

16th March 1936

THE

LEGISLATIVE ASSEMBLY DEBATES

(Official Report)

Volume III, 1936

(28th February to 17th March, 1936)

THIRD SESSION

OF THE

FIFTH LEGISLATIVE ASSEMBLY,
1936



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1936

Legislative Assembly.

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

Deputy President :

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

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LEGISLATIVE ASSEMBLY.

Monday, 16th March, 1936.

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

QUESTIONS AND ANSWERS.

APPLICATION UNDER THE TRADE DISPUTES ACT SUBMITTED BY THE MADRAS AND SOUTHERN MAHRATTA RAILWAY EMPLOYEES' UNION TO THE DEPARTMENT OF INDUSTRIES AND LABOUR.

1213. ***Mr. V. V. Giri:** Will Government be pleased to state whether the Madras and Southern Mahratta Railway Employees' Union has submitted an application under the Trade Disputes Act to the Department of Industries and Labour, and if so, will Government state the action taken thereon?

The Honourable Sir Frank Noyce: No such application has been received since 1933. A letter was received in August, from the General Secretary of the Union, asking the Government of India to secure an agreement between the Union and the Railway Administration on certain points. As already stated by the Honourable Member for Railways on the 6th March, 1936, in reply to Mr. Satyamurti's starred question No. 973, the Government of India replied that they were unable to interfere.

STUDENT ENGINEERS DEPUTED BY THE ASSAM AND THE BENGAL GOVERNMENTS FOR TRAINING IN THE LOCO. AND CARRIAGE WORKSHOPS OF THE ASSAM BENGAL RAILWAY.

1214. ***Mr. Basanta Kumar Das:** (a) How many student Engineers were deputed by the Assam and the Bengal Governments during the last ten years for training in the Loco. and Carriage Workshops of the Assam Bengal Railway at Pahartali and of them how many have since been absorbed by the Assam Bengal Railway by giving them employment and how many of them again are getting monthly salaries of rupees one hundred and over?

(b) What posts, if any, were offered to these student Engineers on completion of their training?

(c) Will Government be pleased to state what the scales of pay and prospects of student Engineers are on other class I Railways, and also on the Assam Bengal Railway?

(d) Is it a fact that the student Engineers, who were deputed by the Assam and the Bengal Governments for training at Pahartali Workshop of the Assam Bengal Railway, possess the highest technical education available in India?

(e) Is it a fact that the Assam-Bengal Railway during the last ten years ignored the claims of many student Engineers, deputed by the Government of Assam, and gave appointments to others who were not as qualified as the said student Engineers? If so, are the Railway Board prepared to consider the desirability of directing the Assam-Bengal Railway authorities to give preference to student Engineers from Assam and Bengal in respect of employment in the various technical departments of the Railway?

The Honourable Sir Muhammad Zafrullah Khan: (a) and (b). Government are informed that seven student engineers were deputed by the Assam Government, during the last ten years, for training in the Locomotive and Carriage Workshop of the Assam Bengal Railway at Pahartali. Two of them have since been absorbed in appointments which the students themselves chose on rates of pay which the Company decided was the market value. None of them is getting a monthly salary of Rs. 100 or over.

(c) On the Assam Bengal and State-managed Railways no pay is given to the student engineers while they are undergoing training nor are they guaranteed any appointment on completion of their training. As regards the other Class I Railways, Government have no information.

(d) Government understand that these student engineers, qualified in the Bengal School of Engineering in the theoretical training, receive practical training in the Assam Bengal Railway. Their training is only in Mechanical Engineering.

(e) Government have no information and the matter is one in which Government do not exercise control.

Mr. Ram Narayan Singh: What is the use of training students in technical science if they are not going to be employed by the Government?

The Honourable Sir Muhammad Zafrullah Khan: I do not know. They need not come.

SHORTAGE OF QUARTERS IN THE PAHARTALI RAILWAY COLONY.

1215. ***Mr. Basanta Kumar Das:** Is it a fact that there is a shortage of quarters in the Pahartali Railway Colony of the Assam-Bengal Railway and that more than two-thirds of the Railway employees have daily to undertake a journey from Chittagong and adjoining villages and in some cases from a distance of six to seven miles from Pahartali in order to attend to their duties? If so, what steps do the Railway Board propose to take for removing the inconvenience of these Railway employees?

The Honourable Sir Muhammad Zafrullah Khan: Quarters are not provided for all the staff employed in Pahartali. A workman's train runs to and from Chittagong for the convenience of the employees at Pahartali. Some employees prefer to live in their own houses rather than in Pahartali or Chittagong.

The Agent, Assam Bengal Railway, states that quarters are being built, as funds permit, where it is necessary for staff to live near their work.

INSUFFICIENT ACCOMMODATION IN THE PAHARTALI HOSPITAL.

1216. ***Mr. Basanta Kumar Das:** (a) Are Government aware that the present hospital accommodation at Pahartali is quite insufficient and that as a matter of fact many persons have to be denied admissions in the hospital?

(b) Is it a fact that there is a proposal to abolish this hospital and transfer it to Chittagong, which is four miles from Pahartali, in the face of opposition of the Railway employees, residents at Pahartali and of the residents of the adjoining villages?

The Honourable Sir Muhammad Zafrullah Khan: (a) The reply is in the affirmative.

(b) The Agent, Assam Bengal Railway, reports that it is not a fact that the present hospital at Pahartali will be abolished. It is proposed to build an Indian hospital as an adjunct to the existing hospital at Chittagong where indoor patients will be treated in future. The existing hospital at Pahartali will then be used only for out-door patients. This was found to be the best solution as it was found impracticable to extend the existing hospital at Pahartali owing to lack of space and the fact that a place close to the noisy workshops would be unsuitable for a hospital.

HOURS OF WATER SUPPLY AT PAHARTALI.

1217. ***Mr. Basanta Kumar Das:** (a) Is it a fact that a restriction in the hours of water-supply has recently been introduced at Pahartali, as a result of which European and Anglo-Indian quarters are being supplied with water for twenty-four hours, while in the Indian residential quarters the supply is intermittent, the total period of supply being only eight hours?

(b) Are Government aware that such a restriction in supply of water is causing considerable hardship to Indian residents, most of whom are workshop employees?

(c) Are the Railway Board prepared to consider the desirability of holding a thorough enquiry into the matter and directing the authorities concerned to so regulate the hours of supply as will cause the minimum inconvenience and will lead to the abolition of the discriminatory method of water supply introduced?

The Honourable Sir Muhammad Zafrullah Khan: (a) A restriction in the hours of water supply at Pahartali was introduced nine months ago owing to the present installation being insufficient to cope with a continuous supply for 24 hours. The restriction affects all the residents equally.

(b) The hours of opening the supply have been arranged to suit the workshop employees.

(c) No enquiry is considered to be necessary. The restriction is largely due to waste on the part of the staff, which they made no effort to curb, though it was brought to their notice. Continuous efforts are being made to reduce waste and if the staff co-operate the number of the hours of supply can be increased.

RETRENCHED WORKERS AWAITING RE-EMPLOYMENT ON THE MADRAS AND SOUTHERN MAHRATTA RAILWAY.

1218. ***Mr. S. Satyamurti**: Will Government be pleased to state the number of workers retrenched in 1932 and 1933 on the Madras and Southern Mahratta Railway, and still awaiting employment?

The Honourable Sir Muhammad Zafrullah Khan: Government have no information regarding the number of workers retrenched by the Madras and Southern Mahratta Railway during 1932-33. The number of retrenched employees awaiting re-employment on the Madras and Southern Mahratta Railway was 259 on the 31st December, 1935.

Mr. S. Satyamurti: Will Government invite the attention of the Railway, to absorb these retrenched men as early as possible, in view of their superior claims for re-employment?

The Honourable Sir Muhammad Zafrullah Khan: Absorption is taking place under the rules laid down by the Railway Board in this matter.

Mr. S. Satyamurti: Will Government ask the Railway to expedite the absorption of the retrenched hands?

The Honourable Sir Muhammad Zafrullah Khan: It depends upon the number of vacancies available.

Mr. S. Satyamurti: Do the railways employ qualified retrenched men in all vacancies for which such hands are available?

The Honourable Sir Muhammad Zafrullah Khan: There are definite rules on the subject that if there are vacancies and if qualified retrenched men are available and if they are willing to accept appointments under the conditions laid down by the railways, they are to be employed.

VACANCIES IN THE MECHANICAL WORKSHOPS ON THE MADRAS AND SOUTHERN MAHRATTA RAILWAY.

1219. ***Mr. S. Satyamurti**: Will Government be pleased to state.

- (a) the number of vacancies that have occurred in full time working Mechanical Workshops on the Madras and Southern Mahratta Railway since 1st April, 1933; and
- (b) of these, how many were filled up with retrenched men?

The Honourable Sir Muhammad Zafrullah Khan: Government have no information. This is a matter of detailed administration and Government are not prepared to interfere.

Mr. S. Satyamurti: Are Government satisfied that, in respect of this Department, their policy is being faithfully carried out as defined by the Honourable Member just now?

The Honourable Sir Muhammad Zafrullah Khan: Government have no reason to think that it is not being followed. If specific cases were brought forward which showed that it was not being followed, Government would make a suggestion to the railway with regard to them.

Mr. S. Satyamurti: My specific question in part (a) is :

"The number of vacancies that have occurred in full time working mechanical workshops on the Madras and Southern Mahratta Railway since 1st April, 1933."

Will Government be good enough to call for information whether, in respect of this particular Department, the policy of the Government is being followed? If not, will they suggest to the Railway that they should follow the policy laid down by Government?

The Honourable Sir Muhammad Zafrullah Khan: Unless the Honourable Member puts forward some data which would lead the Government to think that it was not being followed, surely it would not be right to go on calling for information with a view merely to seeing whether the policy is being followed.

DEVELOPMENT OF INDIAN SHIPPING.

1220. ***Mr. S. Satyamurti** (on behalf of Seth Govind Das): (a) Will Government be pleased to state whether Sir George Rainy, as Commerce Member, did not state in this House that in case an agreed settlement between British and Indian shipping interests proved impossible, the Government of India would face the situation and would explore other methods including financial help "to remove the obstacles in the way of the development of Indian shipping"?

(b) Will Government be pleased to state whether they are aware of the refusal of British shipping interests to co-operate with Indian interests in regard to participation in the overseas trade of the country, and whether they are prepared to consider the question of rendering financial aid to such Indian enterprises as are prepared to enter the overseas trade of the country?

(c) If not, will they be pleased to state what other definite measures they propose to take in order to enable Indians to enter the overseas trade of their own country?

The Honourable Sir Muhammad Zafrullah Khan: (a) It is presumed that the Honourable Member refers to a statement in the Legislative Assembly made by the Honourable Sir George Rainy on the 23rd September, 1929. If so, the answer is in the affirmative.

(b) The reply to the first part of the question is in the negative. As regards the second part of the question, Government are certainly not prepared to consider the question on any such general scale, but are always ready to investigate the merits of any particular application made to them.

(c) The Honourable Member's attention is invited to the reply recently given by me to part (c) of his starred question No. 1057.

Mr. S. Satyamurti: With reference to the answer to part (b), may I request Government to be good enough to state the extent and the nature of co-operation extended by British shipping interests to Indian shipping interests, in regard to participation in the overseas trade of the country?

The Honourable Sir Muhammad Zafrullah Khan: I do not know that any occasion has arisen for extending such co-operation.

Mr. S. Satyamurti: The question is:

“Will Government be pleased to state whether they are aware of the refusal of British shipping interests to co-operate with Indian interest”.

and I think the Honourable Member's answer was in the negative.

The Honourable Sir Muhammad Zafrullah Khan: Government are not aware.

Mr. S. Satyamurti: I want to know whether the answer meant that they have not refused to co-operate, or that they are not aware.

The Honourable Sir Muhammad Zafrullah Khan: Government are not aware that there has been any refusal to co-operate.

Mr. S. Satyamurti: Are Government aware that there has been co-operation?

The Honourable Sir Muhammad Zafrullah Khan: Government are not aware of any occasion having arisen for co-operation.

Mr. S. Satyamurti: May I take it that, so far as overseas trade is concerned, Indian shipping interests have no part or lot in it?

The Honourable Sir Muhammad Zafrullah Khan: I believe there was a question put down by the Honourable Member to that effect with regard to which I said that I was collecting information and that I would place the same on the table as soon as it was ready.

Mr. S. Satyamurti: With reference to part (c), may I know if Government are now in a position to state a little more in detail the definite measures they propose to take, in order to enable Indians to enter overseas trade?

The Honourable Sir Muhammad Zafrullah Khan: I can only repeat what I have said on a previous occasion that, if occasion arises, Government are prepared to use their influence in the matter of bringing about some kind of co-operation and understanding between the different interests.

Mr. T. S. Avinashilingam Chettiar: Other than negotiation, have Government taken any definite steps for the furtherance of Indian shipping?

The Honourable Sir Muhammad Zafrullah Khan: I have made a pretty detailed statement in answer to a question previously put by Mr. Satyamurti on this subject.

Mr. T. S. Avinashilingam Chettiar: The Honourable Member said that they were helping by negotiation the furtherance of Indian shipping interests. I want to know whether Government have taken any steps other than negotiations by way of giving help to the shipping interests in order to develop Indian shipping interests?

The Honourable Sir Muhammad Zafrullah Khan: If the Honourable Member would specify the kind of steps that he thinks Government might take to further Indian shipping interests, I would be able to answer whether they are or are not taking such steps.

Mr. T. S. Avinashilingam Chettiar: By way of reservation of coastal trade, by way of subsidies or bounties to Indian shipping, or by helping the companies to build bigger ships on a higher tonnage which might carry further trade?

The Honourable Sir Muhammad Zafrullah Khan: With regard to coastal trade, the Honourable Member is aware that certain arrangements have been brought about in one case by an award of my predecessor, and in another case by the use of his influence in the matter, between certain companies. There are no subsidies being paid, nor any reservation being made.

Mr. T. S. Avinashilingam Chettiar: May I know if Indian ships are now fully employed?

The Honourable Sir Muhammad Zafrullah Khan: No, I do not think so.

Mr. T. S. Avinashilingam Chettiar: Why do not Government take some steps to give them full work?

The Honourable Sir Muhammad Zafrullah Khan: I do not think any shipping company on any large scale has all its shipping employed these days.

ALLEGATIONS OF FRAUD IN CONNECTION WITH IRWIN HOSPITAL, NEW DELHI.

1221. ***Mr. M. Asaf Ali:** (a) Is it a fact that in connection with Irwin Hospital, New Delhi, a state of affairs has been discovered in the course of auditing of connected documents which reveals:

- (i) that the lowest tender of an experienced contractor, who had previously handled big works, was rejected; and
- (ii) that bills for running payment have been passed by the Engineer concerned which, in respect of certain items, exceed the tendered rates by 100 per cent. or so?

(b) Has the Honourable Member in charge of the Department which is responsible for supervising the construction of Irwin Hospital and for passing the bills of contractors, taken any step to institute an inquiry by an independent authority into the implied allegation of fraud?

The Honourable Sir Frank Noyce: (a), (i). No. Three contractors were passed over because it was considered that they could not successfully undertake work of this magnitude.

I regret that the particulars given for the Irwin Hospital contract, in the statement which I placed on the table, in reply to Mr. Shan Lal's question No. 781, on the 25th of February, 1936, were not quite accurate and with your permission, Sir, I will now lay a corrected statement on the table.

- (a), (ii). Yes.
- (b). Yes.

Revised statement showing in respect of certain works, the lowest amounts tendered, the amount of the accepted tender and the names and class of contractors, if any, whose quotations for the same works were between the lowest and the accepted tender.

Name of project.	Lowest amount tendered.	Amount of accepted tender and the name of the contractor.	Names and class of contractors, if any, whose quotations were between the lowest and the accepted tender.	Remarks.
(1) <i>Irwin Hospital .</i>	Rs. 8,68,501	Rs. 9,65,261 S. S. Ranjit Singh.	Rs. 8,77,712 Mr. Sant Ram Nathu Ram. 9,58,523 S. Sewa Singh Gill, Class I.	Only selected tenders were evaluated.
(2) <i>Pusa Agricultural Research Institute (residential and non-residential sections).</i>	15,44,976	15,56,942 R. B. Seth Lachman Das.	..	The non-residential section was not separately considered.
(3) <i>'D' Type quarters built during 1935 in City Extension Area.</i>	4,54,400	4,72,000 S. S. Ranjit Singh.	4,64,000 R. B. Seth Lachman Das, Class I	

Mr. M. Asaf Ali: May I know if the Chief Engineer is going on leave and another engineer who is also involved is going to officiate as Chief Engineer?

The Honourable Sir Frank Noyce: No decision has been reached in the matter. I am not even sure that the Chief Engineer has yet applied for leave.

BANNING OF CERTAIN BOOKS CONTAINING PASSAGES AGAINST THE HINDU AND MUSLIM RELIGIONS.

1222. ***Mr. Sri Prakasa:** (a) Is it a fact that a recent book of Miss Mayo, entitled "Face of Mother India", has been banned from entry in India?

(b) Have Government seen publications on behalf of the Christian Missions of India, for instance, the Reverend Mr. Cape's book on "Benares", wherein the well-known Hindu god Ganesha is described as a 'vision of ugliness' and the English prayer book in which India is referred to as 'where man alone is vile'?

(c) Do Government propose to ban these books?

(d) Has the attention of Government been drawn to passages in Scott's "Talisman" and in Wells' "Outlines of History", where the Muslim Prophet and faith are traduced?

(e) Do Government propose to ban these books also?

The Honourable Sir Henry Craik: (a) I would invite the Honourable Member's attention to the replies given by me on the 6th March, to Mr. Satyamurti's and Seth Govind Das' questions Nos. 966 and 995, respectively.

(b) Government have not seen the former publication, nor is there any reference in the English Prayer Book such as is suggested in the question. The Honourable Member appears to be misquoting an English hymn.

(c) No.

(d) No.

(e) No.

Sardar Sant Singh: What is that hymn?

The Honourable Sir Henry Craik: It is a well-known hymn composed by Bishop Heber. The reference is not to India.

Mr. T. S. Avinashilingam Chettiar: With reference to clause (b), if it is a misquotation, may I have the right quotation?

The Honourable Sir Henry Craik: Yes, Sir.

"What though the spicy breezes,
Blow soft o'er Ceylon's isle,
Though every prospect pleases
And only man is vile."

I understand that in the latest edition of "Hymns, Ancient and Modern", the word "Ceylon" has been changed to "Java". (Loud Laughter.)

Mr. Sri Prakasa: Why are Government so sensitive about such criticisms? How can people reform themselves unless their manners and customs are allowed to be criticised by others?

The Honourable Sir Henry Craik: The Honourable Member is asking me a part of his question which was disallowed by the Chair.

Mr. M. Ananthasayanam Ayyangar: On what grounds has the entry of "The Face of Mother India" been banned in this country?

The Honourable Sir Henry Craik: I would refer the Honourable Member to the previous answers to Mr. Satyamurti's question on the 6th March.

Mr. M. Ananthasayanam Ayyangar: Have any steps been taken with respect to this book in countries other than India?

The Honourable Sir Henry Craik: Questions on that point have been answered already.

Mr. Sri Prakasa: What is the exact principle which Government follow in banning books like this?

The Honourable Sir Henry Craik: It depends on the circumstances of each case.

Mr. Sri Prakasa: What were the exact circumstances of this case?

The Honourable Sir Henry Craik: I have already stated that in reply to Mr. Satyamurti's question on the 6th March.

CANCELLATION OF THE ORDER FOR THE ARREST OF MR. AMARENDEA NATH CHATTOPADHYAYA, M. L. A.

1223. ***Mr. S. Satyamurti:** Will Government be pleased to state:

- (a) whether it is a fact that the District authorities of Tamruk Sub-division have ordered the arrest of Mr. Amarendra Nath Chattopadhyaya, M.L.A., in connection with his proposed visit to some parts of the District;
- (b) whether after the order for his arrest was passed, it was cancelled by the higher authorities later;
- (c) whether they were consulted in this matter at any time?

The Honourable Sir Henry Craik: (a) No.

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

Mr. S. Satyamurti: With regard to the answer to clause (a), may I know if it means that Government are not aware, or that the District Magistrate did not order the arrest of Mr. Chattopadhyaya?

The Honourable Sir Henry Craik: It means the latter.

Mr. T. S. Avinashilingam Chettiar: In view of the very definite statement made by the Honourable Member, Pandit Maitra, have Government made any further investigations into the matter?

The Honourable Sir Henry Craik: Yes, Sir.

Mr. T. S. Avinashilingam Chettiar: And what is the result of those inquiries?

The Honourable Sir Henry Craik: The result is what I have stated.

ALLEGED IRREGULAR ALLOTMENT OF CERTAIN QUARTERS IN NEW DELHI.

1224. ***Mr. Muhammad Anwar-ul-Azim:** (a) Is it a fact that certain 'D' type quarters belonging to the Posts and Telegraphs Department in Lumsden Square and Sunru Place, New Delhi, are placed at the disposal of the Posts and Telegraphs Directorate?

(b) Is it a fact that under the rules, family quarters in New Delhi are intended only for married clerks, including widowers and widows with children?

(c) Is it a fact that 'D' type quarters are allotted to only those employees who are in receipt of pay exceeding Rs. 75 but not exceeding Rs. 224 per mensem?

(d) Is it a fact that the board referred to in starred question No. 1384, dated the 22nd November, 1932, still exists?

(e) Is it a fact that any infringement in the allotment rules requires the sanction of the Governor General in Council?

(f) If the replies to parts (a) to (e) above be in the affirmative, will Government be pleased to state whether the allotment of all the quarters referred to in part (a) above have been made by any particular officer, or by the board strictly under the rules quoted in reply to part (d) of the question referred to in part (d) above? If not, will Government please state reasons in support of the irregular allotment of each quarter, quoting the number and date of the sanction of the Governor General in Council, rectifying the infringement of the rules?

Mr. G. V. Bewoor: (a) Yes.

(b) Yes.

(c) Yes, so far as the quarters built by the Public Works Department are concerned. The Posts and Telegraphs Department have not built 'E' type quarters and it is open to them to allot to their officials who draw a pay of Rs. 75 and less, a 'D' type quarter instead.

(d) Yes.

(e) The Honourable Member presumably refers to the Public Works Department allotment rules contained in the Supplementary Rules—if so, these rules do not apply to such quarters as have been built by the Posts and Telegraphs Department for the accommodation of its own staff.

(f) Of the 30 quarters which were placed at the disposal of the Director General, 21 were surrendered to the Postmaster-General, Punjab, in October, 1934. Of the remaining nine quarters, some were allotted by a Board but most by the Senior Deputy Director General and preference was given to married men or unmarried men with dependants. There was no irregularity and, therefore, no case calling for the special sanction of Government.

SUPPLY OF BULLS AND BUFFALOES TO THE CULTIVATORS.

1225. ***Mr. Ram Narayan Singh:** Are Government prepared to consider the advisability of asking all the Local Governments in general and the Government of Bihar and Orissa in particular to spend a portion of the Rural Uplift Fund in supplying, free of charge, good breeding bulls and buffaloes to the cultivators for the improvement of the agricultural cattle?

The Honourable Sir James Grigg: This is a matter for the Local Governments to consider. The Honourable Member will find from the White Paper circulated on the 6th of September, 1935, that several Local Governments, for example, Bombay, Bengal, Central Provinces, Coorg and Ajmer-Merwara have included, in their development programmes, cattle breeding and improvement of live stock.

GRANT OF CERTAIN CONCESSIONS IN POSTAL RATES FOR SCIENTIFIC PUBLICATIONS.

1226. ***Mr. Mohan Lal Saksena:** (a) Will Government be pleased to state if they have received any representation from the General Secretary of

the National Academy of Sciences, India, Allahabad, regarding grant of certain concessions in postal rates for scientific journals?

(b) If so, will Government be pleased to state what action has been taken in this connection?

(c) Is it a fact that in the United States of America and certain other countries, concessions in postal rates are allowed to scientific publications? If so, will Government be pleased to state if they are aware of the nature of concessions so allowed?

(d) What is the total number of scientific publications and journals annually published in India?

(e) Will Government be pleased to state if they have considered the approximate amount of loss that will be entailed by Government allowing the scientific publications the concessions that the postage may be charged for their transit at rates which are half of the registered newspapers?

(f) In the interest of promotion of scientific knowledge, are Government prepared to consider the advisability of granting the aforesaid concession in postal rates?

Mr. G. V. Bewoor: (a) Yes.

(b) A copy of the reply given to the General Secretary is placed on the table of the House.

(c) It is a fact that in the United States of America, a concession is granted to newspapers and periodicals registered as second class mail matter. The rate of postage on such articles when posted by members of the public is 1 cent. per 2 ozs. or part thereof. As the Honourable Member does not specifically mention other countries, I am unable to supply further information but, generally speaking, in most countries, as well as in India, concession rates of postage are given to newspapers and periodicals which are registered with the Post Office and fulfil certain conditions.

(d) Government have no information.

(e) The loss cannot be ascertained in view of the reply to (d) above.

(f) Concessions are already granted to registered newspapers and periodicals in India and Government do not consider that any further concessions would be justified.

COPY OF D. G.'S REPLY TO THE GENERAL SECRETARY, THE NATIONAL ACADEMY OF SCIENCES, INDIA, ALLAHABAD.

In reply to your letter No. RT/1, dated the 10th February, 1936, I am directed to say that this office has no exact information regarding the concession mentioned in para. 4 of your letter to the effect that scientific journals registered at any post office in the United States of America are treated as second class mail matter and are charged at half the rate admissible for a registered newspaper. It has been ascertained however, from the U. S. A. official Postal Guide of July, 1935, that in the U. S. A. internal postal service, the rate of postage on newspapers and periodical publications registered as second class mail matter is one cent. for each 2 oz. or fraction thereof, when posted by persons other than the publisher or a news agent. According to the table of equivalents maintained in this office, this rate would work out to 8.7 pies per 5 tolas approximately. According to the current exchange rate, however, the equivalent would approximately be 6 pies per 5 tolas. Assuming that your information

as to half the rate mentioned being applicable to registered scientific journals is correct, it follows that such journals would be charged $\frac{1}{2}$ a cent. per 2 oz. or 4:3 pies for 5 tolas or fraction thereof according to the official table of equivalents or 3 pies approximately for 5 tolas or fraction thereof according to the current market rate. This rate, you will notice compares unfavourably with the Indian rate applicable to registered newspapers and magazines, which is 3 pies for 8 tolas or fraction thereof.

2. It is further seen from the U. S. A. Official Postal Guide that newspapers and periodicals not registered for treatment as second class mail matter would come under the category of third class mail matter for which the postage rate is $1\frac{1}{2}$ cents for each 2 oz. up to a maximum weight of 8 oz. This rate again does not compare favourably with the Indian rate of postage on book packets (which include unregistered newspapers and periodicals) which is 9 pies for the first 5 tolas and only 6 pies for every 5 tolas thereafter.

3. In the circumstances explained above, the Director-General trusts that you will agree that in comparison with the U. S. A. rates of postage, there is absolutely no case for reducing the already favourable Indian rates of postage on registered and unregistered newspapers and periodicals.

SUPPLY OF REGISTERED NEWSPAPERS AND MAGAZINES FREE OF POSTAGE TO VILLAGE LIBRARIES AND READING ROOMS.

1227. ***Mr. Mohan Lal Saksena:** Are Government prepared to consider the feasibility of allowing registered newspapers and magazines being sent free of postage to all the village reading-rooms and libraries?

The Honourable Sir Frank Noyce: No.

ASSISTANCE GIVEN BY THE POSTAL DEPARTMENT TO RURAL UPLIFT WORK.

1228. ***Mr. Mohan Lal Saksena:** Will Government be pleased to state what assistance, if any, is being given by the postal department to rural uplift work?

The Honourable Sir Frank Noyce: The Postal Department has no direct concern with village uplift work.

ADDITIONAL STAFF MAINTAINED FOR LEAVE ARRANGEMENTS IN THE POSTAL DEPARTMENT.

1229. ***Mr. Mohan Lal Saksena:** (a) Will Government be pleased to state if any additional hands are maintained for leave arrangements amongst the postmen and lower subordinate postal employees?

(b) If so, what is their percentage as compared with the total number of such employees?

(c) Will Government state at what percentage are additional hands maintained for leave arrangements amongst the clerks and other higher grade postal employees?

Mr. G. V. Bewoor: (a) and (b). In some of the larger post offices there are probationary or reserve postmen who are available to act as a leave reserve for the postmen cadre, but their numbers are not fixed according to any definite percentage. In the majority of post offices however there is no such leave reserve and vacancies due to leave are filled by the promotion of suitable members of the inferior staff. Ordinarily, there is no leave reserve in post offices, for the inferior staff and leave vacancies in that cadre are filled by suitable outsiders.

(c) There is no separate leave reserve for gazetted officers in the postal branch of the Department. In the clerical cadre a leave reserve of 17 per cent. has been fixed for post offices and of 10 per cent. for Circle offices. In the Railway Mail Service, the leave reserve is 20 per cent. in India and 25 per cent. in Burma.

CASUAL AND PRIVILEGE LEAVE, ETC., ALLOWED TO POSTMEN.

1230. ***Mr. Mohan Lal Saksena:** (a) Will Government be pleased to state the gazetted holidays, the amount of casual and privilege leave to which postmen are entitled under the existing rules?

(b) Are Government aware that the postmen and lower grade postal employees are not able to avail themselves of the privilege and casual leave, because of the inadequate number of additional hands necessary for leave arrangements?

(c) If so, are Government prepared to take necessary steps to see that these employees are able to avail themselves of their duly earned leave without any difficulty?

Mr. G. V. Bewoor: (a) As regards gazetted holidays in the Post Office, the attention of the Honourable Member is invited to clause 2 of the Posts and Telegraphs Guide published in April, 1935, a copy of which is in the Library of the House. The maximum amount of casual leave admissible to postmen is 20 days in a year. The amount of privilege leave due to postmen is governed by the provisions of the Civil Service Regulations in the case of staff who did not elect to come under the Fundamental Rules. Both the privilege leave and leave on average pay are generally equivalent to one-eleventh of the period spent on duty. No Government servant, however, is entitled to claim leave as a right.

(b) Government are aware that difficulty arises sometimes in the matter of granting casual leave to postmen and lower grade postal employees, but they are not aware that such staff cannot get privilege leave or leave on average pay. I may also explain that casual leave is not earned leave like privilege leave or leave on average pay and its grant is always subject to the exigencies of the service.

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

NON-SUPPLY OF SANCTIONED WINTER UNIFORM TO POSTMEN IN THE UNITED PROVINCES.

1231. ***Mr. Mohan Lal Saksena:** (a) Will Government be pleased to state what uniform is supplied to postmen for summer and winter?

(b) Is it a fact that for reasons of economy postmen in the United Provinces are not given the sanctioned uniform for winter?

(c) If so, will Government be pleased to state the total amount of savings made on this account?

Mr. G. V. Bewoor: (a) Postmen are supplied with a drill shirt or coat, drill trousers or shorts, a *nugree* and in some cases, a pair of *puttees* as their summer uniform. In stations where the climate is cold for certain months of the year but not very cold, these officials are supplied with a woollen jersey in addition to the drill garments. Where the winter is severe

and prolonged, they are supplied with serge garments in addition to the drill garments.

The scale and periodicity of supply of these garments vary according to the importance of the stations to which the officials are attached.

(b) No.

(c) Does not arise.

HOISTING OF NATIONAL FLAG ON GOVERNMENT BUILDINGS.

1232. ***Mr. Mohan Lal Saksena:** (a) Will Government be pleased to state under what law, if any, is the Union Jack flown as the flag of India?

(b) Are Government aware of the desire of Indian people to have a national flag of India instead of the Union Jack?

(c) Are they aware that in pursuance of that desire, the Indian National Congress has adopted a tri-coloured flag of khadi with a spinning wheel in the centre as the national flag of India?

(d) Are Government prepared to consider the advisability of recognising the national flag and hoisting it on all Government buildings?

The Honourable Sir Henry Craik: (a) The distinctive flag of India is that provided for the Viceroy and Governor-General, *viz.*, the Union Jack having in its centre the Star of India surmounted by the Tudor Crown. It is not prescribed by any law.

(b), (c) and (d). The question whether any more suitable flag should be adopted has been considered from time to time and when the question was raised in 1931 in another place it was stated that Government while sympathising with the suggestion that India should have, as the Dominions have, a distinctive flag under the British flag considered that this question might best be decided when the Federation of India had come into being. Government are aware that the Indian National Congress has adopted its own flag.

INCOME-TAX PAYEES REQUIRED TO PAY DOUBLE FEES FOR THE EDUCATION OF THEIR CHILDREN IN DELHI.

1233. ***Mr. Ram Narayan Singh:** Is it a fact that in the province of Delhi, all income-tax payees have to pay as tuition fees for the education of their children in Government schools and colleges, fees twice as much as are ordinarily chargeable from other students of the same class, for the study of the same subjects and also for the same amount of labour and if so, according to which rules or principles?

Sir Girja Shankar Bajpai: No.

EFFECT GIVEN TO THE RECOMMENDATIONS OF THE ROYAL COMMISSION ON AGRICULTURE.

1234. ***Mr. Ram Narayan Singh:** Have the recommendations of the Royal Commission on Agriculture been given effect to, and if so, to what extent and in what direction?

Sir Girja Shankar Bajpai: Attention of the Honourable Member is invited to the reply given by me to his question No. 1309 on the 1st April, 1935.

OFFER BY THE HIMALAYAN AIRWAYS, LIMITED, TO CARRY AIR MAILS TO LAHORE VIA DELHI.

1235. ***Mr. M. Ananthasayanam Ayyangar:** (a) Have Government received a representation that the Himalayan Airways Limited offers to carry mails by air to Lahore *via* Delhi at the usual rates and without any subsidy?

(b) Is not the cost of such transport *via* Delhi, less than the present cost from Karachi to Lahore as increased by the subsidy?

(c) If the cost is less, why do Government propose to give subsidy to the Indian Airways Limited?

The Honourable Sir Frank Noyce: (a) The Honourable Member's attention is invited to the reply given on the 9th March, 1936, to part (a) of his question No. 1022.

(b) No.

(c) Does not arise.

PURCHASE OF CUSTOMS RIGHT IN THE KATHIAWAR STATE.

1236. ***Mr. M. Ananthasayanam Ayyangar:** (a) What is the price for which the customs right in the Kathiawar State was purchased by Government and what may be the probable cost of further purchases?

(b) What is the amount of annual gain to Government by such a purchase, or the amount of the probable loss that might be avoided?

The Honourable Sir James Grigg: (a) The Honourable Member is presumably referring to the compensation paid for the purchase of customs rights in certain States and Estates bordering on Cutch. If so, he will find the total amount of the annual payments involved on page 16 of the Demands for Grants, 1936-37.

(b) It is not possible to estimate the annual gain to Government. It is sufficient to say that without the imposition of the line, foreign dutiable goods could have entered British India without paying any customs duty to Government. As Cutch levies duty at rates lower than the British Indian tariff, the import of goods by this route might have assumed very large proportions.

Mr. S. Satyamurti: How long has this system been working? That is to say, after the payment of compensation, are Government satisfied on inquiries that it is working satisfactorily?

The Honourable Sir James Grigg: It has been working for some months. We have no reason to suppose that it is not completely effective. But no special inquiry has been made at the moment except to satisfy ourselves in a general way that the line is effectively administered.

Mr. S. Satyamurti: What are the new arrangements, after this arrangement has been entered into by the payment of this large sum, in order to get full benefit for the British Indian taxpayer of this large sum?

The Honourable Sir James Grigg: I think the Honourable Member must be referring to the negotiations with the larger Kathiawar States. As I have said before, I will make a statement as to the position in that regard as soon as I possibly can, and I hope it will not be very long now.

Mr. S. Satyamurti: I am only asking whether, in return for such compensation as we pay, we are getting the full value.

The Honourable Sir James Grigg: I think we are getting quite good value. The compensation payable is about Rs. 19,000 and the possible hole in our customs revenue is infinitely larger than that.

Mr. S. Satyamurti: Has the hole been completely closed?

The Honourable Sir James Grigg: Yes, we think so.

Mr. S. Satyamurti: Apart from thought, Rs. 19,000 is a very large sum. Have Government made any inquiries or do they hope to make any inquiries to see that the hole is completely closed?

The Honourable Sir James Grigg: The Government of India are administering the line.

Mr. M. Ananthasayanam Ayyangar: What proportion does the amount of compensation which is now sought to be paid bear to the amount of customs duties that the Kathiawar States were receiving?

The Honourable Sir James Grigg: The Honourable Member had better put that down.

Mr. M. Ananthasayanam Ayyangar: Was it without any reference to such proportion as that that the compensation was fixed?

The Honourable Sir James Grigg: All relevant considerations were taken into account.

Mr. M. Ananthasayanam Ayyangar: May I know what that proportion is?

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member has already answered that question.

INDIAN SHIPS PLYING ON THE COAST OF GREAT BRITAIN, ETC.

1287. ***Mr. M. Ananthasayanam Ayyangar:** (a) Are any Indian ships plying on the coast of Great Britain?

(b) What is the number of English and other foreign ships and Indian ships carrying on coastal shipping in India?

The Honourable Sir Muhammad Zafrullah Khan: (a) So far as Government are aware the answer is in the negative.

(b) According to the information available with the Government of India there are 87 British steam ships and 63 Indian steam ships employed in the coastal trade of India and no foreign ships are regularly so employed. The above figures are, however, only approximate, as it is not possible to give exact figures of the number of ships employed in the coastal trade at any particular time owing to the fact that many vessels which are ordinarily employed in foreign trade are occasionally used in the coastal trade. There is also a large coastal trade carried on by Indian-owned sailing ships, but statistics as to the number of ships engaged in it are not readily available.

Pandit Lakshmi Kanta Maitra: May I know the total tonnage of shipping?

The Honourable Sir Muhammad Zafrullah Khan: I shall require notice of that question.

Pandit Lakshmi Kanta Maitra: Is the Honourable Member in a position to enlighten us as to the volume of trade that is being carried on?

The Honourable Sir Muhammad Zafrullah Khan: No.

Pandit Lakshmi Kanta Maitra: The total yearly value of the trade?

The Honourable Sir Muhammad Zafrullah Khan: I have not got the information here. If it can be got and the Honourable Member puts down a question, I shall answer it.

DESIRABILITY OF RUNNING THE BOMBAY-CALCUTTA MAIL VIA ALLAHABAD AND BENARES.

1238. ***Mr. Sri Prakasa:** Are Government prepared to consider the desirability of urging upon the railway authorities concerned to run the Bombay-Calcutta (via Jubbulpore) Up and Down Mails, via Allahabad-Janghai-Benares, instead of via Cheeki and Mirzapur and thus enable these Mail trains to touch the important centres of Benares and Allahabad, which are now connected by shuttle or other corresponding trains with these mails?

The Honourable Sir Muhammad Zafrullah Khan: With your permission, Sir, I propose to reply to this and questions Nos. 1239 and 1241 together.

It is not practicable for Government to take any part in arranging for train services on individual railways: but I am communicating the Honourable Member's suggestions to the Agent, East Indian Railway, for consideration.

It is the practice on the East Indian Railway to discuss changes proposed in the half-yearly time-tables with their Local Advisory Committee.

STARTING OF 15 UP EAST INDIAN RAILWAY TRAIN FROM MOGHALSARAI.

†1239. ***Mr. Sri Prakasa:** (a) What exactly is the point in running the 15 Up East Indian Railway Passenger train from Allahabad to Delhi when the corresponding 16 Down goes from Delhi right up to Moghalsarai?

†For answer to this question, see answer to question No. 1238.

(b) Are Government prepared to consider the desirability of recommending to the railway to start the Up train from Moghalsarai as before?

NON-AVAILABILITY OF INTERMEDIATE CLASS TICKETS FROM MUTTRA TO STATIONS ON THE EAST INDIAN RAILWAY.

1240. *Mr. Sri Prakasa: (a) Are Government aware that intermediate class tickets are not available from Muttra (Bombay, Baroda and Central India Railway) to stations on the East Indian Railway via Hathras and that passengers, in consequence, suffer great inconvenience at Hathras in re-booking in view of the shortness of time available between connecting trains?

(b) Are Government prepared to instruct the railway authorities concerned to arrange for the through booking of passengers?

The Honourable Sir Muhammad Zafrullah Khan: (a) The Agent of the Bombay, Baroda and Central India Railway, states, that intermediate class tickets are available at Muttra for stations on the East Indian Railway, *via* Hathras.

(b) Does not arise.

Mr. Sri Prakasa: Is it not a fact that I could not get one? (Laughter.)

The Honourable Sir Muhammad Zafrullah Khan: That is a point on which the Honourable Member alone can give information.

Mr. Sri Prakasa: The Honourable Member may take it as true that I could not get one and communicate it to the persons concerned.

The Honourable Sir Muhammad Zafrullah Khan: I must accept it as a fact. I suppose the Honourable Member wanted a ticket to some station for which a printed ticket was not available at the time.

Mr. Sri Prakasa: The booking office refused to give me a ticket at all.

Sir Muhammad Yakub: Probably they thought that a Member of the Legislative Assembly should not travel in the intermediate class.

(Mr. Sri Prakasa stood up.)

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member, the Chair supposes, wants to make a statement and follow it up with a question.

Mr. Sri Prakasa: I shall put a mark of interrogation at the end. Is it not a fact that when a passenger wants an intermediate class ticket from Muttra to, let us say, Tundla, which was the case in point, he is not given one? He is only given a third class ticket to Hathras, where he has to re-book. Will Government see that this anomaly is removed on the ground that there are only very few minutes available for the passenger to re-book at Hathras?

The Honourable Sir Muhammad Zafrullah Khan: I have already stated that Government are informed that it is not so.

THROUGH RAILWAY SERVICE BETWEEN DELHI AND CALCUTTA VIA MUTTRA, AGRA, ETC.

†1241. ***Mr. Sri Prakasa:** (a) Are Government prepared to consider the desirability of arranging through railway service between Delhi and Calcutta *via* Muttra, Agra, Allahabad, Benares and Gaya as used partially to be the case before, to enable passengers to touch these various pilgrim centres in one run?

(b) Are Government prepared to recommend the present 7 Up and 8 Down of the East Indian Railway to be diverted along this route?

MAINTENANCE OF LEAVE RESERVE IN THE POSTAL DEPARTMENT.

1242. ***Pandit Lakshmi Kanta Maitra:** (a) Is it a fact that according to standing orders, a leave reserve is to be maintained for working in leave vacancies of the clerks in the Postal Department?

(b) Is it a fact that according to orders the leave reserve is to be maintained at a ratio of 17 per cent. of the sanctioned clerical staff?

(c) Is it a fact that in the Bengal and Assam Circle a leave reserve at the above ratio is not being maintained?

(d) Are Government aware that owing to want of reserve hands the clerical staff of the above Circle are not getting leave when necessary?

Mr. G. V. Bewoor: (a) Yes.

(b) A leave reserve at the following percentages is ordinarily fixed in the different branches of the Post Office and R. M. S. for the clerical staff:

Circle offices and Dead Letter Offices	per cent.
Post Offices	10
R. M. S.	17
	20 (India)
	25 (Burma).

(c) and (d). No.

PENSION PAYMENT WORK OF RETIRED POSTAL OFFICIALS.

1243. ***Pandit Lakshmi Kanta Maitra:** (a) Is it a fact that since 1st April, 1935 pension payment work of retired postal officials has been entrusted to the Postal Department?

(b) Is it a fact that this measure has increased the volume of work of different Post Offices?

(c) Is it a fact that no additional hand has been sanctioned for the purpose?

(d) How many retired officials have been drawing pension at present?

(e) How many men were engaged on pension payment work prior to its transfer to the Postal Department?

(f) Are Government prepared to sanction the same number of hands to the Post Office for this extra work? If not, why not?

Mr. G. V. Bewoor: (a) Yes, except that the pensions sanctioned prior to the 1st April, 1921, to the employees of the Posts and Telegraphs Department are not paid from post offices but continue to be paid from Civil Treasuries.

(b) Yes, but only to a comparatively small extent.

(c) As the increase in work in each individual office is comparatively small, no additional staff has so far been sanctioned for any post office specifically for the work connected with the payment of pensions. Heads of Circles have, however, been instructed to watch the position and to sanction such additional staff as may be found to be justified for the additional work.

(d) 16,476.

(e) Prior to the introduction of the scheme for the payment of pensions by post offices, the pensioners of the Posts and Telegraphs Department were paid their pensions by Civil treasuries like Government pensioners of other Departments. No information is available regarding the staff employed in treasuries solely in connection with the payment of post and telegraph pensions.

(f) Does not arise in view of the replies to parts (c) and (e) above.

SANCTION OF ADDITIONAL STAFF FOR PENSION PAYMENT WORK IN THE CALCUTTA GENERAL POST OFFICE.

1244. *Pandit Lakshmi Kanta Maitra: (a) Will Government be pleased to state how many retired officials are drawing pension through the Calcutta General Post Office and its Town Sub-Offices?

(b) How many additional hands have been sanctioned to cope with this extra piece of work in Calcutta?

(c) Is it a fact that this extra pension work has been entrusted to the Savings Bank Branch of the Calcutta General Post Office?

(d) Are Government aware that the Savings Bank Branch of the Calcutta General Post Office is already overworked and sanction of additional hands as required under the time-test is overdue?

(e) Are Government aware that owing to thrusting of this extra pension payment work, the hardships of the staff are further aggravated?

(f) Are Government prepared to take immediate action to review the statistics of the above branch and sanction the additional number of hands?

(g) If so, when? If not, why not?

Mr. G. V. Bewoor: (a) 687.

(b) No additional staff has been sanctioned, the work being carried on by the existing staff with some assistance from spare staff available from other branches. In this connection, I would invite the attention of the Honourable Member to the reply given by me just now to his starred question No. 1243.

(c) to (e). No.

(f) and (g). Do not arise.

SANCTION OF ADDITIONAL STAFF FOR THE MONEY ORDER DEPARTMENT IN THE CALCUTTA GENERAL POST OFFICE.

1245. ***Pandit Lakshmi Kanta Maitra:** (a) Will Government be pleased to state when the statistics of the Money Order Department of Calcutta General Post Office were last reviewed?

(b) How many additional hands have been sanctioned for the department during the last two years?

(c) Sanction of how many additional hands was found to be justified according to Bewoor Time-test?

(d) Is it a fact that owing to excessive work the staff have to work usually in that department for ten hours daily?

(e) Are Government aware that the work has tremendously increased recently owing to floating of money circulating chain by different registered Companies in Calcutta?

(f) Is it a fact that as a result of this the staff who attend office at 10 A.M. cannot leave office before 10 P.M.?

(g) Are Government prepared to take immediate steps to review the statistics of the above branch and sanction required hands?

(h) If so, when? If not, why not?

Mr. G. V. Bewoor: (a) The statistics were last reviewed in May, 1935.

(b) and (c). Five additional hands were sanctioned in 1934 and two in 1935. These sanctions were justified by the time test.

(d) No.

(e) There was only a temporary increase of work.

(f) No. Additional staff was provided during the period of temporary increase of work.

(g) and (h). Do not arise in view of the replies to parts (a) to (f).

OFFICIALS CONVICTED IN THE BENGAL AND ASSAM POSTAL CIRCLE.

1246. ***Pandit Lakshmi Kanta Maitra:** (a) Will Government be pleased to lay on the table of this House a statement showing the number of officials convicted during the last three years in Bengal and Assam Circle under the heads (1) Sub-Postmasters and clerks, (2) postmen and overseers, (3) inferior service and (4) E. D. As.?

(b) Is it a fact that the number of E. D. As. is very heavy in the list of convictions in all the Circles?

(c) Are Government aware that the Sub-Postmasters in charge of shopkeepers in Great Britain are paid liberal allowances based on the volume of work handled by them?

(d) Is it a fact that in India there are many offices in charge of E. D. As. which have responsible work but are paid less allowance?

(e) Are Government aware that the All-India (including Burma) Postal and Railway Mail Service Union pointed out many defects in the formula prescribed by the Director General of Posts and Telegraphs for allowance of the E. D. As.?

(f) Are Government prepared to revise the formula and increase the allowance of the E. D. As.?

The Honourable Sir Frank Noyce: (a) A statement giving the information is placed on the table.

(b) The number of extra departmental agents convicted is large in comparison with the number of persons belonging to the class of sub-postmasters and clerks and inferior servants, but it is not very large compared with the number of postmen and overseers convicted of offences.

(c) Government have no information.

(d) I am unable to say whether the allowances paid in India are less than those paid in Great Britain. But I may point out that in India also the allowance is fixed according to a standard based on the volume of work done in the office.

(e) A representation was received from the All-India (including Burma) Postal and Railway Mail Service Union in this connection. It was carefully examined but no revision of the prescribed standard was considered necessary.

(f) No; suitable men are available on the allowances fixed according to the standard in force. Moreover in special cases a higher allowance is permitted to be fixed with the Director-General's sanction if suitable men are not forthcoming on the allowance justified by the prescribed standard.

Statement.

Year.	Sub- Postmasters and Clerks.	Postmen and Overseers.	Inferior servants.	Extra- departmental agents.
1932-33	5	23	2	32
1933-34	9	13	1	23
1934-35	5	13	3	20

1247. *Pandit Lakshmi Kanta Maitra: Sir, I do not put question No. 1247

**DEGRADATION OF STAFF IN THE GEODETIC BRANCH OF THE SURVEY OF INDIA,
DEHRA DUN.**

1248. *Pandit Lakshmi Kanta Maltra: (a) Has the Director, Geodetic Branch, Survey of India, Dehra Dun, issued one 'Geodetic Branch Standing Order No. 12 on the 10th of August, 1935, on the subject of 'Reclassification of Officers of the Lower Subordinate Service who have been in their class for five years'? If so, will Government please state why such steps is taken? Does such degradation exist in other services of the Survey of India, or in the same service in other departments of the Government? Will Government be pleased to lay a copy of the order on the table?

(b) Is it a fact that in sub-paragraph 2 of paragraph 4 of the same order it is mentioned that 'Such reduction in class are in no way indicative of special fault or misdemeanour'? If so, will Government please state why people are degraded in their old age?

(c) Is it a fact that no less than half a dozen men of this service are degraded as per Geodetic Branch Routine order No. 6, dated the 18th January, 1936, with the remark that 'Reduction in class of the following men who have been in their existing classes for five years have been ordered by the Director, Geodetic Branch, from 1st January, 1936, because these men are no longer considered fit for retention in these classes' (*vide* paragraph 6 of the above Routine Order)?

(d) Is it also a fact that three men are degraded with the remark that 'The following class reductions of men who have not been for years in existing class are ordered from 1st January, 1936, because these men are not considered fit for retention in their present classes' (*vide* paragraph 7 of the same routine order) and that the pay of 13 persons is reduced (*vide* paragraph 5 of the same routine order)?

(e) Is it a fact that the promotion to the highest class of this service is not effected ordinarily before 15 or 20 years of good service?

(f) Are Government prepared to ask the Director, Geodetic Branch, Survey of India, to re-instate all the officers of the Lower Subordinate Service mentioned in the Routine Order No. 6 of the 18th January, 1936, and to withdraw the Geodetic Branch Standing Order No. 12 of the 10th August, 1935?

Sir Girja Shankar Bajpai: (a)—(f). Such orders as are mentioned by the Honourable Member in the first sentence of his question were issued. Government are at present investigating the matter and will communicate the result to the House in due course.

**SUPPLY OF GOVERNMENT PUBLICATIONS TO THE MEMBERS OF THE LEGISLATIVE
ASSEMBLY.**

1249. *Babu Kailash Behari Lal: Will Government be pleased to state what Government publications are supplied to the Honourable Members of this House, and what is the principle followed in supplying the Government publications to the Honourable Members?

The Honourable Sir Frank Noyce: I would invite the attention of the Honourable Member to the reply given by me to part (d) of Mr. M. Ananthasayanam Ayyangar's unstarred question No. 121 on the 27th February, 1935.

Prof. N. G. Ranga: In view of the fact that several of these publications are destroyed from time to time, because they cannot be sold, will Government consider the advisability of supplying to Members of this House copies of the following reports:

Agricultural Statistics, Season and Crop Reports, Seaborne Trade, Revenue and Trade Statistics, Indian Trade Journal?

The Honourable Sir Frank Noyce: If my Honourable friend will send me the particulars he has read out in his question, I will see what can be done.

Mr. T. S. Avinashilingam Chettiar: What is the answer to the second part of the question?

The Honourable Sir Frank Noyce: I have referred my Honourable friend to the answer I have already given to part (d) of Mr. Ananthasayanam Ayyangar's unstarred question; I can read the answer to that if necessary

Mr. President (The Honourable Sir Abdur Rahim): The Chair does not think so: the answer is there.

Mr. M. Ananthasayanam Ayyangar: I would like to put a supplementary question, Sir.

Mr. President (The Honourable Sir Abdur Rahim): So long as it is relevant.

Mr. M. Ananthasayanam Ayyangar: Is the Honourable Member aware that after I put the question, as a consequence thereof, no publication, even if it could have been destroyed after distribution, is distributed to Members of this House?

The Honourable Sir Frank Noyce: I think I have already replied to that. I do not know whether my Honourable friend has studied the answer that I gave in reply to his question.

Mr. President (The Honourable Sir Abdur Rahim): If the Honourable Member has replied, that is quite enough.

Mr. N. M. Joshi: In view of the fact that the Members of the Legislature are greatly hampered in their work on account of want of Government publications, might I ask whether the Government of India will reconsider this question?

The Honourable Sir Frank Noyce: May I read out what I have already stated in reply to Mr. Ananthasayanam Ayyangar's question?

"The position is that our publications are made available to Members of the Central Legislature through the Library of the Indian Legislature which now receives six copies of each publication. If an Honourable Member of either House sends a request to the Department concerned for any publication in which he is particularly interested, the request is considered; and I believe that in most cases the publication is supplied. Publications of special and general interest are frequently distributed to all Members. But Government cannot undertake to distribute all their publications to all Members of the Legislature."

I think that is a sufficient reply to my Honourable friend.

Mr. N. M. Joshi: In view of the fact that the Members of the Legislature are very anxious to secure regular supplies

Sir H. P. Mody: Who says we are anxious?

Mr. N. M. Joshi: I say we are of some Government publications, might I ask you, Sir, as President of the Assembly, to take up the matter with the Government of India and see that the convenience of Members is well met?

Mr. President (The Honourable Sir Abdul Rahim): The Honourable Member has appealed to the Chair; he has not specified what are the publications that are not supplied, which would be of use to Honourable Members in discharging their duties in this Assembly; and the Honourable Member in charge of the matter has already stated that, if a request is made by any Honourable Member either to him or his Department for any particular publication, it is generally supplied to that Member. The Chair thinks that is quite enough.

Mr. N. M. Joshi: May I ask whether we should not get a regular supply of publications instead of publications being sent at our request? My question to you, Sir, was whether you could not take steps in consultation with Leaders of Parties to make a list of publications which the Honourable Members should have?

The Honourable Sir Frank Noyce: What I should like to point out is that if an Honourable Member is not willing to take the trouble to write and ask for a particular publication, his interest in that publication must be severely limited.

Mr. S. Satyamurti: On that answer, Sir, I want to ask my Honourable friend to consider whether, when an Honourable Member takes the time and the trouble to write to a Department "I am interested in publication A or X, and I want to have it", why should he be told that the matter will be considered merely?

The Honourable Sir Frank Noyce: I said that if an Honourable Member is not prepared to take the trouble to write to the Department concerned for a publication, in which he says he is interested, his interest in it must

be severely limited. My Honourable friend, Mr. Joshi, was asking that publications should be supplied without any request, automatically.

Mr. S. Satyamurti: May I take it that, whenever a request is made, it will be complied with?

The Honourable Sir Frank Noyce: As far as we are able to do so.

Mr. S. Satyamurti: What is the limitation?

The Honourable Sir Frank Noyce: I do not know of any limitation except the limitation that we may not have any spare copies: that I imagine, is the only limitation.

Pandit Krishna Kant Malaviya: May I say that I got a letter from the office here that some publications were going to be destroyed, and that, if I cared to have them, I should write for them? I did apply, but did not get an answer. I sent two letters, but never got the publications.

The Honourable Sir Frank Noyce: I must regret that that should have been so. If my Honourable friend could give me particulars of his letter, when he sent them, and to whom they were addressed, I shall be very glad to have inquiries made and see whether even now we cannot comply with his request.

Dr. F. X. DeSouza: Are not some of these publications, like the Review of Trade in India, supplied only on payment at Rs. 3-4-0 a copy, and is it necessary for Members to pay for such important publications?

The Honourable Sir Frank Noyce: Did my Honourable friend write to the Department concerned and ask for a copy?

Dr. F. X. DeSouza: I did ask, and they said that it would be supplied on payment of Rs. 3-4-0.

The Honourable Sir Frank Noyce: I will pass on that information to the Department concerned.

Sir H. P. Mody: What steps does the Honourable Member propose to take to protect people like me against all sorts of useless publications which are dumped on me?

Mr. S. Satyamurti: Do Government accept the implication that Government publish useless publications?

COMBINED CIVIL LIST FOR INDIA AND BURMA.

1250. ***Babu Kallash Behari Lal:** (a) Will Government be pleased to state whether they print the Combined Civil List for India and Burma? If so, how many copies are printed? If not, do they print any equivalent publication?

(b) How many copies are supplied free to Government offices and Local Governments?

(c) How many copies are supplied free to Government officials?

(d) Will Government state if they are aware that the Local Governments supply free the Civil Lists of their Governments to the Members of the Local Legislature?

(e) Are Government prepared to consider the advisability of supplying the Combined Civil List or the equivalent publication to the Honourable Members of this House?

The Honourable Sir Henry Craik: (a) to (c). The Combined Civil List is not an official publication. It is compiled and published by the Civil and Military Gazette, Ltd., Lahore. No similar Combined Civil List is published by the Government of India. The Government of India buy a few copies of the Combined Civil List for official use.

(d) I have no information.

(e) No. A copy of the List is available in the Library of the House.

Babu Kailash Behari Lal: Is it on the principle of necessity and utility that Government publications are supplied or is it by way of courtesy that they are so supplied?

The Honourable Sir Henry Craik: I have said that this is not a Government publication at all.

Babu Kailash Behari Lal: As regards any publication, is it on the principle of necessity that Government publications are supplied, or by way of courtesy?

Mr. President (The Honourable Sir Abdur Rahim): This is not a Government publication. I think the Honourable Member said that this is not a Government publication.

The Honourable Sir Henry Craik: It is a purely private publication.

SUPPLY OF THE GOVERNMENT OF INDIA ACT, 1935, TO THE MEMBERS OF THE LEGISLATIVE ASSEMBLY.

1251. ***Babu Kailash Behari Lal:** (a) Will Government be pleased to state if it is a fact that the Government of India Act, 1935 is a publication of the Reforms Office of the Government of India?

(b) Was it supplied to the Members of this House direct by the Reforms Office or through the Legislative Department?

(c) How many copies of the Government of India Act, 1935 were received by the Legislative Department?

The Honourable Sir Nripendra Sircar: (a) The Indian reprint of the Government of India Act, 1935, is a publication of the Government of India. The administrative department concerned is the Reforms Office.

(b) Following the usual practice in such cases copies were supplied to Honourable Members of this House through the Legislative Assembly Department and to the Honourable Members of the Council of State through the Legislative Department.

(c) 136 and 54 copies of the Act were supplied to the Legislative Assembly and Legislative Departments respectively.

Babu Kallash Behari Lal: I will now put the supplementary question which I put before—is it on the principle of necessity or utility that Government publications are supplied to Honourable Members of this House or is it by way of courtesy that these publications are supplied to them?

The Honourable Sir Nripendra Sircar: I submit, Sir, I should not be asked to discuss any question of principle. I was asked how these Acts are supplied, and I have answered. There is no general question of courtesy or principle involved in connection with copies of these publications supplied to Members of the Legislative Assembly or the Council of State.

Babu Kallash Behari Lal: If any Honourable Member has not got any publication, then will Government

Mr. President (The Honourable Sir Abdur Rahim): It is a hypothetical question. The Honourable Member cannot go on discussing such hypothetical questions. Next question please.

RECRUITMENT OF BRITISHERS AND INDIANS TO THE INDIAN CIVIL SERVICE.

1252. ***Mr. S. Satyamurti:** Will Government be pleased to state:

- (a) whether their attention has been drawn to the recent question of Sir Reginald Craddock and the reply of the Under Secretary of State for India in the House of Commons about the alleged unsatisfactory state of recruitment of Indians to the Indian Civil Service;
- (b) whether the answer of the Under Secretary of State for India was made in consultation with the Government of India;
- (c) whether they have any information as to the proposed measures to restore 50: 50 ratio of British and Indian personnel in the Indian Civil Service, as soon as Part III of the Government of India Act comes into force;
- (d) whether their attention has been drawn to the leading article entitled "I. C. S. Evangelists in England" in the *Hindustan Times* of the 26th February, 1936;
- (e) what are the numbers today in the Indian Civil Service of Europeans and Indians;
- (f) whether this answer is based on the provisions of section 244 of the Government of India Act, especially sub-sections 2 and 3;
- (g) whether there is any proposal to appoint Britishers in the Indian Civil Service, apart from and independent of the results of competitive examinations conducted for the purpose;
- (h) whether the Secretary of State has prescribed any fresh proportion or strength in respect of Europeans and Indians in the service; and

- (i) whether they will place on the table of the House all the relative correspondence with a view to acquaint the Secretary of State with the opinion of the House, before he announces the measures contemplated?

The Honourable Sir Henry Craik: (a) and (d). Yes.

(b), (c), (f) and (g). I have nothing to add to the answers given on the 6th March, 1936, to the supplementaries to question No. 967.

(e) The information readily available shows that on the 1st January, 1935, there were 756 Europeans and 544 Indians in the Indian Civil Service including holders of listed posts. The percentages are about 58 and 42, respectively.

(h) and (i). No.

Mr. S. Satyamurti: At the present rate of recruitment, how long will it take before Indians and Europeans are exactly 50:50 ratio in the Indian Civil Service?

The Honourable Sir Henry Craik: If the rate of recruitment goes on at the rate at which it has gone on during the last five years, then it will take a very short time.

Mr. S. Satyamurti: May I, therefore, know whether Government are considering taking any steps either here or in England in the form of sending a recommendation to the Secretary of State to alter the present rate of recruitment so as to delay this, and see that more Europeans are got into the Indian Civil Service?

The Honourable Sir Henry Craik: There is no proposal to alter the 50:50 ratio, which is the ratio theoretically in force at present.

Mr. S. Satyamurti: May I know whether Government have made any recommendations to the Secretary of State to alter the present system of recruitment to this service in England, so as to enable more Europeans than Indians to get into the service in England?

The Honourable Sir Henry Craik: I have already said that I cannot give any information on that point at present. The question is now under the consideration of the Secretary of State.

Mr. S. Satyamurti: Have Government made their recommendations, or is the matter still pending before this Government?

The Honourable Sir Henry Craik: It is now pending before the Secretary of State.

Mr. S. Satyamurti: What are the circumstances that have arisen since this ratio was fixed, which justify a reconsideration of this question?

The Honourable Sir Henry Craik: The shortage of recruitment.

Mr. S. Satyamurti: Of whom? Of Europeans or Indians?

The Honourable Sir Henry Craik: Mainly of Europeans, but also of Indians to a certain extent.

Mr. S. Satyamurti: What is the proportion of shortage of Europeans on the one hand, and of Indians on the other?

The Honourable Sir Henry Craik: The théoretical recruitment in the last five years should have been, by the 50 : 50 ratio, 175 Europeans and 175 Indians making a total of 350. The actual recruitment has been 96 Europeans and 162 Indians, making a total of 258. So the total shortage is 92 of which 79 are Europeans and 13 are Indians.

Mr. S. Satyamurti: Is the question being considered from the point of view of Europeans alone, or from the point of view of Europeans and Indians alike?

The Honourable Sir Henry Craik: Both.

Mr. S. Satyamurti: May I know if Government are thinking of increasing the actual ratio of Europeans,—I am not talking of the theoretical ratio now,—I am talking of the actual ratio?

The Honourable Sir Henry Craik: One of the problems that faces us is to make good the deficiency.

Mr. S. Satyamurti: May I know then why Government are alarmed at this comparatively large fall in Europeans? Is it not good for the country?

The Honourable Sir Henry Craik: That is a matter of argument.

Mr. Sri Prakasa: What is the profit to the country in replacing an Englishman by an Indian with the same powers and on the same salary?

The Honourable Sir Henry Craik: I have made no calculations.

SECONDARY AND HIGH SCHOOLS FOR GIRLS IN DELHI.

1253. ***Babu Baijnath Bajoria** (on behalf of Rai Bahadur Seth Bhagechand Soni): (a) Will Government state the number of secondary and high schools for girls in Delhi? Has any increase in their number taken place within the past five years?

(b) How many of these schools are maintained by Government and how many are only aided?

(c) What amount of money do Government spend on girls' education in Delhi, and what is the proportion of the Government grant to the total expenditure in such girls' schools?

Sir Girja Shankar Bajpai: (a) According to the General Educational Tables of the Delhi Province for 1934-35, the latest year for which figures are available, the number of High and Anglo-Vernacular and Vernacular Middle Schools for girls in Delhi is 17. There has been an increase of four in the number of these schools during the last five years.

(b) Government School—One.

Aided Schools—12.

The rest are Municipal Schools.

(c) Rs. 3,58,788.

The proportion of Government expenditure to the total expenditure on girls' education is 48.8.

ENCOURAGEMENT OF GIRLS' EDUCATION IN AJMER.

1254. ***Babu Baijnath Bajoria** (on behalf of Rai Bahadur Seth Bhagchand Soni): (a) Has the attention of Government been drawn to the speech of the Superintendent of Education, Delhi, Ajmer-Merwara and Central India, delivered at the Shri Savitri Girls' High School, Ajmer, on the 4th February, 1936, and reported in the *Hindustan Times* of the 5th February, 1936? If so, what steps do Government propose to take to further the state of girls' education in Ajmer area?

(b) Are Government aware that through local enterprise a non-denominational Girls' High School, known as Shri Savitri Girls' High School, Ajmer, has been in existence for the past 22 years?

(c) What is the annual grant given by Government to the Shri Savitri Girls' High School, Ajmer, and what proportion does it bear to the total annual expenditure of the said school?

(d) Are Government prepared to consider the advisability of enhancing the grant-in-aid to this school?

Sir Girja Shankar Bajpai: (a) Yes. A scheme for the furtherance of girls' education is under the consideration of Government.

(b) Yes.

(c) A grant of Rs. 3,525 has been paid to the school during the current year. It is a little less than one third of the total expenditure of the school.

(d) If funds permit every endeavour will be made to give the full amount admissible under the code.

ENCOURAGEMENT OF GIRLS' EDUCATION IN AJMER.

1255. ***Babu Baijnath Bajoria** (on behalf of Rai Bahadur Seth Bhagchand Soni): (a) What is the total number of scholarships given by Government to encourage girls' education in Ajmer?

(b) Is it a fact that all the scholarships are given to one particular institution and not distributed to various other institutions?

(c) Are Government prepared to allocate the scholarships to other girls' schools, instead of giving them to one particular school for the encouragement of girls' education in Ajmer?

Sir Girja Shankar Bajpai: (a) 51.

(b) No.

(c) Does not arise.

FEES CHARGED AT THE CENTRAL GOVERNMENT GIRLS' SCHOOL, AJMER.

1256. ***Babu Baijnath Bajoria** (on behalf of Rai Bahadur Seth Bhagechand Soni): Will Government state the rate of fees charged at the Central Government Girls' School, Ajmer? If they are not charged, will Government state why it is so? Is it a fact that the Superintendent of Education, in his speech delivered at the Shri Savitri Girls' High School, Ajmer, on the 4th February, 1936, disfavours free secondary education to girls?

Sir Girja Shankar Bajpai: Proposals for the withdrawal of fee concessions in the Government Central Girls' School and its re-organisation are under the consideration of Government.

Babu Baij Nath Bajoria: What are the fees charged in Delhi girls' schools and how do they compare with those charged in Ajmer schools?

Sir Girja Shankar Bajpai: In this particular school in Ajmer, there is no fee charged. In Delhi girls' schools, fees are charged according to the Punjab Code. I could not give exact particulars now as I don't carry them in my head.

GRANT-IN-AID TO THE SHRI SAVITRI GIRLS' HIGH SCHOOL, AJMER.

1257. ***Babu Baijnath Bajoria** (on behalf of Rai Bahadur Seth Bhagechand Soni): (a) Is it a fact that the Ajmer education administration follows the United Provinces Code of Education in matters of grants-in-aid?

(b) Is it not a fact that the United Provinces Education Code provides that grants-in-aid upto two-thirds of the total expenditure are permissible in the case of private aided and recognised schools? If so, are Government prepared to give the maximum possible grant-in-aid to the Shri Savitri Girls' High School, Ajmer?

Sir Girja Shankar Bajpai: (a) Yes.

(b) The answer to the first part is in the negative; the second does not arise.

GRANT FROM ROAD DEVELOPMENT FUND SPENT IN AJMER-MERWARA AND WIDENING OF ROADS, ETC.

1258. ***Rai Bahadur Seth Bhagechand Soni:** (a) Will Government be pleased to state the total amounts allotted by them to the various administrations under their charge from the Petrol Fund for the improvement of roads during the years 1934-35 and 1935-36?

(b) How was the amount spent in Ajmer-Merwara?

(c) Are Government prepared to consider the advisability of relieving the traffic congestion by widening of the Public Works Department roads and constructing in the municipal area foot-paths on such roads?

The Honourable Sir Frank Noyce: (a) and (b). Two statements are placed on the table.

(c) The construction of footpaths in municipal areas does not fall within the scope of the road account. The cost of widening Public Works Department roads may be debited to the road account if the local administration consider any particular scheme to be necessary and the scheme is approved by the Government of India.

Statement showing the allotments made to local Administrations from the Road Account during the years 1934-35 and 1935-36.

Name of Administration.	1934-35 Grant from the		1935-36 Grant from the		Total.
	Share in the Road Account based on petrol consumption.	Reserve in the Road Account for specific works.	Share in the Road Account based on petrol consumption.	Reserve in the Road Account for specific works.	
Delhi	1.22	0.55	1.50	..	3.27
British Baluchistan	0.40	..	0.45	..	0.85
Ajmer-Merwara	0.26	..	0.30	1.15	1.71
Tribal Areas in the North West Frontier Province	0.19	0.09	0.13	..	0.41
Coorg.	0.08	..	0.08	0.18	0.34
Administered Areas in Hyderabad	0.37	..	0.69	..	1.06
Civil and Military Station at Bangalore	0.09	..	0.18	..	0.27
Administered Areas in Central India	0.07	0.79	0.18	0.27	1.31
Administered Areas in Rajputana	0.02	..	0.04	..	0.06

[In lakhs of rupees.]

Statement showing the expenditure during the years 1934-35 and 1935-36 in Ajmer-Merwara on schemes financed from the share of the local Administration and the Reserve in the Road Account.

Expenditure.

Name of work.	1934-35.	1935-36 (to end of 31st December 1935)
<i>A.—Share programme.</i>		
Surface painting with spramex.		
1. Mile 3 of Ajmer-Pushkar Road	} 32,215	} 1,470.
2. Miles 6-9, 13, 33 and 35 of Ajmer-Beawar Road		
3. Miles 6, 7, 12, 16 & 17 of Ajmer-Jaipur Road, and		
4. Miles 1 & 3 of Circular Road at Nasirabad		
5. Improving the road from Pipal tree to the police station and camping ground in Pushkar	2,348	
<i>B.—Schemes financed from the Reserve.</i>		
6. Bridge over the Banas river on the Indore-Ajmer Road (financed from the Reserve & Local Administration's share)	99,992	1,18,680

NOTE.—1. The grants from the Road Account are non-lapsing and the balances are carried forward from year to year for expenditure in subsequent years.

2. A grant of Rs. 3.05 lakhs was sanctioned for the Banas river bridge from the Reserve during 1933-34 but was raised to Rs. 4.20 lakhs (round) in 1935-36.

ORDERS RESERVING VACANCIES FOR MUSLIMS IN GOVERNMENT SERVICES.

1259. ***Maulvi Syed Murtuza Sahib Bahadur:** (a) Will Government please state the date of introduction and the method of giving effect to the Government orders fixing 25 per cent. for reservation of vacancies in the various Departments under the Government of India for Muslims; that is, whether the vacancy occurring first under the said orders is to be given to Muslims or non-Muslims?

(b) Are Government prepared to issue instructions that the first vacancy occurring under the said orders should be given to Muslims towards the 25 per cent. of the vacancies reserved for Muslims?

(c) Will Government please place on the table a statement showing the total number of (i) permanent, and (ii) temporary, vacancies that have been filled up since the introduction of the said orders fixing communal representation, and intimate separately for each Department how many of these vacancies went to (i) Muslims, and (ii) non-Muslims separately?

(d) Will Government please state whether the said orders for communal representation apply equally to all permanent and temporary and officiating vacancies in the grades of (i) whole-time pensionable, and (ii) part-time non-pensionable appointments paid for from one and the same revenues, and whether orders clearing the point have been issued to all Departments?

(e) If the above-mentioned communal orders are held not to apply to non-pensionable or part-time servants who get a monthly allowance as pay, will Government please state (i) the reasons for the same and (ii) the total number of Hindus and Muslims in each Department with their pay?

(f) Are Government prepared to issue orders to the effect:

(i) that whenever any vacancy occurs, to be filled up under the said communal representation orders it should be communicated to all important Muslim institutions in the locality and to the Muslim University of Aligarh, United Provinces, for communication to all concerned, and

(ii) that the vacancy should be filled up by means of a competitive examination, instead of allotting 25 per cent. of such vacancies to Muslims without such an examination?

The Honourable Sir Henry Craik: (a) and (b). The orders contained in the Home Department Resolution of the 4th July, 1934, came into force from the date of the Resolution in cases where no schemes of local recruitment had to be worked out, and as soon as possible thereafter in cases where a scheme had first to be worked out in accordance with section IV of the Resolution.

The order in which vacancies are to be filled is shown in the model rotation given in paragraph 7 of the Supplementary Instructions, a copy of which is in the Library of the House, and it is mentioned in the latter part of paragraph 7 that Muslims may be taken at an earlier stage of the rotation if the actual composition of the service at the time suggests that such a course would be desirable.

(c) Government have not got information showing the appointments made since 4th July, 1984. The annual returns prescribed in paragraph 5 of the Resolution and paragraph 9 of the Supplementary Instructions will show the appointments made in each calendar year from 1984. These returns will be made available to the House in due course and will, I hope, serve the Honourable Member's purpose.

(d) and (e). Government have not classified posts into the categories of whole-time pensionable and part-time non-pensionable appointments, but I would invite attention to paragraph 6 of the Resolution and paragraphs 2 to 4 of the Supplementary Instructions, which explain the scope of the orders.

(f) (i). Government cannot undertake to communicate all vacancies to such institutions. Paragraph 8 of the Supplementary Instructions is designed to ensure that there will be no shortage of candidates from the minority communities owing to lack of publicity. Moreover, the Public Service Commission now supply copies of notices, etc., relating to examinations held by them to all Universities, including the Muslim University, Aligarh.

(f) (ii). Whether vacancies are filled by competitive examination or by some other method of selection, it is open to Muslims to secure on their merits more than the percentage of vacancies reserved for them.

AVOIDANCE OF THE PREPONDERANCE OF THE MEMBERS OF ANY ONE COMMUNITY IN ANY ONE AREA OR JURISDICTION.

1260. ***Manlvi Syed Murtuza Sahib Bahadur**: Are Government prepared to issue orders to all the Heads of Departments to post and transfer officers in such a way as to guard against the preponderance of the members of any one community in any one area or jurisdiction? Is it a fact that the orders for communal representation are intended to give respective shares to the various communities and to prevent the concentration of the members of any one community in a certain office or jurisdiction?

The Honourable Sir Henry Craik: The orders of the 4th July, 1984, are intended to prevent the preponderance of any community in a service, not the preponderance of officers belonging to any community in any locality.

ORDERS ISSUED BY THE POSTS AND TELEGRAPHS DEPARTMENT REGARDING SUPERSSESSION OF CLERKS.

1261. *Maulvi Syed Murtuza Sahib Bahadur: Is it a fact that orders have now been issued by the Indian Posts and Telegraphs Department to the effect that no senior reserve clerks should be superseded by their juniors for the juniors' appointment as clerks in offices of Superintendents of Post Offices, and if so, are Government prepared to issue orders in clear terms that all junior reserve clerks, who thus superseded their seniors and got appointed as clerks in the said offices, should be reverted as reserve clerks with immediate effect?

Mr. G. V. Bewoor: The reply to the first part of the question is in the negative. The second part of the question does not arise.

ACCOUNTANTS WORKING FOR A LONG TIME IN SECOND CLASS HEAD POST OFFICES.

1262. *Maulvi Syed Murtuza Sahib Bahadur: (a) Will Government please state whether the Accountants in second class Head Post Offices can continue to work in one and the same Head Office for any length of time exceeding ten or even fifteen years?

(b) Are Government prepared to issue instructions to enforce orders on the subject in all these offices, and to take up the cases of non-observance of those orders?

Mr. G. V. Bewoor: (a) No period of tenure has been fixed for posts of accountants in post offices.

(b) Does not arise.

MUSLIM AND NON-MUSLIM OFFICERS IN EACH POSTAL CIRCLE.

1263. *Maulvi Syed Murtuza Sahib Bahadur: (a) Will Government please state the total number of Muslim officers and non-Muslim officers, separately, in each Postal Circle Office as working at present?

(b) Do Government propose to post Muslim officers to such of the above mentioned Circle Offices as have no or only one Muslim officer attached to it?

The Honourable Sir Frank Noyce: (a) It is presumed that the Honourable Member is referring to gazetted officers; on this presumption, a statement giving the required information is placed on the table.

(b) No. Postings of officers are made on administrative and not on communal grounds.

Statement showing the total number of Muslim officers and non-Muslim officers, separately, in each Postal Circle Office working at present.

Circle.	Muslim.	Non-Muslim.
United Provinces	Nil	9
Punjab and N. W. F.	2	8
Bihar and Orissa	1	4
Bengal and Assam	1	10
Burma	nil	6
Central	nil	6
Bombay	3	7
Sind and Baluchistan	1	3
Madras	1	9

TIME-LIMIT FOR DECIDING APPEAL CASES OR PETITIONS.

1264. ***Maulvi Syed Murtuza Sahib Bahadur:** Will Government please state if there is any time-limit for deciding appeal cases or petitions by the appellate authorities or whether these authorities can take any number of months or years at their will to decide a case?

The Honourable Sir Henry Craik: No time-limit within which appellate authorities must dispose of petitions or appeals has been specifically prescribed, but they are expected to do so as expeditiously as possible.

SHORT NOTICE QUESTION AND ANSWER.

ORDER IN COUNCIL RE EXCLUDED AND PARTIALLY EXCLUDED AREAS.

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

- (a) whether they forwarded the proceedings of the Assembly regarding the excluded and partially excluded areas in time before the Order in Council was passed;
- (b) whether the Order in Council has been passed; and
- (c) whether the Order in Council has been amended in any respect in view of the discussion in this House?

The Honourable Sir Nripendra Sircar: (a) A summary of the proceedings was telegraphed to the Secretary of State on the days next to those on which the debate took place, i.e., on the 12th and 19th February. A full copy of the proceedings was forwarded by Air Mail on the 6th March as soon as it was received from the Press.

(b) Yes. The draft Order was finally approved by both Houses of Parliament on the 25th February. The Order, as approved by Parliament, was duly made by His Majesty in Council on the 3rd March.

(c) The answer is in the negative.

MESSAGE FROM HIS EXCELLENCY THE VICEROY AND GOVERNOR GENERAL.

Mr. President (The Honourable Sir Abdur Rahim): I have received the following Message from His Excellency the Viceroy and Governor General:

"In pursuance of sub-section (3) of section 63B of the Government of India Act, I, Freeman, Earl of Willingdon, hereby require the attendance of the Members of the Legislative Assembly in the Assembly Chamber at New Delhi, at 11 o'clock on Wednesday, the 8th April, 1936.

(Sd.) WILLINGDON,
Viceroy and Governor General."

THE PARSI MARRIAGE AND DIVORCE BILL.

PASSED BY THE COUNCIL OF STATE.

Secretary of the Assembly: Sir, in accordance with the provisions of rule 25 of the Indian Legislative Rules, I lay on the table a Bill to amend the law relating to marriage and divorce among Parsis which was passed by the Council of State on the 13th March, 1936.

STATEMENT LAID ON THE TABLE.

CASES IN WHICH THE LOWEST TENDERS HAVE NOT BEEN ACCEPTED BY THE HIGH COMMISSIONER FOR INDIA IN PURCHASING STORES FOR THE GOVERNMENT OF INDIA.

The Honourable Sir Frank Noyce (Member for Industries and Labour): Sir, I lay on the table a statement, furnished by the High Commissioner for India, showing all cases in which the lowest tenders have not been accepted by him in purchasing stores for the Government of India, during the half year ending the 31st December 1935.

HIGH COMMISSIONER:

INDIA STORE

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

HALF YEAR ENDING

Stores ordered.	Contract number.	Name of Contractor.	Amount of Contract.
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PART A.—Cases in which lower foreign tenders, including British tenders for foreign

Nil.

PART B.—Cases in which the discrimination is

			£. s. d.
Pins, safety. 288 gross.	T. 1862/3416/7-11-35	George Goodman, Ltd.	15 10 5 (British).
Canvas, flax. 500 yards.	T. 2097/4099/4-12-35	Baxter Bros. & Co., Ltd.	72 7 11 (British).
Valves W. T., type AR 4. No. 350.	T. 2277/4165/21-12-35	Mullard Radio Valve Co., Ltd.	53 19 2 (British).

PART C.—Cases in which the discrimination

			£. s. d.
Covers, straw for bottles. 500 gross.	T. 1479/2415/19-9-35	Fabrique de Paillons "Hamont".	72 18 4 (Belgian).
Tyres, steel, for carriages and wagons. No. 1500.	T. 1702/2488/16-10-35	Surahammers Bruks A. B.	3,712 10 0 (Swedish).

PART D.—Cases in which lower British tenders have

Nil.

FOR INDIA.

DEPARTMENT.

Government, other than the lowest complying with the technical description quality, superior trustworthiness of the firm tendering, greater quicker delivery, etc.

31st DECEMBER, 1935.

Lowest Tender not accepted.	Reason for Acceptance.
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made goods, have been set aside wholly or partially in favour of British tenders.

Nil.

between British firms only.

£. s. d.	
14 16 10 (British).	The accepted tender was the more advantageous having regard to the cost of inspection.
70 14 7 (British).	The indent stated that the canvas was required immediately. As the lowest tenderer required ten weeks for delivery, the order was placed with the next lowest, who undertook delivery in two to three weeks.
52 10 0 (British).	The higher tender was accepted because of the earlier delivery offered. The indent stated that the valves were required immediately.

is between Foreign firms only.

£. s. d. 70 16 8 (Dutch).	The order was placed with the higher tenderer on account of the superior quality of the goods offered, which represented more than the difference in price.
3,611 5 0 (German).	The higher tender was accepted on account of superior reliability and greater facilities for inspection.

been set aside in favour of foreign tenders.

Nil.

ELECTION OF MEMBERS TO THE PUBLIC ACCOUNTS COMMITTEE.

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

"That the non-official members of the Assembly do proceed to elect, in the manner required by rule 51 of the Indian Legislative Rules, four members to be members of the Committee on Public Accounts in place of Captain Sardar Sher Mohammad Khan, C.I.E., M.B.E., Mr. S. Satyamurti, Bhai Parma Nand and Maulvi Sir Muhammad Yakub, Kt., who will retire on the 22nd March, 1936, in accordance with sub-rule (4) of the same rule."

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

"That the non-official members of the Assembly do proceed to elect, in the manner required by rule 51 of the Indian Legislative Rules, four members to be members of the Committee on Public Accounts in place of Captain Sardar Sher Mohammad Khan, C.I.E., M.B.E., Mr. S. Satyamurti, Bhai Parma Nand and Maulvi Sir Muhammad Yakub, Kt., who will retire on the 22nd March, 1936, in accordance with sub-rule (4) of the same rule."

The motion was adopted.

ELECTION OF A MEMBER TO THE STANDING COMMITTEE ON PILGRIMAGE TO HEDJAZ.

Sir Girja Shankar Bajpai (Secretary, Department of Education, Health and Lands): Sir, I beg to move:

"That this Assembly do proceed to elect, in such manner as the Honourable the President may direct, one Muslim Member to sit on the Standing Committee on Pilgrimage to the Hedjaz *vice* Mr. M. A. Baqui whose seat in the Assembly has been declared to be vacant."

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

"That this Assembly do proceed to elect, in such manner as the Honourable the President may direct, one Muslim Member to sit on the Standing Committee on Pilgrimage to the Hedjaz *vice* Mr. M. A. Baqui whose seat in the Assembly has been declared to be vacant."

The motion was adopted.

Mr. President (The Honourable Sir Abdur Rahim): I may inform Honourable Members that for the purpose of election of members to the Committee on Public Accounts and of a member for the Standing Committee on Pilgrimage to the Hedjaz the Notice Office will be open to receive nominations up to 12 Noon on Wednesday, the 18th March, and the elections, if necessary, will, as usual, be held on Friday, the 20th March, 1936, in the Secretary's Room in the Council House between the hours of 10-30 A.M. and 1 P.M. The elections will be conducted in accordance with the principle of proportional representation by means of the single transferable vote.

THE COCHIN PORT BILL.

The Honourable Sir Muhammad Zafrullah Khan (Member for Commerce and Railways): Sir, I move for leave to introduce a Bill to make special provision for the administration of the port of Cochin.

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

“That leave be granted to introduce a Bill to make special provision for the administration of the port of Cochin.”

The motion was adopted.

The Honourable Sir Muhammad Zafrullah Khan: Sir, I introduce the Bill.

THE FACTORIES (AMENDMENT) BILL.

The Honourable Sir Frank Noyce (Member for Industries and Labour): Sir, I move for leave to introduce a Bill further to amend the Factories Act, 1934, for a certain purpose.

I have explained the object of this little Bill in the Statement of Objects and Reasons and would add only two sentences. The Bill does not concern or affect the position of those factories which come automatically under the Act. It merely amends the section which confers power on Local Governments to bring under the Act those factories which employ less than 20 persons or which escape regulation because they do not use machinery.

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

“That leave be granted to introduce a Bill further to amend the Factories Act, 1934, for a certain purpose.”

The motion was adopted.

The Honourable Sir Frank Noyce: Sir, I introduce the Bill.

THE CANTONMENTS (AMENDMENT) BILL.

Mr. G. R. F. Tottenham (Defence Secretary): Sir, I move:

“That the Bill further to amend the Cantonments Act, 1924, for certain purposes, as reported by the Select Committee, be re-committed to a Select Committee consisting of Mr. N. V. Gadgil, Dr. T. S. S. Rajan, Mr. Sham Lal, Dr. Khan Sahib, Mr. Muhammad Azhar Ali, Sir Muhammad Yakub, Sardar Mangal Singh, Lieut.-Colonel Sir Henry Gidney, Captain Sardar Sher Muhammad Khan, Major Nawab Ahmad Nawaz Khan and the Mover, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five.”

This is the ordinary procedure after a Bill has been circulated for obtaining public opinion. I understand that the House does not wish to discuss the matter at this stage, but is prepared to reserve further discussion until the Bill comes before the House in the form finally recommended by the Select Committee.

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

"That the Bill further to amend the Cantonments Act, 1924, for certain purposes, as reported by the Select Committee, be re-committed to a Select Committee consisting of Mr. N. V. Gadgil, Dr. T. S. S. Rajan, Mr. Sham Lal, Dr. Khan Sahib, Mr. Muhammad Azhar Ali, Sir Muhammad Yakub, Sardar Mangal Singh, Lieut.-Colonel Sir Henry Gidney, Captain Sardar Sher Muhammad Khan, Major Nawab Ahmad Nawaz Khan and the Mover, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

The motion was adopted.

THE INDIAN FINANCE BILL.

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

"That the Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to fix maximum rates of postage under the Indian Post Office Act, 1898, and to fix rates of income-tax and super-tax, be taken into consideration."

This Bill, of course, as the House knows very well, represents the taxation part of the budget proposals. I have explained those proposals at great length in the budget speech. I have explained them still further and answered criticisms on them in five other speeches during the course of the last ten days. Most of the points raised, on requests for information or criticisms on them, I have answered to the best of my ability, some of them I have answered three or four times over, and the only points raised, which have not been fully dealt with, are one or two highly technical points raised by Pandit Govind Ballabh Pant, which he raised on the occasion of the general discussion. There is in Western Europe a story which has now become the supreme example of politeness and chivalry, and that is of the French Commander at the battle of Fontenoy or Dettingen, who, when the King came for marching his army into action very politely invited the enemy to fire first. I think it is entirely fitting that I should introduce that supreme example of politeness and chivalry into the East, and I also, Sir, propose to invite our friends, the enemy, to shoot first. Sir, I move.

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

"That the Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to fix maximum rates of postage under the Indian Post Office Act, 1898, and to fix rates of income-tax and super-tax, be taken into consideration."

Mr. Anugrah Narayan Sinha (Patna *cum* Shahabad: Non-Muhammadan): Sir, I propose to confine my remarks mainly to one aspect of the present financial position of our country while speaking on the motion for consideration of the Finance Bill. I desire to make it clear at the outset that we on this side of the House feel our position to be one of utter helplessness and unreality. Year after year, we place our view points, we make our criticisms, but neither our opinions nor our votes are of any consequence. The truth is that we are unable to influence the decision of the Treasury Benches in the administration of our country. The tale of

sufferings of the people is repeated here a *nauseum*, but to no effect. If we look back to the financial history of this country, during the last 40 or 50 years, we notice a remarkable change in one respect and in no other. We observe that the expenditure side of our country's budget—both Central and Provincial—is mounting higher and higher. In the name of reforms, changes have been introduced which, instead of improving the lot of poorer people, have simply added to the burden of the tax-payers.

It will be admitted on all hands that there has thus been an enormous growth in our national expenditure. I admit that an increase in the expenditure in the budget of a country is not necessarily a matter of regret or alarm provided the increased revenue is spent on such objects as are calculated to promote the well-being of the people in general. But when the increased revenue is utilised to create additional burdens, a situation does arise which calls for critical examination. I also admit that in European countries, in United Kingdom, in Italy, in Germany, in France, in almost every other country of the world, there has been of late an increase in public expenditure. But while increased expenditure in other countries has helped to give additional strength and security to those nations and has enhanced the prosperity and enlightenment of the people concerned, increased expenditure in India has yielded different results. In the name of self-preservation, fresh fetters have been forged to emasculate the manhood of the Indian people. In the name of self-preservation, safety and security has been guaranteed to those whose one business has been and is to exploit the country and to impoverish and exhaust its natural resources. In the name of self-preservation, again, money has been found to build strategic railways and push on the costly forward policy in the North-West Frontier Province. If the people of this country had an effective share in its administration, if they could exercise any real control in shaping the Government policy, the increased expenditure could not have been utilised in creating such obligations and in burdening us with indefinite and undefined financial liabilities. It is obvious to a casual observer that the Government of India are a mere tool in the hands of the Secretary of State and British Parliament, and, as such, has been compelled to meet demands calculated to perpetuate foreign domination. Its policy, dictated as it is from Whitehall, is seldom, if ever at all, directed with a view to promoting the welfare of the people of this land. Its one great object has been and is to serve its British masters faithfully. For these reasons, the Government of India have little money to spare with all their increased taxation for purposes of national education, public health, development of natural resources and other beneficent projects. On the other hand, there has been a vast addition to costly British services, both civil and military, and a very large proportion of the revenue is consumed in financing the non-national—I may go further and add—anti-national activities. While the condition of the people, of the masses of India, of workers, peasants, lower middle classes, continues to grow from bad to worse, the increased taxation goes towards maintaining a larger number of officials in a very high standard of comfort bordering on luxury and extravagance. While it is admitted by everybody including some of the Government spokesmen that appalling poverty exists in this country, that people are groaning under a heavy burden of taxation, that they are becoming more and more impoverished, yet the Government are not desisting from their mad career of reckless extravagance. While crores and crores are being spent in the name of so-called self-preservation, millions and millions of our countrymen, who

[Mr. Anugrah Narayan Sinha.]

are on the verge of starvation and for whose ostensible preservation, the army, the civil and the military police are maintained at such enormous cost, are told to be content with doles of a crore or two. The Government, no doubt, will come forward to defend their policy and will bombard us with figures to show that so much has been spent for industrial development, so much for public health, so much for education, and so on and so forth, but may I ask them in all seriousness, whether they really feel satisfied with all that they profess to have done, that everything that can be done, even with the limited resources at their disposal, has been done or is being done? Do they feel satisfied that even the crore that they set apart for village uplift work has been spent on those objects which are really calculated to add to the comfort and promote the welfare of the villagers? What with the expenditure on broadcasting and civil aviation, have the starving millions been ensured of their daily meals and clothes just enough to cover their nakedness? What self-preservation for those who do not know where their second meal will come from and who will welcome self-destruction rather than be told to drag on their present miserable existence? Sir, I ask the Government to pause for a while, take stock of the situation and do not proceed with their budget in the customary fashion. Remember that 45 years ago in 1890-91, the entire expenditure of Government, both Provincial and Central, was only 51·8 crores. No one can suggest that enough was not being spent then for self-preservation, because the Government at least preserved themselves intact even then as they are preserving themselves today. From 51·52 crores spent on the administration of the entire country then, the expenditure has tremendously risen to the tune of over 200 crores now. Sir, I observed before that with each instalment of the so-called reforms, the country has been saddled with additional burdens. Look at the figures, and you will be convinced. In 1890-91, the total expenditure was 51·98 crores, it rose to 78·34 in 1901-02, to 115·12 in 1910-11, and to 218·67 crores in 1920-21. It is going to rise to a few crores more when the new Government of India will be put into force. I say, Sir, this is hardly honest for any Government to do. They do not part with their power, but, on the pretext of doing so, create fresh burdens on the tax-payers. They have not so far given any real, effective power to us, nor do they propose to do so even in the future, though they have been profusely indulging in assurances and declarations from time to time.

If we on this side of the House, Sir, have lost all faith in their assurances, we have enough justification for doing so. Each time that they make a declaration of their policy, they hedge it round with so many conditions that in actual working we find ourselves very much near the point where we were. I shall be content with one illustration only. Look at the policy of Indianisation. It is a mere eye-wash, it is another way of perpetuating their rule in this country. For what else does it mean? Does it mean any real and effective replacement of the British element in the services by Indian officers, or does it merely mean the creation of additional posts for Indians, leaving the European incumbents intact in their places? Is it not a fact that though the Indian element in the services has decidedly increased, there has not been any corresponding reduction in the British personnel? Is it not due to the policy of creating new posts and paying high salaries that there has been such an alarming increase in the national expenditure of the country? And the Government, not

being responsible to the people of the land, taxes are raised and spent without their consent. For how else can they finance the top-heavy administration? Can they lay their hands on their hearts and say that they really require these inordinately costly services to carry on their administration? I have no doubt, Sir, that, shrewd as they are, they realise this, but it is their game to carry it on so that Indian revenues may remain mortgaged to them for all time to come, whatever changes may be introduced in the administrative machinery. How costly they are making the administration of this country every time that they give us these so-called reforms is proved if we take the instance of Bengal alone. Not many years ago, Bengal, which then included the provinces of Bihar, Orissa and Assam as well, was governed, and, I daresay, as efficiently or inefficiently as today, by a Lieutenant-Governor with a Chief Secretary, without any Executive Council or Ministry. We have now in its place, four Governors, each drawing fat salaries, with a host of Executive Councillors, Ministers, Chief Secretaries, Secretaries, Joint Secretaries, Deputy Secretaries, Assistant Secretaries, Under-Secretaries, Private Secretaries, stenographers, clerks, and what not! For one set of expenditure required to carry on the administration over the whole territory, we are today spending four times,—and what wonder if the burden of taxation has increased fourfold!

And, pray, will the Benches opposite tell us if real and effective power has been conferred upon those Indians who have been raised to high places? The Indian Executive Councillors and Ministers do not enjoy the same confidence, and, therefore, cannot exercise the same power which their European counterparts do. They cannot affect the policy or programme that is settled beforehand without any reference to the Indian element, and very often in spite of or against their advice or suggestions. Can it, therefore, be claimed that the services have been Indianised with an eye to ultimate transfer of entire power to their hands? There is only one answer to this, and that is an emphatic "NO". Even those Indians who carry the policy laid down for them by their British masters with so much zeal and earnestness—worthy, alas, of a better cause—are not fully trusted. I was reading the other day the memoirs of Lord Minto written by Lady Minto, and I was struck to find that even the late Mr. Gokhale, in spite of his liberal views, was seldom trusted by the powers that be. Even today we find that all places of real responsibility are held by Europeans, and, in spite of the Indianisation scheme, it has not been possible for the Government of India to appoint more than one Indian Secretary in charge of Central subjects. And I make bold to say that they will not allow Indians to occupy places of real responsibility and power as long as they can help it. Sir, the policy of Indianisation has been brought in just to serve as a clever device to keep a certain section of Indians under the Government clutches. Their underlying motive is to bribe them into silence and convert them into their henchmen, and they have eminently succeeded in their policy. "Divide and Rule" has not flourished in other lands so much as in this unfortunate country of Jai Chand and Mir Jafar. (Hear, hear.)

While discussing the Finance Bill, Sir, I don't think it will be out of place to refer to the compilation known as "India in 1933-34" issued under the authority of the Government of India. You will remember, Sir, that our Leader, in a cut motion, moved on the 9th instant, raised a debate on this subject, and some amount of controversy followed. I acknowledge the fine spirit displayed by the Honourable the Home

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Member in replying to the debate, and I do not propose to pursue the subject further than it is necessary to clear up a certain misconception that has crept in, on account of Sir Henry Craik's unfamiliarity with some of the questions with which he dealt in his speech. But for two or three misleading statements, I should not have liked to advert to this subject at all. The two or three points on which I should like to draw your attention are those on which Sir Henry Craik in the closing part of his speech laid some stress. Speaking on the statement in "India" that "of the desire for effective co-operation with the Local Government in its task of organising relief measures, there were few signs", Sir Henry Craik seems to be in virtual agreement with the author of the book, and so it has become necessary for me to clear up the point a little further. It is a common case and both the Home Member and the author of "India" agree with Mr. Brett, so far as the earlier stage of immediate relief was concerned, that there was effective and complete co-operation. But he further observed that "this attitude was not maintained throughout the year with which the report deals, i.e., 1934". It is here, Sir, that I differ from him. It is, therefore, necessary for me to state in the fewest possible words the constitution of the Relief Committee which is responsible for the administration of the funds raised for the Bihar earthquake. It originated in an informal gathering of friends on the 20th January, 1934, five days after the great catastrophe had overtaken my province. From its very inception, it was representative of all shades of public opinion and all communities. Later, in consultation with Pandit Jawahar Lal Nehru, the scope of the committee was enlarged by co-opting members from among the public men of outstanding position in the country and representatives of donors who contributed Rs. 5,000 or more. The re-constituted committee met on the 18th March under the presidency of Mahatma Gandhi and elected new office-bearers including a qualified Incorporated Accountant as its auditor in the person of Mr. B. Gupta, B.Sc., F.S.A.A., B.A., and authorised its President to nominate a managing committee of not more than 15 persons to carry on day to day administration of the fund. In this very meeting, a resolution offering respectful co-operation to Government sponsored by Pandit Madan Mohan Malaviya was unanimously agreed to. The managing committee of the Bihar Central Relief Committee consists of men representing all shades of opinion, and includes, among its members, Mr. Sachchidananda Sinha, *ex-Finance* Member of the Bihar and Orissa Government, and Rai Bahadur Mihir Nath Roy, *ex-Public Prosecutor*. The first thing that it did was to adopt a constitution and get it registered under the Societies' Registration Act. It also appointed Mr. J. C. Kumarappa, M.A., B.Sc., in Bus. Ad. F.S.A.A., Incorporated Accountant, as its internal auditor, than whom a more conscientious and efficient auditor I have not come across. According to the constitution, it was obligatory on the committee to publish a properly audited account at the end of each quarter and get it adopted by the general body. It was in pursuance of this obligation that the first audited account for the quarter ending 30th June, 1934, was published, and a meeting of the general body, held on the 3rd August, 1934, in the Wheeler Senate Hall, Patna, which was attended by Mahatma Gandhi, put its seal of approval on the work done by the committee. The report itself was published in thousands and sent to every donor, all important newspapers, important Government officials and all the members of the committee. It was noticed very prominently

in some of the important newspapers including the *Statesman*. I do not wonder if the vigilant eyes of the Knight of Meerut, who has seldom a good word for us and who is so anxious to find fault with everything that we on this side do, could not notice the report which received so wide a publicity. The President of the Committee, Babu Rajendra Prasad, while forwarding the copy of the report for the period ending 30th June, 1934, enclosed a letter which I reproduce:

"I am forwarding herewith a copy of our report for the period ending 30th June, 1934. You will notice that it contains a running report of our activities, statements of accounts, abstracts of donations, province by province, and the proceedings of the General meeting of the Central Relief Committee held on 3rd August to which the report was presented. We are printing separately detailed lists of donors province by province, and each individual or organization that has remitted money to us directly will be posted a copy of the Provincial list in which his or its name occurs. We hope the lists will be in the hands of each such donor within the next fortnight or so and we shall expect that any donor not receiving it will kindly communicate the fact to us as also any donor whose name does not occur or in whose case the amount shown does not tally with the amount remitted by him together with particulars of dates of remittance, number of receipts and other information which may enable us to trace the amount.

In view of the wide and generous response to our appeal, we shall appreciate it much if you kindly give such publicity as you think proper to our activities so that the large circle of donors who may not all get copies of the report may also be informed about them."

Sir, I make no apology for quoting this letter in full to convince those who are open to conviction and who may have honest misgiving after reading in the "India, 1933-34" that "information as to the disbursement of the Congress Relief fund of Rs. 24 lakhs was difficult to obtain". A more misleading statement is difficult to conceive. Sir, it has been the practice of the committee to send authorised copies of proceedings of every meeting of the managing committee to the press for publication, and an agent of the Government invariably got such reports, the moment the meetings terminated. I wonder how any body can honestly say that he was not in the know of how the funds of the committee were being spent if he had only cared to keep himself in touch.

Mr. Brett has stated in his report:

"In the third week of March, the committee met to decide their policy with Mahatma Gandhi in the chair. The intention to co-operate with the Government was reiterated in a formal resolution and in response to an invitation, the Relief Commissioner met the Committee and discussed the situation with them. The programme, as ultimately adopted, provided for expenditure on the clearing of wells and tanks, sinking new wells, draining water logged areas, relief to the indigent, medical aid and sanitation, provision against flood and famine and other general relief. It appeared to the Committee that house building of a permanent or semi-permanent nature, and the removal of sand were beyond their ability to cope with. They decided not to take up this form of work pending Government action, but to make a detailed investigation into the needs of townsmen and make recommendations to the Government on the basis of this investigation. At this period the Committee was evidently of the opinion that famine conditions would be established in North Bihar and that large sums would be needed for charitable relief. This expectation fortunately did not materialise.

Throughout the summer, Babu Rajendra Prasad and the Relief Commissioner frequently met and discussed problems arising out of the work of reconstruction. An extensive programme of well sinking and repair of wells was carried out. The committee supplied boats to supplement those built by Government and District Boards and co-operated in the working of the flood rescue organization. Another of their activities was the organization of shops at which supplies would be obtained below

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the market rates. At the instance of the Committee, Dr. Pierre Ceresole of the International Service League came to Bihar. In the cold weather of 1934-35 he returned and helped to organize the work of transferring to new sites villages which had become water logged by the floods."

I have documents in my possession to show that the committee gave effect to no programme without fully discussing with Mr. Brett, the Relief Commissioner, and it is a fact that on most occasions, the programme laid down by the Committee met with his approval. The President of the Bihar Central Relief Committee was in frequent communication with the Relief Commissioner, during the whole of March, April, May and June, as is admitted by Mr. Brett himself, and this spirit of co-operation was maintained throughout the period up to the end of September when the work of the Committee was practically suspended. Some confusion has been created by the Home Member giving his support to the suggestion that Babu Rajendra Prasad was uneasy about the working of the organization, nor there is any truth in the statement that the committee considered it beyond its capacity to undertake the two items of important work, namely, house building and the clearance of sand for want of proper agency. Sir Henry Craik is obviously wrong in making this suggestion. We had at one stage over 250 centres with more than 2,200 volunteers at work. So there could be no uneasiness on the part of Babu Rajendra Prasad on account of want of agency. The chief difficulty which the committee felt consisted in the paucity of funds at their disposal for the stupendous work before them. With the knowledge and information that the committee had been able to collect and with the consciousness that the expenditure even on a single item of reconstruction would easily run into a crore, it was not an easy task to undertake the two biggest items referred to by the Honourable the Home Member. The committee, at its very first meeting, therefore, decided, on the advice of Mahatma Gandhi himself, that pending Government action, the committee was not to undertake these works. They were further anxious to see what the Government did with regard to these two items, and, therefore, the resolution contemplated that no expenditure was to be incurred at that stage pending the Government action, and not for all time to come. Meanwhile, the hands of the committee were too full. A reference to the reports will convince anybody, who cares to go through them, that every worker was fully occupied, and the subsequent floods on an unprecedented scale taxed the utmost capacity of every volunteer who was engaged in relief work.

Sir Henry Craik has again fallen into an error when he states that the offer of ten lakhs by Babu Rajendra Prasad to Government on certain terms was turned down by his committee. The fact is just the contrary. As stated above, the committee waited to see what action Government were taking with regard to the two most important items of work, and when they felt that the policy of giving loan by Government was not very helpful to a large section of sufferers on account of its stringent conditions, one of which was high rate of interest, the President, with the approval of his committee, made an offer of this amount to be spent for granting rebate in interest provided the Government came forward to distribute Rs. 50 lakhs as loan on easier terms. The Government did not accept the proposal and their counter-suggestion was not approved by the President or his Committee. There has not been a single occasion on which there

has been any difference between Mahatma Gandhi and Babu Rajendra Prasad with the Managing Committee or with the Bihar Central Relief Committee. I think I have fairly stated the case of the Relief Committee, and the impression created by the misleading statements, that have been made in "India", as also on the floor of the House, should now no longer exist.

I propose, however, to add a few words to explain why the Committee did not spend its funds more quickly. The chief reason was to utilise the funds to the fullest extent in relieving the sufferings of the people and to avoid duplication. It did not like to follow the example of Government Departments in proceeding with expenditure at quicker speed towards the end of the financial year in order to avoid lapses of budget allotment. The committee did take time, studied the situation, carefully investigated into facts and then distributed relief to the most deserving cases who were not touched by Government or by any other relief organisation. I do not propose to raise a controversy over how the Viceroy's Relief Fund was spent. If the writer of "India" had been an honest observer, he would not have failed to notice that a lot of "caustic" reports appeared in the newspapers about the construction of Damuchak colony at Muzaffarpore out of the Viceroy's Relief Fund and its subsequent history. If the Relief Committee did not undertake any such work and thereby avoided a pitfall, its members have no reasons to be sorry for it.

A suggestion was made on the floor of the House during the Simla Session that the funds of the committee were spent on Assembly elections. I give the lie direct to this insinuation. I am prepared to throw a challenge to any one who cares to accept it, to prove that there is no substance in rumours and reports like these. The Congress has established its usefulness in the hearts of the people by its long standing services and sacrifice (Hear, hear), and there is no wonder if Congress candidates headed the polls with overwhelming majorities of votes, not only in Bihar, but in far off Madras which was not at all affected by the earthquake. The audited accounts of the Bihar Central Relief Committee up to 31st August, 1935, copies of which have been laid on the table of the House, would bear me out that every statement, that I have made on the floor of the Assembly, is based on facts, unchallengeable facts, and every suggestion that is contrary to my statement has no foundation and is entirely baseless. The same observations apply to the suggestion of the Meerut Knight who indulged in fanciful remarks that some report got currency that the funds of the Relief Committee were spent on Congress propaganda or that a sum of three lakhs was made over for *charka*. These statements are furthest from truth. Babu Rajendra Prasad was so strict in the matter that those of us who were in charge of relief organisations were not permitted to participate in direct Congress work, and the two organisations were never mixed up although to an outsider this confusion might arise from the fact that most of the prominent workers in the Relief Committee were also prominent Congressmen of the province. It is, however, the practice with a certain section of this House to indulge in cheap sneers and to cast unmerited slurs on the Congress and Congressmen. We can only say that there is no help; there will be no dearth of this species of humanity in this country at least for as long as the alien domination lasts. Our duty as Congressmen is, however, clear. We shall not be deterred in our endeavour to achieve the ultimate destiny of our country. It is true that the task before us is tremendously great,

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that we have not made much progress yet. We are nevertheless following our goal with steadiness and perseverance, and we shall go on our march irrespective of what our critics say. In the words of our great leader, the late Pandit Motilal Nehru, that prince among men,—I repeat his inspiring words:

“We have yet been working on the foundations, we shall continue to work on the foundations until we drop down dead and be buried underneath. But let me assure you, Sir, that though we shall drop down dead, we shall die in the supreme satisfaction that, in the fullness of time, the freedom of my country shall rise on our bones.”

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): Sir, I first congratulate the Honourable the Finance Member on being in a position to lay before us a prosperous budget, and I congratulate him for the lucid manner in which he laid his budget proposals. The 28th of February is recognised in commercial circles as a great day of gambling. Fortunes are made and destroyed on that day. The policy, or rather the absence of policy, of the previous Government has unstabilised trade, and it has introduced an element of uncertainty, so much so that success in trade is now regarded more a question of luck than a question of merit. Government went on piling taxes upon taxes without doing any good to themselves, but rather doing positive harm to the people. Two years ago, in the year 1934, I gave some figures about the taxes that were piled, and the result of those taxes; and, after giving all those figures, I ended by saying:

“In the year 1930-31 our income under Customs was 46·81 crores. We have added a customs duty of 30 crores, and still last year our income was 46·87.”

This means that, by the addition of those taxes, the income did not substantially increase. The law of diminishing returns was applicable. Our experience from 1930 to 1934 has led us to the conclusion that the addition of the taxes does not mean the increase in income. The experience of the last two years has shown that we may have an increase in income even if we do not levy new taxes. But I should like to consider it even further. What would be the effect on the income if we diminish the burden of taxation? I am inclined to believe that prosperity will increase and income will go up. Sir, I should like to remind the House that in the year 1930-31 we added a 25 per cent. duty on every item, and I said at that time that we were following the old story: “*Takesar bhaia takesar khaja*”, “charcoal and chocolate both two pence a pound”, twenty-five per cent. all round never mind whether it is chocolate or whether it is charcoal. Both these things are treated in the same manner. According to the Finance Member, we have now begun a prosperous time, and I would certainly impress upon him that he should consider the reduction of taxes. I would not like to press that these taxes should be reduced by 25 per cent., as I think I will be guilty of doing the same thing for which I charged Government in the year 1931. But I do press that now some inquiry ought to be made to see how many of these articles have not been able to bear this additional tax of 25 per cent. and I think, as far as possible, these burdens ought to be removed.

The Honourable the Finance Member said in his speech that economic and trade conditions were improving. The improvement is reflected in the increase in income. In the budget for the year 1935-36, he expected a

receipt of 82·99 crores, and, in the revised estimates, it was 86·52. And, in his new budget, he estimated 87·85 without levying any additional tax. This fact clearly shows that the condition is improving.

Now, may I ask him two simple questions? The first question which I ask is whether the revival in the income of the Government of India is due to the improvement of world conditions in trade or to local conditions. Is it due to the fact that we have now got a comparatively wiser policy to follow than in previous years. The second is, how is it that, in the general budget, we have got an increase of income and it is not reflected in the railway budget? In one case, we have got a definite increase, and we are shown hopeful signs; in the other case, we have still got depression and a policy of retrenchment is being followed. I think both these things ought to go together. If there is a revival of trade, there ought to be an increase in general revenues and also in railway earnings. But an increase in one and diminution in the other leads to my mind one conclusion that in one case we have a wise policy and in the other case we have a policy which requires serious consideration.

Sir, I believe that unpopularity is a qualification for the Finance Member. His budget proposals, whatever they may be, are bound to affect favourably some pockets and they are bound to affect unfavourably some other persons. Those who are benefited thank God and thank their good fortune and they put the money quietly in their pockets; and those who are unfavourably affected by it carry on propaganda and write articles, etc. So the praises are always silent and the complaints are always loud and vocal. But, I think, irrespective of the fact in what way these proposals affect individuals, one should see the effect on the country at large and specially on the consumers of the country.

The next point to which I should like to draw attention is agricultural relief. I am glad that Government have after all recognised that it is the duty of the Government of India to give some relief to the agriculturists. We have been pressing for the last five years that it ought to be the duty of Government to take some notice of the miserable conditions of the agriculturists in this country. And, after five years' full effort, we induced Sir George Schuster to agree that a committee of inquiry ought to be instituted. I am glad that the present Government have now become conscious of this fact, and they provided a little over a crore of rupees last year and they are providing about 1,73 lakhs this year, of which about 92½ will be spent in giving direct relief to the agriculturists. I quite appreciate that some relief is better than no relief, but I should like to impress that we are far from the real solution of the problem. The problem of the agriculturists is really much more tremendous than the Finance Member has made it out to be. The important problem that we have to face is rural indebtedness. According to the report of the Indian Banking Enquiry Committee, which was written some years ago, the agricultural debt of India amounted at that time to Rs. 900 crores. It would now probably amount to about Rs. 1,200 crores. That is to say, the agricultural indebtedness is approximately the same as the indebtedness of the Government of India. Our rate of interest is about 3½ per cent, while the rate of interest which the agriculturists pay for their debts amounts to between 20 and 30 per cent. If you make a simple calculation, you will find that the agriculturists pay about 2½ times the

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revenue of the Government of India every year to their creditors. This amounts to about Rs. 200 crores on which no income-tax is paid. This is a defect in the income-tax law of the country. While every one pays income-tax on his income, this class of people who derive their income directly from the agriculturists' earnings pay no income tax to the Government of India, because these transactions are not recorded anywhere. Attention has been drawn to this fact from time to time in the speeches made by Honourable Members here. I had the opportunity of discussing this question with several officials, but the reply that they gave me was that they were only following the practice which has been in existence in India from time immemorial. They, however, forget two important safeguards which existed in the old days, but which have now disappeared entirely. One safeguard was that, in the old days, they used to have a law to the effect that, whenever a decree was given, it was never to be for more than twice the amount of the loan. That was called *damdupot*. If an agriculturist owes Rs. 100, he goes on paying interest now from three or four generations, but the loan still remains unpaid. It is absolutely necessary that some kind of provision should be made to control the amount of interest. The second safeguard which existed in the old days and which, unfortunately, or fortunately, does not now exist, is that, after every two generations, there was a revolution in every locality, as a result of which the debtors and creditors were destroyed, creditors books were all burnt. There was no one left to pay and no one to receive. They started again with a clean slate. There was no occasion of the accumulation of debts for centuries. Now, we have a peaceful Government extending over 150 years, and the debts have accumulated. The other day, my friend, Sir Leslie Hudson, drew attention to the fact that the credit of the Government of India is a curse to the trade of the country. So, I say that the peace of the country is becoming a curse to the villagers who have to pay large sums to the creditors, still their debts continue to rise. (Laughter.) I would like to draw the attention of Government to this serious aspect of the question. When the amount of the debts becomes very large and the villagers will not be able to pay, and they will easily succumb to the appeals of Communists and not pay anything including rents and revenues. The appeals of non-payment will be heeded by the agriculturists, who will see in it a method by means of which their debts can be wiped off. If Government remain inactive, I see no other way by which the agriculturists could relieve themselves of this enormous debt which is piled over their heads.

Sardar Sant Singh (West Punjab: Sikh): Do you want a revolution in the country?

Dr. Ziauddin Ahmad: I am not in favour of any revolution, I am an evolutionist. I want to draw attention to the fact that if the Government of this country remain absolutely inactive about the condition of the villagers, the villagers will succumb to Communist ideas, and it might lead to a kind of revolution in the country.

Dr. Bhagavan Das (Cities of the United Provinces: Non-Muhammadan Urban): On a point of information. Were any similar arrangements made by Providence for periodically wiping off the arrears of revenue and the arrears of rent?

Dr. Ziauddin Ahmad: My friend will be able to answer that.

Sir Muhammad Yamin Khan (Agra Division: Muhammadan Rural): Probably they got a remission of eight annas to the rupee in rent.

Dr. Ziauddin Ahmad: When I speak of agricultural debts, I refer both to agriculturists and landlords, because both come under the head of agricultural debts.

Sir H. P. Mody (Bombay Millowners' Association: India Commerce): Which of the two are debtors?

Dr. Ziauddin Ahmad: But you are a creditor.

Sardar Sant Singh: What about court fees?

Dr. Ziauddin Ahmad: There is one point to which I would have liked to draw the attention of Government on the discussion of demands for grants, but I had no time to do it. This refers to the new change in the policy of the post office by means of which they have really done away with the depreciation fund and opened a new head for renewals. I welcome this change for two reasons. In the first place, it is very difficult to decide whether a particular item of expenditure ought to be paid out of revenue, out of the capital or out of the depreciation fund, as the line of demarcation is so very narrow. Secondly, we know from experience that there is a certain amount to be debited under the head renewals. We know by experience the amount of money we require every year for renewals. Why put more amount under depreciation? For what catastrophe? Any catastrophe by which all post offices are abolished will never occur before the day of judgment, but it may occur in a particular locality, and I think the amount provided for renewals will be sufficient for the purpose. I welcome the change, but I ask, why this policy should not be adopted in the case of the railways. I do beseech the Honourable the Finance Member to follow the same policy in the case of the railways, as he has followed in post office. The sum of Rs. 14 crores under the head depreciation fund is not necessary for yearly renewals and replacements, which will only amount to Rs. 9 crores.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): Is this Rs. 14 crores for redemption of debt?

Dr. Ziauddin Ahmad: It is the depreciation fund.

Sir Cowasji Jehangir: . . . and it is more than is necessary by three crores?

Dr. Ziauddin Ahmad: By five crores. Now, I come to the next point. No business man will ever contemplate the opening of a reserve fund in days of adversity. My friend, the Honourable the Finance Member, started his depreciation fund to meet a particular emergency. But, will he frankly admit that the depression period is over, or is he starting this new fund during the period of depression? I think we should take up one of two positions; either say that the depression is now over, all the emergency

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taxes should end and we begin to act as if we are in the days of prosperity; or, if we still believe that the depression has not yet ended, we should be more cautious about our finance. The first thing we ought to do is to relieve the tax-payers and consumers who are taxed hard in this country. I test prosperity of the country by the following two tests: The first is that the emergency taxation, levied in the year 1931, should now cease, second, that we should be able to pay all our liabilities by our assets, and not fall back on the reserves we built up in the days of prosperity, in other words, the export of gold should be unnecessary. Gold in the country is really a reserve built up during prosperous time. So long as we continue to pay all our liabilities by means of the reserve in the shape of export of gold, I do not think we are justified in saying that the depression period is over. I would also like to ask the Honourable the Finance Member one more thing: since India went off the Gold Standard, we exported gold worth about 265 crores till now: I would like to know how these 265 crores have been utilised by the Government of India—how much of it was paid on account of the deficit in our balance of trade, how much of it was used for our recurring charges in sterling in England, how much we utilised in our sterling loans, and what is the amount of credit which is now in England in favour of India. (Interruption.) Government have not got the money. The credit of the Government is there if gold is exported to foreign countries. Sir George Schuster gave an account and described the manner in which he utilised the credit built up by the export of gold; but since then we never had any account of the way in which this export of gold was utilised.

I now draw the attention of the Honourable the Finance Member to two points, because he is in a very peculiar position to execute it. He has two great virtues. He has got a great driving force—I think we all admit that. Also, he is not afraid of unpopularity. With these two qualifications, I hope he will take up two very important problems which India has to face; and if he does not solve it in his time, I doubt very much whether his successor will be able to do it. One is that all the ports in India should be centralised and should be controlled directly by the Government of India. I am not against any treaties: you can give any money to the States, but you should bring all these ports under the control of the Government of India—whether they are in British India or in the Indian States. The second thing is, I would like to appeal to him to simplify our tariff duties. I have read this Tariff Act very carefully; but I think it is really more complicated and more difficult to understand than the theory of epicycles in the planetary theory. It is easier to understand this theory of epicycles, though a very complicated affair, than it is to understand the theory of this Tariff Act. I say, this requires very careful consideration and revision, and I hope he will succeed in giving us a simple Tariff Act for India which we had before the War. I hope he will be able to give it to us during his term of office here.

Another thing also which requires some consideration is our policy of protection. I am not against protection, but I am certainly against the manner in which this policy has been exercised during the last five years. It is not sufficient for us to pass an Act: we should also see year after year how this protection has been working. I admit freely that we are prepared to give protection for the benefit of the people of India; but we are not prepared to give protection for the benefit of the capitalists. We must see

that the protection goes to the masses and not to a few individuals only; and, therefore, I do beseech the Honourable the Finance Member that he should appoint a small committee to consider the whole policy of taxation; because the present tariff policy was shaped by the Fiscal Commission of 1921, and it has now become a little obsolete, facts have changed, and fresh consideration is necessary. I am a great believer in one thing, and though I may be in a minority of one in this House, I am not afraid of saying that I consider the best committee to be a committee of three persons, provided two absent themselves. That, to my mind, is always an efficient committee: I do not believe in a very large committee. I believe in small committees, and much more if it is reduced to one. I want such a committee to consider the whole fiscal policy of the Government of India and to revise the whole thing, because, to my mind, it does not fit in the changed conditions, and unless the question is examined very thoroughly, it is very difficult to come to any definite conclusion.

Another point is that just as we have given part of the revenue duty on jute to Bengal, similarly it is our just claim—and I press it on behalf of my province—that part of the excise duty on sugar should be given to the United Provinces and Bihar. Again, although education is a transferred subject, but during the discussion on the Finance Bill, I press it on the Government of India that the education of the provinces can never flourish unless the Government of India come forward with some kind of assistance to the provinces: either you may earmark it for primary education or for the new policy which the Central Advisory Board is now initiating: but, without the help of the Government of India, it will not be possible for the provinces to prosper and to flourish. The income of provinces is limited and inelastic, but the income of the Central Government is elastic. Therefore, I think that whenever my friend, the Finance Member, sits down to distribute his fortunes, he should also have a soft corner in his heart for education in this country, and I hope he will always be reminded of it at home, if not in his office. With these few words, I resume my seat.

Pandit Krishna Kant Malaviya (Benares and Gorakhpur Divisions: Non-Muhammadan Rural): Sir, I rise to oppose the motion which has been moved by the Honourable the Finance Member. I feel that I will not be doing my duty by my country if I did not oppose this motion. As we know, the Finance Bill is a consolidated demand for supplies: in other words, it is a demand for a vote of confidence. The plain question, then, before us, is, has this Government our confidence? Have we any faith in this Government? Has this Government our goodwill? Do we approve of its policy, its administration as it is being run? While I was at college, I was taught a political maxim: "no taxation without representation". We know we are heavily taxed. No one can deny, in view of our poverty and income *per capita*, that we are heavily overtaxed. But we want to know, if we are represented in the higher counsels of the Government? Is there one single elected Member of ours in the Executive Council? Are we represented in the higher services of the Government, both civil and military, as we should have been? I do concede that a lot has been said about Indianisation of services, but I know that Indianisation is never to come, that they are not honest, that they are not serious, and that they will try to put off the evil day of Indianisation of services as long as they can. We are powerless. They are the top dogs, and they will do whatever they like in spite of us. We cannot stop their activities; we can only protest and proclaim

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to the world that we are not a consenting party to what they do, and the way they carry on the administration of this country. I am sure, you will agree with me when I say that so long as we do not have an effective voice in the raising, and expenditure of, the taxation, we will be perfectly justified in refusing to sanction supplies

Mr. President (The Honourable Sir Abdur Rahim): The Chair hopes the Honourable Member is not inviting its opinion.

Pandit Krishna Kant Malaviya: No. I am only saying that you will also agree with me in what I say. Besides, even if I succeed in throwing out the Bill, our success practically means nothing more than a censure on the Government. Their supplies will not be affected in the least, and they will carry on the administration as merrily as they are doing it today. Should we not then at least tell these tin-gods of ours that we are being governed in spite of us, against our will, and in a way which we entirely and wholeheartedly condemn?

Then, Sir, coming to our grievances, they are innumerable to mention each and every one of them in the short time that is at my disposal. I will, therefore, name just a few of them, and discuss even a lesser number. Let me begin, Sir, with the Government of India Act itself. We had no hand in it. Sir, we know best what we need and what is best for us, but our Lords willed it otherwise. It is true that some Indians were invited to the Round Table Conference, but there is no denying the fact that they were not the elected representatives of the people. These very people, who had gone there, had they been elected representatives, would have acted in a different manner, and then, Sir, I do not divulge any secret when I say that some Britishers did all they could to prevent an understanding between even those who had gone there. The Round Table Conference was a Noah's arc, on which every type of Indian humanity was represented, and it was well-known, Sir, that in the very nature of things and in the circumstances in which they were placed, they could not possibly agree on any one thing.

We all know, Sir, that no body of public opinion in this country is satisfied with the Government of India Act, that it has been condemned by all and sundry, that we are better off today as compared to what we would be under the new Constitution, but we are powerless, the Constitution is being thrust on us, in spite of us. It is expected that we should work it, even though we have declared that it is unworkable and we do not want to work it, and it is not in our interest to work it. The whole Act has been designed and planned, Sir, to perpetuate the British domination, and I tell you, Sir, that even if we work it, with the best will, and do all that we can to make it a success, the result only will be that we will be tightening the ropes of British domination round our necks and postponing the day of the dawn of Swaraj.

I cannot resist, Sir, the temptation of describing the Government of India Act in the words of an Urdu poet. He, in his prophetic moment, said:

*"Nau chhd, penda ghâib, Ooper galâ nadârad,
Muflis ko garmion men jhâjkhâr mila to aîd."*

Which means, Sir, that a poor beggar, in the hottest of weather, got a pitcher, but it was a pitcher with nine holes, bottom gone and neck missing.

I, therefore, charge the Executive and this Government, Sir, for not telling the British Government that we do not want the new Constitution, that we hate it, and that it has not been enacted in the interest of the people of this land. We pay the Members of the Treasury Benches, Sir, we maintain this Government, and it is the honest duty of those who sit on the Treasury Benches to look after our interests, to obey our wishes and to carry on the policy which we approve. If they fail to do so, as they have, then we should only tell them that we refuse to sanction the supplies that will maintain them.

What is most painful, and which may have serious repercussions, is their military policy. It needs no prophet to tell us that a war in the near future is unavoidable. I do not know what my other friends are thinking about it, but for the last two years and more, I have been writing in papers and proclaiming from platforms that a world war is imminent. It is immaterial to me where it begins. Wherever it may begin, in the Mediterranean, in Africa, Europe or in the Pacific, the conflagration will be world wide. It is clear that England will be in it neck deep, and it is not impossible that England may be fighting for its very existence. I know that England has been the prime cause of all the trouble that is brewing today. Allowing Japan to grab Manchukuo, because Japan was an ally and let the League of Nations remain inactive and powerless encouraged France to stand by Italy when it raided Abyssinia. And now Germany is in the field and the aggressor and outlaw Italy is sitting with England and France in London to decide the course of action so far as Germany is concerned. What will be the upshot I need not forecast, but let me tell you this much that just as France was standing by England and at the same time helping Italy, so will England stand by France while anxious not to harm Germany, and the whole thing will thus end in a fiasco

Captain Rao Bahadur Chaudhri Lal Chand (Nominated Non-Official): What about your own position?

Pandit Krishna Kant Malaviya: I want to get my own independence.

Then, Sir, there is trouble brewing between Japan and Russia. I want to know whether we are ready as a nation for taking part in the next world war, whether we are ready for defending our frontiers, or we will have to depend upon the mercenary forces for our defences. Is there any country which depends for its defences upon such a mercenary army? Where are the youths of the country? Have they been trained? Can they handle a gun? Have they been given any military training? Do this Government encourage any such training? Any national Government worth the name, responsible to us or even looking after our interests, would have easily made physical and military training compulsory in our secondary schools, and, with a population of 360 millions, Sir, we could easily have raised an army of at least two to three crores to meet all emergencies. But where are we? And where, Sir, is the Air Force? The wars of the future will be fought in the air. England recruits yearly 2,000 young boys between 15 to 17 years of age from the secondary schools and trains them for the services in the air craft. Why have we not done it? Why can't we do it? Can't we, Sir, get

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youths from even the University Training Corps? But, you know, Sir, that they do not trust us, they know that, once we are made physically fit and able to raise our heads high, they will be nowhere, they will not be able to overlord us, and so there is always the excuse of scarcity of finance. Their guilty conscience is afraid of retribution, and so they keep us away from the army.

Captain Sardar Sher Muhammad Khan (Nominated Non-Official): You do not give them money?

Pandit Krishna Kant Malaviya: Why should we? They get money in spite of us. You vote the money, not I.

They can spend crores and crores of rupees on the construction of New Delhi, they can spend lakhs and lakhs on the household of the Viceroy, they can even spend Rs. 50,000 for a ceremonial platform for the reception of dignitaries, but they have not got money for nation-building departments. It will be difficult, Sir, to name any reform which has not been opposed in the name of financial stringency. The Benares Hindu University Training Corps has been winning the efficiency cup for the last nine years. It is by unanimous consent the best University Corps in the United Provinces. The Hindu University authorities have been asking this Government for many years to allow the University to maintain a full company of University trained men, but the Government and the military authorities have not yet granted the request. The excuse, as usual, is stringency of finance, but we know the real cause. It is nothing but distrust, it is nothing but a desire that the youths of this country should not be made fit and should not be able to defend themselves or their country.

Sir, I do not want the military training for our youths to raise an army and drive out these tin-gods of ours. They will go away of their own accord when they know that we are ready. I want it, because military training fits the youths better for life. It gives them a sense of discipline, it makes them smart and they are more suited for hard life. At present, our educated youths are fit for nothing else but driving quills.

An Honourable Member: Why did not Brahmins try this during the Hindu period?

Pandit Krishna Kant Malaviya: The Kshatriyas were our standing national army, and Dronacharya was there to train them. If they do not get a Government job—if these educated youths do not get a job or become vakils, they go to fill in the ranks of the unemployed. It is not that they do not want to do all that is possible to earn a living, but the real fact is that they simply cannot. They are unfit for any work which requires physical endurance or manual or technical training. I, therefore, charge this Government for emasculating our manhood, our physique and for converting a nation of fighters into a nation of quill drivers.

Then, Sir, there is the question of unemployment. Is there any Government in the world which has shown a more callous disregard for its unemployed? Our educated youths are being simply driven in despair to deeds of terrorism and suicides. The matter has been left to the

Provincial Governments. It depends on them to tackle or not with the problem of unemployment. I declare it with all the emphasis that I can command, that it is impossible for any Provincial Government to drive out unemployment from the land. It is only the Central Government and the Central Government alone which can drive out unemployment. Here, also, Sir, if the Government were in our hands, we would be able to employ two to three crores of our youths in the Army as well as in the Railway Departments. I do not exactly remember, but, it was, perhaps, my uncle, Pandit Malaviya, who said on the floor of this House that, if he were in charge of the Railways, he would provide employment for almost all the youths in the country. We are not yet manufacturing locomotives. We can have our railway workshops in almost all the big centres and provide not only work, but technical training also, to our youths. But, as we know, we are powerless and we cannot shape the policy of our administration to economically and industrially develop our country. We are denied opportunities. Indian talent and ability are being suppressed most ruthlessly everywhere and in every department of life.

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

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

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

Pandit Krishna Kant Malaviya: Sir, when the House adjourned, I was saying that, at least if the railway administration were entirely in our hands, we could give employment to lakhs and lakhs of our youths, and, by manufacturing locomotives, etc., we could develop India economically and industrially, but what are we to do? We are denied opportunities, and Indian ability and talents are ruthlessly suppressed everywhere. As if all this is not enough to keep us down, this Government encourage disunion amongst our people. Divide and rule has been their policy and it is being persistently followed even today. The structure of the Government of India Act itself has been raised on communalism and communal rivalry. The course of history shows that every civilised State has attempted to steadily eliminate from its Constitution distinctions of creed, race, colour and religion, but in India, Sir, our masters want nothing but communalism, discord, and strife. They condemn it from their lips, but they perpetrate and promote it by their deeds. Therefore, I charge the executive and this Government with not advising His Majesty's Government that the Communal Award is anti-national, anti-rational and a negation of all the principles of democracy, detrimental to the best interests of our country and designed to thwart the growth of self-government in this country. And, as a result of their failing to do all this, I oppose the motion of the Finance Member and refuse to grant him supplies. Sir, the Leader of the House, the other day, in one of his characteristic speeches said that the Communal Award is dead, it has been cremated and its

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ashes immersed into the Ganga. I am sure that those who heard him carefully must have detected the sigh with which he said all this. Be it said to his credit that he knows and realises that the Communal Award is an apple of discord and has been designed to prevent the growth of self-government in this country. He has been consistently opposed to it. Even as the Leader of the House and the seniormost Member of the Government, only last year, on the floor of the House, he refused to vote for the Communal Award. Any other Member from the Treasury Benches would have said "the Communal Award is dead long live the Communal Award", for, without the Communal Award, the Members sitting on the Treasury Benches and their successors will not be able to retain their seats and will not be able to govern in the irresponsible manner in which they are going on. Sir, I am as anxious as anybody today not to add a hair's breadth to the communal tension that exists in this country, and it will be my endeavour, Sir, not to say a word which cannot be said by any good patriot. It is not to boast, but I do feel that I am as good or as bad a patriot as anybody in the land, that I am as much an Indian as anybody in this land, and that I am as much above communalism as the best Indian in this country of ours, but, Sir, I feel that I shall be failing in my duty to my country if I allow the impression to go that we will not do all that lies in our power to uproot this Communal Award, or that we have reconciled ourselves to it. My feeling, in the matter, is that the plant of nationalism can neither take root, nor blossom nor fruit, so long as the Communal Award exists to divide us, to separate us, and so long as the gross injustices it has done are allowed to remain. I do not condemn the Communal Award in the name of any community, although it certainly is glaringly unjust to both Hindus and Sikhs, I condemn it, Sir, as any true nationalist Indian would do, if he is a lover of justice and fair treatment for all, no matter whether he is Hindu, Sikh or a Mussalman. I condemn it as Professor Abdul Majid of the Punjab would condemn it or as Mr. Abdul Samad of Bengal would condemn it. I condemn the award, because it is anti-national, anti-rational and anti-democratic. I condemn it in the name of my country, in the name of nationalism and in the name of the future generations of this unfortunate motherland of ours, and, because, Sir, the Communal Award has been designed and deliberately planned to prevent the growth of national self-government in this country. I cannot forget that *Rahc hain ham hamesha isi zamin par asman hokar*, we have been rulers of this land, we aspire to be rulers again in the near future. I know, although down-trodden we are that:

*"Jo hans rahá hai woh hans chukéga;
Jo ró rahá hai woh ró chukéga;*

*Sakoone dil sé Khuda Khuda kar;
Jo hó rahá hai wo hó chukéga;*

*Falak chale zálimána chálén;
Macháen andhér jitná cháhén;*

*Zamana lé hi ga koi karwat;
Nasib bekas ka só chukéga;*

*Hamári manzil ka woh hai dushman;
Hamári rahén bigárta hai;*

*Khilenge kuchh guáratí shaqoofé,
Jab apne kánte woh bo chukéga."*

"He who is laughing will have laughed;
 He who is weeping will have wept.
 Take the name of God with peace of mind;
 Whatever is happening will have happened;
 Let heavens make whatever cruel moves they like to make;
 Let them fill the world with as much gloom as possible;
 Time after all will take a turn;
 The fate of the helpless will have reached its last slumbers;
 It is an enemy in the path of our destination;
 It creates confusion in our paths;
 However, through the help of Providence,
 Events will take place and turn the tide
 In spite of all the efforts made at sowing thorns in our way."

Some of these signs are visible on the horizon. The rape of Abyssinia by Italy and the entry of Germany into the Rhineland are portents of the coming events and we, if we have eyes, can see that the international situation is developing fast and it seems that the world is moving towards a chaos, and it is not unlikely that East and not the West, Asia and not Europe, in the not far off future, will forge ahead and predominate in this world. The dominance of the East is the only panacea for all the ills of this world. We, with our love of peace, spiritualism and goodwill for all can only bring peace on this earth. It is India's mission, but we cannot succeed, because the Britisher, clever as he is, has devised this Communal Award to work like fetters on our legs, so that we may not be able to take advantage of the coming events, so that we may not be able to unite and free ourselves, even when the time comes, from the British yoke. I want this obnoxious, undemocratic award to go, because I want freedom for the sons and daughters of this motherland, and because I want that strife and discord should disappear, that no one in this land should smart under a sense of injustice and that there should be nothing in this land to divide and disintegrate us.

Sir, I have not met a single individual who is satisfied with this Communal Award. Even my Muslim friends who have got practically 99.9 per cent. of their demands have their own grievances against this Award. So far as the Hindus and Sikhs are concerned, they have lost all along the line. Even where they are in a minority, what to say of getting any weightage, they have not obtained even the number of seats to which they were entitled on the score of their population. No one, Sir, can deny that the Communal Award is grossly and glaringly unjust to both Hindus and Sikhs, but my complaint is that even if we were prepared to sacrifice the interests of the majority, that even if we be prepared to give up all that we claim, we will not be able to win Swaraj. The Communal Award will stand in our way and will not allow nationalism and democracy to take root in this land. This Communal Award will create Ulsters and Pakistans in this country and keep Swaraj at bay. These friends of ours, Sir, have not stopped at communal political representation: they have introduced the virus of communalism into the services also. Even H. H. the Aga Khan feels now that the parties should not be formed on a communal basis, and that groups should now be formed on the basis of political and economic principles. Then, Sir, there are others who did all they could for separatism, communalism and all that goes for more and more seats and shares in the services for their community, but they have now begun

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paying homage to nationalism and are praying for the success of the Congress at the polls. This Punjab leader is anxious to join his lot with the minority party in the Punjab, although not with the majority community of the land. Sir, it is good that people heretofore swearing by separate electorates have now begun to realise the necessity of a joint electorate. I only pray to God, Sir, that the desire for joint electorate would be real, that my friends would really be anxious to do away with the communal representation, but the fact is, Sir, that joint electorates, good in themselves, will not be a panacea for all the wrongs that have been perpetrated in the name of the Communal Award. The joint electorates alone will not help the Caste Hindus of Bengal,—the Hindus who have built and given their all to Bengal, and but for whom Bengal would not be what it is today. Sir, communal differences, differences of creed, colour and all that go along with it existed in this unfortunate country of ours before also, just as they exist in other countries today also. Hindus, Mussalmans and Sikhs are as bad or as good as the Protestants and Catholics in England or Ireland or as any other sets of people in any other part of the land. Sir, England kept down Ireland for ages, because it was a Catholic country. England created an Ulster in Ireland, and England is similarly anxious to create as many Ulsters as are possible in India also. Sir, England does it, and is doing it all in her own interests.

Sir, there are minorities in the countries of Europe also, but we know that the League of Nations has tackled the problem of minorities. The question of minorities has been attended to quite successfully and rationally in the frame-work of some of the States newly constituted after the Great War, but, Sir, the British Government chose to ignore the result of close examination of similar problems elsewhere and has, for its own interests, sought to engraft on the fabric of the State of India a system which is so disruptive and disintegrating that it cannot but injure the growth of our Constitution.

Sir, the injustice to Bengal and the Punjab Hindus is so glaring that nothing need be said about it. The Caste Hindus of Bengal, Sir, to whom Bengal owes its culture, its education and everything good, have now been placed at the mercy of a communal majority on the most absurd, untenable and merely technical ground that, counting even infants and children of the Muslim community, they are found to be slightly superior in numerical strength. The adult population of Bengal, Sir, is 48·3 per cent. Hindus and that of Mussalmans 51·3 per cent., according to which the representation should have been 96·5 Hindus and 102·5 Mussalmans; but, in the Provincial Assembly, the Hindus will be 80 and the Muslim representatives 119! And to this, Sir, seven seats which the Muslim community will secure from the special constituencies, and Bengal will be burdened with a Communal Raj. It is one thing, Sir, to concede separate communal electorate for the purpose of giving reasonable representation to a minority, but it is a quite different thing to employ this system so as to confer upon the majority community a permanent majority in the Legislature, unalterable by any appeal to the electorates! Such is the case in the Punjab also. I do not want to say one unkind word, but I may be pardoned for saying this much that the Shahidganje affair of the Punjab and the Hindi-Gurmukhi circular of the Frontier Government are a foretaste of the future communal "Rajes" in the provinces. If you want to see what the Communal Award and communal majorities can do,

Sir, go to the Frontier. There Hindu and Sikh girls cannot have their education through their mother-tongue, there Hindu and Sikh boys who go to schools have to pay double the fee as compared to Muslim boys, there Hindus have no place in the services of the province. In the North-West Frontier Province picketing of Hindu shops and the boycott of Hindus is going on, and the Hindus are migrating, leaving behind property worth lakhs and lakhs. Sir, I request, through you, my friend, the Honourable the Leader of the Independent Party, the ambassador of peace these days, and the grand old man of our Assembly, my friend, Saiyid Murtuza Sahib Bahadur, to pay a visit to the Frontier and see the condition of the Hindu and Sikh minorities and note how they are being treated there. All this, Sir, is the doing of the Government and the fruits of the Communal Award. The other day, replying to a question on the floor of this House, the Member for the Government, Sir, in regard to the Hindi-Gurmukhi circular, said, that it concerned the Transferred Departments, and the Government of India do not want to intervene or interfere or some such thing. This is how this Government do their duty! The Head of the Reserved Department, Sir, who is the agent or subordinate of the Central Government, is especially empowered to see that the interests of the minority are not trampled down; it is laid down in the Instruments of Instructions also, now, but the Government want the Hindus and Muslims to fight, it wants to prove to the Hindus that Mussalmans, if they are in power, will crush them, and so they must have no faith in them, the Government wants that the Hindus should also retaliate in the Provinces where they are in a majority, that Hindus and Muslims should go on fighting, and, in order to achieve this end, this Government, in the name of the Transferred Department, does not want to interfere. I charge this Government, therefore, Sir, for not discharging its duties properly, for allowing the interests of the minorities to be trampled down, and for adopting ways and means to keep the Hindus and Muslims fighting continually. I, therefore, oppose the motion and refuse to grant the demand for supplies.

I now come, Sir, to the repressive laws. One Urdu poet has well said, Sir:

*"Wo law aur order ké nám par humko pakarté hain,
Chale insáf karne hain baré Naushérwan hó kur.
Allah ré zalim tere Qánoon kí bandish,
Lab band, zabán band, nazar band, qalam band."*

Some Honourable Members: Translate, translate, we want translation.

Pandit Krishna Kant Malaviya:

*"They catch us in the name of Law and Order;
They are out to do justice,
Posing as the very Nausherwan of their days.
Oh, the skill and scope of thy laws, Oh, cruel friend,
The lips are sealed, the tongue is tied,
We are shut up in jails or kept as detenus, and the pen fettered."*

They say, Sir, that they take the odium of placing these laws on the Statute-book simply for our good, for our sakes, so that future Ministers should be able to administer well.

We would have lawlessness, strife, communalism, Communism, terrorism, discord, disorder, and what not, and this "Mai Bap" Executive, Sir, is only anxious to have peace, a regime of law and order and justice;

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but, we know, Sir, to our cost, what this ordered regime and administration mean! They mean, Sir, poverty, starvation, emasculation of manhood, deprival of opportunities in our lives to rise to the highest posts both in military and civil departments of the Government of India and remaining in our land merely as hewers of wood and drawers of water. The Honourable the Home Member once talked of three menaces and of two public enemies. I said, Sir, in Simla, that his three menaces are nothing but triplets born of this foreign domination. As regards his two public enemies, I may, with your permission, tell him that the two public enemies in this land are the foreign domination, and the economic situation and grinding poverty which has been bred by this foreign domination. Let there be plenty in this land which was once famous for its abundance of food supplies and other comforts of life, let there be plenty of opportunities for our young men to rise high, earn a decent living and realise their ambitions according to their merits and we will have plenty of peace and good Government. We do not want their peace which means a living death, emasculation of our manhood, which means no peace in our homes and which brings no peace to the stomachs of the teeming millions that inhabit this land. They talk of peace, but create an atmosphere of strife; they talk of law and order and good Government, but govern badly; they say that they want laws in public interests, but they really want them in their own interests, for they want laws to perpetuate their ill-gotten gains and domination, in order to keep us down, and, in sheer despair and disgust, I am tempted to say: Sir.--

*"Nākhudā ab hāth uthālē bandyānē ishq sé,
Doab kar bhi lag hi jāingē kisi sahil se ham."*

"O, sailor, friend of mine, lift your hand off, do not help us, let us be drowned. For the currents will, after all, take us to some beach."

I have nothing more to add, Sir, and I will only say this much to the Honourable Members sitting on the Treasury Benches, through you, Sir, that the nations generally pay heavier prices for their sins of commission than for their sins of omission, and they must know that a day of Judgment is also awaiting them, that they should serve us as faithful servants, for the sovereignty of India lies in its people, and if they don't we will not vote for the supplies to maintain them. With these words, Sir, I resume my seat.

Pandit Govind Ballabh Pant (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): Sir, the Honourable the Finance Member, I understand, made a colourless speech this morning, and he invited his enemies to shoot hard and to shoot first. I do not know whether he includes me in the rank of his enemies or not. But I can say this much that, thanks to the policy of disarmament which he and the Government of which he forms a literally ornamental link today, I never had any opportunity in my life to handle a gun. I think that a self-respecting Indian need not do so, so long as every Indian has not the opportunity of getting it if he chose to have it. But, Sir, his remarks today were better than the dubious one that he made on the last occasion. Then, he said, if I remember aright, "I will hit you if you hit me". That did not seem to me a manly observation on his part. I almost

blushed when he indicated that we wanted to hit him without exposing ourselves even to his full blooded strokes. When we go in for that pastime, well, we take the risk of being hit at even by an impulsive and vigorous young sportsman like him.

So far as the Finance Bill is concerned, I think we have not much to say about it. It is what is called a hardy annual, and this year the fare is poorer still. The Honourable the Finance Member has taken away certain parts which used to provide part of the ammunition formerly. But there is a remark in the speech which he delivered while introducing the budget to which I intend to pay special attention this afternoon. He said:

"In short, in my inexperience, I attached rather too much importance to the Cassandra-like prophecies of those who were concerned for one reason or other to proclaim that India was being ruined by its attachment to the British Empire and its adherence to sterling, and too little to the assurances of those who told me that India had a marvellous power of recuperation from economic troubles."

He evidently seems to believe that India has reached its zenith of economic prosperity under British rule. A suggestion, and even a mild hint to the contrary, irritates him, not only like an unfounded libel, but, perhaps, orthodox as he is, as a heresy. I am going to deal with that this afternoon, *i.e.*, whether British connection has worked to the economic advantage of India or whether it has worked as an engine for the progressive impoverishment and pauperisation of this ancient and once reputed land of the rich pagoda. Then, there is another statement which he has made, and, to that too, I shall devote some time. He has personally testified to the marvellous capacity of India for economic recuperation.

Sir, before I deal with these questions, I should like to remind the Honourable the Finance Member of what one of the great Pandits of orthodox economics said long ago. I think he includes John Stuart Mill in that category. John Stuart Mill said:

"The Government of a people by itself has a meaning and a reality, but such a thing as government of one people by another does not and cannot exist."

This is almost a common place thing. What follows is of greater importance:

"One people may keep another for its own use, a place to make money in, a human-cattle farm to be worked for the profits of its own inhabitants."

The British people, since the day they had anything to do with this country, have kept it only as a cattle farm for their sole benefit, for their own profit, and for their own advantage. The balancing of budgets is more or less a mechanical affair, so far as subservient and subject races are concerned. It indicates neither prosperity nor progress. So long as a milch cow does not die or get dry, the keeper of the cow can manage to pull off the maximum amount of milk contained in it out of the udder, even though the heartless process be painful to the cow or fatal to the calf: he will have what he wants and what he likes and what he desires, irrespective of the consequences and of the disaster that it may entail to the cow or to her race.

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Sir, we have had in this country several cycles of surpluses and deficits. There were, I believe, surpluses between 1898 and 1910. There were deficits after that followed by the war-boom period. There were again deficits between 1920 and 1924 amounting to about 90 crores. Then came Sir Basil Blackett's period of prosperity, and we had deficits again for five or six years till 1934. But did the country advance a step during the days when it had those surpluses? Are the people in this country a whit better than they were before the surpluses came in? The surpluses are, in fact, more dangerous sometimes than deficits. They lead to extravagance, they lead to an addition,—substantial and material addition at times,—to the recurring expenditure which survives the surpluses and causes enormous embarrassment afterwards. The Honourable the Finance Member knows how other countries have today shown significant recovery. He must be aware of the fact that Great Britain itself had a definite balance in its national wealth of 37 million pounds this year, the first time since 1930. He knows, I believe, that the index figure has risen there as compared with September, 1931, even, from 100 to 114.

The Honourable Sir James Grigg: Production, or prices?

Pandit Govind Ballabh Pant: Prices. He knows also, I believe, that the index of production has risen much higher than this. He knows, I believe, that even in New Zealand, as in Canada, there has been a corresponding rise. He knows, I believe, that so far as our country is concerned, not only is the index price below what it was in 1918-19, below what it was in 1928-29, but it is even below what it was in September, 1930. I have before me the relevant documents showing that it is almost the solitary country today where depression still exists and persists in an acute form. I believe he is aware of the increase in the balance of trade in other countries. I believe he knows, too, that, so far as the export and import of private merchandise are concerned, we had a bigger balance of trade in 1933-34 than last year. And, even this year, we will have a smaller balance of trade than in 1933-34. He must remember that in a country situated as ours, where the interests of the people and of the Government are diametrically opposed, where the very condition of the existence of Government is that it should not include a responsible representative of the people and that none who comes into this House with the suffrage of the people should be allowed to step into their den, they must know, Sir, that in a country like this the interests of the people are obviously opposed to and militate against those of Government. It is just possible that there may be a recovery to the advantage of Government at the expense of the community; and the 18 pence ratio is an instance of that. If tomorrow the Honourable the Finance Member were to reduce the exchange ratio from 18 to 16 pence, Government would be put to a loss immediately of between four and five crores. But, on the other hand, the value of the agricultural produce, of the primary products, in terms of foreign money would go up by at least 12½ per cent. Well, Sir, this is obvious enough that, so far as our country is concerned, the Government and the people stand at loggerheads. What is good for the goose is not good for the gander, and, like the see-saw, when one rises, the other falls. So, Sir, so far as the interests of Government are concerned, they may feel that they

have an easier position and their position can be easier when the imports rise and the customs revenue rises. The exports may go down; the difference between exports and imports may narrow down and may go on narrowing down, but still the Government revenue will rise up with increasing imports. And one of the most disquieting features of the present situation is the contraction in the volume of inland trade. Railway traffic showed that last year there was a decrease in traffic earnings due to corresponding diminution in the volume of goods traffic; so far as foreign trade is concerned, there was an increase in the volume of traffic. But if there was a deficiency, it must naturally be attributed to a deficiency and a shortage of inland traffic. And when inland trade goes down in a country, that indicates that the economic capacity of the people is going down, that their purchasing power is becoming poorer. In fact that would be the natural consequence of the policy that has been followed in this country. While England has tried to manipulate currency and exchange with a view to regulating the export import trade, though she is so rich and advanced, here our rupee has been pegged to the sterling. While even Canada and Australia have depreciated their currency, while the process of devaluation has been enforced in so many countries even within the British Empire, we here have been tied down to the chariot wheels of the sterling's car, with the result that we have today a currency which, however plausible might have been the justification for it when prices were high, is certainly detrimental to the interests of the country when prices have fallen down and are not maintained in their parity with prices in other parts of the world. I hold, Sir, that while other countries have adopted a constructive policy with a view to securing recovery and to tiding over economic depression and distress, here, in our country, Government, interested as they are only in maintaining law and order, in issuing its ukases, in emasculating and disarming us, in preserving our ignorance and illiteracy, disease and pestilence, poverty and destitution,—this Government have not moved or wagged their little finger with a view to stimulating economic recovery in this vast country.

Sir, the Honourable the Finance Member referred to the marvellous capacity for economic recuperation of India. It brought before me a panorama of sublime mountains, of fertile valleys, of navigable rivers, of an extensive maritime sea-board, of waving fields of rice and wheat and sugar cane, of jute and tea and cotton plantations, of our coalfields and our mines, and of our rich fauna and flora. It reminded me of the limitless resources of this country, and I felt that the conclusion at which the Finance Member had arrived must be a legitimate and correct one. A country like this whom God and Providence in their mercy had endowed with their magnificent and bountiful blessings in an unstinted measure should be possessed of marvellous powers of recuperation. But, then, Sir, the very next moment, I saw before me the spectre of millions of moving skeletons stalking the length and breadth of this land, I saw poverty writ large on the face of this country, I saw destitution of an inconceivable type. I remembered that while the standard of comfort and living in Great Britain was almost even with our own at this time when British connection with this country started, today their death rate was half of ours and the expectation of life or average longevity there was more than double of ours, even their drink bill per head was equal to the total national income of two in this country and their receipts from customs and excise on drinks and liquors alone exceeded the total

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national revenue of this Government! When I saw all that, I saw the big gulf between the two, limitless resources on the one side, and inconceivable poverty on the other! Why was it? The riddle came before me—I was confronted with the problem as to why this country with its limitless resources should have been reduced to such a stage of utter penury and destitution. Look at the income per head, look at her exports and imports, look at her volume of trade, look at whatever aspect you consider to be a symptom or index of economic situation, your heart is rent to pieces and can find solace in no factor whatsoever. What do we find today? Abyssinia is the victim of Italy, because nations feel that unless they have raw materials they cannot progress forward. Germany has taken another similar step, which is perhaps an outcome of the treatment she received at Versailles and of which I need not say much at this stage, because countries feel that the way to prosperity lies in the possession of raw materials. Then, why in our country, in spite of all these natural advantages, should there be such a deplorable and pitiable state of affairs? It is not only raw materials of which we have in abundance, but we have also men in millions, to whose thrift, abstemious habits, industry and simplicity of living, purity and cleanliness, people from all parts of the world have testified from time to time during the last 3,000 years? Thus, on the one hand, we have got ample raw materials, and, on the other, we have got ample man power to convert them into commodities which constitute wealth and real source of happiness and comfort of humanity; why is it that still we are starving, that we are progressively deteriorating, that our condition is so unenviable? Well, the answer is to be found in the unnatural state of our being a dairy farm for the upkeep and aggrandisement of the imperialist octopus which is represented by my friend opposite on those benches. It is because of its tentacles that extend to every part of this country which have been dug deep into the body and heart of every being in this country, that our blood has been sucked and squeezed.

Mr. M. A. Jinnah (Bombay City: Muhammadan Urban): Why do you allow it?

Pandit Govind Ballabh Pant: Do I? I would cut it to pieces today if it rested with me, and if I had the power which Mr. Jinnah possesses, I would have done wonders. (Applause.) He knows in what high esteem I hold him, he knows also how my heart weeps. If it is there, it is in spite of me and not because of me, and I am determined to see it prostrate before me, not only defeated, not only discredited, but also genuinely penitent in a spirit of remorse and compunction for its innumerable sins of commission and omission. Sir, British people may take credit for many things. They have introduced peace in this extensive land—peace that is necessary if a master wants to have the benefit of the labour of his serfs, but he won't let them have more of peace than is necessary for him but it is peace of starvation, it is peace of poverty, it is peace of death, and I wish we had more of life and less of peace. Perhaps, Sir, there are other things for which they may take credit, but so far as the economic depredations of the British people are concerned, so far as their calculated policy of progressive impoverishment and pauperization of this land is concerned, they will never be able to receive any exoneration or absolution from any jury anywhere in the bar of humanity. Their sins

are too many—and, at this stage, I want to tell the Honourable the Finance Member that though he was right in thinking that a country, with such privileges and advantages as nature had conferred on ours, must have a marvellous innate capacity, he forgot that he and his forbears and those like him, have throttled it, have sapped all its vitality and have reduced it to its present state of helplessness. Sir, the Honourable the Finance Member had more than once shown his intolerance and impatience when it was suggested that the industries and manufactures of this land suffered under British administration. To him it looked like a libel, and I am not surprised—he is a gentleman—he had never any reason to look into the history of this country . . .

An Honourable Member: A gentleman need not.

Pandit Govind Ballabh Pant: He never thought that he would have anything to do with this country. Why need he worry about the treatment that was accorded before his time to the people of this country? He happens to be here, and he is determined to carry out his part of the job, but as to what they did, that does not weigh with him, that does not matter to him, he thinks he is not personally responsible for them. But, what of his own attitude of today? I will come to what was done before his time a little later. But I would ask him to remember, to bear in mind, his own attitude, his own policy and what he himself wants to do or to undo. The Honourable the Finance Member assumes the pose of wounded innocence when anybody says that orthodoxy is not after all the best method of dealing with the affairs of the world as it requires above all reason, light and something more intelligent and intelligible than blind faith. He sticks to his creed: he fondly hugs the clothes that have been thrown away by others, and he comes and praises to us the tenets, which he considers immortal, of that orthodoxy which has been thrown overboard by his countrymen in Great Britain. He looks to me like a Bolshevik, like a Communist coming from Russia to preach Christianity in this country! The Honourable the Finance Member, speaking of economic orthodoxy in this land, is something like a Communist coming and preaching to us the advantages and the privileges of paying homage to, and having faith in, Christ. The Honourable the Finance Member told me the other day: "Physician, heal thyself". He knows I am only a patient, and that he alone is the physician here. We all are suffering from maladies and ills, from germs which they have introduced and propagated here during the last 180 years and yet the irony is there that they continue to pose as physicians and our remedy still rests in their hands. So, I am not the physician in any aspect of the term: I am a patient, and I look to him, I have a claim to look up to him for an appropriate remedy for the ills from which this land is suffering. I have every right to claim and expect loyalty from him for this land which is maintaining him in the office which he fills. Is it vain to hope that he will care more for this land than for the other land? I may remind him of what a predecessor of his once in office said on such an occasion—Sir John Strachey, who was the Finance Member in 1878, said in connection with import duties on cotton:

"The truth is, I am not ashamed to say, that while I hope that I feel as strongly as any man the duties which I owe to India there is no higher duty in my estimation than that which I owe to my own country. (*Mr. M. A. Jinnah*: "Hear, hear.") I believe that our countrymen at home had a real, a very sincere grievance, and that it is no imaginary injury against which they complain."

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It was because there was then what he thought a sort of a tariff policy for revenue purposes in this country which had a certain complexion in his imagination of protection. He indicated that so far as the interests of his country were concerned, they could not possibly be in harmony with and could not be advanced by such a policy and in spite of his professed love for this land of his adoption, he thought he would be failing in his duty if he did not look up to his own people at home.

And that was a natural sentiment. I do not know how far the Honourable the Finance Member shares it . . .

An Honourable Member: Fully.

Pandit Govind Ballabh Pant: But I expect him to tell us something about his own attitude in this matter. I hope he will let us know whether he shares the feelings of Sir John Strachey which were candidly expressed by him or whether he accepts that there can be no divided loyalties so long as the salary is received from one source alone. But this is only a part of the question.

The Honourable the Finance Member has again and again trotted forth his nostrums of *laissez faire*, protection, orthodox economics. May I ask him how far these things are today holding the field in his own country. I remember—and I think he will correct me if I am mistaken—that two or three years ago there was a very vigorous campaign in England—'Buy British'—which was headed by the present King. He went from place to place and asked people to buy British, not to buy in the cheapest market as the orthodox people said. Then, I also remember—he will correct me if I am mistaken—that there is a law in England which does not allow any person to engage any domestic servant or artist even belonging to a foreign State without a State license. I do not know if my information is correct: I will stand corrected if it is contradicted. And I may also remind him if he has forgotten it, though he was, I think, in charge of customs till he came here, that there are heavy import duties in the United Kingdom on every possible imaginable thing that they think their country can bear or produce: I will just mention a few: Plums 3s. 4d. per cwt., Apples 4s. 6d. per cwt., Oranges 3s. 6d., Peaches 14s. Green Peas 37s. Turnips 8s., Potatoes 1£ to 2£ per ton, Fish and Oysters 30s. plus 10s. 6d., Sugar 11s. 8d. per cwt. I think this is almost what is charged here by way of protective duty on sugar. Glass and iron and steel 33½ per cent. and what may interest every Member of this House, as they have it on even now, boots and shoes 1s. 6d. per pair.

I have given only a few instances and a few items from the Tariff Schedule. That is the present schedule that obtains in England and I think my friend knows too they are giving an enormous bounty. We had recently some discussion about the beet sugar bounty. Well besides this 11s odd. which I have read out as the import duty on sugar, they are spending about 4 crores over the subsidy to beet sugar; and they had appointed a committee, known as the Green Committee, to look into this matter; the Green Committee reported that the beet sugar industry could not possibly be sustained and maintained in England, that all the

money was being wasted. But, in spite of that, when a question was put in the House of Commons the other day, Mr. Elliott said that the bounty would be continued and he observed, what the Honourable the Finance Member might have noticed—but he will not mind if I repeat it—that the Green Committee had looked at the question only from the standpoint of sugar, but there were larger and bigger questions such as the employment of so many people in that industry, and he pleaded that whether the industry could or could not flourish was a minor matter, as they could not bear the idea of so many hands—I think it was 40,000—being thrown out of employment if the subsidy were discontinued. Will the Finance Member concede that there are various other aspects besides that of whether the stuff out of which finished products are made is produced in this country itself or an infinitesimal part of it is imported from abroad, which should weigh with the Government when they have to decide matters relating to protection? That is what was argued by Mr. Elliot there; but, here my Honourable friend asserts: "No: free trade alone is the panacea and protection, wherever it has been given here, was and is a mistake." He would scrap it if he could, but regrets when he cannot—I suspect, I do not know, but my suspicions are often confirmed, because we know each other's minds—I think the Honourable the Finance Member knows that he would not have given protection to several of the industries in pursuance of the policy of 1925 which they have now got. Left to himself, his orthodox economics would stick to a policy of free trade. But there is the handicap of Fiscal Commission and avowed policy of discriminating protection. To overcome it, he has to resort to subtle cobwebs and screens. Well, Sir, there is nothing novel in this. History is only repeating itself. That has been the policy of the British people from the beginning. I will just remind the Honourable the Finance Member of what a great economist, Liszt, said in 1844 about this protectionist policy and about the vaunted allegiance of Britishers to free trade. These are the words of Liszt, and I think that, as they are about a hundred years old, and we are in the third generation today, it might interest people to know that men may come and men may go, but the old river and the overflowing of India specially when it washes away the wealth of this land, will continue as ever. This is, Sir, what Liszt said:

"Had they sanctioned the free importation into England of Indian cotton and silk goods, the English cotton and silk manufactures must, of necessity, soon come to a stand. India had not only the advantage of cheaper labour and raw material, but also the experience, the skill and the practice of centuries. The effect of these advantages could not fail to tell under a system of free competition. But England was unwilling to found settlements in Asia in order to become subservient to India in manufacturing industry. She strove for commercial supremacy and felt that of two countries maintaining free trade between one another, that one would be supreme which sold manufactured goods, while that one would be subservient which could only sell agricultural produce. . . . Accordingly, England prohibited the import of the goods dealt in by her own factories, the Indian cotton and silk fabrics. The prohibition was complete and peremptory. Not so much as a thread of them would England permit to be used. She would have none of these beautiful and cheap fabrics, but preferred to consume her own inferior and costly stuffs. She was however quite willing to supply the continental nations with the far finer fabrics of India at lower prices, and willingly yielded to them all the benefit of that cheapness: she herself would have none of it. Was England a fool in so acting? Most assuredly, according to the theories of Adam Smith and J. B. Say"—and, I might add, Sir James Grigg,—"The English Ministers cared not for the acquisition of low priced and perishable articles of manufacture, but for that of a more costly and enduring Manufacturing Power."

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Well, Sir, let not the Honourable the Finance Member wink, because Liszt was a German. This was written in 1844, about the time when France was considered to be a revolutionary country, and the Republic was again raising its head. It was written at a time when there was goodwill perfect and amity between Great Britain and Germany who fought together against France in 1870. But, Sir, lest one should think that he was after all a foreigner, I will give the House another extract from a historian of my Honourable friend's own country, and I think he will not dispute his credentials.—I am referring to H. H. Wilson. That well known historian says.—I wish my friend, the Honourable the Finance Member, who has always shown a marked degree of intolerance whenever any suggestion is made to the effect that the annihilation, the ruination, the devastation of industries and manufactures in this country is a part of the deliberate, cool and calculated policy of the British people in this country who are represented by him here, may pay special attention to this,—this is what Wilson says:

"It is also a melancholy instance of the wrong done to India by the country on which she has become dependent. It was stated in evidence",

—that is the evidence before the Parliamentary Committee which sat in every 20 years in those days—

"It was stated in the evidence in 1813 that the cotton and silk goods of India up to the period could be sold for a profit in the British market at a price from 50 to 60 per cent. lower than those fabricated in England. It consequently became necessary to protect the latter by duties of 70 to 80 per cent. of their value or, by positive prohibition. Had this not been the case, had not such prohibitory duties and decrees existed the mills of Paisley and Manchester would have been stopped in their outset and could scarcely have been again set in motion even by the power of steam. They were created by the sacrifice of the Indian manufacture. Had India been independent, she would have retaliated, would have imposed prohibitive duties upon British goods and would thus have preserved her own productive industry from annihilation. This act of self-defence was not permitted her; she was at the mercy of the stranger. British goods were forced upon her without paying any duty, and the foreign manufacturer."—*I wish the Honourable the Commerce Member were in his seat now, to note this.—I wish at least the Honourable the Finance Member to note this.*—"British goods were forced upon her without paying any duty and the foreign manufacturer employed the arm of political injustice to keep down and ultimately to strangle the competitor with whom he could not have contended on equal terms."

Sir, that is the testimony of a historian belonging to the same beautiful island from which my Honourable friend, the Finance Member, hails. But I will take him still deeper to the original evidence on which these findings are based,—the evidence of John Ranking, a merchant, who, when examined by the Commons Committee, testified to this, and that shows how Indian manufactures were shut out from England by the imposition of prohibitive tariffs. I will read the question to Mr. Ranking and also the answer given by him:

"Can you state what is the *ad valorem* duty on piece goods sold at the East India House?"

The reply was:

"The duty on the class called calicoes is £3-6-8d. per cent. upon importation, and if they are used for home consumption there is a further duty of £68-6-8 per cent. There is another class called muslins, on which the duty on importation is 10 per cent. and if they are used for home consumption, of £27-6-8d. per cent. There is a third class, coloured goods, which are prohibited being used in this country, upon which there is a duty upon importation of £3-6-8 per cent.; they are only for exportation,"

and so on, and so forth.

Sir, there is no gainsaying the fact that the policy of strangling and strangulating the industries of this country has been followed ruthlessly, positively as well as negatively by acts of commission as well as of omission and there is no remedy for the present mess, unless it is completely revised and genuine industrial recovery is brought about. I had the temerity, Sir, last year, of speaking of planning in this House, but the Honourable the Finance Member would not care to apply his mind seriously to it. He cried "red", shouted "Russia", quoted Sanco Pauza, I mean Brutzkus, and there the reply ended! Sir, that is how he met my suggestions last year. I do not know if it was prudent on my part to have provoked his wrath, knowing as I do that he is but a little wheel for carrying on that colossal machine or plot which has been eternally, day and night, week after week, month after month, year after year, decade after decade for the last 200 years, grinding the groaning masses of the people of this country. Where can there be a place for plan when there is a plot? And so I need not worry him about planning any more. But I ask him whether he can expect to collect any taxes from the overtaxed people of this country except by bringing about some sort of economic recovery in order to enable them to yield to their masters the hard earned fruits of the sweat of their brow? Does he not think that even in his own interests it is necessary that he should adopt some steps that will result in economic recovery? India is more or less like a country which collects moisture from all other parts of the world just to convert it into clouds, so that the rain may enrich Great Britain and irrigate her lands and they may have the benefit of it. The bees here, by their labour, collect honey and whatever they collect is exported abroad for the maintenance of those who live thousands of miles away. Well, Sir, may I ask my Honourable friend, how can any country stand the strain of about 150 crores of rupees economic drain year by year, for the major portion of which there is no direct equivalent. The home charges, the interest charges, the pensionary charges, the salaries of men on leave, the overseas allowance, the shipping charges, the profits earned by British companies in India, the remittances made by them for so many other things—how can any country maintain its economic equilibrium, how can it continue to live if it has to part with such an enormous amount year after year without getting any equivalent for several of these items? I would remind my friend of what Burke said in this connection on Fox's Bill; it might interest him. He said:

"The Tartar invasion was mischievous, but it is our protection that destroys India. It was their enmity, but it is our friendship. Our conquest there, after twenty years, is as crude as it was the first day. The natives scarcely know what it is to see the grey head of an Englishman . . ."

However, we see here my Honourable friend, Sir Henry Craik's head! The Honourable the Finance Member may be particularly interested in one or two sentences that follow:

" . . . young men, boys almost, govern there, without society, and without sympathy with the natives. They have no more social habits with the people than if they still resided in England; nor, indeed, any species of intercourse but that which is necessary to making a sudden fortune, with a view to a remote settlement. Animated with all the avarice of age, and all the impetuosity of youth, they roll in one after another; wave after wave, and there is nothing before the eyes of the natives but an endless, hopeless prospect of new flights of birds of prey and passage, with appetites continually renewing for a food that is continually wasting. Every rupee of profit made by an Englishman is lost for ever to India."

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This is what one of the greatest friends of justice said at a time which, when we think of it, was before I or the Finance Member was born; I cannot say whether our fathers or grandfathers even were born then or not. But, still, the policy continues to be to this day what it was at that time, and for that, my congratulations to the unique capacity for conservatism and stagnancy, especially where the furthering of their own interests or the throttling of the interests of others are concerned, of the British people whom the Finance Member represents here today. I hope, after this, the Finance Member will not blame us if we feel that the enunciation of a policy of free trade in this country, with all these precedents and antecedents, may not be altogether an innocuous thing. It is obvious that the interests of this country really lie in having our raw products converted into finished goods in this very land and any suggestion to the effect that the raw products should be taken from this place to London, or Birmingham, or Manchester, or Lancashire, or other places, to be brought back in a finished shape to this very place, adding to unemployment here, adding to starvation here, and making the position of our people still more pitiable is a monstrosity! I ask in all seriousness, I ask the Finance Member whether it has ever occurred to him, that while in this country, during the last 70 years you have been carrying on a policy, an active and vigorous policy for the extension of railway lines,—it never occurred to him and his predecessors that rails could also be manufactured here, that wagons also could be manufactured here, and even today you gib and gibe at it when a suggestion is made that locomotives might be manufactured here! You have been using arms and ammunitions, you have had your ordnances and other things, you have been using enormous stores in the Government Departments for the last 150 years, and it never occurred to you that there were raw products in this country which could be converted into finished products to the benefit of the people of this country. From time to time you established Cotton Committees, Silk Committees, Tea Committees, so on and so forth. You wanted to exploit all these raw products, but you never had a single genuine Committee to promote the manufacture of a single industry in this country. Why? What was the reason? And what have you been doing in your own country? I can mention a hundred and fifty committees that were formed during the last 4½ years to deal with one industry or another, and yet so far as we are concerned, during the last 250 years you have not formed a single committee to look into this matter. That shows that you are interested only in exploiting people here. That demonstrates that you want us to work for you as serfs, to enable you to live well, ourselves to be thrown down the valley and the dungeon. The Finance Member, I believe, has not yet lost his conscience, he will excuse me for saying that There is reason for it. Orthodox economics does not, in fact, assume any conscience; it rests on that automaton of the economic man who is only blend of avarice and self-interest. Sir, orthodox economics would not accept that there is any other element than these two, in man. If it be so, then I will ask the Honourable the Finance Member to rise above his prejudices and ponder, despite his being an orthodox economist, over the facts of history. I am prepared to concede that orthodoxy and conservatism are blind and they would not even take notice of historical facts. Theirs is only one burden: "This is my belief, this is my creed, this is my faith and I stick to it". I expect better from the Honourable the Finance Member. So, I hope he will have the fairness to take into

account the process that has been followed in this country and he will have the goodness to think that it is due by him and due to us that he should adopt a policy which will mark a distinct change from the policy that has been followed so far. When there was a small tariff of five per cent. imposed in this country from 1859 onwards, there was a regular campaign in England and in the British Parliament for the removal of those duties as it was suspected that they stood in the way of the free import of British textiles into this country.

The other day, as the Honourable the Leader of the Independent Party might be remembering, when the question came up before this House about protection being given to the textile industry, the Government would not accept it without ensuring preference for British goods and the Legislature had to swallow that poison, lest they should lose even the little conceded to them, if they did not do so. The other day, when there was a proposal for protection for steel, then, again, the Government would not agree unless there was preference for British steel; and, mark you, there was no element of reciprocity on either occasion. It was no part of the Ottawa Agreement. It was a one-sided affair. You should give privileges to Great Britain, because Great Britain is your political master, if you want any sort of concession that may directly or indirectly tend to safeguard the indigenous industries even in a crisis! That continues to be the policy today. It is not a question of free will or mutual arrangement and it seeks to foist and force upon us preferences in favour of the United Kingdom, because with a loaded pistol in hand you say "We are in a position to dominate—if you don't do so, then you will not have it at all". I say, you have had your day, but Nemesis must overtake you even in the economic field. Sir, I have only one suggestion to make to the Honourable the Finance Member, and it is this. I am not much in love with protection. He knows it. I am not much in love with indirect taxes. But I will not let Indian industries languish. I will not allow protection to be deprecated or withdrawn under any pretext unless a better substitute is adopted. I will not be beguiled by false sophistries of discredited orthodoxy to the detriment of Indian manufacture. If the choice lies between protection and ruination of Indian industry, I will unhesitatingly prefer protection. I earnestly advocate a policy of State guidance, State regulation and stimulation. I do not suggest socialisation except in the case of the key industries which alone, I think, in the present state of our country, are capable of being managed by the State directly. But, unless you adopt such a policy, you cannot but enforce an effective policy of protection. I think my Honourable friend must have read with interest, or, to use my friend, Mr. Sri Prakasa's expression, with gusto, the speech on Free Trade and its treacherous character that was delivered recently by Sir Gavin Jones. It was a really refreshing speech, and if he has not read it, I would request him to read it. There is more substance in it than in tons of things that sometimes proceed from similar quarters. I hope the European group will take a leaf from that book. You should adopt a policy in this country such as that you adopted for railway construction. You should guarantee the minimum rate of interest for industries of prescribed types. Have an industrial survey. Mark out the industries that suit different places. Let there be no depressed area. Let the industries be spread over the country from one end to the other. Let the best of schemes be prepared by the best of experts, experts whom even the Honourable the Finance Member may recognise as experts. Let

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them frame these schemes. Let it be published that in particular specified localities, particular industries can be profitably developed. Let the State invite people to take up these industries and declare that it is prepared to guarantee interest at the rate of $3\frac{1}{2}$ or 4 or 5 per cent. Let a condition be imposed that it will be open to the State to acquire these industries after a period of 20 or 30 years just as it has the right and the option in the matter of railways. Let the State be represented on the directorate. Let labour be represented there. Let there be genuine co-operation between capital, labour and State. Unless you have a constructive policy of this kind, which will lead to the real production of wealth on a large scale in this country, I warn you that you will not be able to exact anything, because when the cow goes dry, you can only get blood, and no milk. So, in your own interest, you should adopt an active policy of industrialisation, and mechanisation, agricultural co-operation and scientific organisation, to bring about equilibrium between agriculture and industry and stimulate production in this land. Unless this is done, I believe it is not possible to bring about any sort of real balanced budget. It can only be a robber's budget. It can be a plunderer's budget, a budget of people who are not guided by any regard for those from whom they extort what they desire. It can be a people's budget only after you have, in fact, restored to them the marvellous economic capacity of which you spoke in your speech.

Then, Sir, my Honourable friend spoke the other day about the effect of British rule on the economic condition. I think I have told him enough about it and I should not say more. I hope he stands chastened there too and he will now have a little sympathy with us because we are the victims of a ruthless policy of prolonged exploitation carried on in an atrocious manner for several decades—for close upon two centuries. It has eaten into our very bones. We will not resort to curses. We are an Eastern people but it will certainly be said that when you had the opportunity you lost it. Righteousness alone exalteth a nation. We of the East feel that man is not born for bread alone but why should you lose that soul for that rotten bread. World is progressing, science is progressing. The old spectre of the growth of population being in geometrical progression against the growth of wealth in arithmetical progression has been burnt and its ashes thrown underground by eminent economists. This is the epoch of rational, scientific planning. Is it not possible for the British people to shed off their prejudices? Is it not possible for them to rise above pettiness and vanity? Here we have got the economic Messiah in the figure of the Honourable the Finance Member. Will the orthodox economics of the Messiah not allow him to take account of truth and save the situation? Well, let him as the Messiah of orthodoxy take some lesson from the greater Messiah who once stood for the world and gave his own neck for the protection of others. Even if your masters want you to do what is not in the interest of this country, could you not follow the other saviour, take heart and courage, and do what is best for this land?

Sir, I do not know how to hit hard. I am a non-violent creature, and do not know how to fight or shoot. I shall only say one word more, and I have done. I have many things in mind, but I feel that I owe it to this House that I should not take more time. The Honourable the Finance

Member, Sir, spoke at the end of his speech of thermometers and barometers. Now, we speak of a barometer when there is a storm and there is no calm in the sea, and of the thermometer when the system is diseased and below par and the patient is in subnormal state. . . .

Lieut.-Colonel Sir Henry Gidney: High blood-pressure.

Pandit Govind Ballabh Pant: Sir, I want to bring India back to its normal health. Here is no question of free trade in this country.
 4 P.M. Free trade, for us, is hardly distinguishable from what might be called distress trade. The exports from this country stand more or less on the same footing as the exports of gold, and except in the case of those commodities of which we hold a monopoly, we export goods, because we cannot help exporting them. The villager has to starve but he has to sell the grain that he raises because he has to pay the dues to this generous Government. He has to do it and he has to part with his food even though it entails starvation. Sir, it is not in exports, it is not in free trade that economic salvation of this country lies. Export of foodstuffs and cotton, when people have no food and raiment for themselves, is a strange phenomenon. If you want this country to be really prosperous, you should concentrate on internal development and internal reconstruction. Has it ever occurred to you, Sir, that we form one-fifth of the human race? Still, we do not consume one-fiftieth of the commodities of the world. The United States grows four times as much cotton as we do, and it grows many times the wheat that we do and she still does not export more than one-tenth of its produce. Its population is less than one-third of ours but it consumes one hundred times the goods that we produce, because those people are maintaining a reasonable standard of life; so, what is needed in this country is to bring to the manufacturer and the producer of raw products in this land the application of the recent discoveries of science so that wealth may be produced, so that our men may get what they want, so that burdens may be taken away from our unfortunate masses, so that they may have education, so that they may have some modicum of wealth, so that they may be relieved of this Octopus of imperialism, and the army of occupation of a foreign land, and so that we may be able to live our lives decently and so that we may not have to think of barometers and thermometers but think of a healthy, normal India, which has been restored and which has been re-assured of the marvellous capacity for recuperation which she possessed in the past and which she deserves to possess today. (Loud and Prolonged Applause.)

Mr. Mathuradas Vissanji (Indian Merchants' Chamber and Bureau: Indian Commerce): Mr. President, in considering the general principle of the Finance Bill, we should, I think, bear in mind certain features of that instrument, as well certain circumstances of our country at the present moment without which we cannot do real justice to this effort of the Honourable the Finance Member. I shall confine myself to examining the point if, as the Finance Member claims, there is a real return of lasting prosperity in the country; secondly, how far the action taken by the Government of India compares favourably with the corresponding action taken in the country, which this Government habitually regard as their model, in promoting national recovery and expediting the return of prosperity:

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thirdly, in considering the true character of the present surplus budget of the Government of India, and the explanation of that surplus, so far as one can pierce through the appearances; fourthly, the actual size of the surplus, properly estimated, and its right and just disposal, in contrast with the disposal proposed by the Honourable Sir James Grigg; and, lastly, in an attempt to formulate certain demands on behalf of the tax-payers, which could well be met if the financial authorities would not turn a deaf ear to the representations from the Assembly.

[At this stage, Mr. President (The Honourable Sir Abdur Rahim) vacated the Chair which was then occupied by Mr. Deputy President (Mr. Akhil Chandra Datta).]

Has real prosperity returned to India? In submitting these observations, Sir, I shall try to be as brief as the circumstances of each particular problem considered would admit of. To begin with, is there a real return of lasting prosperity, which would justify a feeling of buoyancy, or a measure of grateful congratulations to the authorities responsible for such a happy state of things? The Honourable the Finance Member has, again and again, in the course of his budget speech, indicated his belief that prosperity or recovery has begun, on a permanent footing. But the indices of such prosperity,—such as are generally available,—and fairly representative of the actual situation,—do not show, in my view, any such comfortable position of our national economy, or even of our public finances, collectively considered.

I shall take the volume and value of our foreign trade, the value of our agricultural production; the condition of our railways, and the financial position of the Provincial Governments by way of illustration of my argument. None of these conditions show, in comparison with the pre-depression level, any improvement, which could entitle a conscientious observer in expressing a measure of confidence in the economic situation of the country. The ten months' trade returns of this country for the current year show exports of Rs. 132.5 crores, as against imports of Rs. 113 crores; while, for the corresponding period of last year, the exports aggregated Rs. 125.92 crores, and the imports Rs. 109.26 crores. To those who would only compare these two sets of figures, there may seem to be an improvement of about 5 per cent, in export and a like amount in import. But the Honourable Sir James Grigg believes, not only in being cautious, but in looking ahead for a period longer than a year. He would not, therefore, mind my comparing these figures to the series of years ever since the depression began. Compared to the year 1928-29, immediately preceding the depression, when the aggregate trade of India amounted to Rs. 600 odd crores,—with imports averaging a little over Rs. 250 crores, and exports a little more than Rs. 350 crores, leaving a trade balance in our favour of Rs. 100 crores and more, we have now a total trade of hardly half its pre-depression value,—and that without accounting for the depreciation in the rupee. If we take the gold value of our foreign trade today, it will not be much over one-third of the trade before the depression began.

Such a situation can scarcely be regarded with any satisfaction by those who accept the volume and condition of the foreign trade as a good index

of the level of prosperity in this country. The actual position of our trade is still alarming if we analyse the figures of the last five or six years:

Foreign Trade of India in Merchandise.

(In Crores of Rupees.)

Year.	Imports.	Exports.	Total.
1930-31	173·06	226·50	399·56
1931-32	130·04	161·20	291·84
1932-33	135·02	136·07	271·09
1933-34	117·31	150·23	267·54
1934-35	134·59	155·04	289·63
1935-36 (10 months).	113·04	132·51	

These figures are, as I have already said, in terms of rupees, which is itself depreciated by some 40 per cent. compared to the gold price level of the rupee before September, 1931. From the lowest point reached in 1932-34, there is a gradual improvement no doubt. But while the improvement is much more considerable in the case of imports of foreign merchandise,—stimulated mainly because of the Ottawa system of Imperial Preference,—there is nothing like a corresponding improvement in the exports of Indian produce. According to the index numbers of exported and imported articles, whereas there has been a fall in the value of exported articles from India of over 52 points compared with September, 1929, there has been a fall in imported articles of only about 40 points in March, 1935. That is to say, the produce of India has to be exported about 40 per cent. more, relatively speaking, in order to obtain a given return. The imported foreign articles have a distinct advantage, and need be imported only about 28 per cent. more in order to yield the same return to the foreign exporter.

The same tendency is visible if we consider the value of the principal Indian produce. According to the "Annual Review of the Trade of India for 1934-35", the value of the total production of the principal crops for the eight important Provinces of India had declined between 1928-29 and 1933-34 from 1,021·20 crores to 473·94 crores, or a decline of 53·6 per cent. The price level from April, 1934, to May, 1935, has hardly improved by three points, while the statistics of industrial and agricultural production, as given in the *Monthly Survey of Business Conditions in India*, in the agricultural section at any rate, shows very little improvement in the current year worth the name.

Taking industrial, agricultural and mining production together, and considering that in the light of the wholesale prices index number, it is impossible to say if, in contrast with 1928-29, our economic position today,

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in terms of the value of the material wealth produced in the country, is even half as good as it was seven or eight years ago. Anyone granting that there has been an improvement in the last two or three years can only say so as compared with the lowest point in the depression period. There are, however, so many factors to explain such improvement as there is; the improvement itself is so slight; and the conditions governing its future trend so doubtful and uncertain, that he would be a bold man who would say that real as well as lasting prosperity has returned to India.

This position is indisputably reflected in two other indices, namely, the railway returns and the finances of the Provincial Governments, who derive their revenues mainly, if not wholly, from the general wealth of the country. The railways have been losing in the last five years at a rate which has aggregated the losses on that account, according to the latest budget, to over 45 crores. This practically wipes out the surplus earned by the railways, ever since they were separated from the general finance; and leaves a big claim against the railway on account of the General Exchequer of over 30 crores. The Railway Depreciation Fund, set up on a commercial basis since 1924-25, has been drawn upon to meet the ordinary deficit in the working of the railways to the tune of 35½ crores, leaving the balance at a little above a quarter of what the total amount in the fund should be. An additional liability of nearly 31 crores is still outstanding against the railways on account of its stipulated contribution to the Central Exchange. This state of things has been in existence for several years. It reflects nothing more than the fall off in the traffic of every kind, which is itself an index of the declining prosperity of the country,—perhaps even a better index of the real level of prosperity than the trade index given above.

The aggregate deficits in all the Provinces put together, according to the latest budget statements presented in the last and the current months, approximates to two crores of rupees, or thereabouts. This is an addition to the sub-ventions necessary for the next few years to the new provinces under the new Constitution. Once again we have an index of the country's national economy, which reveals anything but a state of steady progress or prosperity, on which the authorities may well be felicitated. The provincial deficits are all the more alarming, because they have resulted, notwithstanding additional taxation, in almost every major province and in spite of cutting down to the bone useful Provincial expenditure in every direction. Really speaking, this is only postponed expenditure on what are known as the nation-building departments of the State; and it will have to be met, sooner rather than later, if the country is at all to have a level of national economy worthy of a civilised land. Just as the Government of India sound a warning note in no uncertain terms about their military expenditure, for instance, which is not to be taken even at its present inflated level as the permanent level of expenditure on that head, the responsible authorities in the provinces would be equally entitled to say that the present level of provincial expenditure on education, sanitation, agriculture and industry, and a hundred and one forms of local development cannot be treated as the permanent low level for a progressive administration.

The provinces have, of course, an additional disadvantage in an era of falling prices. It leads to the utmost shrinkage in their most important form of income, namely, revenue from land. Though the land revenue is

generally fixed in cash, and for a term of years, the declining return obtained by the agriculturist for his produce makes the burden of the fixed revenue charge so progressively heavy, that agriculturists are either abandoning the land, migrating to the cities, and creating their fresh problems of unemployment and distress; or that Governments are obliged to order constant remissions or suspensions of revenue, which must materially affect their balance sheet. Again, new ideas of social reform—such as the restriction of the use of intoxicating liquors and drugs,—would similarly impinge upon the provincial income, and drive the authorities to expedients and devices for finding new sources of income that are bound to react upon the level of well-being of the people under their charge.

Bearing all these facts in mind, it is impossible to believe that India can be said to have really returned to an era of prosperity and progress, in which we would be justified in congratulating the financial authorities of the country for a Surplus Budget, and in which we may regard the existing tax-burdens as an easy load to bear.

As I have already remarked, the main sources of our national wealth are still under the heavy load of depression; and the policy of Government in this country is in no way calculated to relieve that burden and promote national recovery. I have already referred to the prejudicial effects of the Ottawa system of Imperial Preference foisted upon this country, which are reflected in a serious and permanent injury to the export trade of this country. Before pointing out the contrast with the corresponding efforts of Great Britain for restoring prosperity or speeding up recovery in the United Kingdom, let me add also the case of more than one industry which, in the last year or two, has been refused protection by the Government of India. The example of the woollen industry and of the glass industry must be fresh in public mind. The imposition of fresh burdens, by way of Excise Duties, on such relatively new industries in the country as sugar or matches, results in preventing the full and rapid development of those industries, which is not perhaps as fully appreciated as it deserves to be. The case of the principal industry, the cotton manufacturing industry,—is before a Tariff Board; and I shall say nothing to prejudge the final verdict of Government on the recommendations of that Board. But I cannot help voicing the very generally prevalent apprehension in the community that the result, perhaps of this investigation, may be new handicaps imposed upon that industry. When we remember the many and heavy Excises imposed upon the nascent industries of India; when we recall the refusal to accord protection of any sort to particular industries, when we realise the compensating advantages allowed to our principal competitor in many an industry under the guise of Imperial Preference, and when we think of the innumerable handicaps from which Indian enterprise inevitably suffers, even in the case of an untried industry, we cannot but feel the greatest hesitation in believing that there is anything like a real sign of prosperity coming to stay in this country.

Sir, in contrast with this state of affairs in this country, let me briefly point out what they have done in every country,—particularly in Great Britain,—for relieving of economic depression. The deliberate depreciation of currency; negotiation and conclusion of advantageous trade agreements with the leading customers; fixing of quota on a basis of equal mutual advantage between two countries; introduction of special transport rates; granting facilities by means of State control and State conduct of the transport agencies and banking organisations in each such country; and

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the grant of direct bounties or subsidies, are amongst the foremost devices, resulting in the most substantial consequences to the benefit of the country's industry and agriculture, which are now freely adopted by every progressive Government in the world to promote its national economy and achieve its national prosperity. The Indian Government have their currency tied down to the fortunes of sterling, so that no variation is possible, except in that direction and to that extent which it suits the economic requirements of Great Britain to adopt. The trade agreements of India, likewise, are in marked contrast with those of Great Britain. In spite of having initiated and agreed to the Ottawa system, Britain has reserved a free hand for herself to negotiate such other treaties with her other nearer or more paying neighbours and customers that may be deemed advisable in the best interests of her own foreign trade. In our case, we are practically tied down to the Ottawa system, so that no trade agreement could be made by us, no matter how advantageous the trade with a particular country may be from the stand-point of India, which would be in the least against the principle and practice of Imperial Preference. And as for subsidies and bounties, not to mention indirect encouragement provided by special grants in aid of particular industries, or for the promotion of research necessary for the conduct of those industries, I will only enumerate the actual cases in which Britain herself has granted or is granting subsidies or bounties, or providing marketing arrangements and standard prices, whereby the producer is guaranteed a certain minimum return for his capital and labour. The following industries have, between 1932 and 1935, received subsidies, which, in 1934, (according to the Civil Estimates of the United Kingdom, 1934, or according to Whitaker's Almanack, 1936), amounted to the figures stated against them:

	Amount, £
Wheat 4,500,000
Sugarcane 3,250,000
Milk 1,500,000
Beef 3,000,000
Tramp Shipping 2,000,000
Fat Cattle 3,000,000
Total	. <u>14,850,000</u> (+3,000,000)

or a total of over £14½ million at least. In addition, bounties were given under various schemes for the re-organisation of the industry to better production of hogs, bacon, herring industry, and eggs and poultry. This is apart from indirect aid by way of the several duties of the old Empire Marketing Board being taken over by other departments, or in promotion of research, or in guaranteeing export credits, or in encouraging re-settlement on land by way of subventions to the local authorities, and, of course, by way of promotion of public health, study of special diseases affecting plant or cattle, etc., etc. Nor does it include such aid, as for instance, that given by the so-called McKenna Duties, or by way of a loan for the construction of the biggest liner, the "Queen Mary", to the Cunard White Star Company in Great Britain. If we were to total up all these kinds of assistance to Britain's native productive system, and express it in terms of money, the aggregate may run into more than £20 millions a year.

What have the Government of India done in contrast to this? They have either declined to protect or encourage particular industries, or, where a case for protection was irresistible, they have coupled that protection with special requirements of Imperial Preference, or crippled the industry protected by means of Excise Duties in order to make good their revenue deficits. While such conditions endure, how can anyone say India is on the road to real prosperity, even if the Government of India's budget shows a surplus?

Let me now examine the real character of this surplus, and consider how it is obtained. I grant there is a surplus; this surplus in the Central Government's finances, as shown by the Honourable the Finance Member, exhibits an uncanny tendency to improve each time an original estimate is recast, or the revised estimate is compared to the final accounts for the same period. Granting it, however, I must criticise the methods by which it has been achieved.

Incidentally, I may remark, that while I fully sympathise with the Finance Member's grievances against a system of triple sets of figures for the same period in making up the Indian budget, I cannot quite persuade myself that the Honourable Sir James Grigg would really have shown better estimating had he only to work on the British model. The practice of having budget estimates, revised estimates, and accounts for the same period undoubtedly tends to a laxity in estimating; and is responsible in no small measure to the vagaries of results. The system was adopted at a time when the Government of India were the only financial authority in the country; when its revenues were derived from sources which depended very much on the character of the monsoon; and when imitation of the British practice in respect to the financial year was the hall-mark of perfect financial orthodoxy. The Government of India are now no longer the only financial authority in the country; their revenues now consist of items which have but a remote connection with the monsoon; and there is absolutely no excuse now to commence our financial year in April in slavish imitation of the British practice. If the Honourable Sir James Grigg would only gird up his loins, for once, to overthrow this incubus of imitation I have no doubt estimating in the Government of India would approximate to the level of a superior craft, even if it cannot be a fine art. As things stand, however, I cannot very well compliment the Honourable the Finance Member for the skill he has shown in estimating. Estimates have in almost every considerable instance been belied by the actual results; and he cannot always shelter himself for these variations on the ground of unfamiliarity with the Indian system of budget-making. The existence of the triple sets of figures ought rather to make the task of estimating easier than more difficult, since it provides one more opportunity for revising the original forecasts. But neither in the original estimate nor in the revised estimates has Sir James' two efforts hitherto shown that mastery of estimating which is associated with British financial authorities.

But leaving out this as a matter of detail, I must point out that the surplus is the result of three factors, not one of them, properly taken into account, would admit of any surplus in the Imperial Budget. As the Honourable Sir James Grigg has himself more than once remarked, provision in respect of reduction or avoidance of public debt, or what might be regarded as a sinking fund, has been excessively reduced. At the present level of the Government of India's debt, the provision ought, on the lines of Sir Basil Blackett's provision, to be nearer eight crores than three crores. And that would be on the assumption that the assets which

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are usually set off against these liabilities are really productive items. As things stand, however, our Railways are heavily losing concern, unable to meet their own interest charges, let alone repayment of capital invested therein. And the provinces are no less bankrupt, so that the loans and advances made to the Provincial Governments, which constitute no small part of the so-called productive assets of Government, must be regarded as in no way covered by the provincial revenues. A proper provision by way of sinking fund on the aggregate amount of interest bearing obligations alone of the Government of India would be nearer 12 crores than three crores. I cannot, therefore, consider that a Budget which shows a surplus of two crores, while the provision on this most important head remains at such a low figure, is really a surplus budget. Not only is it no index of true prosperity within the country,—as I have pointed out above,—but it may not be rightly regarded as an indication of balanced economy even from the narrower stand-point of the Treasury exclusively.

The same must be said with regard to the existence of the railway deficit, which is more than equal to the total surplus estimated under the Central Revenues. So long as this deficit remains, even without thinking of the stipulated contribution from the railways, the financial situation of the Government of India in the aggregate is no matter of congratulation. Exactly the same reasoning applies to the deficits of the provinces; and the very allocation of a couple of crores by way of reserve for use to help the provinces is sufficient evidence, in my opinion, of the realisation by the Finance Member of the weakness of Indian Finance collectively considered.

Lastly, I must say a word about the present level of taxation. It is frankly still a level of taxation which was necessitated by the emergency of 1931, but which, if that emergency had really passed and recovery really begun, as the Finance Member claims, ought not to be maintained for a single day longer. Government have restored the cuts in their salaries on the faith that the emergency which necessitated these reductions had passed. And they have also restored several of the retrenchments which were necessitated during those years. But they have not yet remitted taxation to anything like the extent to which it had been imposed during the emergency, and because of the emergency. While I am aware that there have been some reductions in taxation, I still cannot ignore the fact that surcharge is continued and that the increases in the postal and railway rates, as also the addition of many customs duties, still obtain. While taxation remains at this level, we cannot, Sir, say that the surplus is a veritable surplus of normal revenue over expenditure.

Such as it is, the surplus is there. And we are entitled to put in what we consider to be right and just claims for its disposal. We are unable entirely to agree with the Finance Member in the mode of the disposal he has adopted in all the surpluses beginning with 1934-35. The surplus for the current year and the next year would be greater than it actually is,—not only by a very probable improvement in the principal sources of revenue if past analogy is at all a guide, but also because of the advisability to transfer such non-recurrent expenditure as that to repair the Quetta earthquake damage, from revenue to capital. The former may quite possibly increase the budgeted surplus of two crores odd by at least 50 lakhs in the case of customs revenue alone, and probably much more, if the figures of the 11 months' revenue of this year in comparison with

those of the last may be any indication of the trend of events next year in that regard. And, as for the second, it is impossible to agree with the Finance Member's dictum that orthodox finance requires such expenditure to be met out of revenue, on the simple ground that it will yield no cash return. Much of the Government expenditure, when it is particularly praiseworthy, because of its nation-building character, does not yield a cash return; and yet many of these items have had to be maintained in this country, and far more in other countries, even in years in which the nett result was a deficit, and the deficit had to be made good from borrowed funds. In the present instance of the Quetta expenditure, there is not only the analogy of Japan financing the earthquake damage, or America in San Francisco, from capital rather than current revenue, but there is the obvious ground that, in its very nature, such expenditure is bound to be non-recurrent and extraordinary. As such, it is unfair to place the whole of its burden on the existing generation, and exempt altogether the succeeding generation from any part therein. After all an earthquake may be well regarded as an act of God, the damage due to which may quite fairly be spread over a long period, and be defrayed out of borrowed funds. Had it been a relatively small amount, such as that paid in a given year out of a realised surplus, which was substantially greater than it was estimated originally, one might have passed it over. But to design a whole financial system on the basis in which all such extraordinary charges would as and when they occur be met from revenues only,—and for that reason to maintain the tax system at the unnecessarily high level,—is neither good economics nor sound ethics; and much less sound finance.

If the 75 lakhs which are supposed to pay for the Quetta damage during the coming year were charged to Capital, the additional provision to be made in the sinking fund would be a percentage of the amount sufficient to pay off that particular debt in a period of, say, 30 years; and would, therefore, be not much greater than 3 or 4 lakhs. I must, of course, repeat my observation in regard to the unsatisfactory position of the sinking fund provision as it stands today. But what I advocate here is not that provision should be the whole of 75 lakhs more in the sinking fund, but that it should be increased by three or four lakhs a year, and the aggregate of the amount needed be added to the Capital at charge.

If these corrections were made, the surplus may quite possibly be near four crores next year, as against the two crores estimated by the Finance Member. Our suggestions for relief of the taxpayer, in view of this surplus, such as it is,—and without blinding ourselves entirely to the real nature of the surplus,—are dictated by a desire to be just as well as economical in the disposal of our improved resources. While realising fully the wisdom of the forecast for two or three years ahead, which the Finance Member has made, one would yet suggest that, for the next year at any rate, the legitimate claims for relief the Finance Member has not sufficiently attended to. If 0.4-0 were, for example, taken off the salt duty, the income from that source might be reduced by Rs. 1.50 crores. If, in addition, a half anna postcard was introduced, that would cost the Government no more than 35 lakhs, if full allowance were made for the increase in traffic due to reduction in charges. And, if the whole of the surcharge on income-tax were removed, it may cost the Government nearly two crores and a half, though the improvement possible even under this head, on the same lines as it has occurred in the current year, does not seem to be sufficiently appreciated by the Finance Member.

[Mr. Mathuradas Vissanji.]

In this connection, Sir, let me make one more suggestion before I bring my remarks to a close. There is a considerable amount of income which escapes taxation by the Government of India because it is paid outside India though it arises in this country. What is the exact figure of which the Government of India are deprived because of this peculiarity of our tax system, it is impossible to say. But even if we include in this category only the salaries, allowances and pensions paid by the Indian Government outside India, interest on their sterling debt, and such profits on foreign enterprise and individuals as are remitting considerable portions of their nett gains outside this country, were properly taxed, I am certain the yield would be far greater than to make up the loss suffered by the Indian Income-tax because of the removal of the surcharge and the exemptions of the incomes up to 2,000 a year from any taxation. Further revision of the Income-tax system, so as to make it approximate more and more to the system prevailing in the United Kingdom, may await a more appropriate occasion, in the future. Here I must observe that if the Finance Member will only bestir himself to adopt some of these suggestions, and take steps to improve the machinery for the assessment and collection of the taxes, I have no doubt the relief afforded by reduction in the rates of taxation will be more than compensated by the gains in the ways and directions suggested by me; and far more genuinely by the improvement in the economic conditions of this country, its trade and industry, and well-being of its people.

Mr. H. M. Abdullah (West Central Punjab: Muhannadan): Sir, I am grateful to you for giving me this opportunity to speak on the motion for the consideration of the Finance Bill.

As the constituency, which I have the honour to represent, is a rural one, I will examine the Finance Bill from the zamindar's point of view. First of all, I will deal with the budget estimates briefly. No doubt it is true that the Honourable the Finance Member has presented the third successive surplus budget, but it does not reveal the real economic state of affairs prevailing in India at present. It appears from the surplus budgets that India, after touching the lowest level of all round depression, is on the high road to economic prosperity, but, in reality, the conditions in the country are almost the same as in the year 1931, and the budget surpluses are due to the fact that the Honourable the Finance Member has been under-estimating the income and over-estimating the expenditure. In the budget of 1934-35, the Government expected to have a surplus of 12 lakhs, but, in the revised budget, it came up to 3.27 lakhs at the end of the year, and finally it rose up to 4.95 lakhs. The difference between the original and the revised budget is 3.15 lakhs, and that of the revised and final figures works out to 1.68 lakhs. The House would be surprised to know that such a vast difference has occurred in a short period of one month only. In the budget of 1935-36, Government expected a surplus of six lakhs, which, in the revised estimates, they now hope to get 2.42 lakhs, and I am afraid that Government have made the same miscalculation in the budget for 1936-37. It was the duty of the Government to prepare a proper estimate last year. If such a huge surplus was expected, Government should have remitted some of the taxes last year. Now, after getting a surplus, Government are spending it at their own sweet whim.

Sir, the second point on which I want to speak is the taxation proposals for the next financial year, 1936-37. Among them, I shall first take up the question of income-tax. Relief has been granted to the middle class urban people by raising the minimum taxable income from Rs. 1,000 to Rs. 2,000. I am not against this relief nor do I grudge the reduction in the existing rate of surcharge on income-tax and super-tax, but I am really sorry to say that among the taxation proposals I find that no relief, whatsoever, has been granted to the poor zamindars.. If the Government had so desired, they could have easily done something to alleviate the sufferings of the poor zamindars also in the matter of reducing the burden of taxes. The peasants find great difficulty in paying the Government dues of land revenue and *abiana* in cash, and any concession or relief shown by the Government in this respect would be greatly appreciated by them.

[At this stage, Mr. President (The Honourable Sir Abdur Rahim) resumed the Chair.]

But, as this subject is the concern of the Provincial Governments, the Government of India can perhaps do little in this matter. What the Central Government can do and ought to have done is that they should have reduced the salt tax, the matches excise duty, and the postal rates. As regards the postal rates, I again find that the Government have shown preference to the rich people at the expense of the poor. The postage on letters has been reduced, while no proportionate reduction has been made in the price of the postcard which is the only means of communication used by the poor classes. The poor villagers feel it very hard to spend nine pies on a postcard, and I am sure that the whole House will join with me in pressing upon the Government to reduce the price of postcard to six pies.

Sir, the third point is to see what action, if any, the Government have taken to raise the purchasing power of the zamindars. The Honourable the Finance Member, in his budget speech, has stated that the Central Government have done a lot towards the rural uplift by contributing 3½ crores to the Provincial Governments, during the course of the last two years, to supplement the work of the Provincial Governments which they are doing for the amelioration of those living in the villages. The zamindars appreciate what little the Government have done, but they do not consider it a substantial help, as compared with the magnitude of the work. I would, therefore, request that the Central Government should be more liberal in future as regards such contributions towards the sublime work of rural uplift. The grant for rural uplift should be made recurring, otherwise the money already spent would be lost. The Central Government should also watch that the grants made to the Provincial Governments are spent in such a way as would raise the purchasing power of the zamindars and are not wasted on luxuries, such as radio sets, etc. The poor zamindars are more in need of bread than of radio talks and music. Government do not appear to have taken adequate measures to meet the general demand to raise the purchasing power of the zamindars. Government have stated from time to time that they always look to the betterment of the Indian zamindars, but it is to be seen whether their performances come up to their professions or not. As far as I can understand, the measures taken by the Government in this connection are firstly the imposition of a protective duty on the importation of wheat in

[Mr. H. M. Abdullah.]

India, secondly, the trade agreement with Japan with regard to the export of cotton and import of cotton goods, thirdly, the Mody-Lee agreement, and, fourthly, the Ottawa Trade agreement. I will first examine the Wheat Duty Bill. In the middle of 1930, the prices of agricultural produce, especially wheat, began to fall abnormally, and the price of wheat, the chief crop of Northern India, touched its lowest level by the beginning of November of the same year for the last 30 years. The price was so low that those who had wheat were not prepared to sell it at that price. The export of wheat was out of the question, as the other chief wheat producing countries, such as North America, Australia and Argentine dumped their wheat at the Indian ports at such a low rate that it was not possible for the Northern Indian wheat to compete with them. The situation became very acute. The zamindars were not in a position to pay the Government dues of land revenue and *chiana*. They had to part with their precious metal reluctantly, which is called distress gold. Government, after all, realised the seriousness of the situation and brought in the Wheat Import Duty Bill on the 31st March, 1931, to save the zamindars from complete ruin. The operation of the Bill was restricted to one year, and it imposed an import duty of Rs. 2 per cwt. on wheat and wheat flour. Sir, the price of wheat did not improve much in the world markets and the duty was extended year after year with the amendment that it was lowered from Rs. 2 to Rs. 1-8-0 last year. The price of wheat in the world markets is about the same as it was at this time of the preceding year. The result of last year's reduction of import duty by annas eight is apparent from a comparison of the quantities of import and export for the years 1934-35 and 1935-36, as given in the *Statesman* dated the 11th March, 1936. Sir, in 1934-35, the imports of foreign wheat were 7,492 tons, but the same rose to 13,066 tons in 1935-36. The exports were 10,834 tons in 1934-35 as compared with 9,291 tons in 1935-36. During the year 1934-35, the Indian ports have imported Indian wheat from Northern India to the extent of 689,741 tons against 545,244 tons in the year 1935-36. From the figures of imports and exports of wheat for 1934-35 and 1935-36 quoted by me, it is evident that the imports of foreign wheat have already doubled and the exports have decreased due to the reduction of import duty by eight annas. Sir, the abolition of the present wheat import duty would enable the foreign countries to dump their wheat at Indian ports as was the case in 1931. Consequently, Northern India would most likely lose the markets in India to the extent of 5½ lakhs of tons of wheat valuing about three crores of rupees and the railways would also lose the railway freight up to the same extent. This huge loss would further reduce the present low purchasing power of the Northern India peasants accordingly, and would consequently reduce the consumption of the articles manufactured in the factories of the industrialised provinces of India, namely, Bombay, Bengal, Madras, etc. There are only a few days left between today and the date on which the present duty expires, but the Government have not disclosed their intention of extending the Act. This shows that no importance is being attached to such a vital question relating to the prosperity of the Indian zamindars. In view of these facts, I would request the Government to bring in the necessary legislation, without any loss of time, to extend the wheat import duty for the next financial year and thus allay the anxiety of the poor zamindars who form the backbone of the country. In this

connection, I wish to say that the present duty of Rs. 1-8-0 is quite inadequate, and, in case the Government decide to extend the operation of the duty for the next year, it is urged for reasons of sheer justice that its rate should not be less than Rs. 2 per cwt. . . .

Mr. President (The Honourable Sir Abdur Rahim): Has the Honourable Member much more to say on the subject?

Mr. H. M. Abdullah: No, Sir, I shall finish in three minutes.

Now, Sir, I turn to the Trade Agreement with Japan. This agreement, though not in the real interests of India, has helped the agriculturists, to a certain extent, to raise the price of cotton. The principle of quota system underlying the agreement with Japan is good and would go a long way to help the Indian zamindars if such agreements are contracted with all other countries with which India is commercially connected. As to the Mody-Lees agreement, it was stipulated on behalf of the Lancashire mill-owners that they would improve their present machinery so as to enable it to use Indian short staple cotton in place of the American and Egyptian long staple cotton. It is a matter of some satisfaction that the conversion process is in progress and some of the mills have already begun to use Indian cotton, with the result that the export of cotton to British Isles has considerably increased. The conversion process appears to be slow and the results are not very encouraging. If the British people are really anxious for the promotion of their trade in India, the only way to do so is that they should take more raw produce like cotton and wheat from India. Unless the purchasing power of the agricultural classes is raised, they will not be able to buy comparatively costly British manufactured goods in preference to cheap Japanese goods. As regards the trade of the country, I take the opportunity to express that the Ottawa Trade Agreement has not worked as was expected by the Government. Although no estimate of the customs income, lost through the preferential tariff, has been made up to this time, yet it is clear from the last year's figures that the income to the Government from these articles is not expected to be equal to that of the last year even. However, it must be less than the income from the non-preferential articles. May I understand, therefore, Sir, that the Government of India are supporting the British industry at the expense of the Indian revenues as well as the Indian trade in general and the Indian consumers in particular? It is clear from the facts that the Government have not seriously tackled the question of raising the internal prices of agricultural produce, while they have been uselessly entering into agreements with foreign countries to raise the prices. Sir, I believe that the key of the situation has all along been lying with the Government which they have never cared to use. I mean, Sir, that they could have easily helped the peasants to a great extent to raise the internal prices of the agricultural produce by the devaluation of the rupee and expansion of currency, as has been done by other countries to meet a similar situation, and I would request the Government to take action on these lines to remove the economic depression prevailing in the country at present.

In the end, I hope that the Government would adopt suitable measures to give effect to the proposals put forward by me.

The Assembly then adjourned till Eleven of the Clock on Tuesday, the 17th March, 1936.