

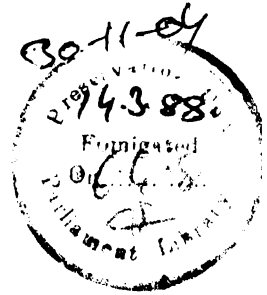
Thursday, 29th March, 1934

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.

Thursday, 29th March, 1934.

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

INDIAN FINANCE BILL, 1934—*continued.*

THE HONOURABLE THE PRESIDENT : We will now proceed with the detailed consideration of the Bill. The Question is :

“ That clause 2 stand part of the Bill.”

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA (United Provinces Central : Non-Muhammadan) : Sir, I beg to move :

“ That in clause 2 of the words ‘ manufactured in, or ’ wherever they occur be omitted.”

The object of this amendment is very simple, and it is this. The people who can manufacture salt for their own personal use may be allowed to do so free of duty. Sir, as we know the manufacture of salt is a very easy thing and it can be manufactured in different ways. Why should we put a tax on a man who spends time and money for the manufacture of salt for his own use ? Of course if he does manufacture it for trade purposes, for the sake of earning money, I have no quarrel with the Government ; they may levy the excise duty. But when one does so for his own personal use he should be allowed it free of duty. We all know that on account of this very principle Mahatma Gandhi led the famous campaign of Dandi and more than 60,000 persons volunteered themselves for jail. We all know how popular this movement was and how it led to the great popularity of Mahatma Gandhi. Instead of debarring people from manufacturing salt for their own use the Government ought to make it as cheap as possible, so that one may not be tempted to manufacture it. This is the right thing, but to debar a person from manufacturing it for his own use, I beg to submit, is not proper, and therefore I have moved this little amendment. I do not think that many persons will be coming forward to manufacture salt and it will not affect the revenues of the Government very much, so I hope they will see their way to accept this amendment of mine.

THE HONOURABLE MR. J. B. TAYLOR (Additional Finance Secretary) : Sir, I was not quite clear until the Honourable Mr. Mehrotra spoke what precisely he was intending by this amendment. His little amendment, so far as I can see very cursorily, will involve a loss to Government of Rs. 6½ crores. I am also somewhat doubtful whether the people who manufacture salt in India to the extent of a taxation of Rs. 6½ crores can be said to be manufacturing for their own consumption. If so, I should think the result on their digestive organs must be somewhat alarming. Sir, in any case I am doubtful

[Mr. J. B. Taylor.]

whether his amendment would have the effect of total abolition which he wishes. This clause proposes an addition to the duty. The amendment would merely reduce the duty to what it was before, but I think that it is not necessary to discuss this amendment in detail. I have pointed out that the financial effect and the whole scope are very much wider than he apparently contemplates, and I therefore hope that the House will reject it.

THE HONOURABLE THE PRESIDENT (to the Honourable Rai Bahadur Lala Mathura Prasad Mehrotra who rose in his place) : You are not entitled to reply on the amendment.

Amendment moved :

"That in clause 2 the words 'manufactured in, or' wherever they occur be omitted."

The Question is :

"That that amendment be made."

The Motion was negatived.

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

"That in clause 2 the words 'and four annas' be omitted."

The object of this amendment is to reduce the tax from Rs. 1-4-0 to Re. 1 only. Honourable Members will remember that when the Finance Bill was put up last year I moved a reduction of the tax from Rs. 1-4-0 to ten annas only, that is by half. This year, Sir, considering that the Government may not like to reduce the tax so much I have put a very modest amendment to reduce the duty by four annas only. Sir, the history of the salt tax goes back to not less than 30 years, and agitation has all along been carried on for this. The Government also some times raised the duty and some times reduced it when forced by public agitation. As far back as 1903 the duty on salt was eight annas only. It was in 1915-16 that the duty was raised from eight annas to Re. 1. This duty was kept up by the Government till 1922-23, when the Assembly backed by the general opinion abolished the duty altogether ; but, Sir, His Excellency the Viceroy certified this tax and it was levied at Rs. 1-4-0 in 1922. Since then it continued at that rate but again the hands of the Government were forced in 1929 and they saw their way to reduce this tax from Rs. 1-4-0 to Re. 1 for which I have moved this amendment. Sir, the Government kept this duty for a full year at Re. 1 from 1929. In the following year the Government again raised it to Rs. 1-4-0 which is being continued up to the present day. The agitation went on and, as I have said in my previous amendment, this was taken up by Mahatma Gandhi and other people. Sir, since 1931 the Government has also fixed a surcharge of 25 per cent. So on paper the duty is Rs. 1-4-0 but if the surcharge is to be added to this duty it comes to about Rs. 1-9-0 at present. We all know, Sir, that salt is not a commodity of luxury but is a commodity of necessity and even those people who can get one meal a day cannot do without salt. They have to use it. The people who do not get sufficient clothing to cover themselves and who expose themselves to the vicissitudes of the weather, whether hot winds or cold winds are blowing or whether it is raining, cannot afford to do without salt. Therefore, Sir, it is only in the fitness of things

that the Government should see their way to reduce this duty as I have proposed. Sir, my views about this salt tax are supported by the comment of the Secretary of State in 1930 on the Administration Report of the Government of India. The Secretary of State commenting on that report said :

“ I do not propose to comment at length on any of the measures adopted by your Government except the general increase in the salt duty ”, and went on to say, “ While I do not dispute the conclusion of your Government that such an increase was under the circumstances unavoidable, I am strongly of opinion that it should be looked upon as temporary and that no effort should be spared to reduce the general duty as speedily as possible to its former rate ”.

It was, Sir, in connection with the raising of the tax from Re. 1 to Rs. 1-4-0 that he commented in this way. Later on, he said :

“ I will not dwell on the great regret with which I should at any time regard the imposition of additional burdens on the poorest classes of the population through the taxation of a necessary of life. But apart from all general considerations of what is in such respects right and equitable, there are, as Your Excellency ”—he was writing to His Excellency the Viceroy—“ is well aware, in the case of the salt duty in India weighty reasons for keeping it at as low a rate as possible ”.

Later on, Sir, if I may quote one sentence more with your permission, he said :

“ The policy enunciated by the Government of India in 1877 was to give to the people throughout India the means of obtaining an unlimited supply of salt at a very cheap rate, it being held that the interests of the people and of the public revenues were identical and that the proper system was to levy a low duty with unrestricted consumption ”.

These, Sir, were the comments of the Secretary of State, the highest official connected with the Government of India and not the words of non-co-operators or responsive co-operators like ourselves.

Sir, with your permission, in support of my contention I would also like to quote one or two sentences from “ The Government of India ” by the Right Honourable J. Ramsay MacDonald. Commenting on the salt tax, he writes :

“ The salt tax has long been regarded as a blemish on our Indian fiscal system ”,

Later on, in the same book, he says :

“ The salt tax is exaction and oppression ; and if the people understood it, it would only breed discontent. It is a survival of the general exploitation of India's poverty by a profit-making company. The argument for its retention illustrates the error so prevalent in India, of assuming that the political wisdom of a western self-governing State is also political wisdom in an autocratically or bureaucratically governed one, and that a bureaucracy has the same right to impose burdens on a people that a representative Legislature has. The payers of the salt tax have no more to say in Indian policy than the man in the moon, and the price of their salt has no more influence on the bureaucracy than the cost of their weddings ”.

Sir, these are the remarks of one of the greatest authorities in England.

THE HONOURABLE THE PRESIDENT : When was that book written ?

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : This book was written about 20 years ago. But if it was true then it is true now. And therefore I have quoted from it. I hope the

[Rai Bahadur Lala Mathura Prasad Mehrotra.]

Government will see their way to reduce this tax, at least at the earliest possible opportunity. And therefore, Sir, I have moved this very moderate amendment for the reduction of the tax from Rs. 1-4-0 to Re. 1.

THE HONOURABLE MR. J. B. TAYLOR : Sir, I do not wish to follow the Honourable Member in his detailed exposition of the history of salt taxation in India, a question which is familiar to you all and which has been frequently debated. I do not think, Sir, however, that anybody can accuse the Government of India of assigning a disproportionately large position to this particular form of taxation in its general scheme. I quoted yesterday some figures of the expenditure and revenue of the Government of India since 1903. I find that in 1903 the amount raised by salt taxation was Rs. 7 crores 83 lakhs. In the current year it is Rs. 8 crores 62 lakhs. As the population of India has increased by about a third since that date and its wealth has increased much more than in proportion, I do not think that that shows that we are relying excessively on this form of taxation. The proportion which it bore to the total taxation in 1903 was 8·93. It has now shrunk to 5·15. In any case, Sir, I regret that we must oppose this amendment because the result would be financially impracticable. It would amount to a loss of practically Rs. 1½ crores and that in itself would be an overwhelming objection, but on broader grounds I would ask you to oppose it because we consider that the salt tax at its present level takes its proper place in our carefully balanced system of taxation. The Honourable Mr. Miller in fact yesterday put forward several arguments to show how it could be increased without any detriment to the country. I do not wish to deal with this aspect of the question but I do think, Sir, that it shows at any rate that the tax is not excessive and that it would be wrong to decrease it while other taxes remain unaltered.

Sir, I oppose.

THE HONOURABLE THE PRESIDENT : Amendment moved :
“ That in clause 2 the words ‘ and four annas ’ be omitted.”

The Question is :

“ That that amendment be made.”

The Motion was negatived.

Clause 2 was added to the Bill.

Clause 3 was added to the Bill.

THE HONOURABLE THE PRESIDENT : The Question is :
“ That clause 4 stand part of the Bill.”

As this clause is tacked on to Schedule I, the Honourable Mr. Mehrotra will move his amendment regarding the Schedule.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : Can I move it now or when the Schedule is taken up ?

THE HONOURABLE THE PRESIDENT : I cannot pass clause 4 till the Schedule as amended is passed.

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

"That in Schedule I in the proposed First Schedule to the Indian Post Office Act, 1898, in the first entry under the head 'Letters' for the words 'half a tola' the words 'one tola' be substituted."

Sir, we are very thankful to my Honourable friend Sir Frank Noyce for giving this little relief by reducing the stamp on letters from one anna three pies to one anna. But, Sir, what he has given with one hand he has taken away with the other by reducing their weight to half a tola. It is very difficult for the public in general to keep weights with them and weigh their letters always before they are posted. I can understand that firms may take advantage of this concession because they have got an organized office and the letters may be weighed before they are posted. But so far as the public in general is concerned, this is practically impossible. Not only is it impossible, but it may lead them into paying the tax twice, because if the weight is found to be more, the receiver of the letter will have to pay a penalty. So it is not of great advantage to the public in general. It will also increase the work of the post offices because it will be very difficult for them to find out at first sight whether the letter is exactly half a tola in weight or a little more. I quite understand that Government are going to make this as an experiment, but the experiment must be based on reasons and conducted on logical lines. You want that letters of half a tola in weight should be stamped with one anna while letters of two and a half tolas in weight should be stamped with one anna three pies. By increasing three pies, you raise the weight of the letter by two tolas. I fail to understand the logic of this scale. I therefore request my friend Sir Frank Noyce, who is here, to see his way to accept this amendment and increase the weight from half a tola to a tola. I do not say that it should be increased to two tolas or more. I have suggested a very moderate amendment and I hope that he will see his way to accept it.

Sir, this reduction has been proposed by the Government after seeing that their policy of increasing the stamps on letters had not brought in more revenue as was expected. The scale of charges for the various services were increased in 1931-32, but this instead of bringing in more revenue resulted in a fall of over Rs. 13,27,000. There was another fall of over Rs. 9 lakhs during 1932-33. Thus, in two years, Government suffered a loss of about Rs. 22 lakhs in the Postal Department. Sir, this contention of mine is proved by the Annual Report of the Government of India on the Posts and Telegraphs Department for 1932-33. In this report Government have practically accepted this. If Honourable Members will turn to page 3 of the report, they will find that up to the year 1929-30 both revenue and expenditure were rising steadily, but the expenditure was increasing more rapidly than the revenue. Later on, they say :

"Due to the economic depression during 1931-32, special measures were adopted to improve the financial situation of the Department".

What was the result ? They say :

"The enhancement led to a serious decrease in the total volume of traffic but this fall enabled the Department to carry out economies which might not have been possible otherwise".

So, they have accepted that the enhancement was one of the reasons of the fall in the revenue. Sir, if Honourable Members will turn to the diagram attached to this report they will find that the circulation of letters in 1930-31

[Rai Bahadur Lala Mathura Prasad Mehrotra.]

was 560 millions. After increasing the rate in 1931-32 it came down to 480 millions, or a drop of about 80 millions in the very first year. In the next year, 1932-33, it again dropped by 20 millions and the circulation was 460 millions. That is, after the enhancement of this tax, in two years, the circulation has dropped about a million in letters. Sir, all this shows that the Government was not right in thinking that the enhanced duty on the letters will increase the revenue. It has proved otherwise, and therefore when the Government is going to make this experiment, I would submit that they must accept this amendment of mine for raising the weight from half a tola to a tola.

THE HONOURABLE RAI BAHADUR LALA JAGDISH PRASAD (United Provinces Northern : Non-Muhammadan) : Sir, I support this amendment as I consider it very important in the interests of the public and especially in the interests of poor villagers residing in the countryside. There is one point which I would like to make in this connection. The Honourable Sir Frank Noyce is reported to have stated in the other House that next year it was proposed to make further savings in the working expenses of the Posts and Telegraphs Department amounting to Rs. 14 lakhs. I hope I am correctly quoting him. If so, I think that any loss caused to the Government revenues by the acceptance of this amendment can be covered or at least made good by the amount of savings which he expects under the head of working expenses. I hope therefore that Government will consider this amendment favourably.

THE HONOURABLE SIR FRANK NOYCE (Industries and Labour Member) : Sir, this House does not get the same opportunity of probing into the financial condition of the Posts and Telegraphs Department as the other House does, owing to the fact that demands for grants for that Department are not presented to it. In these circumstances, I think it is due to the House, especially in view of what has fallen from the last two speakers, that I should endeavour very briefly to describe the financial basis on which our proposals for reductions of rates have been framed. Sir, the last year for which the Posts and Telegraphs Department showed a surplus was in 1926-27, when it was Rs. 10 lakhs. From that year the deficit on the working of the Department steadily increased, until 1930-31, when it reached the very large figure of Rs. 133 lakhs. The measures which were then taken, especially the increase in the rates charged, improved the position somewhat. In 1931-32 the deficit was Rs. 94 lakhs ; in 1932-33 it was Rs. 42 lakhs ; and according to our revised estimate for the current year it will be Rs. 52 lakhs. The House may wonder why, in spite of all our efforts, the deficit according to the revised estimate for the current year is Rs. 10 lakhs higher than it was last year. The reason is that our working expenses are about Rs. 30 lakhs higher, and the reason for that is that we have restored five per cent. of the cut in pay, which cost us about Rs. 27½ lakhs, that we have had to make heavy payments aggregating about Rs. 15 lakhs on account of concessions to retrenched personnel, that is Rs. 5 lakhs more than the payments we made on that amount in the previous year, and that we have had to meet increments which cost us about Rs. 15 lakhs. Now, Sir, on the basis of strictly comparable figures, the total of these three items together amounts to Rs. 47½ lakhs. So that, if the figures for 1933-34 are compared with those for 1932-33, our working expenses are down this year by some Rs. 17½ lakhs on those for 1932-33. In spite of the fact that we have to go on paying increment charges at the rate of Rs. 12 lakhs, we are budgetting for a

further fall in working expenses and interest during the coming year of Rs. 42 lakhs. But I have to remind the House that this includes the Rs. 27½ lakhs round which we estimate as the net cost of the reorganization in rates we are proposing. We are meeting this by raiding our depreciation fund. The further net savings in working expenses next year are, therefore, as my Honourable friend Rai Bahadur Lala Jagdish Prasad has said, in the neighbourhood of Rs. 14 lakhs. It is important to remember in considering the proposals now before the House that we are still budgetting for a deficit. I shall have a little more to say about that later. What I would like to assure the House is that we are adopting all the measures of retrenchment and other economies open to us. A statement has recently been prepared by my Department which shows that the total saving in pay charges alone which has been effected up to the 31st March, 1934, is estimated at Rs. 8½ lakhs. The magnitude of the savings is also illustrated by some figures given in the administration report to which my Honourable friend Mr. Mehrotra has referred, which show that a salary bill which had been increasing from 1925-26 at over Rs. 28 lakhs per annum actually decreased by Rs. 24 lakhs in 1932-33 as compared with 1931-32. I may perhaps be pardoned for digressing for a short moment to make a special reference to that administration report as it was the last report prepared by my Honourable friend and colleague Sir Thomas Ryan. I should like to take advantage of this opportunity to express in this House my sense of the great loss which the Department and India has sustained by his tragic death and to endorse what you, Sir, so feelingly expressed. He was the head of the Department for only a little over two and a half years, but no Director General in the history of that Department has done more for it during such a short space of time and the work he did for it will remain. As I have said, Sir, we have done our best to economize. We hope that our economies are not at an end. I am not sure whether this House is aware that if the recommendations in the report of the Committee presided over by Mr. Varma, now Financial Adviser to the Posts and Telegraphs Department, on the working of the telegraph branch of the Department are accepted, they should ultimately result in a further saving of Rs. 19 lakhs. We have, however, to go somewhat cautiously in regard to the acceptance of those recommendations. They involve rather drastic changes in the working of the Department and we cannot be sure how far they can be carried out without considerable dislocation of work. We shall, therefore, in all probability have to begin by making experiments in various directions, but we do hope that, in the end, the report of that Committee will bring about considerable economies. Then, there is another Committee which has recently been appointed, and which will be presided over by Mr. Pasricha, late Postmaster General, Bengal, a very able officer of the Department, which will carry out on the postal side the same sort of enquiry that Mr. Varma's Committee carried out on the telegraph side. I would explain to the House that our object in appointing these two committees was not so much to secure economy, though we hope that will be the result, as to secure efficiency. We want to be quite sure that the methods of work adopted in the Department in both branches are brought up to date in accordance with the experience of other countries and in the light of the experience gained by the officers of the Department itself.

Well, Sir, I have dealt with the question of retrenchment at some length, and that brings me to the next point, that in spite of all our efforts we have still to budget for a deficit. It is true that it is a deficit of Rs. 14 lakhs only, but still it is a deficit and Rs. 14 lakhs is a fairly substantial figure; but the position is not quite so sound as would appear from the fact that the deficit is as small as Rs. 14 lakhs. If I have to produce a balanced budget for the

[Sir Frank Noyce.]

Department next year, on the assumption that the five per cent. cut in pay will be restored, that the cost of increments will be met and that the full amount will be paid to the depreciation fund which we are raiding to the extent of Rs. 27½ lakhs this year, our receipts will have to increase by Rs. 81 lakhs. Rs. 27½ lakhs is the amount required for the restoration of the cut, Rs. 12 lakhs is the cost of increments, Rs. 27.34 lakhs is needed for the depreciation fund and there is the Rs. 14 lakhs deficit for this year. That, Sir, I think shows that the financial condition of the Posts and Telegraphs Department is not quite as sound as we could wish and that I should have been justified if I had come before this House this year and said we were not in a position to make any proposals for reduction in rates at all. The reason why I have not done so is that there do seem faint signs here and there of a turn for the better and that we feel that the time has come when we can take a risk. That is the reason, Sir, why we are proposing to make an experiment with a view to test the responsiveness of traffic to rates. What I should like the House to realize is that it is an experiment and that, with the financial condition of the Department as I have described it, we are not justified in doing more than making an experiment. My Honourable friend, Rai Bahadur Lala Jagdish Prasad I think it was, said that a reduction in rates would be definitely beneficial to the revenues of the Department. Well, Sir, we are going to try. Last year we felt that we could not and that the state of affairs was so bad that we could not run any risk. This year it is better and we feel that we can go a little way in the desired direction.

Now, I come to the specific amendment moved by my Honourable friend Mr. Mehrotra who wishes that the initial weight to be carried for a minimum charge of one anna should be increased to one tola. That at first sight does not seem a very big amendment. According to our estimates the cost of accepting it would be somewhere in the neighbourhood of Rs. 5 lakhs. My Honourable friend Sir D'Arcy Lindsay in the Lower House threw considerable doubt on our estimate. He felt that the cost of making the initial weight one tola would be considerably more than we anticipated. He went into the matter with considerable care and I should hesitate to say that his forecast is inaccurate. The point about these forecasts is that they are made by officers of experience in the Department on the basis of the best material they can get, but they are only forecasts and it is extremely difficult to say how far a reduction in rates will lead to an increase in traffic, especially when other factors come into consideration, as I hope they will do this year for I hope very much that the issue will be clouded by the lifting of the economic depression. Our experience is that whatever the initial weight for a letter, the vast majority of the letters fall within that weight, and it is on that basis and assuming that 90 per cent. of the letters will be within the tola weight that we estimate that the loss on the initial weight category will be Rs. 32 lakhs, or Rs. 5 lakhs in addition to that involved in the proposal that the weight should be half a tola. If it is assumed that 95 per cent. of the traffic falls within the initial weight, the additional loss will be Rs. 7 lakhs instead of Rs. 5 lakhs.

Now, Sir, criticism has been made and it has been repeated in this House—that in giving this concession we are giving a purely illusory concession. It does seem to me a little difficult to justify that argument, for we estimate that the concession will cost Rs. 27 lakhs and there is not much illusion about so substantial a figure as Rs. 27 lakhs. Then, Sir, it is said that it is no use giving this concession, because the stationery one will have to use to take advantage of it will be of a very flimsy character. I feel that there is very little in that

criticism. I have here, Sir,—and I shall be glad to show them to Honourable Members afterwards—samples of stationery and envelopes which can be used for the half tola rate, and I may say, as I said in the other House, that the half sheet note paper that I myself use every day of my life falls well within the half tola limit. I should like to mention to this House that I am well aware that the half sheet embossed note paper which is supplied to the Members of the Council of State, when put in its proper envelope, is above the half tola limit. I am taking steps to provide them with paper which will enable them to take full advantage of the concession. My Honourable friend Mr. Mehrotra said,

“ What is the use of the reduced rate when the villager does not weigh his letters ? He is not in a position to know whether a letter can go at the half tola rate or not ”.

I do not think, Sir, that the villager in this country is as ignorant as all that. He is used to buying things in small quantities. I do not think if he really wants his letter weighed, he will have any difficulty in getting this done, especially as I imagine that the great majority of the letters in the villages are written by letter-writers who have scales and weights at hand. In any case, it is not the intention of the Department to have letters meticulously weighed. Every letter that goes through the post office is not weighed. The sorters are so used to the feel of letters that they can tell at once whether a letter is definitely overweight or not. If it is, they throw it out for further action ; it is weighed and a surcharge is levied if necessary, but the vast majority of the letters are not weighed. The sorters know within an infinitesimal fraction what letters weigh and therefore the contention that the work of the Department will be increased by this change is, I think, not well founded. Nor do I imagine that the number of letters on which the surcharge will be levied will increase by any appreciable number.

That, Sir, brings me to my last point. I shall have a little to say on my Honourable friend's next amendment in regard to his contention that the increase in the rates has brought about a fall in traffic. I think that is better dealt with when I am discussing the question of the postcard rate because the figures I have here specially refer to postcards. The point I wish to emphasise in conclusion is that, although, as the Honourable Rai Bahadur Lala Jagdish Prasad has said, the cost of accepting this amendment may seem small, its acceptance would inevitably do something to postpone the date when we hope to reduce the postcard rate. That, as I said in another place, is, I know very well, the change in the postal rates which would commend itself most heartily to my Honourable friends opposite. During the last two or three years we have done our best to bring about economies and we shall go on doing all we can to bring nearer the day when we can reduce the postcard rate. It is for that reason, Sir, that I am unwilling to accept this amendment, because when we do reduce the rate on postcards it is going to cost us a great deal, at any rate in the initial stages. And it must also be remembered, though it is a point which is really more relevant to the next amendment, that we could not have reduced the postcard rate this year without reducing the letter rate as well. We should have to take the two together because, when we reduce the postcard rate, there is naturally a very substantial diversion of the letter traffic to postcard traffic. As I shall be explaining presently, Sir, the reduction in the postcard rate to half an anna would cost us Rs. 56 lakhs, and that with the reduction in the letter rate would make altogether Rs. 83 lakhs. I think the figures I have given to the House show that in the present financial condition of the Department we could not hope to compensate the loss of anything approaching that figure by an increase in the total traffic.

[Sir Frank Noyce.]

In conclusion, Sir, I would appeal to the House to let us get on with this experiment. Let us see what results it produces and if our estimates are unduly pessimistic, well, so much the better. Nobody will be better pleased than we shall be. I must confess that I do feel we have got a long way to go before we can get back to the reduction of the postcard rate and, therefore, if the result of the reductions we are now making is to produce a greater volume of traffic than we anticipate, the day when we can do so will come appreciably nearer.

I regret, Sir, that I have to oppose the amendment.

*THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhamadan) : Sir, I rise to say a few words about the amendment which my Honourable colleague has moved. In doing so, Sir, I do not wish to traverse the ground which has already been traversed. My only point is that at the moment if it is found impossible to give this concession, may we ask the Government to give us another concession. This concession which I want is as follows. The usual practice in the post office is that if a letter is under-stamped, the addressee is charged double the difference. So that if a letter has got a one-anna stamp and it is found to be more than half a tola the result will be that the addressee will have to pay two pice. Can the Government by means of a rule make it so that he will have to pay only the difference between the usual postal rate and this new rate? That will mean, Sir, that people will be saved the worry which is the consequence of double payment. This is my first appeal to the Government.

My second point is that it is difficult for the ignorant villagers to understand what the Government exactly means by half a tola because of the fact that the tola which prevails in India is different from the tola which the Government use. The Government tola is of one rupee whereas the public tola is of one rupee and two and a half annas. This is the reason, Sir, why in an experiment made by him this morning, a Member of this House found that an ordinary letter and envelope with stamp weighed exactly half a tola—an Indian tola, not a Government tola. Therefore, Sir, is it possible to make it a convention, if not by rule, that a slight excess of a quarter may be overlooked. These are the two appeals which I make to the head of the Department.

THE HONOURABLE SIR FRANK NOYCE : I shall be glad, Sir, to have my Honourable friend's first suggestion examined, though I can hold out no hope that it will be possible to accept it. As regards the second suggestion, if I heard him correctly, his suggestion was that an additional weight of a quarter tola might be overlooked. Well, Sir, obviously that would lead to the same difficulties in regard to weightment. We should have to weigh to find out whether the overweight amounted to as much as a quarter tola in just the same way as we have to weigh now in order to find out whether the weight of the letter is more than half a tola. I am afraid, Sir, there is not much hope of being able to meet him there, though, as I endeavoured to explain just now, I do not think the House need suffer from any undue apprehension that there is going to be a vast increase in the number of letters on which the surcharge will be levied.

There is just one point, Sir, that I should have mentioned in speaking just now. I am not sure whether the House is aware that for 15 years in the history of the Department, I think it was from 1854 to 1869, the lowest weight of a letter was as low as a quarter

11 A. M.

* Speech not corrected by the Honourable Member.

tola ; that is a very long time ago, but for no less than 35 years after 1869 that is to say, up to about 1905, there was a half tola rate in force in the Department. There must be many Members here who can remember that rate. I can remember it myself as I came to India first in 1902 and I think those Honourable Members of this House whose memory goes as far back as that will agree with me that there was no very serious inconvenience felt in regard to the half tola rate. I do not remember ever hearing of any complaints. We were all very happy in those days when we could get a half tola letter sent for half an anna. As I said elsewhere, Sir, I am afraid the half-anna rate has faded into the land of dreams, but I do hope that it will not be very long before we can do something more in regard to the additional weight that the post office will be able to carry for one anna.

THE HONOURABLE THE PRESIDENT : Amendment moved :

“ That in Schedule I in the proposed First Schedule to the Indian Post Office Act, 1898, in the first entry under the head ‘ Letters ’ for the words ‘ half a tola ’ the words ‘ one tola ’ be substituted.”

The Question is :

“ That that amendment be made.”

The Council divided :

AYES—7.

Gounder, The Honourable Mr. V. C. Vellingiri.	Kaliker, The Honourable Mr. Vinayak Vithal.
Halim, The Honourable Khan Bahadur Hafiz Muhammad.	Mehrotra, The Honourable Rai Bahadur Lala Mathura Prasad.
Hossain Imam, The Honourable Mr. Jagdish Prasad, The Honourable Rai Bahadur Lala.	Suhrawardy, The Honourable Mr. Mahmood.

NOES—30.

Akbar Khan, The Honourable Major Nawab Sir Mahomed.	Kameshwar Singh, The Honourable Maharajadhiraja Sir, of Darbhanga.
Charanjit Singh, The Honourable Raja. Chetti, The Honourable Diwan Bahadur G. Narayanaswami.	Miller, The Honourable Mr. E. Mitchell, The Honourable Mr. D. G. Noon, The Honourable Nawab Malik Mohammad Hayat Khan.
Chokey, The Honourable Khan Bahadur Dr. Sir Nasarvanji.	Pandit, The Honourable Sardar Shri Jagannath Maharaj.
Clow, The Honourable Mr. A. G. Commander-in-Chief, His Excellency the. Ghosal, The Honourable Mr. Jyotsnanath. Glancy, The Honourable Mr. B. J. Glass, The Honourable Mr. J. B. Habibullah, The Honourable Nawab Khwaja.	Raghunandan Prasad Singh, The Honourable Raja. Ray, The Honourable Maharaja Jagadiah Nath, of Dinajpur.
Hafeez, The Honourable Khan Bahadur Syed Abdul.	Reddi, The Honourable Sir Kurma Venkata.
Hallett, The Honourable Mr. M. G. Henderson, The Honourable Mr. J. S. Jalan, The Honourable Rai Bahadur Radha Krishna.	Russell, The Honourable Sir Guthrie. Raza Ali, The Honourable Saiyid. Souter, The Honourable Mr. C. A. Spence, The Honourable Mr. G. H. Stewart, The Honourable Mr. T. A. Taylor, The Honourable Mr. J. B. Ugra, The Honourable Rai Sahib Pandit Gokaran Nath.
Johnson, The Honourable Mr. J. N. G.	

The Motion was negatived.

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

“ That in Schedule I in the proposed First Schedule to the Indian Post Office Act, 1898, for the entries under the head ‘ Postcards ’ the following be substituted :

‘ Single	Six pies.
Reply	One anna ’.”

Sir, the rise in the price of the postcard has been about 200 per cent. Formerly the postcard used to be sold at three pies, and by and by it has now come to be nine pies, that is, an increase of 200 per cent. Sir, the postcard is mostly used by the villagers and the poor class of people and it therefore touches them if the price is increased. The price was increased from six pies to nine pies as an emergency measure in 1931. It was supposed to continue only as long as the emergency lasts and the time for this was fixed at 18 months. But it was extended last year and it is again going to be extended for one year more. Sir, if the Honourable Members will see the diagrams in this report they will find that the circulation of postcards always got a set-back when the price was increased. In 1919-20 when the price was only three pies the circulation was 610 millions. In 1920-21 the circulation went up to 630 millions, a rise of 20 millions. In 1921-22 it went up to 650 millions, that is, an increase of 20 millions per year took place up to 1921-22. In 1922 the price of the postcard was increased from three pies to six pies, and what was the result ? This diagram shows that at once the circulation fell to 520 million—a drop of 130 millions in one year. This I would submit was not due to depression at that time, as we are told now, nor because the people were giving up the habit of writing letters. It was due solely to the price being doubled. With the spread of education however the habit of writing letters was bound to increase and the figures again began to mount up till they rose to 650 millions in 1929-30. But in 1931 the price was again raised from six pies to nine pies, 100 per cent. more, and in the very same year there was again a drop in the circulation from 650 millions to 540 millions in 1930-31. In 1931-32 there was a further fall from 540 to 490 millions, and in 1932-33 there was a further fall of about 40 millions reducing the figures to 450 millions. So, we find from these figures in the report that every time Government raises the price of the postcard the circulation falls off and consequently affects the revenues of the Department. Sir, it is said that the Postal Department should be run on commercial lines. I for one do not agree with that view. You may run the Telegraph and Telephone branches on commercial lines but it is the duty of every civilized Government to make communication easy and cheap, and therefore we should not pay much attention to losses so far as the Post Office is concerned, because that is one of the primary duties of Government and I regard it as a utility department and not as a commercial department. Sir, I for one believe that if the Department is run economically there is absolutely no reason why there should be a deficit in its working. The figures for the Postal and the Telegraph and Telephone branches should be shown separately for the information of Members, whether there is a greater loss in one branch or the other.

THE HONOURABLE SIR FRANK NOYCE: Sir, the figures are shown separately. My Honourable friend does not seem to have read the report before him with the care I should have expected from some of his previous remarks this morning. There is a very clear statement showing the financial effect of the working of the different branches of the Department in the last administration report which is before him.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : Sir, I am sorry I have not been able to find those separate figures but I accept the fact that they are there. But I would certainly like my friend to enlighten the House on the point how, when postcards used to be sold at three pies, the revenues of the Postal Department were greater than its expenditure? The Department then used to meet all its expenses and also contribute to the general revenues out of its surplus. But now I find that though the price of postcards and letters has been increased the revenue has decreased. That must be due either to increase of expenditure or a drop in the circulation of postcards and letters. I hope my friend will also make it clear in replying to this amendment why when these were sold so cheaply the Department used to be run economically and used to contribute to general revenues and why it is being run on a deficit now?

With these words, Sir, I commend my amendment for the acceptance of the House.

THE HONOURABLE SIR FRANK NOYCE : Sir, my Honourable friend Rai Bahadur Lala Mathura Prasad Mehrotra's arithmetic seems, if I may say so with all respect, to be a little shaky. He maintained that the postcard rate had gone up by 300 per cent.—

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : From three pies to nine pies.

THE HONOURABLE SIR FRANK NOYCE : That is an increase of 200 per cent. not of 300 per cent. However, that is a small point. I admit that the increase is very heavy, and, as I said just now, all the energies of the Department during the coming year will be devoted to endeavouring to bring about such a state of affairs as will enable us to reduce the rate. The real point of difference between him and ourselves is as to the time at which that reduction could be effected. He would like it effected at once; we unfortunately think that it is impossible to bring it about in the present financial condition of the Department as it would involve a loss of Rs. 56 lakhs. That loss of Rs. 56 lakhs is based on an estimate of ten per cent. increase in traffic. Even if the increase in traffic is considerably greater than ten per cent., even if it went up to 30 per cent. we should still be some Rs. 30 odd lakhs down. My Honourable friend maintained that the decrease in the postcard traffic is entirely due to the increase in rates. I should like to give the House some very significant figures in this connection which show that the decrease in postcard traffic had come about before we increased the rate from six to nine pies. In recent years the total volume of postcards, inland and foreign,—the foreign proportion is of course very small—was highest in 1928-29 when the figures were 588 millions. In 1929-30 they had fallen to 583 millions and in 1930-31 they had fallen again to 538 millions. The increased rate on postcards came into operation in December, 1931 and the total figures for that year were 491 millions. What I think these figures show is that it was the economic depression which affected the traffic far more than the increase in rate; the traffic had fallen very heavily before we altered the rates.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : Why was there a drop in 1922 when the price was raised from three to six pies?

THE HONOURABLE SIR FRANK NOYCE: I do not deny, Sir, that increased rates bring about a decrease in volume; we all know that, and that it takes some time to recover. My point is that the volume had already decreased and was still very rapidly decreasing owing to the economic depression before we altered the rates in December, 1931. It was only because we altered the rates that we were able to retard the drop in our revenue.

My Honourable friend has raised the old question whether the Postal Department is a commercial department or a public utility department. He objects to its being worked on commercial lines. I can only say that if it were not worked on commercial lines it would, in all probability, soon be in a state of bankruptcy. Even admitting that it is only a public utility department, our idea of a public utility department is of a department which pays its way. We do not expect to make any profit out of the Department as they do in England, where I believe it has brought in during the last year a sum of some £10 millions in relief of the general taxpayer. We do expect the Department to pay its way and we think it is only fair that those who utilise its services should pay the proper amount for those services. There is no reason why people should have their postcards and letters sent or their telegrams sent or be able to use the telephone at the expense of other people. We do not ask for more than that, but I submit that is a very reasonable position to take up. My Honourable friend wants to know why in the old days the Department was working at a surplus, and why we cannot do that now? If there is one cause more than another which has brought about this state of affairs, it is the general rise in the standard of living in the country. The post office, as Honourable Members know, is a very big Department, which employs I think some 130,000 people and the main reason why its cost has gone up is that those 130,000 people are paid much better wages and salaries than they used to be in the past. I do not think any of us here grudge them that. We do not want our runners and subordinate staff to go back to their old rates of pay, but we have to realize that this increase in pay is one of the causes, the most important cause, why the Department is not as prosperous as it used to be. If the economic depression had not come about, it might have continued to pay its way. These increased rates of pay combined with the economic depression have brought about the state of affairs which I have explained to the House today. The only other point I need refer to is my Honourable friend Mr. Mehrotra's charge that we do not show the working of the different branches of the Department very clearly in the annual report. May I invite his attention to page 2 of that report in which he will see that the net results of the four main branches, post office, telegraphs, radio and telephones, are very clearly set forth and compared with the figures for 1931-32?

Sir, I regret that I must oppose this amendment. I trust I have convinced the House that we are in sympathy with the motive which has prompted it and we hope that it will not be long before the amendment will be embodied in the Finance Bill presented to this Council.

THE HONOURABLE THE PRESIDENT (to the Honourable Rai Bahadur Lala Mathura Prasad Mehrotra): Do you press your amendment?

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: On the assurance given, I beg leave to withdraw my amendment.

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

The First Schedule was added to the Bill.

Clause 4 was added to the Bill.

THE HONOURABLE THE PRESIDENT : The Question is :

“ That clause 5 stand part of the Bill.”

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

“ That in sub-clause (1) of clause 5 the words ‘ increased in each case, except in the case of total incomes of less than two thousand rupees, by one-fourth of the amount of the rate ’ be omitted.”

Sir, the object of this amendment is only to remove the super-tax from the Finance Bill. As Honourable Members are aware this was imposed in 1931 as a measure of emergency for 18 months. It was in 1933 that it got a lease of life for one year, and this year we find it is again put in the Finance Bill. This shows that once a tax is levied, it is very difficult to get it removed. Sir, that time the idea was that every class should be taxed equally and it was on account of that that a cut of ten per cent. was made in the salaries of Government officers. We were also, Sir, given to understand that this would go together with the salaries cut. But I find that half the cut has been restored last year, although the same was not done so far as the super-tax or surcharge was concerned. Sir, we were expecting that it would be removed this year, if not totally at least by half, because the half salaries cut was restored last year. But I find the case is different and we are asked to continue for a year more with additional taxation to balance the budget. We are afraid, Sir, that the next year the Government may again come forward to restore the remaining cut in the salaries by showing a balanced budget which they could not do this year and this item may remain as it is. Sir, it is only proper that Government should reduce this by half if they do not see their way to remove it altogether, though I for one believe that it should be removed as early as possible and therefore I have moved this amendment.

***THE HONOURABLE SAIYID RAZA ALI** (United Provinces : Nominated Non-Official) : Sir, I do not propose to deal with the amount that is involved if the amendment proposed by my Honourable friend were to be accepted. What really matters is as to what are the principles on which taxation should be based in the forthcoming budget, which point also involves at the same time a consideration of the question as to what are the classes to whom relief can properly be given on this occasion. Let me remind the House that this House is not a popular House. It is a revising Chamber. The franchise qualifications on the basis of which Members are elected are very high, with the result that representatives of capital, landed interests, and other very important interests are returned to this Council Chamber. Suffice it to say, Sir, that in that case it is all the more the duty of this House to see that they do not push their own claims too much. The incidence of taxation about which something was said yesterday is a very important question which should guide the budget of every country. What we have to consider in connection with the amendment of my Honourable friend is whether the burden that the Finance Bill seeks to place on the rich is unduly heavy. Sir, so far as I can see, there could be some justification for fighting for a reduction of rates in the price of postcards. Also there could be some justification, I am free to admit, if the rate of letters was sought to be raised from half a tola to a tola because in both these cases the relief would have gone to those who stand most in need of relief. Poor people in this country, as we all know, generally make it a practice to write postcards and not letters. Again those who can be called in this country the middle

* Speech not corrected by the Honourable Member.

[Saiyid Raza Ali.]

classes generally write letters but some of them in any case find it too much to pay one and a quarter anna on each letter. If relief were given to them that would be welcome. In any case, that could have been welcome. But I entirely fail to see, Sir, why relief should be given to a class that is by no means unduly burdened and on whom the present Finance Bill does not seek to place any very heavy burden. (*An Honourable Member* : "Question?") My Honourable friend interjected "Question?" Sir, taxation is popular in no country. If you want to tax any class of people, that class of people is bound to disagree. Human nature being what it is, you cannot expect any class of people whom you seek to tax to welcome that and to raise its head in joy at the proposal. But, after all, are those people who are in receipt of incomes of more than Rs. 2,000 a year so very poor that they are unable to shoulder their burdens and relieve the poor man? In the course of the discussion yesterday a discordant note was struck by an Honourable Member who proposed that the best remedy for our ills would be to raise the salt tax from Rs. 1-4-0 to Rs. 2-8-0. Sir, that is a very big question. I do not propose to go into it. I hope at the same time that the Government will not consider proposals of that character seriously because we know what happened when the salt tax was doubled in 1923. But, quite apart from that, may I ask my Honourable friend as to what would be the difference between the proposal of my Honourable friend from Bombay who wanted to double the salt duty and the proposal of my Honourable friend who is responsible for the present amendment? I believe the object of the speaker yesterday was to relieve the class which he represented of part of the burden by throwing it on the shoulders of the poorer classes. My Honourable friend who is responsible for this amendment seeks to evade his own responsibility and not to contribute to the exchequer though he does not directly pass the burden on to the poorer classes.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : Sir, I have not moved this amendment only. I have moved amendments in relation to the salt tax, the postal rates and other items as well.

THE HONOURABLE THE PRESIDENT : Order, order. You are, by this dubious method, exercising a right of reply, to which you are not entitled under the Standing Orders.

THE HONOURABLE SAIYID RAZA ALI : Sir, may I offer my hearty sympathy to my Honourable friend? Sir, he is the protector of every class. He is a protector of the poor. He is a protector of the middle class. He is a protector of the rich. Now, if this omnibus protector were to have his own way, what is going to happen to the budget? Accept his amendment on post-cards, accept his amendment on letters, accept his amendment on income-tax and then add up all these sums and see what a tremendous figure it would come to. I thought that the part which my Honourable friend played earlier in the day was the part at which he would have remained by not pressing this amendment on the attention of the House. Anyhow, he has chosen to do it. I do not think it is necessary to make any very long speech on this. If we are really to persuade the country to take the view that in any future constitution for India the second Chamber is going to play a very important part—and I for one have no doubt whatsoever that the Second Chamber in the future constitution of this country is going to play a very important part indeed—if we are going to take the country with us in this view, it is the bounden duty of every Member of this House, especially those who represent the public, not to act in

such a manner as would lay them open to the suspicion that while they are in this House they are oblivious to the interests of the masses and more solicitous of promoting their own interests.

***THE HONOURABLE MR. HOSSAIN IMAM :** Sir, I rise to say a few words in support of the Motion moved by my Honourable friend Mr. Mehrotra. It came to me not as a surprise but rather as something strange that after the show which the House put up in the case of the poor man's postcard, the solicitude of certain Members for the good opinion of the country should be so great that they do not wish to do anything which will bring the House into shame before the public. The Members of this House, if they wish to make themselves popular, it is necessary that they should prove that they do everything for the advantage and for the convenience of the country—

THE HONOURABLE THE PRESIDENT : Order, order. There is no question of popularity at all. Every Member is entitled to vote according to his conscience.

THE HONOURABLE MR. HOSSAIN IMAM : I am not questioning that at all. I am only pointing out that the last speaker had a fling at the mover of this Motion that he was trying to serve the richer classes who can afford to pay and he was not trying to save the poor man who feels the pinch. May I point out that in saving the rich you are really saving the poor ?

THE HONOURABLE SAIYID RAZA ALI : I wish it were so.

THE HONOURABLE MR. HOSSAIN IMAM : I may point out, Sir, that you will find at the end of Schedule II, which gives the rates of income-tax, the rate which is applicable to registered companies and firms. We are giving protection, and each protection is a demand on account of income-tax and is debited to the cost of the poor consumer. Directly or indirectly, it is the consumer who is accountable for all money that goes to the coffers of the people. The rich people are only like the seas which receive water from all and sundry.

THE HONOURABLE SAIYID RAZA ALI : What about money-lenders ?

THE HONOURABLE MR. HOSSAIN IMAM : They are a class which are sometimes useful, but mostly they thrive on the wrongs of others. It is for this reason that we have tried many a time to introduce measures of funding all the debts. Sir, this Motion does not merely save the rich. By saving the cost of production we will be reducing the cost ultimately to the consumer. Not only that. The fact must not be forgotten that income to the Government is an incentive not to curtail expenses. I have pointed out many a time that as long as the Government are in easy circumstances, they do not look into things with that amount of care and that amount of solicitude which they have to pursue when their purse is not full. We wish to repudiate the idea which exists in the minds of the Government benches that the people of India are fit to be exploited for the sake of the services. It is for these reasons that we wish to curtail these resources which go to make up this expenditure, and secondly, we wish to reduce the burden on the taxpayer.

With these words, Sir, I support this amendment.

* Speech not corrected by the Honourable Member.

THE HONOURABLE MR. J. B. TAYLOR : Sir, the Honourable Mr. Hossain Imam has made it perfectly clear on what ground he is proposing to support this amendment. His underlying object is to refuse supplies. Sir, that is quite a proper line for the Opposition to take, but it is equally a line which I cannot be expected to rebut in detail. I am concerned with the more humdrum object of making the budget balance and I am very glad that my Honourable friend Sayid Raza Ali has put the problem in its proper proportions. I quite realize that the constitutional position of this House is such that it is only possible for them to raise on specific measures of taxation questions which in another place can be more appropriately discussed in other contexts. For that reason, Sir, I do not wish to take too narrow a ground and merely oppose this Motion on the ground that it will cost us Rs. 270 lakhs and that the Honourable mover has shown no other way in which that amount can be found. I would like to oppose it on the broader ground already so eloquently explained by my Honourable friend, that is to say, that in the taxation of the country, we have to frame a properly balanced system by which, though the poor must be taxed to a certain extent, it must be a light burden in comparison with that of the rich and no one section of the community is to have too grievous a burden imposed on it. For that reason, Sir, we feel that during the present depression, when the burden of taxation inevitably has to be increased, one of the fairest ways of meeting a portion of that increase is by a surcharge on income-tax. Therefore, Sir, on those broad grounds, I would request the House to oppose the amendment.

THE HONOURABLE THE PRESIDENT : Amendment moved :

“That in sub-clause (1) of clause 5 the words ‘increased in each case, except in the case of total incomes of less than two thousand rupees, by one-fourth of the amount of the rate’ be omitted.”

The Question is :

“That that amendment be made.”

The Motion was negatived.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : I do not wish to move my amendment No. 4, Sir.

THE HONOURABLE THE PRESIDENT : I will ask the Honourable Rai Bahadur Lala Jagdish Prasad to move his amendment No. 9 at this stage so that we may dispose of all the three parts of Schedule II before we proceed with clause 5.

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

“That in Part IA of Schedule II entry (1) be omitted and the subsequent entries be renumbered accordingly.”

Sir, the object of my amendment is to exempt incomes of less than Rs. 1,500 from income-tax. It is the general feeling, Sir, that the lowering of the limit of income liable to income-tax from Rs. 2,000 to Rs. 1,000 which was done in 1931 has operated harshly on the poor and middle classes. Normally this would mean the taxing of an income of Rs. 84 a month, but in reality it does not stop there. It is a matter of common knowledge that income-tax officers in their zeal to bring in an increased income to the coffers of Government

do not always care, nor is it always easy for them to do so, to find out whether an assessee has got the exact amount of income that is liable to income-tax, but at times bring in persons of much less income also on their assessment list. The hardship caused to the people by the Department of income-tax trying to rope in all and sundry in their assessment is proved by the fact that so far as my information goes 40 per cent. of appeals against income-tax assessments are accepted. The hardship caused by the lowering of the limit of taxable income will perhaps be clear to the House from the fact that when the limit of assessable income was lowered from Rs. 2,000 to Rs. 1,000, it was estimated that about 300,000 families would be roped in by the proposal. Then the hardship is further aggravated by the fact that in the case of assesseees with an income of less than Rs. 2,000 summary assessments have been provided for. Further, the system of assessment of income-tax in India is different from the system obtaining in England. In levying income-tax in the United Kingdom allowance is made for married men and children. If a man is married the exemption limit is higher and allowance is made for each child at specified rates. No such thing exists in India. Then I understand that losses in the incomes of assesseees are carried forward to three years in England at the time of assessing income-tax, whereas no such allowance is made in India. So there are a number of hardships which the average assessee of income-tax has to face in this country, unlike the United Kingdom for instance. The conditions in India for the purposes of assessment of income-tax should therefore in my humble opinion be made easier. I do not mean to suggest that the incomes below Rs. 2,000 should be entirely exempted, although that is by no means an unfair proposition as it used to be the case before 1931. What I beg to suggest at this stage is only a *via media*, namely, that incomes below Rs. 1,500 should be exempted from income-tax. This I hope will be considered a reasonable proposition by the House. Sir, from the statement made by the Honourable the Finance Member in the other House it seems to me that the proposal contained in my amendment would cause a loss of Rs. 21 lakhs to Government revenues. But I submit that the loss is well worth a trial in the interests of assesseees of small incomes and it could be made good to the extent of at least Rs. 16 lakhs by the surplus of a like amount which the Finance Department expects during the next year on account of its taxation proposals. Sir, although I feel that this amendment of mine is going to share the same fate in this House as other amendments have done, my sense of public duty prompts me to move it, irrespective of what fate is in store for it. I only hope that the Honourable Mr. Taylor will not think that I have moved this amendment on the ground of refusal of supplies to the Government.

THE HONOURABLE MR. J. B. TAYLOR : Sir, I will readily admit that an amendment of this nature, the financial effects of which are comparatively small—the mover was correct in saying that the Honourable the Finance Member estimated them at somewhere between Rs. 20 and Rs. 25 lakhs—does not offer the insuperable initial objection which a proposal to effect a drastic curtailment of say Rs. 2 to Rs. 3 crores would. At the same time, I feel that the objections of principle are sufficiently strong to justify our rejecting it. I must repeat what I have been saying throughout this morning, that our system is to balance the burden evenly amongst the various classes of the community. The Honourable mover pointed out that in England there are reductions for married people and people with children on lower incomes. There is a certain rebate on marriage and so much for each child. On the other hand, in India owing to the existence of the Hindu joint family system there are certain advantages peculiar to the country which are not applicable to England. The systems are different, and even in England, as the result of Lord Snowdon's budget

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three years ago, if I remember correctly, the rebates for marriage and children allowances were very materially curtailed. These, however, are really incidental points. The main fact remains that in this country we consider, taking the burden of taxation as it exists at present, that people who have an income of Rs. 1,000 a year, particularly in present circumstances when the fall in commodity prices has made the purchasing value of Rs. 1,000 a great deal more than it was a few years ago, can fairly be called upon to shoulder a small share of the burden. For these reasons, Sir, we must object to any proposal which would relieve them from it, and I must ask the House to oppose the amendment.

THE HONOURABLE THE PRESIDENT : Amendment moved:

“That in Part IA of Schedule II entry (1) be omitted and the subsequent entries be renumbered accordingly.”

The Question is :

“That that amendment be made.”

The Motion was negatived.

Schedule II, Parts I, II and III, were added to the Bill.

Clause 5 was added to the Bill.

Clauses 6 and 7 were added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. J. B. TAYLOR : Sir, I move :

“That the Bill, as passed by the Legislative Assembly, be passed.”

I do not wish to make a lengthy speech on this occasion, but I would merely like to say that I fully appreciate that the constitutional position with regard to the Finance Bill is such that Members of this House can reasonably claim the opportunity of discussing in connection with the Bill questions which possibly would not be very strictly within its scope if interpreted in the most rigid sense. In the general discussion in particular, they can raise questions connected with the financial budget as a whole. Such points have been dealt with at considerable length by the House and I can promise that Government will pay careful attention to the points which have been made and see that they are properly examined. I had no time yesterday evening to go through them all, but even those which I did not refer to specifically, I can assure the House will be considered by the Government.

1 P.M.

THE HONOURABLE MR. VINAYAK VITHAL KALIKAR (Central Provinces : General) : Sir, I have a very painful duty to perform and that is to oppose the Finance Bill as a whole. We, on this side of the House, are put in that position simply because whatever modest and innocent amendments we wanted to make in the Bill have not been accepted by the Government. So our constitutional position as an Opposition comes to this, that we cannot but raise our protest and oppose the Bill *in toto*. As the House knows, Sir, the amendments that were moved by Honourable Members on this side were such as were intended to relieve the sufferings of the poor as well as the middle classes and the rich classes too. Objection was taken by my Honourable friend

that if these amendments are accepted it will involve a large deficit in the budget. I am sorry he attacked the representative character of this House. I may bring to his notice that in this House we, the elected Members, are in a majority and as such we claim that we are also representative of the people in India as the Members in the Lower House. It seems to me that whatever constructive suggestions we could make do not appeal to the Government and they have their old way of taxing the poorer classes as well as the middle classes. The innocent and modest amendments about the reduction in the postal rates, about the reduction in rates of income-tax, have not been accepted by Government. During the general discussion on the budget and during the first reading of this Finance Bill, various constructive suggestions were made by Honourable Members of this House but I find that no attention is being paid to those constructive suggestions and the curtailment of expenditure is not being effected as we on this side of the House desire, but the taxes are being raised. And the most abnormal feature of the Finance Bill is that we were told two years ago that the present increase in taxes was merely an emergency measure but we find now that it has become a permanent measure. Therefore, Sir, we on this side of the House have no other remedy except to refuse supplies and to raise our protest and see that the Bill is defeated.

* THE HONOURABLE MR. HOSSAIN IMAM : The third reading of a Bill, Sir, is not the stage at which to indulge in a detailed criticism, but I cannot help alluding to one small incident in the proceedings. I do not know what was the thing which suggested to the fertile mind of my Honourable friend across the floor of the drowning man, but I can say this much that I feel that I am serving a master whose whims are not changed and therefore I can afford to look back to what I have done ; but it is different with those who have got to receive orders every day which differ from each other ; they cannot afford to look back to their deeds. Sir, the constitutional position has been very well illustrated by the Honourable Mr. Kalikar and the reason why we find ourselves compelled to recourse to that drastic measure is because of the attitude which the Government has taken up of unreasonable insistence on passing everything through the House without amendments. Sir, the spirit which the Government shows in the other place is not shown here ; there they are prepared to accept amendments as they did in the case of this very Bill ; they made amendments in the tobacco duty and in the taxation on cigarettes. But coming to this House the atmosphere is so favourable to the Government here that they can afford to neglect it, and therefore, Sir, we have no other measure left to us but to dissociate ourselves from that section of the House which is prepared to do the Government's bidding. May I remind the House that the Government is very particular about small items of expenditure. That is the reason why this amendment on income-tax which affected the very poor class of people with incomes of less than Rs. 1,500 a year was rejected ; but the Government is never careful of the things that are going on and which involve far greater losses. I should like to remind the House of the Andrew Yule scandal in the Income-tax Department, involving a loss of more than Rs. 2 crores to the exchequer. The estate which was the subject-matter of a decision in the High Court was assessed to income-tax for about more than Rs. 2 crores. Sir Andrew Yule died in 1928 ; the assessment in question was made in 1931 and the decision was made in 1934. If the Act was not operative it was high-handedness on the part of the Income-tax Department to harass the legatees and heirs of Sir Andrew Yule after such a long period. If they had a case they would have won it in the High Court, but the fact that they lost

* Speech not corrected by the Honourable Member.

[Mr. Hossain Imam.]

the case in the High Court does not redound to the credit of the Income-tax Department. If the Government were wide awake, they would have looked into the Act and made suitable amendments between the period of the assessment and the death of Sir Andrew Yule. Thereby we should have gained some money. I do not know exactly how the matter stands. I tried to find out but was unable to get particulars as to whether this money or part of it has already been collected by Government and will have to be refunded later on, or whether it was postponed. However that might be, this shows the lack of supervision on the part of the Department of Central Revenues which is responsible for this sort of money going out of our hands. Sir, may I remind the House that last year we had a Resolution that a Committee of this House should sit to examine the Ottawa Pact. That Committee has not yet been formed. But I bring forward this question just to remind the House because I wish that if in matters like these a non-official committee is associated with the department to look into the measures which can be taken to improve the position or the method of work, it would be a useful thing. In this connection, Sir, I should like to ask the Honourable the Finance Secretary to make available to the Members of this House the publication which is issued on the income-tax collection by his department. That will help us to find exactly the position of India's wealth and how many people have certain kinds of income and how this Department functions. The Post Office sends us a book but the Income-tax Department which is more intimately concerned with us never sends us anything.

With these words, Sir, I oppose this Bill.

* THE HONOURABLE KHAN BAHADUR SYED ABDUL HAFEEZ (East Bengal : Muhammadan) : Sir, after hearing all my Honourable colleagues who have spoken comprehensively on the Finance Bill, I should like to confine myself to one thing,—that is, the remission of the jute tax to Bengal. The people of my province are very grateful to the Government of India for remitting half the jute tax at such a time when Bengal is in dire need and for which we have been clamouring for a long time. I do not wish to go into the arguments put forward by Bombay and Madras against the remission, as it would serve no useful purpose.

My friend, the Honourable Mr. Glass, has put forward the claims of Burma on the subject of the rice export tax very clearly and I have no doubt the Government will investigate his assertions. It is gratifying that the efforts of our Governor, His Excellency Sir John Anderson, who has taken up our case so ably, have succeeded in convincing the Government of India in regard to the needs of Bengal.

With these brief remarks, Sir, I support the Finance Bill.

THE HONOURABLE MR. J. B. GLASS (Burma Chamber of Commerce) : Sir, I desire to take this opportunity of drawing attention to a point in the Finance Bill which has not perhaps been sufficiently appreciated or stressed in the discussions which have taken place here and in another place on postal matters. I refer to the minimum postage rate on books, patterns and sample packets which has been raised to nine pies from the existing rate of half an anna. The reason given for this by the Finance Member is that the book packet method is being abused by the sending of postcards in envelopes at the half-anna rate.

* Speech not corrected by the Honourable Member.

This increase must adversely affect the general use of the half-anna postage by the retail trade and others who send out printed matter in envelopes with the flap open. This increase, from a commercial outlook, appears to me to be a distinct hardship on trade and may seriously affect customs revenue as there is certain to be a decrease in the issue of advertizing matter. It seems to me unbusinesslike that the users of this form of postage should be penalized 50 per cent. merely because there is an alleged abuse, an abuse possible of detection by postal officials and punishable by the infliction of double rates.

I would put forward for the consideration of the Honourable Sir Frank Noyce the desirability of investigating the possibility of making special provision for this class of printed matter by book post at half an anna for two and a half tolas instead of five tolas, which would cover most of the cases of hardship I refer to.

THE HONOURABLE MR. J. B. TAYLOR : Sir, I do not wish at this stage to go into the points raised by the Honourable Mr. Hossain Imam. I shall certainly see that they are brought to the attention of Government but I myself, I am afraid, am not acquainted with the Yule case and I could not understand whether he was censuring the Income-tax Department for showing too much energy or too little energy or whether he wished us to pass retrospective legislation to tax people when they are dead. However, I shall have the case looked into, as also all the other points raised in the discussion. I do not wish to add anything more at this stage, Sir, but commend the Bill to the House.

THE HONOURABLE THE PRESIDENT : The Question is :

“That the Bill, as passed by the Legislative Assembly, be passed.”

The Motion was adopted.

SALT ADDITIONAL IMPORT DUTY (EXTENDING) BILL.

THE HONOURABLE MR. J. B. TAYLOR (Additional Finance Secretary) :
Sir, I move :

“That the Bill further to extend the operation of the Salt (Additional Import Duty) Act, 1931, as passed by the Legislative Assembly, be taken into consideration.”

Sir, this Bill has come annually before the Legislature since 1931, so that I need not describe its object at any length. Very briefly, the purpose of the Bill is to protect and foster the production of salt in India. At the same time, in order to prevent profiteering in a protected market, an innovation was made in the Bill in 1931, giving Government the right to buy in salt should the price rise above a certain level. Provision was also made that the position would be periodically and consistently examined, not only by enjoining the Central Board of Revenue to furnish statistical reports but also by the appointment of a committee of the Legislative Assembly called the Salt Industry Committee to watch how the protection was working. That Committee has sat annually and as the result of its report we are now proposing the extension of this measure for a further year, but with one small alteration. Last year, as the result of the report which they then made, we reduced the protective rate to two and a half annas. That rate is being continued. The change is in regard to the buying in rate which began at Rs. 63-11-0 as the result of the report of the Tariff Board, and was reduced by us last year to Rs. 54-12-0. The Committee, after examining the statistical material available regarding the

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course of prices during the last year, recommended that the buying in rate could be further safely reduced to a price much closer to the market level. The market price went up to Rs. 49 in the last year. They have therefore recommended that the buying in price should be reduced from Rs. 54-12-0 to Rs. 50, obviously thereby increasing the safeguard against any profiteering in private salt. The only amendment in the present Bill is therefore that the buying in rate has been fixed at Rs. 50.

I am sorry, Sir, I forgot ; there is another very minor amendment. We have found that it is inconvenient for the discussion of this Bill that it should terminate on the 31st of March. That means that its consideration coincides with the consideration of the other measures connected with the budget and there is very inadequate time for its examination. We have, therefore, proposed that for next year the life of the measure should be extended up to the end of April. That will enable it to be considered at more leisure. I am sure that a change of this nature will be particularly welcome to this House.

Sir, I move.

*THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhamadan) : Sir, I rise not so much to oppose as to state some facts which will be pertinent to the discussion of this Bill. Sir, the papers connected with this Bill were distributed to some of us last night and to me this morning. There are two books, the report of the Central Board of Revenue and the Statistical Supplement. Added to this is the fourth report of the Salt Industry Committee of the Indian Legislative Assembly. It is impossible for a man, while the discussion of the Finance Bill is going on, to devote any time to study these papers. Therefore, I do not find myself competent at the moment to discuss the provisions of this Bill. But I should like to make a general remark that in giving protection, the underlying idea was to develop the internal resources. I find that, at least in my own province of Bihar and Orissa, nothing has been done to develop the industry. I should therefore like to ask the Government during the currency of the present legislation to look into the possibility of the Orissa sea coast, and to see how far we can develop the internal production of salt. I should also like to remind the House and the Government that we must be prepared to consider in a very few days or months how we are going to treat Aden. Up till now Aden is included with India. The amount of import from Aden comes to almost 45 per cent. of the imports from all sources. If, as seems to be the intention of the Secretary of State for India, Aden is separated, then we wish to be safeguarded so that we will not be placed in a position to give protection as we are giving to Aden as part of India when it is separated.

For these reasons, Sir, I wish the Government to keep a watchful eye and not to sleep during the year.

THE HONOURABLE MR. MAHMOOD SUHRAWARDY (West Bengal : Muhamadan) : Sir, before I support the Bill for consideration, now before the House, I would like to point out that the Salt (Additional Import Duty) Act was passed in 1931 with the object of making India self-supporting in the matter of her salt. Sir, prior to the passing of the Act the Assembly appointed a Committee to discuss the report of the Tariff Board on salt and also the report of the Salt Survey Committee and to devise steps as to how that object could be obtained.

* Speech not corrected by the Honourable Member.

Sir, the Salt Committee of the Assembly recommended that the proceeds of the additional duty to be obtained after the passing of the Act should be utilized for the following main objects, *viz.*—

- (i) The development of certain Northern India Salt sources, *e.g.*, (1) Khewra and (2) Sambhar in the manner recommended by the Salt Survey Committee.
- (ii) The investigation of the possibility of the development of the sources in Bengal and Orissa.

The Assembly accepted the above recommendation of the Salt Committee and passed the Act in 1931, and at the same time passed a Resolution on the 1st April, 1931 regarding the distribution of the proceeds of the duty to the provinces concerned for carrying out the two objects which I have just mentioned. With your permission, Sir, I will read the Resolution of the Honourable Sir George Schuster which is on page 3001 of the debates of the first session of the Fourth Legislative Assembly of 1931.

“ This Assembly recommends to the Governor General in Council that, in the event of the Bill to impose a temporary additional duty of customs on foreign salt becoming law, the proceeds of the additional duty, after deducting such amounts (not exceeding one-eighth of the whole) as may be required for disbursement by the Governor General in Council for the development of certain Northern India Salt sources in the manner recommended by the Salt Survey Committee and for the investigation of the possibility of the development of other sources in India for the supply of salt to those areas which at present consume imported salt, shall be distributed to the Governments of those provinces in which salt liable to the additional duty is consumed ; and that this apportionment shall be conducted by the Governor General in Council in accordance with his decision as to the extent to which the burden of the additional duty falls upon consumers in the various provinces mentioned ; and this Assembly further recommends that the attention of the Provincial Governments who may receive a portion of the revenue which is to be distributed should be called to the views expressed in this Assembly as to the desirability of applying such revenue in certain ways and in particular to the development of salt production where economically feasible within their own provinces ”.

Now, Sir, I should like the House to examine how far these two objects have been attained by the working of the Act during the past three years. In the first place, as far as Khewra and Sambhar sources are concerned, I am certain no salt has yet been coming to Bengal from any of these sources. So the first portion of our salt development scheme has been a failure up till now. In the second place, as regards the manufacture of salt in Bengal is concerned I can say that a very small number of people have taken up the idea of manufacturing salt in our province. Sir, so far as I am aware the Government of Bengal did not take an active interest to stimulate such manufacture. Although according to the Resolution which I have just read I know that they are getting seven-eighths of their share of duty, the remaining one-eighth being kept by the Government of India. Now, Sir, coming to the present Bill which proposes to give a fresh lease of life to the Act for another 13 months, I can have no objection on principle provided that the entire proceeds are spent for the purpose of which the Act was originally meant, *viz.*, to make India self-supporting in the matter of salt. Sir, I therefore venture to suggest that as the Northern India sources have failed to supply salt in Bengal the Government of India should no longer retain the one-eighth share of this duty but the entire portion of the proceeds be allocated to Bengal and other provinces concerned to be ear-marked for salt development work only, and that no portion of it should be utilized for the purpose of general revenue, either in Bengal or any other province. I believe, Sir, that there is a large scope for the manufacture of salt in some of the districts in Bengal situated on the sea-coast, such as Chittagong, Midnapore, the 24-Parganas and Noakhali.

[Mr. Mahmood Suhrawardy.]

History also shows that salt was manufactured in commercial or on a large scale in these districts during the time of the East India Company. In my humble opinion, I venture to suggest that attempts should be made to revive the old salt industry of Bengal and this will also solve the unemployment problem to some extent. I also think that this additional duty should be utilized exclusively for carrying out the salt manufacture in the provinces concerned (Bengal, Bihar and Orissa, Assam and Burma). If the Government of India are prepared to give such an undertaking which is only a constructive suggestion I shall gladly support the Bill now before the House.

THE HONOURABLE DIWAN BAHADUR G. NARAYANASWAMI CHETTI (Madras : Non-Muhammadan) : Sir, while supporting the extension of the Salt (Additional Import Duty) Act I would like to point out that as regards the composition of the Salt Advisory Committee the Upper House has been completely ignored, not even one or two Members of this House have been put on to that Committee. Sir, I would also support the previous speaker as regards apportioning the revenue to the improvement of the salt industry in various provinces, not only in Bengal. Even in Madras if facilities are given and if some dole is given from this import duty we might try to manufacture salt and later on might find a market not only in Madras but in other provinces.

With these remarks I should like to support the Motion.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA (United Provinces Central : Non-Muhammadan) : If I intervene in the debate at this moment it is just to associate myself with the remarks of my friend Mr. Hossain Imam as regards supplying these papers to us at a very late hour. Sir, the Government does not want to even give time to Members of this House to read papers. These reports were supplied to us last night although they were published months ago. I do not know why they were kept back and were not circulated to us. The fourth report of the Salt Advisory Committee of the Legislative Assembly was published on 23rd February, 1934. Then the other report of the Central Board of Revenue on the working of the Salt (Additional Import Duty) Act during the period 1st January, 1933 to 30th September, 1933 was published as far back as 21st November, 1933, about four months back, and the third report and Statistical Supplement to the report of the Central Board on the working of the Salt (Additional Import Duty) Act during the period 1st January, 1933 to 30th September, 1933 was published on 3rd February, 1934. So, Sir, all these reports were published months back, but were supplied to us late last night at about ten or half past ten. This is the courtesy which is shown to this House. I hope, Sir, that you will press Government to supply these papers in time for us to go through them and be prepared for the discussion when it comes before this House.

THE HONOURABLE MR. J. B. TAYLOR : Sir, I am afraid that I am not able to say whether these papers were presented to the Legislative Assembly before they were presented to this Council, but I shall certainly have the matter looked into and see that in future as much time is given for the perusal of such documents as possible. I think, Sir, the delay in this case has been particularly unfortunate because both the points raised by the Leader of the Opposition were points which have been elucidated in the report of the Committee. However, for the information of this House I will deal briefly with them here. The first is the question of Aden. He rightly emphasized the important position which

the imports of Aden salt bear to the total and the difficult and controversial issues which have arisen because of the peculiar position of Aden. Sir, that is one of the reasons why the Bill is being continued from year to year. Ordinarily a measure of protection is given for a reasonable length of time, five years or so, so that manufacturers can adjust themselves to a settled programme. But the doubt as to the political future of Aden is one of the reasons why this Bill is being carried on from year to year as a temporary measure. That gives an opportunity to the Legislature and to the Government to watch the position from day to day.

The next question which he brought up and which was elaborated by the Honourable Mr. Suhrawardy was as regards the application of that portion of the duty which has to be allocated to the development of local production. We are agreed that the experiments in the past for the development of Northern India salt have not proved particularly successful, and as the Committee themselves point out, they recognize that in the last year or two Local Governments have also not been spending the money on the development of salt production to any considerable extent. They remark that they feel disappointed at it but they realize that the present financial conditions are such as to justify the Local Governments in temporarily diverting these funds. At the same time, and this brings me to the point urged by the Honourable Mr. Suhrawardy, there is a certain margin available with the Central Government from the share which is kept by it, and the Committee have recommended that a portion at least of that share should be lent or given by the Central Government to Provincial Governments for the development of local salt production. There is no intention to confine that to certain areas, and I presume that if the Madras Government for instance puts up a proposition it will be considered on its merits.

As regards the Committee which is charged with the watching of the operation of this measure, the Honourable Mr. Chetti regretted that there were no Members of this Honourable House on the Committee. Sir, I am afraid that it is rather too late to raise that issue now. However, Sir, in this as in other respects the House can rely on me bringing the point to the attention of Government.

Sir, with these remarks I move that the Bill be taken into consideration.

THE HONOURABLE THE PRESIDENT : The Question is :

“ That the Bill further to extend the operation of the Salt (Additional Import Duty) Act, 1931, as passed by the Legislative Assembly, be taken into consideration.”

The Motion was adopted.

Clauses 2 and 3 were added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. J. B. TAYLOR : Sir, I move.

“ That the Bill further to extend the operation of the Salt (Additional Import Duty) Act, 1931, as passed by the Legislative Assembly, be passed.”

The Motion was adopted.

STATEMENT OF BUSINESS.

THE HONOURABLE KHAN BAHADUR MIAN SIR FAZL-I-HUSAIN (Leader of the House) : We are now once more, Sir, in a position in which I can only suggest that the Council should adjourn till summoned by circular on the passing of further legislation by the other Chamber which will, I hope, pass the States Protection Bill towards the close of next week. I have only to add that at our next meeting I shall move for the consideration and passing of the Bill to amend the Indian Trusts Act which I introduced yesterday.

THE HONOURABLE THE PRESIDENT : Honourable Members, I thank you for the businesslike promptitude and expedition with which you have dealt with these two important Bills. You have enhanced the reputation of this Council a hundredfold by your exhibition of businesslike methods.

I shall now adjourn the House to a date to be notified to Honourable Members by an official circular.

The Council then adjourned to a date to be notified to Honourable Members by circular.