

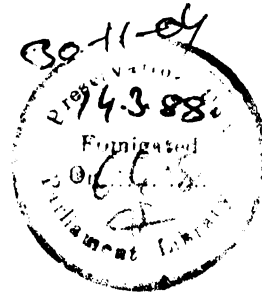
Wednesday, 14th March, 1934

THE
COUNCIL OF STATE DEBATES

VOLUME I, 1934

(8th February to 27th April, 1934)

SEVENTH SESSION
OF THE
THIRD COUNCIL OF STATE, 1934



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COUNCIL OF STATE.

Wednesday, 14th March, 1934.

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

MEMBER SWORN :

The Honourable Mr. Andrew Gourlay Clow, C.I.E. (Government of India : Nominated Official).

RESOLUTION *RE* ECONOMY ON STATE-MANAGED RAILWAYS.

* THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : Sir, the Resolution† which I moved on Monday was about the formation of a Committee of Experts and Members of the Central Legislature for each of the State-managed Railways separately to investigate into and report on measures of economy. This Resolution I have brought forward, Sir, in order to concentrate the attention of the Government and the public on the conditions prevailing in the railways. When the retrenchment movement was started in 1931 the Government formed a committee to report on retrenchment on the railways. The report was submitted in October, 1931. The Government at the time of the budget issued to us a memorandum showing what action they had taken on the report of the committee. After that, in the course of the year 1932 the Government again did something. They retrenched some of the staff—about 9,000 posts—to effect further economies. But, Sir, the Retrenchment Committee which sat made their investigations in the usual way. They simply made inquiries at the headquarters of some of the centres. They recommended that an expert committee should be formed which should investigate what further economies could be effected. The Retrenchment Committee had recommended a saving of Rs. 75 lakhs out of which the memorandum took into account economies of Rs. 24 lakhs only and the rest which amounted to Rs. 51 lakhs were left over for consideration later on. This shows that the inquiry made by the Retrenchment Committee was neither thorough nor have the Government explored even those items which were recommended by the Retrenchment Committee. The economies for which the Government has taken credit are only Rs. 21,22,000 from the recommendations of the Retrenchment Committee. I, of course, exclude the Rs. 2,25,00,000 which have been taken up by cuts in salaries because we have been told that that is not a permanent measure of economy and we are always reminded that at any moment that

* Speech not corrected by the Honourable Member.

† “ This Council recommends to the Governor General in Council to form a Committee of Experts and Members of the Central Legislature for each of the State-managed Railways separately to investigate into and report on measures of economy.”

[Mr. Hossain Imam.]

cut may be withdrawn. At the present moment, Sir, this cut has also been reduced, since, owing to the fact that Government have halved the cut, it has only allowed for Rs. 1,12,00,000 now. I was surprised, Sir, when we were so anxious to do everything, the report issued by the Railway Board should contain no reference to what the Government is doing in this connection. This shows that the Government do not now attach the same importance to retrenchment which they ought to attach. Sir, there are specific recommendations of the Retrenchment Committee which has also been disregarded. I refer, Sir, to paragraphs 160 and 162 of the report of the Committee. In the superior staff, at the conclusion they say that in both cases the possibility of further reduction is under examination. We have been waiting to hear what the Government has done. Sir, in paragraph 162, they say that without examining the question in detail we cannot say what particular posts are redundant at present. We expected, Sir, that detailed inquiry would be made in all the railways, the present conditions in which are not at all uniform. Some have got the divisional system and some have the traffic superintendent system, in which one man is in charge of all the departments. There ought to be more uniformity. Their specific recommendation in paragraph 163 was—and they have printed it in block letters to emphasize its importance—

“ Railways should in our opinion not have a bigger staff seeing that the traffic is likely for several years to be considerably less ”.

Sir, they also recommended in paragraph 190 against too much expenditure from capital. They were very vehement about this point. After pointing out how the capital has increased during the seven years' period of separation they concluded :

“ This has contributed to a great extent to the condition in which the railways find themselves at present ”.

We consider that this ought to be a lesson to the Railway Board in future. As long as there was stringency in the money market and the Finance Department was unable to find money for the railways they cut their capital expenditure but with the easing of the money market they again embarked on capital expenditure, not on the ambitious scale which they used to do in former years but at least unnecessary capital expenditure. Sir, after this Committee had reported Mr. Pope was invited from England and he started investigating the technical side of the business and he gave a voluminous report showing what should be done in order to reduce cost. It is more connected with the working of the railways as far as their operation is concerned than anything to do with the overhead staff at headquarters or the staff at the divisional centres. The report which covered a good deal of space was not circulated to us. The effect of this inquiry is not known as to whether there has been any gain from it or not. They only mention that they have seen the report, that the Pope Committee has made inquiries and as a result thereof job analysis is going on. They also recount some of the recommendations of the Pope Committee. But no mention is made either in the Railway Board's report or in the speeches of the Honourable the Commerce Member or the Chief Commissioner for Railways as to what action is being actually taken by the Government and what savings are expected in this year. They have laid great stress on the better utilization of rolling stock, especially of engines. I was told during the budget discussion that Government have purchased only seven engines on the capital account. But we find that the actual

mileage of all the engines is getting less and less every day. The ton mileage is also falling. What is the necessity then of adding even these seven engines to the rolling stock? I should like the Government to consider the advisability of starting a system of pooling other stocks also, just as they pool wagons. If one railway is in deficit, instead of bringing its stock from outside, it can take stocks from railways which have got a surplus. In this connection I should like to draw attention to the huge stocks which the railways maintain in their stores departments. There, too, the way in which these stocks are utilized is nothing short of a scandal. The Pope Committee is responsible for giving us figures that iron scraps are being sold at half the prices of pig iron. No business can be successful if its stock is sold at such ridiculous prices. Every year we scrap 2,000 or 1,500 wagons, 40 or 50 engines and hundreds of coaches so that things which we buy for lakhs are sold not for thousands but for hundreds. I would therefore suggest that it would be an advantage if the balances in stores were also pooled and any railway which requires material should first of all indent on the existing stocks in the Stores Department before they decide to purchase it from an outside market. I should like to remind the House of a thing which we saw right before our eyes. Members who come to Delhi may remember that late in 1931 the Jumna bridge was being beautified. Stonework was being erected on the piers and thousands of rupees were spent. But before the work was fully completed, it was all dismantled and we had the strengthening of the Jumna bridge and girders were added up, and this work is still going on. The first work did not last even for a year. They had completed more than three-fourths of the work when this new work was started.

As regards the scope for economy on individual railways, I should like to draw attention to the question of staff. The route mileage of Class I Railways is 38,460. The staff on that, according to the Railway Board's report, was 696,898, giving a per mile staff of 18.12 for all the railways. But on the East Indian Railway, which has a route mileage of 4,347 miles, the staff is 128,380, giving a staff per mile of 29.5. While the average for all the railways is 18, one railway has got a staff of 29 per mile. I had occasion to say last year that some of the Company-managed Railways are faring very well. On the Madras and Southern Mahratta Railway, the route mileage is 3,230 and the staff 51,097, which gives an average of 15.8 per mile. It is well known that in Government departments there is a tendency to multiply the staff. It is necessary that commercial undertakings like the railways should never consider themselves as Government departments. They should always regard themselves as a commercial undertaking and work up to that business standard.

Sir, I was referring to scrapings. It may be thought that I had exaggerated the figures. I have got the figures of scrapings of the last three years of engines only. During 1931-32 we scrapped 204 engines, during 1932-33, 126 engines and during 1933-34, 83 engines. Thus, in three years we scrapped 413 engines. To show how great our expenditure should have been, I would quote the figure for one year only. During 1929 we ordered 252 locomotives at a cost of Rs. 2 crores. Sir, I asked a question during the Delhi session of last year as to how these scrapings of engines were disposed of. I was told that they were not available. In cost account it is essential to have figures for everything. That will show exactly how we stand and how much we can recoup from the materials which are condemned. The cost of the engines which we scrapped during the last three years must have amounted to something like more than Rs. 1½ crores. But how much we realized from it no one knows.

[Mr. Hossain Imam.]

Sir, the railways are responsible for some of our great troubles. I would not have taken up the time of the House and discussed this point now, when every one is congratulating the Commerce Department on its magnificent management of the railways, had it not been for the fact that this mismanagement, as I call it, of the railways has affected us in many respects. The greatest blame which I attach to the railways is that that Department is retarding the reforms. The whole structure of the future reforms is dependent on financial solvency, and the fact that they are not in a position to contribute to central revenues, that they cannot even meet their day-to-day expenditure, is a factor which is responsible for the delay ensuing in the coming of the reforms, and it is for this reason that I wish to emphasize the necessity of making the railways a more businesslike proposition, and it is for this reason I request the Government to investigate the position. I do not wish that the lines which I have laid down should be closely followed, as long as we have the assurance of the Government that they are up and doing, that they are leaving no stone unturned, that they are anxious to explore each and every opportunity of economy, we, on this side of the House, will be perfectly satisfied and will not press the Resolution.

Sir, with these words, I move.

THE HONOURABLE MR. SATYENDRA CHANDRA GHOSH MAULIK (West Bengal: Non-Muhammadan): Sir, I have listened with much interest to the illuminating and impressive speech of my Honourable friend Mr. Hossain Imam, the mover of the Resolution. It is quite true that the railways are one of Government's commercial enterprises and as such they should be run on a profit-making basis and any attempt to make them a profitable concern would, I am sure, meet with the approval of the whole House. Of late we find that the railways are contributing very little or practically nothing to central revenues, and so to meet the demands and make up for deficits we have got to get that money from other sources by imposing taxes. So, whatever little profit is made by the railways would mean a lesser burden on the shoulders of the taxpayers. After all, Sir, though we have not received what we expected from the railways, there are various factors which have contributed to that. Firstly, there is the general depression which is prevalent all over the world, and then there are the motor buses which have come into the field of competition with the railways. As regards the first, this country alone cannot be expected to have any control over it, but with regard to motor bus competition something could be done to see that the competition is run on a fair basis. It is within the knowledge of this House that last year in April there was a Rail-Road Conference convened at Simla to devise ways and means to bring about co-ordination between these two systems of transport. Several resolutions were discussed and it was expected that something would be done to bring about the desired result. It is for my Honourable friend Sir Guthrie Russell to inform the House what transpired there and how far those resolutions and recommendations have been put into practice. It is quite true also that there was a retrenchment committee which went into all avenues of expenditure to find out how far retrenchment was possible in the railway administration. They made certain recommendations and, as my Honourable friend Mr. Hossain Imam has pointed out, some of them have been accepted and others not. A large number of labourers have been thrown out of employment and very little reduction has been made in the higher ranks. I do not know how far they have been able to reduce their overhead expenditure. Now, by this Resolution my friend wants to set up a committee of experts

for each of the State-managed railways. I do not know whether, even if they recommend certain measures of economy, those measures will be put into actual practice. We can make certain recommendations but it is up to the Government to accept them or not. Moreover, instead of one committee, my friend recommends several committees, one for each of the railways. Expert committees will mean that we shall have to pay a good amount to the experts who advise us. That would mean heavy expenditure and in these days of financial stringency whether the expense involved would justify the result gained is what I want to know before we can adopt this Resolution ?

THE HONOURABLE DIWAN BAHADUR G. NARAYANASWAMI CHETTI (Madras : Non-Muhammadan) : Sir, I am afraid that the Resolution moved by my friend the Honourable Mr. Hossain Imam, except for the fact that the Members of the Central Legislature will be extended the privilege of serving in the committee formed by the Governor General in Council for each State railway, with the chosen experts, which seems to me to be the end in view of this Resolution, will not serve any useful purpose.

Those who have been carefully following the history of railway retrenchment would have been aware that a special Sub-Committee from the General Retrenchment Committee formed by the Government in 1931 for railway retrenchment was formed and was presided over by the Honourable Sir R. K. Shanmukham Chetty, Kt., the present President of the Lower Chamber. The railway authorities were able to curtail their expenses by Rs. 7 crores by their own retrenchments and the Sub-Committee still further reduced their expenditure by Rs. 75 lakhs.

The Memorandum presented by the Railway Board on the enquiry conducted by Mr. F. A. Pope clearly indicates that the services of Mr. Pope have been obtained

“ by the kindness of the London, Midland and Scottish Railway ”

not only to investigate into and report on the measures of economy but also

“ to inaugurate a detailed analysis of important activities of railway operation ”

on the lines of “ job analysis ”, by which he was emphatically of opinion that considerable savings would be found possible.

“ A large number of economies ”, says Mr. Pope in his covering letter, “ have been effected on Indian Railways in common with railways elsewhere. There are no big individual avenues of economy left except the intensive use of locomotive power : no fundamental changes can be made now on Indian Railways to reduce expenditure except amalgamation ”.

Though Mr. Pope was able, owing to his short stay, to concentrate his attention only on the Great Indian Peninsula Railway, it was arranged to associate with him certain officers of the other railways who could observe his method and if necessary continue the investigations after his departure from the country.

And again, from paragraph 4 of the Memorandum, we understand that it was decided to start job analysis on all State-managed railways and the State railway officers who were originally associated with Mr. Pope were selected to carry on the various investigations. Are not these officers with their selected staff, I ask the Honourable Members of this House, serving the same purpose which the proposed Committee of Experts and Members of the Central Legislature will serve ?

[Diwan Bahadur G. Narayanaswami Chetti.]

In the face of the valid opinion given expression to by Mr. Pope in his covering letter, viz.,

“ Reference has been made in the Legislative Assembly to the proposed appointment of an Expert Committee to follow on the work done by the Committee under my chairmanship. In my view no new expert committee is required. It is unnecessary to bring any other ‘experts’ from home ”.

We understand from the last paragraph of the Memorandum that Mr. Pope's services have again been secured and that he has been employed in making a more detailed investigation into the other State railways.

In the face of these facts that I have enumerated I think that it is unnecessary for this Council to recommend for a Committee of Experts combined with the Members of the Legislature for it will only cause unnecessary expense. Hence I cannot but strongly oppose this Resolution.

THE HONOURABLE KUMAR NRIPENDRA NARAYAN SINHA (West Bengal : Non-Muhammadan) : Sir, I rise to support the Resolution of my Honourable friend Mr. Hossain Imam.

Sir, the Railways in India have cost the Indian taxpayer some Rs. 850 crores. When loans were taken for them they were guaranteed on the security of the general revenues of India, and at least Rs. 75 crores have already been paid on their interest charges alone. The railways are in fact the property of the people of India. So, what my Honourable friend wants is quite a reasonable proposition, especially at the present moment, when the railway revenues are steadily sagging with no hope of early revival. Sir, again, from the comparison of statistics it will be seen that the working costs of the State-managed railways are always proportionately higher than those of the Company-managed ones. The reason for this is not far to seek. The care and vigilance of the Company directorate are lacking in the case of the State system. Then again, in the State-managed systems the vagaries of the management go often unchecked under the present irresponsible system involving greater waste and expenditure. Then the scale of pay and emoluments of the different cadres on the Company-managed lines are always lower than those on the State-managed ones. There have been several glaring instances in recent years, where lakhs and lakhs have been spent on the State-managed systems on unnecessary projects, on unwanted bridges, on unessential repairs, on useless duplication and on extravagant edifices. It was found that when those expenditures were called to account they put forward lame excuses, and with a view to recoup their waste and extravagance, they have tried to economise by turning out thousands upon thousands of their Indian workers, shutting down portions of their shops and placing the orders of articles so long manufactured there, outside, with British firms, local and abroad, when their earnings began to fall off.

In view of all such important facts a Standing Committee of Experts and some Members of the Central Legislature on each of the State-managed railways with a view to investigate into and report on the measures of economy is naturally absolutely necessary not only for the well-being of our railway finance, but also for the ultimate existence of the railways in the hands of the State. For example, if we have such a committee it will hardly allow the authorities of the East Indian Railway to spend on one single school at Mussoorie for the children of their European and Anglo-Indian employees more money than spent on *all* the existing schools for the children of their Indian employees combined and maintained by them. My only fear is that

in the reckless way the State-managed systems are being carried on it will be little wonder if they show financial insolvency some day and then invite some British company again to take over the management. The Standing Committee of Railway Finance in the Legislative Assembly, although trying to achieve some results, have never attained any notable result by reason of their present statutory drawback.

THE HONOURABLE SIR GUTHRIE RUSSELL (Chief Commissioner of Railways): Sir, the wording of the Resolution at present before the Council and also I think the speech of my Honourable friend Mr. Hossain Imam are calculated to give the impression that Government has done little or nothing to adjust working expenses to falling revenues—an impression which is so erroneous that I feel I must endeavour to contradict it, and I cannot do this better than by giving the House some brief account of the efforts which have been made during the past few years by the Government of India and Railway Administrations to reduce railway working expenses, efforts which, I may say, are still in progress and which we have no intention whatever of relaxing. I wish to say at the outset that railwaymen are never averse to accepting hints from non-railway men; they are always prepared to adapt methods which have been found successful in other forms of business to railway working, but there is a real danger in associating non-experts with matters which require a particular type of expert knowledge. After hearing what I have to say I trust this House will agree that Government cannot look with favour on a proposal which must entail considerable expenditure with very doubtful prospects of getting true value for the money expended. Honourable Members will recollect that in view of the financial difficulties caused by the general depression, the Government of India appointed a Retrenchment Committee in 1931 with various Sub-Committees to go into the expenditure of the various Government departments. One of these Sub-Committees dealt with Railways. This Sub-Committee presented its report in October, 1931 and this showed that the total savings which could be expected from Railways amounted to Rs. 7·8 crores and of this figure—and this is a point I particularly wish to stress—Rs. 4·8 crores were from economies which had already been effected by Railways up to the 31st July, 1931 and of the balance of Rs. 3 crores, Rs. 2½ crores was the sum expected from the cut in pay, leaving only Rs. 75 lakhs of new economies recommended by the Sub-Committee. These facts are, I think, sufficient to show that Railway Administrations were fully alive to the importance of retrenchment and lost no time in tackling the problem. But apart from recommendations and estimates of possible savings, let me refer the House to figures which will show what we have actually done to reduce working expenses. Reference to the Explanatory Memorandum on the Railway Budget of the Government of India, 1934-35, page 5, shows that the railway working expenses have been reduced from (in the year 1929-30) Rs. 55·86 crores to (in 1932-33) Rs. 47·43 crores, a total reduction of Rs. 8·42 crores. The revised and budget estimates for 1933-34 are Rs. 48·04 crores and Rs. 48·34 crores, respectively. These figures are a little higher than the figures for 1932-33. This increase is entirely due to the normal increases granted to our staff, and to the undertaking of certain maintenance work which could no longer be postponed; and lastly, to an increase in traffic—and I am happy to say that at the moment we are getting increased traffic. It is possible to handle a certain portion of this increase without increasing our working expenses, but we cannot go very far in this respect.

So much for what has been done. To explain to the House what is now going on and what we still hope to do, I must refer once more to the Railway

[Sir Guthrie Russell.]

Retrenchment Sub-Committee's report. One of the terms of reference of that Sub-Committee was as follows :

"Further, the Sub-Committee shall report in due course to the Committee whether in their opinion, in order to comply fully with their terms of reference it is desirable that an expert committee should be appointed".

The Sub-Committee at the conclusion of their report recommended the appointment of an expert committee, and in doing so remarked that very early in their investigations they had realized the necessity of a further full enquiry into the details of working of the various departments of Railway Administration by a special committee mainly composed of financial and railway experts. I would particularly emphasise here that the Sub-Committee recommended the examination of details by specialists. The developments which have grown from this recommendation, and which I now propose to describe, will, I think, prove to the House that by what we have done we have really carried out the recommendations of the Sub-Committee, though we may have done it in a different manner—and I think a better manner. Originally when Government received the Sub-Committee's report they decided to recommend to the Secretary of State the appointment of a committee of well-known experts. But many difficulties prevented this being done—difficulties which, I think, subsequent events have shown were really all for the best. As a preliminary measure, therefore, the Secretary of State sent out to this country Mr. F.A. Pope, an officer of the London, Midland and Scottish Railway, who had been closely associated with the processes of rationalization introduced on that line. It was hoped that Mr. Pope would during his tour collect data and information which would subsequently be of value to the expert committee when that body was finally appointed.

Mr. Pope was in India from December, 1932 to February, 1933 and while here he was Chairman of a Committee composed of officers of the State Railways, all experts in their own branch. Mr. Pope's Committee presented a report at the end of February, 1933 and this is in the Library of the House. So far as the present Resolution is concerned, I may mention that Mr. Pope emphasized in the covering letter forwarding this report to the Government of India certain extremely important points. He stated that so much had already been done to effect economies on Indian Railways that there were no really big individual economies left, except perhaps the better use of locomotive power and the further amalgamation of railways, both of which are now under separate investigation. It may interest the Council to hear that the steps which have already been taken on at least one of the major State railways to improve the use of locomotive power are I believe in advance of anything so far achieved on British Railways. One of the officers mainly responsible for this result is on Mr. Pope's Committee. Mr. Pope's opinion shows, I think, that the Railway Board and Railway Administrations had not been dilatory in their pursuit of economy, and, coming from an independent officer who is an expert in such matters—connected as he is with the economy campaign now being conducted on one of the largest railway groups in the world—may be accepted at its face value. Mr. Pope in his report went on to say that, in his opinion, there was no need for the appointment of a special expert committee as originally contemplated, but he considered that considerable savings would still be found possible if a detailed analysis, which he termed "job analysis", could be undertaken of every railway operation, for which purpose it would be necessary to introduce on each railway a small organization entirely devoted to investigation and research. Such organizations would, in the opinion of

Mr. Pope, carry out the functions of the expert committee which Government originally had in view. Government accepted Mr. Pope's recommendations, and now small research organizations exist on all the important railways, Company-managed as well as State-managed. By means of these research branches all the multifarious activities of railway operation are now being examined in meticulous detail. Analyses have already been undertaken on many railways, covering a wide scope of operations, ranging, indeed, from such important items as the more intense use of locomotives and better workshop practice, down to such details as economy in stationery consumption and the use of lights and fans, and better means of copying letters. No savings are too small for investigation and as I shall shortly proceed to show, the results have been most encouraging.

While Government accepted Mr. Pope's recommendations that no expert committee was necessary—a recommendation which incidentally has saved considerable expense—they felt that many advantages would be gained if Mr. Pope could come out again this cold weather and report on what has been achieved as the result of his recommendations last year and to give further advice. Through the courtesy of Sir Josiah Stamp, Mr. Pope's services were again placed at the disposal of the Railway Board and he has been with his former committee during the last few months. They have drawn up a second report which has just been submitted for the consideration of Government and which I hope will in due course be made available for the Honourable Members of this House. I cannot give a forecast of the contents of this report, but will confine myself to one quotation summing up the results of the investigations up to the end of 1933 :

“Up to the end of 1933, that is to say, in the short period of nine months, a conservative statement of the savings proposed on four State Railways is Rs. 43,27,000 per annum, of which about 33 per cent. has actually been effected”.

Thus, it will be seen that some Rs. 14 lakhs of savings have actually been effected on four State Railways alone, and there are still due to the Railway Board reports from other railways on the same subject which will, doubtless, produce further savings. When I say that the *total* expenditure involved by the organizations undertaking job analysis on railways will amount during the financial year to some Rs. 3 lakhs, the House will understand to what extent the staff engaged on this work have justified their existence.

But, the process of job analysis is slow, and so far, as Mr. Pope's Committee say in their latest report, the work is but “ankle deep” and accordingly Government have decided to continue the research organizations introduced on each railway and they do so with every confidence that further economies will be effected. I may say that the work of job analysis on the London, Midland and Scottish Railway has been in progress for some years and on that line there is every intention of continuing it as there is still much ground to be covered.

Sir, I feel I have said enough to show that we already have an organization of experts engaged on economy research on State Railways, and Honourable Members of the House may be assured that they will be apprized from time to time of the results of these labours. In view of what we are doing there is, I submit, no justification for the appointment of the Committee recommended in this Resolution, and I trust the Honourable the mover will see his way to withdraw his Motion, failing which, Government will have to oppose it.

* THE HONOURABLE MR. HOSSAIN IMAM: Sir, I was rather surprised to hear Sir Guthrie Russell say that the appointment of an expert committee might be very expensive. If this sort of criticism comes from Members other than Government Members I am not surprised, but I am very much surprised when Government Members say that sort of thing. Here is the report of the Retrenchment Committee which recommended, according to the figures which my Honourable friend quoted, a saving of Rs. 300 lakhs. And the actual cost of that Committee was Rs. 5,165. And the staff which the Government is employing might cost us Rs. 3 lakhs and has affected an economy of Rs. 43 lakhs according to the figures of Sir Guthrie Russell. That is an economical method of working but this method which I advocate is regarded as something which cannot be accepted because of its expensive-ness. We all know that the non-officials do not help so much in giving concrete suggestions for economies as they succeed in inculcating in the staff a desire to economise. That factor has been emphasised by the Retrenchment Committee as well as by the Pope Committee which has suggested that the staff should be invited to make suggestions for economy. That is an inexpensive method of effecting economies.

Sir, as I said in the beginning, the railways, although a commercial undertaking, are obsessed with the idea of a Government department, and they want to spend any amount they like. The fact that job analysis is going on is no consolation to me, because, although it was the main recommendation of the Pope Committee, they had recommended in Part F other economies also. The Honourable Member did not care to say anything about it. I was expecting the Honourable Member to say something about the recommendations of the Retrenchment Committee which were shelved last year. The Honourable Member had nothing to say about the economy of Rs. 54,65,000. Perhaps it was not thought worth while enlightening this House. Perhaps the actual retrenchment effected might be the result of that, and perhaps credit is being given in undue quarters. My Honourable friend Mr. Ghosh Maulik invited some information from Sir Guthrie Russell as to the effect which had been given to the recommendations of the Rail-Road Conference. There, too, he kept a discreet silence. This road competition has come to stay. Every one has emphasised the necessity of the railways fighting this menace. But it seems that the railways do not care. At our very door, at Delhi station, we see every day 50 to 60 motor lorries standing just outside the station. They carry the traffic from the railway station. If the lorries can succeed in getting passengers to travel why cannot the railway also introduce something on the lines of the suburban train service in Delhi, just as they have in Calcutta and Bombay? We are told that something like 1,500 people travel every day to and from Delhi in motor buses. If these passengers are given convenience by the railways, that would add something to our operation costs, but the overhead charges will remain the same. What is usually the line of attack for every business concern in order to meet a falling market? It is to reduce costs and thereby get more custom. All these business concerns have concentrated on getting more traffic but the railways are careless about it. They know only one method of having more money and that is by increasing the cost. At a time of falling prices and depression this is not the right line of attack.

Then, Sir, we are told that the Government maintain some reserve for the department of His Excellency the Commander-in-Chief. That also is an item of expenditure which should have been made, not in the Railway

* Speech not corrected by the Honourable Member.

Department but in the right quarter. We are told that the railways are maintaining stores at some stations for the construction of strategic lines which have not yet materialized. But still, on borrowed money, we are paying interest. That also is a bad debt from the railway point of view and that ought to be reduced.

My Honourable friend took some sort of objection to the expert committee which I have recommended. I thought that our gallant friend His Excellency the Commander-in-Chief was the only person who had some antipathy towards the word "experts". But I find that the railways are also of the same opinion. The fact that it took one year and three months to bring out one person from England and for all that time no exploration was made for economies shows the attitude of the railways. The Honourable Member himself said that although the Committee reported in October, 1931, Mr. Pope did not reach India till the end of 1932. Sir, in view of the unsatisfactory reply of the Honourable Member I would have pressed this Resolution to the vote of the House. But because he has also informed us that Mr. Pope has again investigated and is going to submit a report which will probably be circulated to us, I do not wish to press this Resolution, and I ask for the leave of the House to withdraw it.

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

RESOLUTION *BE* LAYING OF PAPERS OF THE JOINT PARLIAMENTARY COMMITTEE ON THE TABLE.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : Sir, I rise to move :

"That this Council recommends to the Governor General in Council that the papers of the Joint Parliamentary Committee on Indian Reforms be laid on the table of this House."

Sir, I am moving this Resolution in the orthodox parliamentary language in order to initiate discussion. The Joint Parliamentary Committee was formed on the 12th April, 1933. It is nearly a year since its formation, still its report is not out, and if the newspapers are to be believed, we will have to wait for two months more to get the report. Sir, Indians have been anxiously awaiting for the coming of this reform, but strangely with the increase of the desire of Indians for it reforms are receding into the background. It seems as if the British Government are playing a game of see-saw with us. The more we desire to have it, the less is their desire to give it. When India was showing a different attitude, when the high priest of non-co-operation was in his full powers and was preaching the gospel of independence, the Government seemed to be anxious to give us something. But now exactly the reverse is the case. The position has become so intolerable that even the friends of the Government have now started criticizing the British Government for its actions. The other day I pointed out that non-official European opinion is veering round towards the side of India, and if that was true of every-day politics, then it is as much true about the coming reforms. *The Statesman and Friend of India*, which is a well known paper, in its editorial† on the 11th of this month, expressed great condemnation for

* *Vide* footnote page 455, *ante*.

† Reproduced as an Appendix at the end of these debates.

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the dallying tactics of the British Government. It deplored the attitude of the Government which is delaying matters and losing a golden opportunity of introducing reforms in India. The *Hindustan Times* dissected it in a cartoon which appeared yesterday. The fact is that ever since 1928 we have been hearing talk of the coming reforms; first, was the formation of the Simon Commission, then we had all these tales of the Round Table Conference, and after that the Joint Parliamentary Committee. They have exhausted our patience. Government seems to be impervious to any agitation which may go on in India. We do not know exactly what happened in the Joint Parliamentary Committee. We only know that it was formed on the 12th April, 1933 and the last meeting in which the Indian delegation took part was held as far back as the 16th November, 1933; and for the last four months after the return of the Indian delegation, the Joint Parliamentary Committee has been busy doing something which we do not know. Sir, when the Government was really desirous of giving reforms they took only two years to do so. I seem to remember that in the case of the Montford Reforms the time which elapsed between the announcement of Mr. Montagu and the introduction of the Reforms Act was not more than two years. In the case of the Morley-Minto Reforms even that period was not required. But in this case we find the Government is taking an inordinately long time in introducing reforms. This is objectionable enough, but what is more objectionable, from the Indian point of view, is the fact that the fetters in the way of future reforms are being made stronger and stronger.

We are thankful to the Government for having circulated to us the evidence of the Secretary of State for India, but may I draw the attention of the Government to the fact that equally important are the memoranda which have been submitted by the Secretary of State which do not form part of the paper which has been circulated to us, and some of those memoranda have not seen the light of day in the Indian press also. I suggest to Government that if they were generous enough to circulate to us the evidence of the Secretary of State, they should also circulate to us the memoranda which have been submitted by Sir Malcolm Hailey and the Secretary of State, if not the other memoranda which formed part of Volume III of the Joint Parliamentary Committee. In these memoranda we find that the British Government actually contemplates a delay which may extend, not to one or two years, but which may extend to even half a dozen years. I may be thought to be making exaggerated statements, but I should like to invite the attention of the House to page 24 of this volume where the Secretary of State says that

“If the state of the world does not get better, if we still go on with commodity prices, either at their present level or actually falling, not only does it make any change almost impossible”—mark the word ‘impossible’—“but it makes the existing system of Indian finance almost equally impossible”.

What inference are we to draw from this? We have no control over the affairs of the world. We have no control even over our own affairs, let alone those of the world. The Government's representative who is in charge of finance is not removable by the Legislature. He takes a certain line of action and the public who have no responsibility in the matter are penalized and told that it will make the introduction of reforms impossible. Sir, there is no doubt that financial solvency is a pre-requisite of federation, but can this be had simply by waiting for something to turn up, or should we be up and

doing and taking every step to reduce our expenses ? We find that in many respects with the lapse of time the position is becoming worse and worse. It will be fresh in the minds of most Members of the House that the Federal Finance Committee earmarked the excise on matches as one of the federal resources of the future Government. But our need was so desperate that the Finance Member could not leave even this one and only source of revenue for future federal finance intact. He needs must have it at the present moment. This shows the straits to which we have been brought in the financial sphere and it seems that we will be penalized for the actions of others. I do not need to dwell on the evidence of the Secretary of State where he has considered these financial questions and in which he has dealt with and given the reasons for his evidence. Suffice it for me to say that although those estimates may be correct, there is scope for economy even in them. Now, Sir, a standing drain has been the imperial services. As far back as 1929-30 when the Simon Commission reported, even they did not find it necessary to alter the position which existed then. The position then was that the question of the Indian Civil Service was to be re-opened in the year 1939, and then the Central Committee had objected to the continuation of the Indian Civil Service and had recommended provincialization of the services. That was what happened in 1930. But what is going to happen in the new constitution is portrayed in the White Paper and in the Memorandum submitted by the Secretary of State—that the services question will not be opened till five years after the inauguration of the reforms. No one knows when the reforms are coming. It may be 1940 by the time the reforms come in.

THE HONOURABLE SIR DAVID DEVADOSS : 1937.

THE HONOURABLE MR. HOSSAIN IMAM : 1937 is rather too optimistic. Well, Sir, why should we change the position only on this account, that the new reformed Government should not be saddled with the responsibility of looking into the service question immediately after they come into being ? Why not do it beforehand ? What is the harm ? We might fix a quota now that for four years the Secretary of State will recruit from Europe and afterwards the services will become provincialized, so far at least as new recruits are concerned. We do not say that about the people already in service ; their position should in no way be jeopardized, but we do insist that this constant drain should not be allowed. This point has been very vehemently brought out in the joint note of the Indian delegation which forms part of these records. We are really very glad, Sir, that the Indian delegation carried on its work so well and they were able to submit a joint memorandum, and I should like, with your permission, Sir, to hear something more about the doings of the Indian delegation from our distinguished colleague who served on that delegation. The Honourable Sir Phiroze Sethna was the only representative from this House who was associated with the Joint Parliamentary Committee.

Sir, I do not wish to make this an occasion to attack the White Paper policy. My only idea in bringing forward this Resolution was to expedite the introduction of the reforms. Secondly, I wish, Sir, that this House should be given an opportunity to discuss and to give its opinion on the report of the Joint Parliamentary Committee when it does see the light of day. Thirdly, Sir, I wish to stress on one point. In reply to questions as to what would happen if the reforms were introduced in India the Secretary of State said that, firstly, provincial autonomy will be inaugurated and responsibility in the centre as contemplated by the White Paper, and by the evidence before the Joint Select Committee would be deferred for some time. The Indian delegation have insisted that a very short space of time should elapse between

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the two. However that may be, the thing which I find very unsatisfactory in the reply of the Secretary of State is that he contemplates giving extension to the present Legislatures up to the time that the reforms come in. He is not very definite that he will give an extension,—he is not sure that the authorities will give an extension,—but when he was asked whether he would see to it that no extensions were given, then he did not agree. That shows exactly the way in which Government want to move. We do not desire, Sir, that the present Legislatures should continue after the lapse of their natural time ; it is a bad policy ; it gives a bad name to the Government ; it gives a bad name to the Legislatures. If the people who come to the Legislatures cannot justify themselves by results before the electorates, they have no right to remain here, and if they can justify themselves, they should not be afraid of going to the polls and coming back with fresh credentials from the electorates.

Sir, the reforms are coming, but no one knows when. As long as we have the assurance that the Government is doing its best to expedite the reforms, we have no quarrel with the Government, but I wish that the Government should go out of its way and impress on the authorities in England the necessity of doing the work quickly because, as the saying goes “ Justice delayed is justice denied ”.

Sir, I move.

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN (Leader of the House) : Sir, I find it difficult to understand what the Honourable mover of this Resolution has actually done. He has expressed his regret at the great delay in reforms materializing, but curiously enough he has said that the suggestion that they will come by 1937 is too optimistic and his own forecast was about 1940. I am not sure whether these observations were made by way of humour, but if he was at all serious about them, I am afraid these are the sort of observations which might well lead the people in England to think that the Council of State thinks that the idea of reforms coming about 1940 is not a very unnatural or unreasonable one. However, it is for him and for other Members to see whether it is wise to indulge in these observations. Then he has expressed satisfaction at reports of the proceedings of the Joint Select Committee being presented to Honourable Members, and expressed the further desire, of being presented with copies of records as well. He has not stated that copies of records are in the Library of the House nor has he recognized that during the stay of Honourable Members in Delhi there are long spells of leisure, part of which one might usefully spend in the quiet atmosphere of the Library of this House. He then proceeded to some bits of evidence of the Secretary of State, in particular relating to finance and imperial services. If this is what he intended to do, he is welcome to it, Sir, and the attitude of Government in the matter is that these are subjects which have been discussed threadbare, these are matters which are under the consideration of the Joint Select Committee and Government has no intention of taking part in their discussion during this debate, but will be glad to forward the debate to the Secretary of State for his consideration. Then, towards the end of his speech, the Honourable Member proceeded to say what he wants is that the reforms should be expedited. I do not think there is any school of thought in India which would oppose him on that point. Then he said he wants an opportunity of discussing the report of the Joint Select Committee whenever it does come. That is rather premature. Is it not ? Government is not in a position to know when the report of the Joint Select Committee will materialize, nor is Government in a position to say what will happen to it when the report does

materialize. Therefore it is not for me to commit Government to what it will do so far as this House having an opportunity to discuss that report is concerned. If the House is in session it is open to any Honourable Member of the House to make the Motion that is being made now. If the House is not in session, I am sure the House would not like Government to stop the further advance of the proceedings relating to the reforms so that this House may have a chance of discussing the report. In case this House meets when the report has reached the stage of a Bill there is nothing to prevent this Honourable House from discussing this Bill. It is the same thing as discussing the report of the Select Committee in case there is not a Bill. Therefore, that part of his speech, if he means it to be the substantial part, I cannot but oppose.

Then, he later closed his speech by giving advice to Government as to what they should do in the matter of either holding fresh elections or prolonging the life of a Legislature which has run through the usual term. Well, Sir, we have noted his advice. Having listened to his speech and decided upon making the observations that I have just made, I really do not know whether the House is any the wiser as to what he said and as to what Government is or is not prepared to do. There is nothing very definite that he wanted done and in consequence there is nothing definite that I can tell him can or can not be done. If desultory discussion on the evidence of the Secretary of State or any other witness is desired, the House is welcome to it provided it is not expected that Government will take any part in it.

THE HONOURABLE SIR PHIROZE SETHNA (Bombay: Non-Muhammadan): Sir, the mover of the Resolution began by saying that he has introduced it in the orthodox manner in order to initiate discussion. He was good enough to make a reference to myself and say that I was the only Member of this House to be included amongst the 21 British Indian delegates who were sent to confer with the Joint Parliamentary Committee in London, and he desired me to place any further facts that I could before this House that were not generally known. With your permission, Sir, and with the indulgence of the House I will relate what perhaps may not have yet appeared in the press. As the mover informed you, the White Paper came out early last year. Soon thereafter Government decided upon sending 21 delegates from British India and seven from the Indian States. We left here about the third week of April and I would like the House to understand that if we all went there it should not be taken for granted that we accepted the recommendations of the White Paper *in toto* and that they did not want any modifications. On the contrary, it was because we felt that there might be introduced many modifications which would reconcile Indian opinion in favour of the White Paper that we accepted the invitation of Government. We were there 28 in number from India and there were 32 Members of the two Houses of Parliament, 16 from each representing the different political parties in the country. It would follow, therefore, that there would be some amongst them who would be in sympathy with the views of that section of the public known as the Die-hards. We soon discovered this after we commenced our sittings on the 16th of May. We first wanted to determine our own position and in reply to questions asked on the opening day we were told that we were on a footing of equality with the Members of Parliament in respect of evidence taken either in public or *in camera* and in respect of any papers which we might want and which were accessible to the members of the Committee but that, after the examination of witnesses was over and after the discussions between the Indian delegates and the Committee members had terminated, we were to make our *conge* and the members of the Select Committee would themselves prepare the report for they were there in the capacity of judges. That seemed to us as putting us

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at some disadvantage because our views would not be considered as we would like them to be just at the time of the preparation of the report. We therefore asked if we would be permitted to submit a memorandum or memoranda which might be considered at the time of the preparation of the report and that the same be embodied in the proceedings. The Chairman was not in a position to give an answer immediately but after consulting his colleagues he told us, two days later, that our request would be acceded to. That accounts for the Memorandum to which my Honourable friend, Mr. Hossain Imam, has referred. Now, Sir, my friend has laid stress on the fact that there has been delay this time. He referred to previous reforms, namely, the Morley-Minto and the Montagu-Chelmsford which did not take more than two years in the preparation. This time Government have been busy considering the reforms since 1928 and if we do not yet know what we are to get, perhaps the fault is our own. The fault is our own in as much as while there was a splendid opportunity of coming to a satisfactory understanding at the First Round Table Conference, the dissensions between the Indian Members themselves were responsible for the delay. They were responsible for the appointment of the subsequent Round Table Conferences, of the Consultative Committee, and finally, the Joint Parliamentary Committee. Now, I would like to assure the Honourable the mover that, so far as the Secretary of State is concerned, we know that he is most anxious to expedite the reforms. In proof of that I may tell him that when we commenced our proceedings on the 16th of May, his estimate was that our work would be over by July, the report would be ready by September and the bill placed before the House of Commons before Parliament was prorogued in November. We soon discovered that that was not possible. In the first place, there was some delay in commencing the examination of witnesses. Indian delegates put forward the suggestion that we need not make speeches explaining our point of view because Members of the Committee could read them in the proceedings of the three Round Table Conferences. It was ruled, however, that because the majority of the Members had no connection with any of the three Round Table Conferences, had never been to India and were not acquainted with conditions in this country, it would be better for the Indian delegates to put forward their case which we did. For this reason, the examination of the witnesses did not commence till the 2nd of June. So there was delay to begin with. We went on to the 3rd August when the Committee rose for the holidays. When we rose for the holidays we were not sure whether we should return when the work was resumed and that was because some members of the Joint Parliamentary Committee hinted that if every delegate did not return they could not look upon the remainder as a delegation. The Secretary of State, however, thought otherwise and he thought it would be very advantageous if we did return. I for one certainly thought so and had no hesitation in giving my views in the Press that the members should return and my reason was that some very important witnesses, such as the Manchester Chamber of Commerce and commercial bodies in London had not yet appeared before us. Again, the Secretary of State's examination had not finished, and finally, the most important of all, the discussions which between the members of the Indian delegation and the members of the Joint Select Parliamentary Committee were to take place after we returned in October. We were 21 and seven in the first instance as I have stated but when we resumed on the 3rd October, there were only 16, namely, 13 from British India and three representatives of the Princes. But although we were less in number, I think we were able to do very good team work such as we had never done before either at the three Round Table Conferences or at the Consultative Committee at Delhi. Because of such good

team work, we believe we were able to impress upon the members of the Joint Select Parliamentary Committee the exact needs of India at the present moment.

We resumed work on 3rd October, and I would remind the House that by that time the Secretary of State had to face very considerable opposition in the country from the members of his own Party, namely, the Conservatives. Whilst we were there in June, there was held a meeting of the Central Committee of the Conservative Party which bitterly attacked the White Paper, but fortunately the majority of those present voted in favour of the White Paper. Similarly, at the annual conference of the Conservative Party held at Birmingham on 5th October, there was again a majority in favour of the White Paper. But the opposition had grown in the meantime and I believe it is growing still further and that has to be reckoned with by the Cabinet no doubt, and I would ask my Honourable friend not to forget this.

Altogether there were 120 witnesses examined. My friend has referred to the question of the public services. I may say that the two points upon which members of the Joint Select Parliamentary Committee were very anxious in their examination of witnesses were in respect of the transfer of law and order, and secondly, in regard to the public services. As regards law and order, when they discovered that the work of the police of this country is divided into three branches, namely, the ordinary, the Criminal Investigation Department and the special branch of the Criminal Investigation Department, there were many amongst them who freely expressed the view that the special branch of the Criminal Investigation Department should be a reserved subject. As regards the public services, many arguments were advanced in favour of protecting them to a greater extent than the Secretary of State had recommended in the White Paper. They even went to the length of urging that if for any reason India failed to pay the pensions of the men of the public services, the Secretary of State should prevail upon the Cabinet and the British Government to guarantee such pensions. They also asked for a certain percentage in all the all-India services to be reserved for Europeans, and lastly, they even asked that a certain portion of our revenues should be definitely earmarked for the payment of pensions, to all of which the Secretary of State did not see his way to agree.

Now, Sir, I said that the most important witnesses were to come before us after we resumed work in October. The Manchester Chamber of Commerce was to appear before us on the 27th October. The Secretary of State very wisely asked for this date to be altered to the 3rd November for the good reason that just at that time negotiations were being carried on by the Manchester delegation and the Bombay Millowners' Association in Bombay and which were happily concluded in a satisfactory manner. The conclusion of what is now known as the Mody-Lees Pact certainly effected a very great change in the attitude of the Manchester Chamber of Commerce. I am revealing no secret when I say that they had prepared a memorandum which was dead opposed to Indian interests and which between 27th October and 3rd November was altogether altered, and they were conciliatory in their attitude towards Indian aspirations. For this we are indebted in the first instance to the Mody-Lees Pact to which a deservedly flattering reference was made by the Honourable the Commerce Member in the other House yesterday and I believe at this very moment Mr. Mody is today defending his action in the other place against unwarranted attacks made upon him by a section of the press in this country. But I must not omit to mention Lord Derby, one who is respected throughout all England and who commands the greatest influence in his own county,

[Sir Phiroze Sethna.]

namely, Lancashire. He was mainly responsible for the change in the attitude of the Manchester Chamber of Commerce delegates and the evidence they gave. This, I may say will not only have good results in the Committees' report but also in Parliament where they control as many as 70 votes.

There were other commercial bodies which gave evidence to which I have not the time to refer but I may be permitted to say a word or two with regard to the discussions which took place between the Indian delegates and the members of the Joint Select Parliamentary Committee. That was the most important part of our work. It was necessary to decide the procedure to be adopted. It is the rule for Joint Select Parliamentary Committees not to keep any record of their proceedings but only to record their decisions and the voting. On this occasion, member after member from amongst the Committee members observed that if any notes were taken, there would not be that heart to heart talk, and that they would hesitate to put questions to Indians which they would otherwise do. We saw the point and we left it to the Chairman. The Chairman, however, thought it necessary to have notes for future reference when the report was being prepared in case they forgot what was actually said during the proceedings. The Chairman decided that the report was to be his private property and that nobody else was to have access to it. After this arrangement, there were free and frank discussions. We did not spare our friends in pointing out what in our opinion were the defects of the present administration of this country. They did not spare us and they told us what they thought would be the defects and what would be the difficulties in the advancement of India at the rate we desired. We felt, that whilst we may have prevailed upon some by our arguments, we might not have prevailed on all, and it was considered very necessary therefore to leave a memorandum or move them if we delegates differed amongst ourselves. Of course, we did not ask the three representatives of the Indian Princes to join us in any memorandum we might submit. Of the British-Indian delegation we were 13 in all including Sir Hubert Carr, the representative of the European community. We did not ask him to join us for obvious reasons. But at the same time I would like here and publicly to acknowledge the very excellent work done by Sir Hubert Carr and the very valuable help he gave the British-Indian delegation throughout and particularly in fighting the Die-hard campaign. All the rest of us, 12 in number, including Sir Henry Gidney, who represented the Anglo-Indian community, signed that memorandum and it was sent to the Chairman on 17th November that is, a day after our proceeding ended. In that memorandum we have brought out the salient points in which we differed from the Members of the Committee and we do hope that as a result of the recommendations we have made therein the Committee's report will be so framed that it will prove acceptable to the reasonable section of the public in this country. I have already exceeded my time limit and I am sorry I can not even refer to the most important points therein. In the introduction we have pointed out that our object in asking for these modifications was to ensure that the reserve powers are so framed and exercised as not to prejudice the advance of India to full responsibility and to secure that the period of transition is not indefinitely extended. In short, Sir, what we have asked for is maximum responsibility and minimum reservations.

The Honourable the mover has made mention of the Secretary of State. Much has been said about him. As the House is aware, out of 20,000 questions put to the witnesses, he was responsible for answering one-fourth of that number, and it took him 75 hours in the course of 19 days to stand his cross-examination. He was in the dock, if you may so term it, for all that time

and he stood the test remarkably well indeed in the opinion alike of the Committee and of the delegates. If he had not to face so much opposition from a section of his own Party I would not be surprised if he would have gone beyond the recommendations he has made in the White Paper. But we must realize that he must secure the support of his own Party or the majority amongst them and therefore he has perhaps not been able to go far enough in the White Paper. We hope that in our absence he will be able to prevail upon the Committee to give effect to the modifications we have proposed in our Memorandum or as many of them as they can.

Mr. President, I will not take up more time except to refer to one or two former Members of this Legislature. I told you there were 120 witnesses in all. It is very strange that the majority of Englishmen who have returned from India to their homes in the old country within the last five years have been in favour of the White Paper, while the majority of those who returned ten or more years ago are against the White Paper. Amongst those who retired recently I want to mention the name of a former Commerce Member of the Viceroy's Council, Sir Charles Innes, subsequently Governor of Burma, and another who was a prominent Member of this very House, Sir John Thompson. Sir Charles Innes was very greatly in favour of Indian aspirations. Even in today's telegrams there is the report of a speech made yesterday by Sir Charles Innes before the Royal Empire Society, in which he says,

"We are pledged to introduce responsible government in India and Burma. If we grant it prematurely the countries would not be able properly to use it. If we hold our hand too long there will be such resentment that the first use the peoples will make of responsible government will be to leave the Empire".

He preferred the first alternative. Let us hope the members of the Joint Select Parliamentary Committee will also prefer the first alternative and that their report, which according to another telegram is expected to be in our hands after the Whitsun recess, two months or ten weeks later, will also be such as will prove acceptable to India. For, if only the White Paper recommendations are accepted, or, as is feared, even the White Paper is whittled down, I am afraid the trouble in India will not cease but will continue indefinitely which will be unfortunate for all concerned.

THE HONOURABLE SIR KURMA VENKATA REDDI (Madras : Nominated Non-Official) : Sir, we are indeed indebted to the mover of this Resolution in affording the House an opportunity of expressing its views on this very important question of the reforms. When my Honourable friend asked for papers I am sure he was in full possession of all the papers as much as any one else, and all that he wanted was only to seek an opportunity to lay certain points before the House, so that they may reach the authorities in England. Next we are indebted to the Honourable the Leader of the House for promising us that he would be pleased to communicate the proceedings of this House in order to enable the Secretary of State to know exactly what the feeling in this country is at the present stage. Last but not least, Sir, our friend the Honourable Sir Phiroze Sethna also deserves our thanks for telling us all that has happened as well as he could within the time allowed to him. Now, Sir, it is only in that sense that I should like to join in this debate, in the sense, namely, that our voice may be heard and our views may be communicated to the Secretary of State exactly in the form in which we give expression to them in this House. There are one or two points which are very important to us at the present stage. It is true no doubt that there is a good deal of opposition from Conservative quarters, especially from the south of England. I happened to be in England in the months of May, June and

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July last year, and I know exactly from where the opposition came. As has been already mentioned, the Conservative Associations, about 72 or 82 out of 120, passed resolutions to the effect that they could not accept the White Paper without material alterations. But it seems to have taken a different turn just now, if the newspaper reports can be credited. We are told that a section of people in England is giving out that the White Paper is not at all wanted by any party in India, that the Congress does not want it, that the Liberals do not want it, unless perhaps great changes are made as outlined in the memorandum to which reference has already been made, and that the other parties also do not want it. They ask :

“ Why then do you impose this upon India when nobody wants it ? ”

It has even been said that some Conservative members are just now in this country to ascertain for themselves whether that is so or not. Now, Sir, I cannot speak for all India, but I can speak for a great party to which I have the honour to belong. That party is in Madras, the Justice party. Next to the Indian National Congress, that party is the best organized party with the largest following, claiming to represent something like 38 millions of people in that province. Speaking on behalf of that party I can assure these gentlemen, those that might have come to India and those that are in England who think in that way, that, whatever may be said and however much we may be dissatisfied with certain aspects of the White Paper, if once it becomes law we for our part are perfectly willing to work it to the best of our ability and for as much as it is worth. To say and raise any opposition to it on the ground that it is not wanted in this country is a travesty of truth. No doubt we do want certain improvements in the reforms ; no doubt we do want certain changes, we do want to obtain as much as we could get ; but even if the White Paper is passed as it is I can assure you and speak for a great party that that White Paper would be worked, if it is not further watered down or whittled down. Sir, so far as the White Paper itself is concerned, we have always taken it as the offer of Great Britain to India and Great Britain cannot go behind it. With all its defects and with all its disadvantages, as far as it goes, we in our party recognized that it was an advance over the existing constitution. And as one who had the privilege of working, if only for three years, the dyarchic system, I can assure this House, as I have assured others elsewhere, that this White Paper is undoubtedly a great advance over the existing constitution. That being the case, if the White Paper is not further whittled down in any way, if at least it is passed as it was offered to us, then certainly there is sufficient opinion in this country which is prepared to work those reforms for what they are worth without in the least giving up our right to agitate for more reforms and greater privileges, which are our birthright.

The next thing I would place before the House is with reference to a certain piece of evidence which leaves an impression in our mind, the evidence of the Secretary of State, that an agreement has been entered into or an assurance has been given to Burma that in case she separated from India she would not have to suffer anything by way of tariff walls from India. Now, Sir, Burma is at perfect liberty to remain with us or separate. I am sorry my Honourable friend Mr. Glass is not here. I would be the last man to stand in the way of Burma separating, if that be the wish of the Burmese. But, Sir, as the saying goes, “ they cannot eat their cake and keep it ”, or, as the lawyers say, “ they cannot have both mud and money ”. If they want to separate, certainly they can do so, and they will be the same as other Colonies,

Crown Colonies, and they will be under whatever constitution may be given to them. But in case she does separate of her own free will and if that separation is accepted by the British Parliament, my submission is that this is not the stage at which any condition could be imposed on India, namely, to agree to impose no tariffs, no duties, no customs, on articles that may have to come from Burma to India. Sir, at the time when the Montagu-Chelmsford Reforms were granted to us, I happened to be in England and I believe it is actually in the report of the Joint Select Committee of 1919 that India will have her fiscal autonomy, and that if the Government of India and the Legislature in this land agree upon any point of fiscal reform, of tariffs, of customs, then the British Government would not interfere with that. Now, supposing that Burma is separated tomorrow and the Government of India are at one with the Legislature in this country—the two Houses of the Legislature in this country—and that this country decides to raise a tax on Burmese rice which comes into our province—about which we have a great complaint today and yet we do not complain because Burma is a part of India and she has as much right to import rice into Madras as any other province—then India shall be in a position to exercise the right of fiscal autonomy—

THE HONOURABLE SIR DAVID DEVADOSS: Fight for it.

THE HONOURABLE SIR KURMA VENKATA REDDI: As my friend puts it we may have to fight for it by all constitutional means. After all, this right which has been given to us 14 years ago, the right of fiscal autonomy, to be taken away from us on the ground that Burma had been, before the separation, a part of India, Sir, would cause such a grievous injury that I should like the Government in this country to let the Government of Great Britain know how strong the feeling is in this country, for we are today suffering from Burmese imports but yet we actually accept the position because there cannot be any difference between one province and another province so long as one remains a part of India. But when once Burma is separated, I should think it very unwise, very unjust, on the part of the British Government to give any assurance to Burma that the fundamental right of India to control her own fiscal powers would be taken away and that some benefits would be shown to Burma even before Burma is separated. That, Sir, is another point which I should like the Government of India to kindly let the British Government know.

There is yet another point which I should like to place before the House and that is with reference to the financial relations between the various provinces and the centre. Just a few days ago, speaking on the budget, in the general discussion in this House, I made the position of Madras clear and pointed out that Madras, and the United Provinces for the matter of that, have been treated as the milch cows of India. I also pointed out that for five or six years under the Montagu-Chelmsford Reforms we were made to bleed, having had to pay Rs. 3½ crores every year as contribution to the Central Government. I also pointed out that the taxes in my province have been very heavy; the incidence of taxation has been unbearable in Madras. Whereas we in Madras pay Rs. 8 crores on land and land alone, there are provinces which do not even pay Rs. 4 crores though the extent of our culturable land is by no means larger than that of other provinces. After all, Sir, all these things will have to be settled by the Financial Relations Committee that will have to be appointed. So far I have not been able to see whether any definite promise has been made that such a committee would be coming to this country, whether it be of Britishers, or of Britishers and Indians or of

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Indians alone. I would respectfully submit that Madras would insist upon such a committee, so that the financial relations between the centre and the provinces might be satisfactorily settled, satisfactorily to all the provinces. Every province would be at liberty to represent its grievances and it is for such a committee to find a way out and show how this burden could be equalized. After all, taxation has its limits. We have read in books that taxation must be equal, that taxation must be bearable, and so on and so forth and there are technical expressions such as capacity to pay and equal distribution which I need not repeat here. But judged from any standard, Sir, Madras is today suffering from such a heavy burden of taxation that it would be impossible for that province to bear it any longer unless the Government of India come to our rescue and see that some equal and just adjustment is made.

Sir, I have only one word more, and that is to join my Honourable friend Sir Phiroze Sethna in the compliment, or shall I say, the tribute—that will be the more appropriate word—paid to the two great friends of India, Lord Derby and the Secretary of State. I happened to be, Sir, as I told you a little while ago, in London last year, in May, and I had opportunities of meeting both these gentlemen on various occasions. I think I met the Secretary of State no less than three times and as for Lord Derby I met him four or five times. On every occasion I received the greatest sympathy from them and as a matter of fact from the discussions I had with them not merely on the purpose for which I went there but on the general purpose of the reforms, I could see that these two gentlemen had been doing their best to help India. As friends of India they are entitled to our gratitude and I wish to give expression to the sense of gratitude felt in this country through the means of the debate on this Resolution.

Sir, I have done.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : Sir, I will not take up much time in putting forward my observations, but I think it is my duty to say what I think of the White Paper. The fundamental defects of the White Paper scheme are, firstly, that it leaves the paramountcy of the British Parliament unaffected, and secondly, that even the powers that it does transfer are not transferred to the Indian nation but to an India so divided into water-tight communal compartments that in the perpetual wrangling and strife of the communities the third party will find its opportunity of prolonging its tenure of irresponsible power. Both these vital defects are left entirely undisturbed by the joint memorandum. It is no use asking, as the memorandum does, that

“the preamble to the Constitution Act should contain the definite statement that the natural issue of India's constitutional progress is the attainment of dominion status”.

Sir, no constitution which leaves this power in the hands of the British Government can be regarded as a self-governing constitution in any sense of the term or fulfil the pledges repeatedly given by the Prime Minister and by successive Viceroys that as a result of the labours of the Round Table Conference India is to become a dominion. No part of the White Paper proposals, as every one knows, has evoked more widespread or more energetic protests in India than that relating to all-India services. The reason is quite clear. The proposal goes against the root principle of responsible constitutional government. The Lee Commission had admitted the anomaly of officers working in the Transferred Departments being responsible to an

outside authority. British Indian delegates in London have unanimously condemned the proposals to perpetuate this anomaly. Even the European representatives had admitted that it is most important that the new constitution itself so far as it would give any real power to India could never be successful or properly worked as long as the all-India services remained beyond the control of the Ministers in the provinces and at the centre.

With these few remarks, I resume my seat.

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR (Madras : Muhammadan): Sir, I express my grateful thanks to the Honourable the Leader of the House for the assurance he has given us to forward the proceedings of this debate to the Secretary of State. All that we wished to do by this debate and all that the Honourable mover of this Resolution hoped to do by this debate, was only to see that our views on this burning question, the question of India's constitutional advance, might be communicated to the authorities in England and that in spite of any disagreements which we might have with one or other of the White Paper proposals, we were, on the whole, prepared to work the constitution, which the White Paper proposed to set up, and last but not least, that there were grave dangers in the delay which is being caused in introducing the reforms, for which the country has been waiting so long. Therefore, Sir, we are highly grateful to the Honourable the Leader of the House for having consented to communicate our views to the authorities in England. Before I make my own observations on the Resolution, I would like, on behalf of myself and all my other colleagues in this Honourable House, to tender my thanks to my Honourable friend, Sir Phiroze Sethna, for the lucid and detailed account that he has given us of the work of the Joint Parliamentary Committee and of the way in which our representatives from India, of whom our Honourable colleague was one of the most distinguished, have tried to discharge their duty.

Sir, I join him in the well merited tribute which he has paid to the Secretary of State and to that other great statesman in England, I mean Lord Derby. I join him in the tribute he has paid to them for trying to help the cause of India, for the way in which they have been trying to obviate the obstacles that are being attempted to be placed on the attainment by India of her natural and legitimate ambition. I believe that the Honourable the mover of this Resolution was perfectly justified in impressing upon the Government the necessity of expediting the reforms. It is common knowledge that ever since the Reforms Inquiry Committee was set up by the Legislative Assembly, there has been an incessant demand in the country for a further and more substantial advance, particularly during the last six or seven years and, as the Honourable the mover has rightly pointed out, since the appointment of the Simon Commission, this question of India's constitutional advance was the one question which more than every other has engaged the attention of public men, both in England and in India. I need not take the House through all the various inquiries that have been set up in the attempt to solve this problem. As we are all aware, Sir, as the result of these inquiries and consultations, with the help of the three Round Table Conferences and the various committees which were set up by them, the White Paper was issued and proposals formulated. Then the Joint Select Committee was set up to examine these proposals and this committee did its work with the help of our Indian representatives some of whom assisted it in the capacity of assessors and others in the capacity of witnesses.

[Saiyed Mohamed Pashah Sahib Bahadur.]

Sir, opinions were expressed about the proposals that were formulated in the White Paper in this House and also in the other, as well as by the various important political organizations in the country. Again, the British-Indian delegation also submitted a joint memorandum, pointing out the directions in which it was desirable to effect modifications in order to make these proposals acceptable to the country and I am glad that the British delegation did submit this memorandum for otherwise it would have been unable to give to the Joint Parliamentary Committee the benefit of their views, inasmuch as it was ruled that this part of the delegation was to become *functus officio* as soon as the examination of the witnesses was over.

Therefore, Sir, I feel that there is enough material to help in the solving of the problem which has been awaiting solution for all these long years. All the matters which are connected with this constitutional question have been thoroughly examined and every aspect of this question has been closely and carefully scrutinized. The settlement of this question, Sir, has been long overdue. I am strongly of opinion that this is not the time for any hesitation, indecision or procrastination. For I feel that procrastination in this instance is bound to prove the veritable thief of time ; it is bound to rob you of the opportunity which you now have of inaugurating the reforms with a substantial chance of success. There is a large body of men in this country who are still ready to co-operate, who are still ready to work the reforms, if they are inaugurated without any avoidable delay. Again, recently there has happily been a revulsion of feeling in other quarters also. Several amongst the extremist sections have come to recognize the futility of boycotts and unconstitutional methods. They are now thinking of entering the Legislatures and directing their energies into more useful and effective channels. Therefore, Sir, if the reforms are introduced now without any unnecessary delay, there is every possibility of a very large section of the Indian people coming forward to work the new constitution and make it a success, but if there is any undue delay it is just possible that the situation might become much worse and more difficult. That this is so is obvious from the way in which events have been moving both in India and in England. In England, as my Honourable friend, Mr. Naidu has just observed, forces are already at work in order to deprecate and frustrate the attempts of His Majesty's Government to do justice to India. Sir, as we have seen from the newspapers, commission after commission is being sent to this country by the Tory section, ostensibly for the purpose of studying the situation here, but really to help the Tory section in England to distort facts and paint things after their own fashion. These commissions are sent here that they might clutch at any differences that they might find in India and make it appear to the authorities that there is no unity among the Indians in regard to the White Paper. Besides this, desperate efforts are being made to excite prejudice against the White Paper proposals both in England and in India. Bitterness is sought to be engendered in India by all kinds of attempts being made to qualify the solemn pledges which have been so repeatedly given to us ; and opposition is being mobilized in England by making it appear that in their attempt to implement those pledges His Majesty's Government are embarking on a policy of abdication. Therefore, it is quite patent that the situation is getting worse and worse. Unless something is done at once without any loss of time, it is just possible that the chances of the success of the reforms might become jeopardized.

One word more, Sir, about one observation made by the Honourable the Leader of the Progressive Party. I am sorry to say he was not well advised in making that reference to the communal aspect of this question. Sir, it is only these ill-considered utterances on our part which go to give a handle to the Die-hards in England and to make it appear as though there is still a sharp difference of opinion amongst us as regards the White Paper proposals. The Communal Award, whether good, bad or indifferent, is the one thing from which there is no escape for us, so long as it is not possible for us to come to an understanding between ourselves. As my Honourable colleague, Sir Phiroze Sethna, observed in his speech, most of the delay that has been caused in this matter has been due to our own conduct and has been due to our inability to come to an agreement and propose practical suggestions which would have helped to solve the problem. Sir, several opportunities were offered to us to come to this agreement and even before Government began to make attempts to solve this problem, there have been many attempts on the part of non-officials in India, and on the part of leaders of various sections here, to come to an agreement on this point. But, unhappily, Sir, every one of these attempts ended in miserable failure. I am therefore of opinion that it is not advisable on our part to try and unsettle these matters which at last have been settled in some way by the Communal Award. My humble advice to my friends who disagree with me on this point would be that for want of a better arrangement we should be prepared to give this a fair trial and to see after this has worked for some time, if it is not going to improve matters and bring about an atmosphere in which it might be possible for us to come to some better arrangement which might be more acceptable to the people here.

As I observed, Sir, it is very dangerous to allow matters to drift and to allow—

THE HONOURABLE THE PRESIDENT: The Honourable Member has already referred two or three times to the subject of delay.

THE HONOURABLE MR. SAIYED MOHAMED PADSHAH SAHIB BAHADUR: I just want to make one observation, Sir.

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: Is the Honourable Member referring to the White Paper?

THE HONOURABLE THE PRESIDENT: Order, order. Will you proceed?

THE HONOURABLE MR. SAIYED MOHAMED PADSHAH SAHIB BAHADUR: I am referring to the White Paper and to the Resolution before the House. I do not want to suggest that the authorities are deliberately delaying the reforms. I do admit that they are quite in earnest. I fully appreciate their earnestness and their anxiety to do everything, and to push things on with every possible dispatch. Above all, the presence of His Excellency Lord Willingdon at the helm of affairs in India is a sure guarantee to us that every possible effort will be made by the Government of India to see that there is no delay which can be avoided. Sir, it is a fortuitous coincidence that one who is such a distinguished and trusted statesman of Britain is also a trusted friend of India. Let us therefore hope that the visit which His Excellency is shortly going to pay England will bring about the desired results. Let us also hope that His Excellency will be able to make the authorities in England realize the gravity of the situation and the danger

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involved in indecision and delay. Let us further also hope, that when he comes back, he might be able to bring with him a message of hope which would go to put more heart into the people of this country, bringing the reforms more clearly and closely in sight.

THE HONOURABLE MR. HOSSAIN IMAM: Sir, I am thankful to the House, especially to my Honourable colleague, Sir Phiroze Sethna, for the support they have given me. I was very surprised that the Honourable the Leader of the House should have thought that I gave expression to my own opinion when I said that we expected to have the reforms in 1940. I was not voicing the demand of India or my own expectations. We would welcome it tomorrow. I was simply referring to the way in which the British Government is dallying which shows that they have no intention of introducing the reforms immediately. I should like to draw the attention of the House to page 11, paragraph 19 of Volume III of the Records of the Joint Parliamentary Committee, in which the Secretary of State says as follows :

“ It is any way clear that some considerable betterment of central finances and on an assured basis, must take place before the centre can make surrenders necessary to establish the provinces ”—mark the word ‘provinces’—“ as independent financial units on such terms as will allow them to rest securely on their own resources ”.

I was simply referring to the hindrances which have been put in the way of the establishment of the reforms. I wish to associate myself with the remarks of my Honourable colleague, Sir Kurma Venkata Reddi, as regards Burma. He has interpreted the opinion of India quite correctly. The only thing in which I wish to amend his statement about the working of the reforms is that we are all willing to work the reforms whatever their nature. But how we will work depends on the nature of the reforms. If they are satisfactory, we will work them for their own sake ; if they are unsatisfactory, we will work them to end them or mend them.

As regards the distribution of resources, we had before us the report of the Percy Committee and some further light was thrown in one of the memorandums which the Secretary of State has submitted to us, but even they failed to give any clear outline of the financial position of the future reformed constitution. Sir Phiroze referred to the opposition of the Tory Die-hards. Some people have said that it was a put-up job, but I personally agree with *The Statesman* that it is disappointed expectations which is responsible for the barrage of opposition which has been going on in Parliament. The Leader of the Independents drew our attention to the fact that the Die-hard element is trying to put a spoke in the wheels of reform. Our complaint, Sir, is that while they are doing this openly, there are others who are doing this secretly, and they are in my opinion worse enemies than those who face us and whom we know we have to oppose. I was rather sorry that the element of communal heat was engendered in this House. I expected that the Leader of the Independents while he was on his feet would refer to something else. We are always accused of not being able to compose our differences ourselves ; but when we do compose our differences, when we do come to a decision, what happens ? The Leader of the Independent Party, a member of the Statutory Railway Board Committee which sat in England, knows that they came to a decision and they made a compromise and the Secretary of State did not accept that compromise. Has he any word of condemnation for the Secretary of State for that action ? If the Secretary of State does a thing which is against the interests of Mussulmans, then there is no condemnation for that. But if anybody else says a word, not to attack Muhammadans but to attack others,

even that is supposed to be disadvantageous to the Mussulmans, then that person must be attacked and attacked every time when he gets up. It is a wrong policy. We must realize, and I realize it, that we can find friends only in those whom we can impress with our importance.

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR : One question is, is it advisable for your Leader to rake up a question which has happily recently been given a quietus. Are you not aware of the communal reflex—

THE HONOURABLE MR. HOSSAIN IMAM : The White Paper was published on the 18th March ; but the report on the Statutory Committee was published after that, and the memorandum on that report has not been attacked by the Leader of the Independent Party, a report to which he himself was a signatory.

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR : It is irrelevant to talk of that matter. I had a hand in bringing about that compromise—

THE HONOURABLE THE PRESIDENT : Order, order. Will you please not stray aside from the terms of the Resolution ?

THE HONOURABLE MR. HOSSAIN IMAM : I was referring, Sir, to Volume III of the records. The report of the Statutory Railway Board Committee forms part of the Joint Parliamentary Committee's records. It is for that reason I brought in the question, otherwise I would not have done so.

In view of the fact that the Government is prepared to forward the debate of this House to the Secretary of State, who is the right authority to consider the matter, I do not find it necessary to press this Motion and I would request the permission of the House to withdraw it.

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

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

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

RESOLUTION *RE* COMMUNAL REPRESENTATION ON STATE RAILWAYS.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : Sir, I rise to move the Resolution which stands in my name and which reads thus :

“ This Council recommends to the Governor General in Council to determine the proportion of communal representation of employees on State Railways on the basis of the population of each community in India, and that the proportion of each community be separately determined in respect of firstly, officers, and secondly, subordinates, clerks, menials and all other employees including workshop labourers and establishment.”

Sir, personally I am against the policy of communal representation, but as it is now the accepted policy of the Government I have thought fit to move

* *Vide* page 465, *ante*.

[Rai Bahadur Lala Ram Saran Das.]

this Resolution. My object in moving this Resolution is that Government while determining the proportion of various communities should take into consideration the total number of its employees and not a portion of it. At present railways have arbitrarily taken a certain portion of its employees, upon which they seem to have determined the communal proportion. This seems to me unjust and inequitable. What is the reason why all the employees are not taken into consideration when determining the communal proportion? At present workshop employees, the inferior servants and all low paid servants are not taken into consideration at all while considering this matter. Sir, Mr. Hayman on behalf of the Government said in the other House in 1930 that the pledge which Government gave in 1925 stands. I doubt how far that pledge is being fulfilled by Government. The other day the Honourable the Railway Member observed that the percentage of Indian gazetted officers at present is 39. What an extremely small number of Indian officers? Then, Sir, in the report of the Railway Board which has been handed to us for this year, in the year 1932-33, out of a total number of ten superior officers recruited for State Railways, four were Europeans, two Hindus, one Muslim, two Anglo-Indians and one Indian Christian. That is to say, that the percentage of Indian recruitment in the year even if domiciled Europeans and Anglo-Indians are to be taken as Indians was no more than 60 per cent. The Government pledge was to take 75 per cent. Indians or Europeans of Indian domicile and Anglo-Indians while recruiting for the superior services. Against that 75 per cent. we find that the percentage for the year under reference was only 60. In Company-managed Railways the position was still worse. Out of a total of 26 superior appointments made in the year as many as 15 went to Europeans and only 11 to Indians of whom three were Anglo-Indians. The Honourable Sir Joseph Bore in the other House observed that Government claimed credit that during the last four years the percentage of Indian gazetted officers had risen from 28 to 39. Sir, in case this scale of progress is maintained it will take 25 to 30 years to Indianize the railway services. I leave it to this Council to consider whether Indianization on this scale is proper and whether this scale of Indianization corresponds with the pledge to which I have already referred and which was given by Mr. Hayman in the other House?

Sir, in case we take the case of subordinate services in railways carrying a salary of Rs. 250 a month and over, we find that at the end of March, 1932, there were 1,402 Hindus, 311 Muslims, 2,355 Anglo-Indians, 141 Sikhs, 135 Indian Christians and 178 other classes. In other words, out of a total of 4,522 posts no less than 2,355 or more than 50 per cent. are held by Anglo-Indians. Anglo-Indians are paid at a higher rate than Indians doing the same work. I must say that Indians are quite prepared to treat Anglo-Indians as Indians, but only on one condition. That condition is that Anglo-Indians and domiciled Europeans should have all the rights and privileges of the Indian communities on the condition that they definitely throw in their lot with other Indian communities, share their joys and sorrows, their ideals and aspirations, fight their battles and in every possible matter accept a position of perfect equality with them. They cannot have the best of both worlds, and cannot be Indians only for certain definite purposes and Europeans for all other purposes. As long as they continue to have this ambiguous position, they, as well as the Government, will have only themselves to thank if the people of India will not recognize them as Indians for the purpose of Indianization of services. If racialism in service is bad, communalism is hardly better,

Sir, the demand underlying my Resolution is a very just one and I hope that this Honourable Council will give favourable consideration to it. My only desire is that the communal proportion on basis of population be fixed and be made known to us as far as each community is concerned and that instead of taking a partial number of the various employees in railways we should take the whole number.

With these words, Sir, I commend my Resolution.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : If I have your permission, Sir, I would like to suggest one small verbal amendment in this Resolution to make the latter part of it read

“ In respect of firstly, officers, secondly, subordinates, thirdly, clerks, and fourthly, menials and all other employees, etc. ”.

THE HONOURABLE THE PRESIDENT : How do you distinguish between subordinates and clerks ?

THE HONOURABLE MR. HOSSAIN IMAM : Well, Sir, there are upper subordinates and lower.

THE HONOURABLE THE PRESIDENT : Does the Honourable the mover agree to this ?

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : I have no objection, Sir, to agreeing to that proposal if the Government also agrees.

THE HONOURABLE SIR GUTHRIE RUSSELL : I have no objection.

THE HONOURABLE THE PRESIDENT : Very well. I have no objection.

THE HONOURABLE MR. HOSSAIN IMAM : Sir, the Resolution which my Honourable Leader has moved is so reasonable that I expect the entire House to support it. The Muslim community has always been demanding that their share should be fixed and, as is well known in this House, Mr. Hasan made inquiries about this and submitted a report which has been passing like a shuttlecock between the Home Department and the Railway Department. When I last made inquiries, it was found to be in the Home Department. The reason for moving this Resolution is that we wished that Indianization of the officers' rank should proceed at a more rapid pace. At the present moment, as the statistics quoted by my Leader shows, Indianization is not going on rapidly enough. The fact that Anglo-Indians are now classified in the category of Indians makes the position impossible to real Indianization. If the statistics of about ten years are seen it will be found that the numbers of Anglo-Indians has increased in the officers' rank very considerably. We do not, Sir, grudge them this so long as there is a *pari passu* increase in Indianization as well. But we find that under the garb of Indianization the real thing that is happening is that Europeans are being replaced by Anglo-Indians. Very few Indians find a place in the Railway Board itself. We were consoled by the appointment of a so-called Indian, but that Indian happened to be neither a Hindu nor a Muhammadan nor an Indian Christian nor a Parsi. The fact that at the moment recruitment has been reduced to a great extent makes it more incumbent upon us that Indians of the right mettle should find a place in the national business. For these reasons this Resolution has been brought. I hope the Chief Commissioner will not disappoint us and accept it.

THE HONOURABLE MR. BIJAY KUMAR BASU (Bengal : Nominated Non-Official) : Sir, I have hitherto always thought of the Leader of the Progressive Party in this House as a nationalist patriot. I always thought that he was a patriot of the right type to think of India as a nation and not as belonging to several communities. This Resolution, to my mind, is, if I may term it, reactionary, and shows that the Leader of the Progressive Party is progressing backwards. Sir, so far as I have known about Indian traditions and Indian culture, especially the Sanskritic culture, if I may say so, has always been not to cavil at the little things here and there but to see the whole world as your kin. In this respect also, I charge the Leader of the Progressive Party with having failed to come up to my expectation. This Resolution has really shown his clay feet. Sir, if the Government's accepted policy was that there would be communalism in every aspect and every department of Government service, I for one should have thought that we here should not add fuel to the fire but instead of that we should try to quench and put out the fire altogether. (*An Honourable Member* : "But can we do that?") If we cannot do it, it would be our misfortune but not our fault. That is why I say that if people like you try to do something to put out that fire and develop a spirit of true Indian nationality which will take no account of religion, caste, colour or creed, that will be a consummation devoutly to be wished. Although, Sir, the Honourable the mover's speech was a tirade against Anglo-Indians, he should not forget that this sort of Resolution would prove a boomerang which will come back and hit its thrower some time or other. I thought the Honourable the mover of the Resolution was a far-sighted statesman, and would realize that this sort of Resolution was bound to hit us back at the long last. In order that we may perform our duties in the way of developing an Indian nationalism and an Indian nationality, we should do our work, in my opinion, in such a way that it would redound to our credit to have followed that path, and that it would be also for the benefit of the motherland and that all differences should be buried, that all strifes and animosities should be allayed and we should let the jarring notes of communal dissensions be hushed in the presence of the larger question of the good of the whole country and developing a true national spirit.

THE HONOURABLE SIR PHIROZE SETHNA (Bombay : Non-Muhammadan) : Mr. President, the Honourable Mr. Basu has attacked the Honourable the mover of this Resolution. I do not think there is justification for the remarks he has passed. For the Honourable Mr. Basu will remember that the Honourable Rai Bahadur Lala Ram Saran Das began his speech by saying that he himself is personally opposed to the reservation of percentages for different communities. And yet, you might well ask why has he brought forward this Resolution? From the observations made by the Honourable the mover, I take it that he wants to draw the attention of the Honourable the Railway Commissioner to the fact that there is one particular community which evidently appears to have been very largely favoured. Now, I may point out to the Honourable Rai Bahadur Lala Ram Saran Das that both the railways and the telegraphs were until the last few years practically the preserves of the Anglo-Indian community. Since agitation has been made, the number of Anglo-Indians in both these departments is being reduced.

Sir, Honourable Rai Bahadur Lala Ram Saran Das quoted a certain percentage of new entrants from the Anglo-Indian community which he thought was very large. Perhaps the Honourable Sir Guthrie Russell, when he speaks, will be able to prove to the House that if this number was large during last

year, it is smaller than what it was in previous years and will be yet smaller in later years. If that be so, then I do not think there is justification for this Resolution. You cannot appoint just a few men now where thousands were appointed before. But if Sir Guthrie Russell assures this House that as time goes on more Indians will take the place of Anglo-Indians, which they cannot do immediately, then I think it will be very right for the Honourable Rai Bahadur Lala Ram Saran Das not to press his Resolution.

Speaking of the appointment of gazetted officers, the Honourable Rai Bahadur Lala Ram Saran Das said that they were only 60 per cent. instead of 75 per cent. as recommended by Government, and from that he drew the inference that at this rate it may take years and years before the higher services of the railways are Indianized. I would like to point out one thing and that is to mention the vernacular proverb which says that it may take you years and years to make your first lakh of rupees but once you have made your first lakh, then the other lakhs mount up in very quick time. I do hope, now that a beginning has been made and there are already 39 gazetted Indian officers, that we will not have to wait for many years before that number of 39 increases to 390.

THE HONOURABLE SIR GUTHRIE RUSSELL (Chief Commissioner of Railways): Sir, I do not propose to go into the details of the arguments and figures quoted by the Honourable the mover of this Resolution or the arguments used by other Honourable Members. I merely propose to state the present position. I think I cannot do better than quote what was said by the Honourable the Railway Member during the debate on the Demands for Grants last months. I think that states the position as clearly as it is possible at present to state it. He said :

" We (that is, the Government) recognize that this question of adequate representation of communities in the services is one which arouses the liveliest interest in all quarters. It is a question beset with very many difficulties and it is not a problem which can be lightly tackled or which can be hastily settled. The House will realize the diversity of interests concerned; it will also realize that any decision taken in respect of one department must have repercussions in respect of other departments. We have now tried, I would like to assure the House, to give the fullest consideration to criticisms and claims from all quarters and our final proposals which have been completed are now before the Secretary of State. I hope that it will be possible, Sir, to announce a decision on this matter at no distant date. In view of that statement, Sir, I hope that my friend will not press his Motion "

I trust that my Honourable friend, Rai Bahadur Lala Ram Saran Das, will follow a similar course.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Sir, I am sorry that my friend, the Honourable Mr. Basu, has accused me of several charges, but I can tell him straightaway—and my Honourable friend Sir Phiroze Sethna has already made a representation on my behalf—that I am one of those who are against communal representation. My Honourable friend Mr. Basu claims to be of the same opinion as I, but he had not the courage to speak in this House when Government is pursuing a policy of communal representation. I might state the Punjab proverb meaning that when a man is hit by an arrow he should not presume it to be false. My friend is in that position. He still argues against the policy which is now an accepted one. The communal representation or the disruption in our social and public life has been created by the Government itself and not by me. My friend has no justification whatsoever to accuse me in the way that he has done; he ought to have accused the Government instead. Does it mean

[Rai Bahadur Lala Ram Saran Das.]

that he in future will advocate against the communalism? Will he try to get this decision of the Government accepting communal representation quashed?

THE HONOURABLE MR. BIJAY KUMAR BASU: If I had the power I would do it.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: I might say that you have neither the courage nor the power. Sir, he had not even the courage to support even my proposal that the communal representation must be based upon the total number of employees and not on any arbitrary portion. On the other hand, he said that if we do that, we will create more and more tension. It is not a question of creating tension. The Government, whether that tension comes or not, is bound to pursue the policy which they have adopted. Whether Mr. Basu is against it or for it, the Government will not make a change. As long as that policy is being pursued, I request the Government to be equitable and just and not to determine the proportion by a portion only which suits them and not by the total.

My Honourable friend Sir Guthrie Russell has said that Government have put certain proposals before the Secretary of State and that shortly he will be in a position to announce how this communal proportion will stand and what will be the percentages. I hope, Sir, Government in their recommendations have based the communal proportion upon the total number of employees. If that is the case, Sir, I do not want to press the Resolution and I will wait till that decision of the Secretary of State is made known to us:

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

RESOLUTION *RE* ESTABLISHMENT OF AN IMPERIAL COUNCIL ON CO-OPERATION.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: Sir, I beg to move:

"That this Council recommends to the Governor General in Council to establish an Imperial Council on Co-operation at an early date on the analogy of the Imperial Council of Agricultural Research."

Sir, since I became a Member of this House it has been my earnest desire to bring co-operation into discussion as this subject has been neglected by the Government of India for a very long time. This opportunity was only offered to me recently when the Government invited a Registrars' Conference in January last in which they put up a definite proposal for the consideration of the Conference to set up an Advisory Board on Co-operation. I fail to see why this most important subject has been neglected by the Government. Other subjects like education, public health, public works department, industries and agriculture are all transferred and yet they have all their connection with the Central Government one way or the other.

Sir, India is an agricultural country and the plight of the agriculturist is known to all of us. The indebtedness of the agriculturist is over Rs. 900 crores. Their illiteracy is greater than in any other country of the world. They do not know what is happening

* *Vide* page 418, *ants*.

outside their villages, and with all this the one and only source through which light can come to them is being neglected by the Government of India. Sir, the basic principle of co-operation is "each for all and all for each". That is the principle on which the co-operators are doing service to their brethren and helping one another. The importance and potentialities of co-operation have long been recognized and with your permission, Sir, I will just give one important sentence uttered by His Majesty the King Emperor in 1911. He said :

"If the system of co-operation can be introduced and utilized to the full, I foresee a great and glorious future for the agricultural interests of the country".

That prediction holds good today and it is proved that it is doing a very useful service to the agricultural population of the country. Later on Commissions that have come to India, the Agricultural Commission and the Banking Enquiry Committee, have all laid great emphasis on the development of co-operation in this country. The Royal Commission on Agriculture said :

"If the rural community is to be contented, happy and prosperous, Local Governments must regard the co-operative movement as deserving of all encouragement which it lies within their powers to give".

Then, Sir, the Committee of Foreign Banking Experts appointed in connection with the Indian Central Banking Enquiry Committee have said the same thing. They said :

"The co-operative movement, in spite of imperfections and unavoidable set-backs, deserves every possible assistance from all quarters, because there is no better instrument for raising the level of the agriculturists of this country than the co-operative effort and a strong appeal to the banking interests of the country to assist this movement seems not at all out of place".

Sir, these were the views of foreigners who came here and saw the conditions of the country. With all this, however, we find that after the appointment of the Maclagan Committee in 1915, no particular effort has been made by the Government of India except the calling of Registrars' Conferences now and then, and even those conferences were not called for five years during 1928 to 1933. The co-operative movement received a set-back with the economic depression and the fall in prices of agricultural produce. It was making progress up to 1930-31, but since then it has received a definite set-back. Comparing the number of co-operative societies in British India and Indian States in 1927-28 and 1930-31, we find that in the former year there were 96,000 societies, which rose to 106,000 societies in 1930-31. The membership rose from 37.8 lakhs to 43 lakhs. The working capital rose during the same period from Rs. 37.6 crores to nearly Rs. 92 crores. The movement stood the shock of the Great War but it could not stand this economic depression and fall in prices, and since 1930-31 as I have said, it has been going down. The number of societies as well as the membership are decreasing. This was the time when these agriculturists deserved a lot of help as far as advances are concerned, but unfortunately the co-operative banks, seeing the condition of the tenantry, have begun to advance less and less. A large number of societies and banks were liquidated and the stability of others is also threatened on account of this depression. The main work being carried on by the department in the provinces is agricultural uplift and forming of better-living societies and improved methods of agriculture, as that is the only thing by which we can raise the condition of the tenantry. Under these circumstances it was very fortunate that my friend the Honourable Sir Fazl-i-Husain called this Co-operative Conference and placed a scheme for an All-India Advisory

[Rai Bahadur Lala Mathura Prasad Mehrotra.]

Board before it for discussion. Sir, I cannot better express the necessity for co-ordination of the activities of different provinces than in the words he himself used while inaugurating the Conference and, with your permission, Sir, I will quote one of the sentences from his speech. He said :

“ It will be useful to me to exchange ideas and impressions, to take stock of the existing position and to confer together in the light of their various experiences to find a solution of the difficulties which were attributable to a spell of economic depression and which had obstructed the development of an important national activity ”.

That is what he said, Sir, and that is what we want in moving this Resolution. I know, Sir, that it is not possible to set up at once an Imperial Council on Co-operation on the scale of the Imperial Council of Agricultural Research. I admit that it is doing very useful work and if such a Council is established it will be a great help to the provinces. But to begin with I am content with the scheme suggested by my Honourable friend Sir Fazl-i-Husain, that is to set up an Advisory All-India Board, which could meet once or twice a year and give us the benefit of an exchange of views between the provinces, to know what their difficulties are and the steps they have taken to meet them.

Sir, we the non-officials have set up two All-India co-operative bodies, I mean the All-India Provincial Co-operators' Institute at Bombay and the Indian Provincial Co-operative Banks' Association at Madras. These two non-official bodies are doing some useful work, but in the absence of any all-India legislation, we could not get them registered and therefore they are working as unregistered societies on a co-operative basis. I hope the Government will bring an all-India legislation soon, so that non-official bodies like these may be registered and have the force of law. Sir, there is one other question about expenditure for this All-India Board. As far as I see Government will not be required to spend much money on this Advisory Board. A junior officer of the Education and Public Health Department can take day to day work with one clerk only and this will act as a clearing house for information. It is certainly necessary, Sir, that this office should issue a monthly bulletin or magazine in which information received from provinces should be published for the benefit of all the provinces.

Sir, it is also very necessary at this stage that we must have an all-India college for higher training in co-operation. We are feeling its necessity very much and there is no institution in India in which higher training can be given. Persons who desire such training have to go abroad. I hope that the Government will feel the necessity and the force of this movement and establish this kind of college at a central place by which all provinces may derive benefit. This Advisory Board may work for some time and after that it can be developed on the lines of the Imperial Council of Agricultural Research when more funds are available and the financial position of the Government is better. What I want to emphasize is that the Government should no longer neglect this department which is one of the most essential departments of nation-building subjects.

Sir, I cannot close my remarks but by quoting a sentence from “ The Co-operative Movement in India ” by Eleanor Hough to show what co-operation has done and is doing for the masses. In this book the author has finished with one very good sentence :

“ There are evils against which co-operation has demonstrated its effectiveness in some measure and indicated its still greater possibilities for the future. It has helped to relieve poverty by reducing members' indebtedness, lowering interest rates, consolidating holdings, increasing productiveness and thrift, lowering the cost of necessaries to

members, providing for the disposal of their products and discouraging unnecessary social expenditures ; it has done something to raise the standard of living ; it has made at least a beginning in reducing the appalling amount of illiteracy ; it has increased the country's banking facilities ”.

With these words, Sir, I move.

*THE HONOURABLE SIR KURMA VENKATA REDDI (Madras : Nominated Non-Official) : May I crave your indulgence, Sir, for suggesting a slight amendment to this Resolution which, if you are pleased to accept and if my Honourable friend the mover also accepts, would facilitate matters and would leave very little opposition ? The amendment is this. At the end of the Resolution the words

“ on the analogy of the Imperial Council of Agricultural Research ’ are to be replaced by the words ‘ on the lines indicated by the Honourable Member for Education, Health and Lands in his recent circular which was discussed by the Registrars’ Conference last month’.”

THE HONOURABLE THE PRESIDENT : It would change altogether the character of the Resolution.

THE HONOURABLE SIR KURMA VENKATA REDDI : I do not think so.

THE HONOURABLE THE PRESIDENT : The Honourable mover wants an Imperial Council on the analogy of the Imperial Council of Agricultural Research, while your amendment is entirely of a different character. I do not think I can permit it.

THE HONOURABLE SIR KURMA VENKATA REDDI : Very well, then, Sir, I am afraid I cannot accept those words

“ on the analogy of the Imperial Council of Agricultural Research ”.

THE HONOURABLE THE PRESIDENT (to the Honourable Khan Bahadur Mian Sir Fazl-i-Husain) : Are you prepared to accept the amendment ?

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN : No, Sir. That matter having ended, I was going to speak.

THE HONOURABLE THE PRESIDENT : Because I think it changes the character of the Resolution.

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN : That is quite true.

When the Honourable Member who has moved this Resolution was waxing eloquent on the advantages of co-operation, I was revolving in my mind the picture of a province which had the good fortune of possessing a Minister, an enlightened Minister, who entertained the same ideas as the Honourable Member does of the value of co-operation, how enthusiastically he would work and how he would work co-operation for all it was worth and what a transformation would be brought about in the economic condition of that province. There are some things which are to be done by the Central Government and there are other things which must be left by the Central Government to be done by Provincial Governments and unless the Central and Provincial Governments do those tasks which have been allotted to them, confusion is bound to ensue. Therefore although I cannot but be most appreciative of the goodwill which

* Speech not corrected by the Honourable Member.

[Khan Bahadur Mian Sir Fazl-i-Husain.]

underlies the Resolution moved by the Honourable Member, I cannot see my way to commit the Government to the extent of accepting it. As a matter of fact, the Honourable Member during the course of his speech has realized that at the best what he wants is an advisory committee to deal with co-operation being constituted in the near future. And when it has worked and worked well, then he will leave it to be considered whether an expansion of it on the lines of the Imperial Council of Agricultural Research is possible or not. As a matter of fact, there are just a few points to which I will venture to draw his attention and I feel he will be convinced that the analogy between the two is rather remote. The Imperial Council of Agricultural Research is intended to secure the promotion, guidance and co-ordination of agricultural and veterinary research in India. It makes grants for schemes of research to imperial and provincial institutions, universities and private individuals. In the realm of co-operation, the Honourable Member will realize there is no scope of scientific research in that sense although there may be a vast amount of literature on the subject to be studied and digested with a view to making its results available to provinces. Secondly, in the solution of the co-operative problem in any province a knowledge of the peculiar circumstances of that province is of the utmost importance. The success of co-operative societies in any area is dependent on local factors such as the psychology of the people, their needs, their habits. Their problems are therefore of local importance and need a prolonged study of local conditions and in this respect it materially differs from the subject-matter of the researches which are being conducted by the Council of Agricultural Research. Thirdly, when we look at the non-credit side of co-operation, it would appear that the analogy was entirely misleading. Take, for instance, the question of the consolidation of holdings, better living societies, marketing societies, etc.

As regards agencies for providing easy credit to the rural population, there is, as Honourable Members may remember, a provision in the Reserve Bank Bill for the creation of a special agricultural credit department. An expert staff, it is hoped, will be maintained by that department to study all questions of agricultural credit and will be available for consultation by provincial co-operative credit societies. Although it is not possible at present to say what the exact scope of the department will be, it will presumably be ready to give friendly and expert advice to co-operative societies which ask for advice and assistance. The advice will cover a good deal of ground and will include, for instance, advice as to the proportion which the various types of advance should bear to each other, the advisability and technique of undertaking advances against crops, the formation of separate corporations for the redemption of debt and so on. Therefore, it will be apparent that with this institution as a part of the Reserve Bank coming into existence in the near future, the need for the sort of society that the Honourable Member has in view more or less does not appear to be pressing, to put it very mildly.

It is true, Sir, that I have had under consideration a proposal to establish a Central Advisory Board which will consist of representatives both official and non-official connected with the co-operative movement in the provinces and will meet periodically. The Honourable Member has said that the Government of India did not call meetings of Registrars in the last four or five years. That is not exactly correct. Had he said that no meetings were held he would have been right. You cannot hold meetings simply by calling them. You can only hold meetings if you call and people come in answer to your call. As a matter of fact, more than once when Provincial Governments were requested to say whether they would like to meet they said, "Well, we are in

the throes of this horrible economic depression and we do not think it worth while to come and spend time and money on it." Under those circumstances it was not possible to hold meetings. It was not because they were not called. It was because those who come and attend and take part in the meeting thought it was not right for them to do so. However, it is intended that this Central Advisory Board should meet once or more every year. Its functions will be entirely advisory, because the subject is a provincial transferred one. It will, however, be open to any province to seek the advice of this Board, but it will not have a binding effect on the province. Having asked for advice and received it, it will be open to them to act on it or not. It is intended that this organization should also serve as a clearing house of information and ideas by maintaining a reference library and books and journals supplying information at the request of provincial authorities, issuing periodical reports on the progress of co-operation in India and publishing from time to time monographs likely to be of interest and value to provincial co-operative departments. This proposal was placed before the Conference of Registrars of Co-operative Societies and they looked on it more or less favourably. It is intended, Sir, that the Local Governments be now addressed on the subject. The scheme cannot proceed any further unless the Local Governments are anxious that it be established, because after all it is for them. Government therefore has not made up its mind whether to establish it or not. They will be in a position to make up their mind when two things happen. Firstly, when provinces show that they are in earnest in desiring that it be established, and secondly, as the Honourable Members no doubt are aware, when conditions favourable to its establishment are forthcoming, that is to say, till the acute financial stringency that prevails and has been in the way of establishing any new venture, however small the cost of it may be, is removed, it is not possible for Government to move in the matter.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab : Non-Muhammadan) : Sir, I rise to support the Resolution which has been so ably moved by my Honourable friend Rai Bahadur Lala Mathura Prasad Mehrotra. Sir, the co-operative movement is a movement for the well-being of mainly the rural classes and it ought to be run on proper and right lines. We do want an organization at the centre to control the various co-operative movements in the provinces.

My Honourable friend the mover has observed that there ought to be a central institution to train the right sort of people who have to carry out the co-operative work. As far as the Punjab is concerned, I might say that there has been a great dearth of competent staff for being employed in the various co-operative movements. There have been a number of misappropriations, a number of embezzlements and irregularities, and as far as I understand, lately an ex-M. L. C., who was connected with a co-operative bank, was convicted and sentenced to five years of rigorous imprisonment.

THE HONOURABLE NAWAB MALIK MOHAMMAD HAYAT KHAN NOON (Punjab : Nominated Non-Official) : Does that justify the condemnation of the whole department ?

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : I will come to the Nawab Sahib's point. I might inform my Honourable friend the Nawab Sahib that in the Punjab the co-operative banks are charging somewhere about 12 per cent. interest on loans to the poor agriculturists and I also understand that the co-operative banks are borrowing money from the Imperial Bank of India at the bank rate which now is $3\frac{1}{2}$ per cent. Does the Honourable

[Rai Bahadur Lala Ram Saran Das.]

the Nawab Sahib consider that the co-operative banks in the Punjab are entitled to keep so large a margin of profit? Where then is there the justification of their usefulness.

THE HONOURABLE NAWAB MALIK MOHAMMAD HAYAT KHAN NOON : Do you consider the department useful or otherwise to the agriculturist? That is the main point. If it is a useful department, keep it; if it is not a useful department, abolish it.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : The co-operative bank is meant to find cheap money for the agriculturist, and as long as it does not find cheap money for the agriculturist, it is not performing its chief legitimate function. I must say that unless and until such a central institution, as is proposed by the Honourable the mover is founded, and incompetent and untrained staff is not employed, it will lead to the failure of the co-operative movement as far as fulfilment of its objects are concerned, at any rate in the Punjab.

Sir, the number of prosecutions in the Punjab of employees of the various co-operative banks has run so high that things have come to a crisis. If I am wrong, the Honourable Nawab Sahib will correct me whether these prosecutions have or have not been increasing from year to year. I will welcome that institution, Sir, and I will also welcome that our Honourable Leader may find his way and succeed in establishing a Central Council whereby the various provinces might be benefited by their advice, and the co-operative movement might be run on useful lines in which it is run in certain other provinces and not as in the Punjab.

With these words, Sir, I support the Resolution.

THE HONOURABLE THE PRESIDENT : Resolution moved :

“That this Council recommends to the Governor General in Council to establish an Imperial Council on Co-operation at an early date on the analogy of the Imperial Council of Agricultural Research.”

The Question is :

“That that Resolution be adopted.”

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : Sir, may I reply?

THE HONOURABLE THE PRESIDENT : But you never got up. My eyes were twice directed towards you.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : I thought others were going to speak, so I did not get up.

THE HONOURABLE THE PRESIDENT : I am afraid I cannot set up such a precedent now.

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN : Perhaps the Honourable Member may like to withdraw his Resolution instead of having it defeated?

THE HONOURABLE THE PRESIDENT : If he says so I have no objection. Are you agreeable to withdraw the Resolution ?

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : Yes, I withdraw the Resolution.

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

REQUEST BY HONOURABLE MEMBERS FOR THE ALLOTMENT OF AN EXTRA NON-OFFICIAL DAY.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : May I be allowed to make a request, Sir ? As we anticipate that the Council is likely to sit up to the middle of April, we request you to be so kind as to arrange for one more non-official day for us, as I understand that in the other House another non-official day has been allotted.

THE HONOURABLE THE PRESIDENT : I have received a request from several Honourable Members of this Council to arrange for an extra day for non-official work, but this does not rest with me. The matter rests with the Governor General to allot days for non-official and official work. However, I will recommend the Honourable the Leader of the House to take the request of the Honourable Members into consideration and if there is sufficient work and if it is possible to allot another day, he will kindly arrange for it, especially as he told us on Monday last that we were unemployed.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : Thank you, Sir.

The Council then adjourned till Eleven of the Clock on Monday, the 19th March, 1934.

*Vide page 418, ante.

APPENDIX.

Extract from the Statesman of the 11th March, 1934.

THE WAITING ROOM.

India to-day is like a railway station. The train that everybody waits for is a long time behind its schedule and still there is no sign of life in the signal box. And on the station the politicians who wait for the Reforms Express are now suffering from boredom. To a large extent there is a political truce. The civil disobedience movement has been perforce abandoned but its former participants have shut themselves out from the Assembly and the Councils and are consequently at a loss. They have no programme, no leaders and nothing in particular to do. They are as yet without a legal outfit to replace their vanished illegal stock in trade. Sleepiness has supervened punctuated by occasional outbursts when sleepers wake to find their neighbour's feet on their luggage or his elbows in their eyes. Internal rows are indeed the main diversion and there is, of course, always for those who now wistfully regret the day when they banged the Council door behind them the melancholy occupation of criticizing the speeches and achievements of those who stayed inside and of those who took their places. "Not thus and thus would we have fought Sir George Schuster and Sir Joseph Bore or the Japanese delegates and the lads from Lancashire or this provincial Government or that, but thus and thus."

There is a general desire for an inspiring lead as an escape from spiritual confusion and intolerable boredom and never perhaps in our lifetime has a better opportunity been presented. Not easily will people be tempted again to embark on illegal programmes or throw their caps over the windmill for some barren policy of negation. They want something open and honourable in which every body can take pride and feel satisfaction. The earthquake has shown what can be done when everybody feels the same way and if it were not for its other and less pleasing results politics could do with an earthquake often. Stagnation combined with the longing for something better affects all parties. The Opposition inside the Councils feels it also and the various Governments with the best will in the world are hard put to it between the end of one regime and the opening of quite a different one. The Mohammedans are perhaps the most cheerful of those who wait for the Reforms Express. Though their chickens are not hatched they can hold the eggs to their ears and can distinctly hear the heart beat. And meantime there is Mr. Jinnah for a diversion, the new President of the Moslem League, who wants to stir them up against the White Paper.

There is the prospect of a general election at the end of the year. It seems certain that before then some attempt will be made to replace the old Parliamentary Swarajist Party which committed suicide in January, 1930, and that whether such a party is successfully formed or not a considerable number of former Swarajists will quietly abjure non-co-operation and will seek election. That will introduce some new interest but in itself it cannot provide a new inspiration. It is only too likely to mean more quarrelling about nothing much and more of the faction fighting from which the country has suffered so often when politicians set out to make their own and blast each other's careers and reputations. It is indeed high time that the Reforms Express was signalled in India. It is now said that about Whitsuntide it may emerge with a report from the tunnel of the Joint Select Committee somewhere on the wrong side of Westminster Station. That is a long way off and it is time that the wise men in England gave a thought to the prolonged boredom of the political Indian railway station and to the risk that what is in fact a magnificent opportunity for a peaceful and successful send-off may be turned by undue delay into a fiasco. Nor can it truthfully be said that Mr. Churchill's attack on Sir Samuel Hoare for the act of justice which has been done to India over the Army capitulation charges or the spectacle of the Duchess of Atholl weaving the airy fabric of a dream out of the precise prose emitted by the European Association or of Lady Houston leading the Defence League to battle in the Bally Houstoned *Saturday Review*, while Mr. French, late of Bengal, expounds the alleged views of his colleagues of the Indian Civil Service increase the general conviction that the House of Commons is a suitable instrument for governing modern India. On the contrary, the more it exhibits its inevitably increasing disabilities the more it is likely to inflame Indian nationalism in the least desirable way. Most regrettable of all is the revelation of the depth to which British politics is still imbued with the party virus. In the world of today, a dangerous world full of perils for nations from without and within, the attitudes of the Conservative caucus, the Labour caucus and the Liberal caucus look at the distance of six thousand miles equally suicidal, unpatriotic and thoroughly contemptible. All of them give the same impression of grasping for office and putting their party organization and their hopes of success at the polls before the common interest. Mr. Baldwin and Mr. Ramsay MacDonald working together seem likely to cut a better figure in history than any of their opponents, but how eloquently would Mr. Churchill have defended the White Paper had they thought fit to find a place for him in the Cabinet!