situation? It is not the Legislature that legislates, but it is the Governor General who issues the Ordinances instead: and in whose hands is this power given? Is it in the hands of the Governors of the Provinces? No. The power has been decentralised and

given absolutely into the hands of the District Magistrates, and through them to the police. At present the conditions are so deplorable that it is very distressing to see them. Under these Ordinances orders of all kinds are passed. We used to condemn the provisions of section 144 of the Criminal Procedure Code, as being too wide—under which the District Magistrates could issue orders against anyone to do or not to do anything. But what happens now? Orders are now issued to the effect "Do not go to a particular street; do not go for a particular purpose, and so on and so forth". The orders are given by District Magistrates; and the Government do not know them before they are promulgated. And when we come here and put questions about them, they say all is in the hands of the District Magistrates to do as they like because the Ordinances give that unlimited power. Will the situation which is thus ruling at present revive trade or will it come to the help of the Honourable the Finance Member to balance his Budget? I submit not. And unless and until, along with the world-wide depression conditions the Indian political problem is reckoned with, I submit there will be no budgetary solution for many years to come.

So far as this Budget is concerned, at the time the Emergency Finance Bill was presented, the anticipations of the Finance Member were that there would be a surplus in the coming year to the extent of 5½ crores. At that time, when taxes were being imposed, we said the taxation had already reached the taxable limit and there should be no further burden imposed. We were then told that there was a hope that these taxes would be removed after a year or two. But what do we find now? We are distressed to find that the surplus which is now being estimated is only 2 crores and 35 lakhs. I submit even this is only a pious hope; and just as the Finance Member has been disappointed in his forecast, until these conditions that I have pointed out are tackled, there will be no improvement and no surplus, but the Central Government will move further and further in the direction of bankruptcy.

Another consideration to be borne in mind in this connection is with regard to drastic retrenchment. So far as retrenchment is concerned, the figures show that up to now there has been retrenchment on the civil side to the extent of 183.67 lakhs, whereas the figure recommended was 209.18 lakhs; and on the military side retrenchment is proposed to be effected to the extent of 237.61 lakhs only: the total comes to between three and four crores of rupees. This latter figure also is less than what was recommended. I cannot understand why even in this retrenchment problem the recommendations of responsible committees should not have been accepted *in toto*. When the purpose of the Retrenchment Committees was to investigate into this question carefully and they have actually done so, I think it was wrong not to accept all the recommendations that were made. But apart from that, is this retrenchment going to meet with the present financial difficulty and stringency? The question is not merely cutting down the salaries of the subordinates, but much retrenchment is necessary in the case of higher officials of all kinds. First of all, there must be curtailment of the numbers. It is proverbial that the administration in this country is very top-heavy. The other day when I said that the subordinates formed the backbone of the administration and that they should not be disturbed, a retort came from the Leader of the House that the backbone cannot do without brains: but when you have a top-heavy Government with an over-burdened brain, both the brain and the backbone will certainly break. Therefore, Sir, if Government intend to

[Mr. Lalchand Navarai.]

make a real attempt, a true attempt, a faithful attempt, they should first apply the axe very effectively to the higher officers both in respect of the reduction of their number, as also their salaries. No retrenchment has virtually been made in regard to the higher officers. When we ask that at least one Member of the Executive Council should be reduced, the reply promptly comes from the Treasury Benches: "Oh, it is impossible". In like manner, it has been suggested that some Secretaries and Joint Secretaries should go, but nothing has so far been done. Therefore, Sir, it is quite necessary that if Government are really serious about effecting economy in the administration, if they are serious to meet this heavy deficit, they should thoroughly overhaul the existing system of administration and apply the axe first at the top instead of applying it at the bottom as they have done now.

Then with regard to the question of income-tax. My Honourable friend the representative for Labour said that the richer people are not taxed to the limit that they should be but when I asked my friend how much tax he pays, he made no answer. I do not say that there should be any tax whatever upon the poor people; but I do maintain that the richer people also should not be taxed to such an extent that they may feel the same difficulty.

Turning back to retrenchment, there is an invidious distinction made in the cut of the salaries of the higher officers. It is no doubt professed that the cut is uniform, but as a matter of fact it is not so. The lower paid people only have to pay 10 per cent., while the higher paid people get free from the surcharge on income-tax and thus pay only 5 per cent. by way of retrenchment. Therefore, I suggest that the retrenchment should in reality be made uniform in the case of both the higher officers and the lower so that the amount realised might be a substantial source of help to meet the deficit.

Then another thing which I want to point out is with regard to the inconsistent position of the Finance Department in allowing a subvention of one crore of rupees to the North-West Frontier Province during Government's financial crisis. Sir, I do not grudge my Muhammadan friends a separate province.

An Honourable Member: There are Hindus also there.

Mr. Lalchand Navarai: I am just coming to Hindus. So far as my Muhammadan friends are concerned, I do not grudge them a separate province, but I do say the Hindus do not require a separate province. They were given no voice in the matter and not allowed any part in the proceedings of the Round Table Conference. But as I said in the beginning, while I do not grudge my Muhammadan friends a separate province, I should like to point out that they must stand on their own legs; they cannot borrow legs and then stand to carry on a province independently. Now, what do we find is their financial position from the facts and figures? The income of the North-West Frontier Province is about 66 lakhs only, and with this income they cannot certainly carry on the administration of the province. That is quite certain, and now the Central Government propose to give a crore of rupees subvention. But I do not see any justification for it and the Government have not given any reason for giving this subvention.

An Honourable Member: They are getting it now.

Mr. Lalchand Navalrai: Yes, they are getting it now because that province is centrally administered; when it is centrally administered, Government funds do belong to that province also, but I say, Sir, it is entirely wrong in principle to give any such subvention, to make it run separately because it will lead other provinces also to make a similar demand. . . .

Mr. B. Das: I want a subvention for Orissa.

Mr. Lalchand Navalrai: But the Government will then get up and say that they cannot do it, they are bankrupt. I therefore do not see any reason whatsoever for giving this subvention. Let me now read a small portion from the speech of the Honourable the Finance Member in connection therewith. He says:

"In fact, the problem of fixing the subvention on a fair basis just at the present time of economic disturbance has been one of great difficulty. In fact, had the financial conditions alone to be taken into account, one would hardly have chosen the present time for fixing up a subvention; on the other hand, it had to be done".

I for one cannot understand why it had to be done. That means that, without any rhyme or reason, they propose to give this subvention. This is not right. Apart from that, as I said, it will lead other provinces also to demand similar subventions. For instance, the Andhras have been agitating for a separate province. (*An Honourable Member:* "Sind?") Yes, Sind has also been crying, but I am not going to say anything on it now because the whole question is *sub judice*, and secondly the conditions prevailing in Sind are different. Therefore, I would not like to dwell on the question of Sind for the present, but I do say that it is a bad policy to give subventions and make the people divide among themselves; it is certainly a very bad policy.

Further, the Finance Member says that a sum amounting to 66.14 lakhs drops out of the Government of India's receipts representing the revenue of the area of the new Governor's province; it does drop out, but that is the very reason for not giving this subvention for separation.

Then there is the question of Orissa and several other provinces. By giving this subvention, Sir, you are laying down a bad precedent. Everybody will come up to say, "I want to be in a separate province, I want to have my own Governor and my own Government" and so on, but, Sir, this is a short sighted policy.

Then reverting to the question of bringing about peaceful conditions in the country. I submit that it is high time now that the advice of Lord Irwin, which he has recently given, be taken note of by the Treasury Benches, in order to advise His Excellency the Governor General to act up to it. I will give the utterance of Lord Irwin in his own words.

Sir, he recently said that:

"It should be observed that the political aspirations of India were the natural outcome of human instinct and the desire to manage their own affairs."

He asked the British people to understand that and sympathise with Indians. Lord Irwin further added that Governments usually rested upon the consent of the governed, and force never solved any political problem.

Mr. President: Order, order. The Honourable Member's time is up.

Mr. T. N. Ramakrishna Reddi (Madras ceded Districts and Chittoor: Non-Muhammadan Rural): I did not intend to take part in to-day's discussion as I wanted to have my say to-morrow, but as no one has got up, I have chosen to rise in my place.

Mr. President: The Honourable Member is wise.

Mr. T. N. Ramakrishna Reddi: I think this is the only occasion when a Budget speech has been delivered without at the same time being accompanied by its counterpart, the financial proposals for taxation. So, the discussion to-day appears to be very bald and bereft of the interest which usually attaches when financial proposals accompany the Budget speech.

Sir, the Budget speech has given the financial position of this year, as also the estimates for the coming year. It may be that, as the Honourable the Finance Member has no necessity to elaborate financial proposals at this stage, he has given us a detailed picture of the budgetary position this year. I may at once say that his Budget speech is a very lucid one in the sense that he has clearly given us a picture of the financial position which even a layman like myself, who has not dabbled in financial matters, can easily understand, and he has not camouflaged the figures so as to make them too complicated for ordinary minds to comprehend. At the same time, I must give expression to my sense of disappointment at not finding any relief given to the poor taxpayers in the sense of reducing some of the taxes that lay heavily upon them, even to the extent of cuts carried by this House on the financial proposals of last November.

Dr. E. D. Dalal: Sir, there is no quorum.

(The number of Members present in the House having been counted.)

Mr. President: There is a quorum.

Mr. T. N. Ramakrishna Reddi: Sir, in the face of so much additional taxation and in the face of retrenchment carried out we expected that some relief would be given to the taxpayers, but I am disappointed. As regards the Budget, I am told that in the General Budget discussion we may ramble from China to Peru without being called to order, but I do not propose to take upon myself any such duty, but I will confine myself to only two aspects of the Budget speech, that is to say, the effect of the new taxes that were imposed last October, and also the retrenchments that have been carried out by the Government in the civil as well as the military departments.

With regard to the first point, that is to say, the effect of the new taxes, we find from the Budget speech that the import duties have very much affected the imports of articles like cotton piecegoods, sugar and other articles, and the value of all the imports for the last ten months has gone down considerably to about Rs. 105 crores, whereas in the same period last year it stood at over Rs. 200 crores. The greatest fall in the imports is in sugar, silver and cotton piecegoods. There has been consequently a great fall in the customs revenue of the Government. In the imports of sugar we expect a fall of Rs. 108 lakhs, and in cotton piecegoods a fall of about Rs. 3 crores. But there is a silver lining in this cloud. These import duties are in the nature of protective duties, and so, they have given a great impetus to the cotton mill industry in this country and also to the production of indigenous sugar. These two industries have greatly benefited by these import duties which are in the nature of protective duties. Hence we do not feel very sorry over the considerable fall in the

imports of sugar and cotton piece-goods into this country. The Budget also reveals the fact that in some cases, for instance, articles like salt, kerosene oil, betel nuts and spices, the Government have realised much more revenue than what they expected. Thus, the Honourable the Finance Member comes to the conclusion that during times of emergency the Finance Member has only to put a little additional pressure, if he wants more revenue, on such commodities as the masses use. He says :

"A few annas per head from 300 millions is the most effective course, whereas attempts to extract heavy taxation from a limited class seem almost to have reached their limit."

This opinion of the Honourable the Finance Member has also been shared by two capitalist Members from Bombay, and when my Honourable friend Mr. B. Das proposed that these capitalists, who have gained by these protective duties, must be made to contribute some more revenues to the relief of the poor taxpayers, one of them jeered at him.

Sir, the taxation in India of the poor people has reached the breaking point. The poor people have to use articles of necessity if they must live at all, and somehow or other they have to purchase those articles of necessity, and thus pay extra revenue to the Government. But that is no reason for any Government to press upon them more and more heavily. Not only do they contribute by using these articles of necessity, but they have also to use such articles as cotton piece-goods, sugar and similar other things. Even there it is the consumer that pays all the

burden of additional taxation. My Honourable friend from
5 P.M. Bombay with a certain amount of glee and satisfaction said that it is the capitalist classes or higher classes that have been contributing much of the revenue to Government. For instance, he asked us to note that they have been contributing over 50 crores in the shape of customs and 18 crores in the shape of income-tax. It is very difficult to follow that this amount has been contributed only by the higher classes. As a matter of fact, it is the poorer people, the masses of the people in India, that contribute the additional taxation even with regard to these imported goods. The Government collects import duties at the port and the merchants increase the prices of these articles to that extent, and it is ultimately the consumer and the masses that contribute this revenue also. So my friend cannot take pride in the fact that it is only the higher middle classes that contribute this huge revenue. Thus, the dictum of the Honourable the Finance Member that, whenever we want additional taxation, we have simply to turn the screw a little more on the articles of necessity, is not a very sound one, because it is the poor man who has to bear the burden ultimately.

Now, we shall take up the other point, that is, how far Government have been able to carry out retrenchments in the various departments, both civil and military and thus lighten the burden on the tax-payers. With regard to the Military Budget, in the present year, it stands at the figure of 52 crores. Now, in his speech the Honourable Member from Bombay has stated that the Government had begun to live beyond their means, not this year or last year but as early as 11 years ago, and they have been consuming 56 crores of rupees over their income during this period of 11 years. I have only to correct him by saying that it is not 11 years, but from the year 1927 or 1928 that the Government have begun to live beyond their means, and within these few years they have consumed to the extent of 56 crores over and above the normal revenues. Ever since

[Mr. T. N. Ramakrishna Reddi.]

1927, the Honourable Members on this side of the House have been impressing upon the Government the necessity of cutting down military expenditure and thus living within their means instead of resorting to additional taxation, and every year we have been given a reply that not a single soldier or sepoy could be cut down and not a single rupee could be deducted without endangering the position of the British Empire in India. Even though there have been disarmament conferences and other countries of the world have been trying to reduce the burdens on armaments as much as possible, yet in India they have not moved their little finger in that direction. Now, they have to face this great emergency along with other nations of the world. Now they are forced to the necessity of reducing at least to a little portion, and not to the extent they should reduce. In the matter of Army expenditure, for example, there has been a great waste of money. The pay and allowances of the fighting forces came to 18 crores, whereas the whole of 34 crores has been spent on the administrative and the commissariat departments. I shall refer to the waste going on in one department, namely, the Army Medical Department. I will only quote the words of one of the members of the Army Retrenchment Committee, who did such good work with conspicuous ability in that Committee. Mr. Ramaswami Mudaliar, speaking not very long ago, said with regard to this side of the expenditure :

"Retrenchment Committee went to Calcutta and paid a surprise visit to the British Military Hospital. Scores of beds had been provided for but when they went there there actually were not more than 17 patients who were supposed to be sick. He himself did not come across more than two people who were actually in bed. Others, they were told, were convalescing. There were five superior medical officers in charge of 17 patients, Majors and Colonels who drew their pay according to their rank with an organisation of subordinate medical officers and a vast number of nurses, orderlies and all other appurtenances which went to equip a proper hospital From a series of investigations, they came to the conclusion that so far as the military medical services were concerned there was over staffing in every place and there was immense scope for retrenchment."

That is the case with each and every department on the administrative side. I do not want to weary the House by quoting other instances of extravagance because it would take a very long time, but I quote this one as an example of the amount of waste that has been going on all these years, and yet the Government were not able to retrench by a single pie. I am not talking of reducing a soldier or a sepoy. Even taking the expenditure on the administrative side, there was so much scope for retrenchment all these years and yet they would not reduce it by a single pie. Then, Sir, a portion of the Army is also maintained for Imperial purposes. As has been said by Lord Curzon in his introduction to the "Indian Corps in France":

"The Indian Army, in fact, has always possessed, and has been proud of possessing a triple function, the preservation of internal peace in India itself; the defence of the Indian frontiers; and preparedness to embark at a moment's notice for Imperial service in other parts of the globe. In this third aspect India has for long been one of the most important units in the scheme of British Imperial defence, providing the British Government with a striking force always ready, of admirable efficiency, and assured valour."

In this time of national emergency, the Government should ask the Imperial Government to contribute a share to the Army expenditure.

Mr. President: The Honourable Member's time is up.

The Assembly then adjourned till Eleven of the Clock on Thursday, the 10th March, 1932.