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THE
LEGISLATIVE ASSEMBLY DEBATES
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Volume III

(21st March to 12th April, 1929)

FOURTH SESSION
OF THE
THIRD LEGISLATIVE ASSEMBLY, 1929



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LEGISLATIVE ASSEMBLY.

Thursday, 21st March, 1929.

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

MEMBER SWORN:

Mr. Philip Graham Rogers, C.I.E., M.L.A. (Director General of Posts and Telegraphs).

SHORT NOTICE QUESTION AND ANSWER.

HOUSE SEARCHES AND ARRESTS IN DIFFERENT PARTS OF INDIA.

Pandit Motilal Nehru: Is it true, as stated in the Press, that numerous house searches and arrests have taken place in different parts of India in pursuance of orders of the Government of India, and of Local Governments? If so, will Government give the House full particulars, including the names of the persons arrested, the places searched, the offence or offences for which those arrested are to be tried, and the dates when, and the places where, the offences are alleged to have been committed, the date or dates on which sanction was accorded for these prosecutions by the Government?

What is the policy underlying the action of the Government of India in sanctioning these wholesale arrests and house searches at this particular time?

Is that policy directed against the activities of persons and organisations who carry on propaganda against the present system of Government?

Has the Government any particular organisation or organisations in view; if so, which?

The Honourable Mr. J. Crerar: Sir, under the authority of the Governor General in Council, complaint has been laid against 31 persons from various parts of India, on a charge of conspiring to deprive the King of the sovereignty of British India. The complaint was laid in the court of the District Magistrate of Meerut, and the court, in the ordinary course of law, under the Criminal Procedure Code, issued processes. In pursuance of these processes, house searches and arrests have taken place in different parts of India. With regard to these, I am unable at present

to give full particulars, as I am not yet in possession of complete information. The complaint, with the names of the persons against whom warrants have been issued, is as follows :

COMPLAINT.

King-Emperor

versus

1. Philip Spratt,
2. Benjamin Francis Bradley,
3. Ajodhya Prasad,
4. Shaukat Usmani,
5. Puran Chand Joshi,
6. Gauri Shanker,
7. L. R. Kadam,
8. Dr. V. N. Mukharji,
9. Ch. Dharamvir Singh,
10. Dharani Goswami,
11. Shib Nath Banarji,
12. Muzaffar Ahmed,
13. Gopal Basak,
14. Shamsul Huda,
15. Kishori Lal Ghosh,
16. Gopendra Chakravarty,
17. Radha Raman Mittra,
18. Sripad Amrit Dange,
19. Sachhidanand Vishnu Ghate,
20. S. H. Jhabwalla,
21. Dhondi Raj Thengdi,
22. Keshav Nilkant Joglekar,
23. Shantaram Savalram Mirajkar,
24. Raghunath Shivram Nimbkar,
25. Gangadhar Moreshwar Adhikari,
26. Motiram Gajanan Desai,
27. Arjun Atmaram Alve,
28. Gobind Ramchandra Kasle,
29. Sohan Singh Josh,
30. M. A. Majid *alias* Abdul Majid,
31. Kedar Nath Sehgal.

The complaint of Mr. R. A. Horton, Officer on special duty under the Director, Intelligence Bureau, Home Department, Government of India, showeth :

1. That there exists in Russia an organisation called the Communist International. The aim of this organisation is, by the creation of armed revolution, to overthrow all the existing forms of Government throughout

the world and to replace them by Soviet Republics subordinate to, and controlled by, the Central Soviet Administration in Moscow.

2. That the said Communist International carries on its work and propaganda through various committees, branches and organisations, controlled by, and subject to, itself, e.g., the Executive Committee of the Communist International, and various sub-committees of the same, including a sub-committee concerned with Eastern and Colonial affairs (Colonial Bureau), the Communist Party of Great Britain, which is a section of the Communist International; the Red International of Labour Unions, the Pan Pacific Trade Union Secretariat, the League against Imperialism, the Young Communist League and various other bodies.

3. The ultimate objective of the said Communist International is the complete paralysis and overthrow of existing Governments in every country (including India) by means of a general strike and armed uprising. It has outlined a programme, or plan of campaign, which should be followed for the achievement of this ultimate objective. Among the methods so ordained are:

- (a) the incitement of antagonism between capital and labour;
- (b) the creation of Workers' and Peasants' Parties, Youth Leagues, Unions, etc., ostensibly for the benefit of the members thereof, but in fact for the purpose of propaganda, the domination of such parties by Communists pledged to support the aims of the Communist International, and the unification of such bodies under one control subservient to the Communist International;
- (c) the introduction of fractions or nuclei of such Communists, with illegal objects as aforesaid, into existing Trade Unions, Nationalist bodies and political and other organisations, with the object of capturing the same or obtaining their support in the interests of the Communist International;
- (d) the encouragement of strikes, *hartals* and agitation;
- (e) propaganda by speeches, literature, newspapers, the celebration of anniversaries connected with the Russian revolution, etc., etc.;
- (f) the utilisation and encouragement of any movements hostile to the Government.

4. That in the year 1921 the said Communist International determined to establish a branch organisation in British India, and the accused Sripad Amrit Dange, Shaukat Usmani and Muzaffar Ahmed entered into a conspiracy with certain other persons to establish such branch organisations with a view to deprive the King-Emperor of his sovereignty of British India.

5. That thereafter various persons, including the accused Phillip Spratt and Benjamin Francis Bradley, were sent to India by the Communist International, through the medium of one of its branches or organisations, and with the object of furthering the aims of the Communist International.

6. That the accused named in this complaint reside at different centres throughout British India. They have conspired with each other, and with other persons known or unknown within or without British India, to deprive the King-Emperor of the sovereignty of British India, and for such purpose to use the methods and carry out the programme and plan of campaign outlined and ordained by the Communist International, and in fact they used such methods and carried out such plan of campaign with the assistance of, and financial support from, the Communist International.

7. That the accused have met and conspired together, as aforesaid, at various places within and without British India, and amongst others at Meerut, and in pursuance of such conspiracy as aforesaid, the accused formed a Workers' and Peasants' Party at Meerut and there held a conference thereof.

8. That the above named accused have committed an offence under section 121-A of the Indian Penal Code and within the jurisdiction of the Court.

It is therefore prayed that the Court will inquire into the above named complaint.

As above stated, Sir, the complaint has been laid on a charge of conspiracy under section 121-A of the Indian Penal Code in respect of which the case for the prosecution will be, that acts have been committed falling within the terms of the section quoted, at various places and at various times, extending over a period of several years. Owing to the comprehensive nature of the case, I am unable to give specific dates and places. Sanction for the prosecution was given on the 14th March and the complaint was laid on the 15th. As the case is now *sub judice*, I am at this stage unable to give further particulars which might prejudice the merits of the case. Warrants of arrest have been issued only against persons in whose case Government are advised that there is strong *prima facie* evidence, but search warrants have been issued in cases where there are good grounds for believing that important evidence in connection with the case might be recovered.

The policy of Government in this case is to bring before the courts under the ordinary law a conspiracy which, in their view, is an infringement of the ordinary law of the land, and is an attempt to carry out in India the programme of the Communist International. It is not directed against the propaganda or activities of any persons or organisations, except those which are believed to have taken an active part in this particular conspiracy.

Mr. K. Ahmed: Will Government be pleased to state how the supply of money comes to the people who are conspiring against the Government and waging war against the King, where and how the money comes from?

The Honourable Mr. J. Orerar: That is a matter for consideration when the case comes up before the Court for trial.

Mr. K. Ahmed: Do Government propose to write a letter to Mr. Horton or to the special officer who, my Honourable friend stated, is in charge of these cases, to make inquiries and take sufficient steps to put

a stop to the supply of funds, so that these people may not take the matter any further?

The Honourable Sir Brojendra Mitter: Sir, the instructions for inquiries which the Honourable Member desires the Government to give to the special officer in charge have been given already and materials which have been collected will all be placed before the court for the court's adjudication.

Diwan Chaman Lall: Will the Honourable Member give us the names of the house or houses where the searches have been made?

The Honourable Mr. J. Crerar: I have already explained that in my reply, and I am not yet in a position to give more details.

Mr. K. Ahmed: Is it a fact, Sir, that the majority of the 31 persons who have been arrested are agriculturists or persons who have previously taken an interest in the amelioration of the condition of the poor agriculturists of this country?

The Honourable Mr. J. Crerar: I don't think that arises, Sir.

Pandit Motilal Nehru: May I ask, Sir, if these persons who have been arrested—I mean all the accused arrested or not yet arrested—do they belong to any one organisation, or do they belong to different organisations in India?

The Honourable Mr. J. Crerar: I cannot reply to questions of that kind, Sir, which relate to details which will necessarily come before the court in the ordinary process of a judicial trial.

Pandit Motilal Nehru: I simply want to know what the case of the Government is. I want to know if all those who are conspiring against the King belong to a definite organisation for that purpose?

The Honourable Mr. J. Crerar: That is a matter for the court in the usual course to adjudicate.

Pandit Motilal Nehru: But what is your case?

Mr. S. Srinivasa Iyengar: Is it the view of the Government that the Youth League and the Peasants' and Workers' Organisations are conspiracies within the meaning of section 121-A?

The Honourable Sir Brojendra Mitter: Not necessarily.

Mr. H. C. Neogy: In view of the fact that it is possible to proceed against British Communists under the existing provisions of the law, is it the intention of the Government to drop the Public Safety Bill?

The Honourable Sir Brojendra Mitter: No, Sir.

Mr. H. C. Neogy: Why not?

The Honourable Mr. J. Crerar: Because, Sir, as I have already explained in this House, the object of that Bill is essentially and primarily precautionary and preventive and not punitive.

Mr. Ram Narayan Singh: Sir, do the Government consider that only these arrests and imprisonments will make them safe?

The Honourable Mr. J. Crerar: I cannot catch the Honourable Member.

Mr. Ram Narayan Singh: May I repeat the question, Sir?

Mr. President: It is no use of repeating it.

Mr. Ram Narayan Singh: The Honourable Member has not heard it.

Mr. President: I have heard it, and it is not in order.

Mr. Siddheswar Prasad Sinha: Is it a fact, Sir, that a typewriter was seized in one of the searches in Bombay, and if so, will the Honourable Member state if that typewriter was in any way concerned with any revolution or conspiracy and how it conspired?

The Honourable Mr. J. Crerar: I do not quite hear.

Mr. Jamnadas M. Mehta: Was a typewriter seized in Bombay?

The Honourable Mr. J. Crerar: I have no information on that point.

Diwan Chaman Lall: May I ask the Honourable Member why Meerut was chosen as the centre?

The Honourable Mr. J. Crerar: Because, Sir, the case having been instituted by direction of the Government of India it is centrally situated and it is one of the places connected with the activities of the alleged conspiracy.

Diwan Chaman Lall: Is it a part of the case of the Government that the activities of the accused can be circumscribed to any particular place in this manner?

The Honourable Sir Brojendra Mitter: That question is one which the Court will consider if the plea is taken that a particular accused does not come within the jurisdiction of that Court.

Mr. Lalchand Navalrai: Did I correctly understand the Honourable Member to say that there are certain committees in Sind connected with Communism?

The Honourable Sir Brojendra Mitter: I do not know, Sir, but the question whether the activities of any person may or may not be so connected, is again one for investigation and adjudication by the Court.

Mr. Ram Narayan Singh: Sir, are the Government aware that this step, taken by the Government, is sure to endanger their existence?

The Honourable Sir Brojendra Mitter: This is an ordinary case of infringement of the ordinary law of the land, and the alleged offenders have been brought for trial before a proper tribunal.

Mr. M. S. Aney: Does not the Government know from the telegrams that most of the premises that were subjected to search, were those of the Workers' and Peasants' Unions and Youth Leagues?

The Honourable Mr. J. Crerar: As I have already explained, I have no details as to what particular premises have been searched.

Diwan Chaman Lal: Will the Honourable Member kindly inform the House as to the number of arrested persons who belong to the executive council of the All-India Trade Union Congress?

The Honourable Mr. J. Crerar: I think I must ask the Honourable Member for notice of that question.

Mr. Amar Nath Dutt: Will the Honourable Member be pleased to state whether the Judges and Magistrates before whom these cases are likely to come for trial have received any gentle hint from the Government how to deal with these cases?

Mr. President: Order, order.

Pandit Motilal Nehru: May I expect, Sir, that the Honourable the Home Member will put a list of the premises searched on the table as soon as he gets the information?

The Honourable Mr. J. Crerar: I may be able to convey that information to my Honourable friend as soon as I become in full possession of it.

MOTION FOR ADJOURNMENT.

RAIDS AND ARRESTS IN SEVERAL PARTS OF INDIA.

Pandit Motilal Nehru (Cities of the United Provinces: Non-Muhammadan Urban): I beg leave, Sir, to move the adjournment of the House on a definite matter of urgent public importance, namely, the policy of, and the action taken by, the Governor General in Council in sanctioning and taking steps for the wholesale raids and arrests in several parts of India simultaneously yesterday of public workers belonging to labour and peasant organisations, youth leagues and other lawful associations.

I beg the House, Sir, to give me leave to move the adjournment of the House.

The Honourable Sir Brojendra Mitter (Law Member): On a point of order, Sir. I submit that this motion for adjournment should not be allowed. Sir, the rules are 11 and 12. The objection is based on sub-rule (v) of rule 12, which shows that the right to move an adjournment should be subject to the following restrictions, namely,—I go on to the fifth:

“(v) the motion must not deal with a matter on which a resolution could not be moved.”

Now, as regards Resolutions, look at rule 23 (page 85):

“Every resolution shall be in the form, etc., etc., and no resolution shall be moved in regard to any of the following subjects, namely:—”

I take (iii):

“any matter which is under adjudication by a Court of Law having jurisdiction in any part of His Majesty's dominions.”

[Sir Brojendra Mitter.]

Sir, this must be a definite matter of urgent public importance under rule 11:

"A motion for an adjournment of the business of either Chamber for the purpose of discussing a definite matter of urgent public importance may be made with the consent of the President."

Now, the definite matter is stated in the notice as "the policy and action by the Governor General in Council in sanctioning and taking steps for the wholesale prosecutions and arrests in several parts of India, etc."

Pandit Motilal Nehru: That has been corrected. It is "raids", not "prosecutions".

The Honourable Mr. J. Crerar (Home Member): May I ascertain, Sir, what the precise wording of the motion is in that context?

Pandit Motilal Nehru: May I read the motion again, Sir?

"To move the adjournment of the House on a definite matter of urgent public importance, namely, the policy of, and action taken by, the Governor General in Council in sanctioning and taking steps for wholesale raids and arrests in several parts of India simultaneously yesterday, etc., etc."

The Honourable Sir Brojendra Mitter: I was submitting to you, Sir, that the definite matter really is the action of the Governor General in Council in sanctioning and taking steps for wholesale raids and arrests. Although it is coupled with the word "policy" that does not take away the real character of the motion, which is to discuss the definite matter of these raids and arrests. By "raids" I presume the Honourable Pandit means the house searches. That is a matter which is now *sub judice*. It is a matter which is under adjudication by a Court of Law. As you have heard, Sir, from the answer which the Honourable the Home Member has just now given, a complaint was lodged before a competent Court. The competent Court took cognizance of the case and issued processes. Therefore whatever has been done by way of house searches or arrests has been done under the authority of a competent Court of Law which is in seisin of the case; and therefore my submission is that the motion infringes sub-rule (iii) of rule 23. Sir, I may draw your attention to the practice in the House of Commons, where the rule is practically the same—I am quoting from May's "Parliamentary Practice"—page 248—motions have been ruled out of order when it appeared that there had not been any departure from the ordinary administration of the law. From the answer of the Honourable the Home Member you have heard, Sir, that the ordinary processes of the law have not been departed from. There has been no such departure, and therefore I submit this motion should be ruled out of order.

Pandit Motilal Nehru: Sir, I submit that the objection taken by my Honourable friend, the Law Member, has no substance at all. It is true that any matter which is under adjudication by a Court of Law having jurisdiction in any part of His Majesty's dominions is not to be included in a motion of this character; but my motion relates, not to anything that is now, or can ever be, the subject of adjudication by a Court of Law having jurisdiction. As the language of the motion shows, it is the policy of, and the action taken by, the Governor General in Council in sanctioning and taking steps for wholesale raids and arrests that it is concerned with. Now this, Sir, has nothing whatever to do with the merits of any particular case. Everyone of these people who has

been arrested might be guilty or might be innocent. I do not take exception to the issuing of warrants against these people or issuing search warrants for the searching of places which have been searched. What I am asking, what I am moving the adjournment of the House for is on a different matter, *viz.*, that the policy which prompted the action that has been taken in a particular Court of Law and the principle upon which that policy is based. You will be pleased to observe, Sir, that here is a case which is not on the face of it an ordinary prosecution for a crime undertaken in the ordinary way. This is a case in which the Government have deliberately adopted a policy in proceeding against a number of persons in different parts of India in a most theatrical and dramatic way. Warrants are taken out against a number of people on general allegations. Of course I do not enter into the question whether those allegations are right or wrong. What I say is, it must have been in pursuance of some policy, otherwise one would naturally expect that as cases of this character came to light they would be proceeded with from time to time in various districts or places where they come to light in the usual way. What you find here is that action is taken which, if I may be permitted to use the word, savours more of frightfulness than of an ordinary legal proceeding initiated by the Government. It, on the very face of it, seems to be intended to strike the imagination, or rather to stagger the imagination. . .

Mr. President: The Honourable Member is now going into the merits of the motion.

Pandit Motilal Nehru: Yes, Sir, just to explain, and only so far as is necessary to explain what is the nature of the motion. It has nothing whatever to do with any evidence or other material which has been placed before the Court or with the guilt or innocence of any of the persons concerned. All that we want to know from the Government in the discussion on this motion is its general policy in regard to political organisations in the circumstances preceding the action taken in Court. I therefore submit, Sir, that it is not open to the objection raised by my Honourable friend opposite.

The Honourable Mr. J. Crerar: Sir, I should like to make one or two observations on what has fallen from the Honourable and learned Pandit. If I understood him correctly, he took two points. The first was that the subject which he proposed that the House should be called upon to discuss was the policy of Government. It is also the action of the Government—both the policy and the action of the Government—but in relation to certain specific acts of a judicial character and by a judicial authority which have flowed from it. Now, Sir, even if the Honourable Pandit could confine the matter, as I deny that he can, to a general question of policy, it is perfectly clear that the action which has been taken in pursuance of that policy, *viz.*, the laying of a complaint is now *sub judice* and the policy and action of Government could not be justified without entering into matters which must necessarily be the issues in a Court of Law. That, Sir, is my reply to the Honourable Pandit's first point. The second was that there was something extraordinary about the action of the Government, something, as I understood him to indicate, outside the scope of the general criminal law.

[Mr. J. Crerar.]

On that point I must join issue with the Honourable Pandit. The action taken and the processes issued by a competent Court are undoubtedly in pursuance of the ordinary law of the land . . .

Pandit Motilal Nehru: I am not questioning that.

The Honourable Mr. J. Crerar: That there may be something exceptional about the circumstances I am prepared to admit, because I trust that the existence of a conspiracy of this character is exceptional—exceptional in that sense only—but not exceptional in relation either to the state of the law in the matter, to the procedure which has been taken, and to the necessity of avoiding any prejudice to a matter which is now under the adjudication of a competent tribunal.

Mr. S. Srinivasa Iyengar (Madras City: Non-Muhammadan Urban): Mr. President, I submit that the matter of the motion does not come within clause (3)—“any matter which is under the adjudication of a Court of Law”—for three reasons. In the first place, the question which is sought to be raised by the motion is the wisdom or the unwisdom, the expediency or the in expediency of the Government in sanctioning a number of prosecutions under section 121-A. Now, Sir, the Court has nothing to do with the wisdom or the unwisdom, the expediency or the in expediency of the sanctions which have been so given by the Government. All that the Court can do is to decide upon the facts proved, upon the complaint, upon the evidence let in on one side and on the other, and to see whether certain persons who are accused are guilty of a particular conspiracy which is alleged against them. That is all that the Court has to decide. Of course it can decide whether the sanction was in proper form and whether it complied with the requirements of any particular Statute, the Criminal Procedure Code or any other, but it cannot decide any question as to the wisdom or the unwisdom, the statesmanship or the lack of statesmanship, the expediency or the in expediency, the propriety or the impropriety of the action of the Government, and whether their motives are merely political, in order to stifle the political advancement of the country—these things the Court has nothing to do with. Therefore, Sir, these are the things that are sought to be raised by the motion which my Honourable friend wants to raise . . .

Mr. K. Ahmed (Rajshahi Division: Muhammadan Rural): But they will prejudice the Court.

Mr. S. Srinivasa Iyengar: No discussion on the question of the propriety, the wisdom or the expediency of the sanctions given by the Government will have the slightest prejudice on the accused or on their defence or on the prosecution in the Court. In fact we have not got to go into the evidence at all. What we have got to argue about here is more as to the expediency, from one point of view or the other, of the action taken, having regard to the particular circumstances just now. It is the 14th March which has been chosen for the purposes of sanction . . .

Mr. K. Ahmed: Because it was an auspicious day.

Mr. S. Srinivasa Iyengar: Thereby hangs a tale, but I will not go into the merits of this motion now.

The second point, I submit, which takes it out of this clause is this: a grave situation is created—a political situation of a very formidable character is created by this policy, and it is usual in this House to discuss the situations when created, even though those situations are caused by the Government having reference to the ordinary laws of the land.

Lastly, I submit, Sir, in my judgment, there is no matter of any kind now under adjudication at all. All that has happened is certain arrests and raids have been made. You do not say that a matter is under adjudication till the accused are brought up and remanded and the Court has commenced the inquiry. No such thing has happened here. A mere lodging of complaints and the issuing of arrests do not bring any matter under adjudication. It may be that, if the motion is to be made tomorrow or the day after, and these accused persons had been brought up before the Court and the inquiry has begun—it may be otherwise as to the merits of the cases, I do not say it will be—but I say, as things now stand, it is clear that there is no matter, not even the guilt of the accused, under adjudication whatever. What is the Court now adjudicating on? There is nothing whatever that is under definite adjudication now. The complaint may be proceeded with or it may not be proceeded with; we do not know. Arrests have been made; therefore technically inquiries have not begun in Court, even the guilt of the accused is not a matter under adjudication at all. I repeat, the situation created and the policy of the Government in giving the sanction, are questions not concerning these particular individuals, but involve far-reaching consequences and have wider implications and raise questions of a grave constitutional character, and of a grave political character, at the present moment, having regard to all the surrounding circumstances which it is not within my object now to mention at this stage, till leave is given. Therefore, I submit, for all these reasons the motion is entirely in order.

Pandit Madan Mohan Malaviya (Allahabad and Jhansi Divisions: Non-Muhammadan Rural): Sir, I should have thought that the Government would welcome the motion for adjournment which has been moved by my friend, Pandit Motilal Nehru. Nobody can deny that the action taken by the Government has a policy behind it, and that that policy cannot be, in the very nature of things, a matter for adjudication by a Court of Justice. The Court will deal with the particular facts and individual persons. If they have infringed the law, they will be liable to punishment; if they have not, they will be discharged; but the Court will not be expected to listen to any argument regarding the policy which undoubtedly lies behind the action which has been taken by the Government. Therefore, Sir, I submit that this is the only occasion on which the Assembly can help the Government and serve the public by inviting a discussion of the policy which lies behind the action of the Government. That policy is of a far-reaching character. The number of arrests is large and there is no knowing to what extent this number will be added to. It affects the cases of many persons; they are all our fellow-subjects and fellow-men. If they have erred, if they have joined a conspiracy to bring about by armed rebellion, the subversion of the sovereignty of the King-Emperor, they will certainly have to answer for it before a Court of Law. But

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from the statement made by the Honourable the Home Member, it is difficult to say, at this moment, without further discussion, that this policy of wholesale arrests is the right policy; all that is sought by this motion is an opportunity to discuss the policy; we are not permitted on the motion which is now before you, Sir, to go into the merits of the cases, into the merits of the policy. I should like to have an opportunity to say that some of us feel, and to hear what the Honourable the Home Member—and it may be the Law Member and other Members of the Government—may have to tell us on the question of this policy. We are not yet committed to opposing that policy of Government if we understand it correctly, and if we find that it has a reasonable basis behind it. But we feel at present—at least I feel—alarmed at the fact that a number of persons belonging to a number of organisations which have never yet been known to the public to have any connection with the society, the object of which is to raise an armed rebellion to subvert the authority of the King-Emperor or of the Government, have been arrested. Now, Sir, these Societies include the Youth League. The question of what has led the Government to include the members of this organisation in the category of those who have joined a conspiracy is a question

The Honourable Mr. J. Crerar: May I interrupt the Honourable Pandit? I think if the Honourable Pandit will read the complaint when it is laid on the table, he will find that the Youth organisation, to which the complaint refers, is the Young Communist League.

Pandit Madan Mohan Malaviya: My Honourable friend, Sir, has supplied me with one stronger reason in support of my case. We want to have an opportunity of knowing a little more about these organisations which have been included, and against which the Government have decided to proceed. We may be able to obtain light and we may be able to throw some light upon some of the considerations which have determined this policy. One thing, however, is clear, Sir. This is the only opportunity when the policy of the Government can be discussed with any advantage to the Government and to the public. It is a matter which will cause a deep stir in the feelings of the public. The Government do not want that there should be a feeling created that their object is to create frightfulness in the minds of the youth of the country. Government want, I take it, to proceed against these individuals only, whatever their number,—I am not concerned with their number,—but I take it that they want to proceed only against those who have joined a society with the definite object of promoting, by armed rebellion, the subversion of the King's authority. If that is the object of Government, we should like to have an opportunity to discuss the policy which has prompted them to take the action they have taken in this matter, and all I ask the Government is that they should agree to this motion and not oppose it.

The Honourable Sir Brojendra Mitter: Sir, I want to . . .

Mr. President: Does the Honourable Member wish to speak again?

The Honourable Sir Brojendra Mitter: I merely want to reply to the points which Mr. Iyengar raised

Mr. President: Then the Leader of the Opposition might say that he would like to reply to the Honourable the Law Member. I can not permit such a procedure.

Mr. Lalchand Navalrai (Sind: Non-Muhammadan Rural): Sir, I want to say

Mr. President: Order, order. The Chair is not bound to give an opportunity to every Member to speak on a point of order.

I am satisfied that the matter proposed to be discussed is a definite matter of urgent public importance. It is not denied that the matter is of recent occurrence. What is contended is that the matter proposed to be discussed is *sub judice*. As I understand the Opposition Benches, they propose to discuss the policy underlying this large number of raids and arrests, and not the merits of the cases that are to come before the Court of Law for adjudication. I am quite satisfied that the matter proposed to be discussed is not *sub judice*, but I am bound to say that if, during the discussion of the motion for adjournment in the afternoon, any attempt is made to discuss the merits of any of the cases that are proposed to be lodged, the Chair will take steps to see that such discussion is not permitted. I hope Honourable Members, when discussing this matter, will confine themselves strictly to the policy underlying these arrests and not refer to the merits of the cases that are to come before the Court. I rule that the motion is in order. (Applause from the Swarajist Benches.)

I ask whether the Honourable Pandit has the leave of the Assembly to move the adjournment?

As no objection is taken, I intimate that leave is granted, and the motion will be taken up for discussion at 4 P.M.

THE INDIAN FINANCE BILL—*contd.*

Mr. President: The House will now proceed with the Indian Finance Bill.

The Honourable Sir George Schuster (Finance Member): Sir, I must ask Honourable Members to recall their minds to the debate which we left last evening. It was a very long debate and ranged over a wide field of subjects. I propose to take the arguments which were advanced on the other side seriously, because although I feel, Sir, that there was,—let me say,—an element of obstruction at least in the length of some of the speeches, yet even that obstruction I must take as evidence of a serious intention. I do not propose to take the time of the House longer than is necessary, but at the same time there are certain points to which, I think, in justice to the Government, I must give a fairly full reply. The arguments to which we have listened might be classified under two headings,—specific criticisms of the Government's financial policy as the first heading, and as the second heading a general indictment of the policy of British rule in India. The line of action advocated might be also divided into two headings. In the first place, there are those who, while

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expressing criticisms of the policy of Government, or their objection to the present form of Government, yet recognise that, until a change can be introduced, the business of Government must be carried on and, therefore, having expressed their views, they are prepared to vote the Government the necessary funds with which to carry on its business. That, as my friend Mr. Fazal Ibrahim Rahimtulla has said, is the constructive line of criticism. I agree with my Honourable friend. There is another line of criticism put forward by those who, as I interpret it, wish to put every obstacle in the way of Government in its present form, regardless of the consequences to the country during the interval, until a change can be brought about.

Sir, I will deal first with some of those specific objections to which I have referred. I must go back to what seems a very distant past, when my friend Mr. Rangaswami Iyengar was speaking. He made, if I may say so, an entirely relevant contribution to the debate. He dealt seriously with a number of financial points. He referred to my threat, as he called it, of new taxation, and he told me that I must revise the expenditure side of the Government first. I entirely agree with my Honourable friend,—in fact I had already expressed my agreement with those sentiments. He proceeded to indicate to me certain ways in which retrenchment was possible, and directed particular attention to what he described as the exaggerated provision which is now made for the reduction and avoidance of debt. As I have already informed this House, the question of making that provision, and the terms in which it is to be made, is a question which has to come under review this year, and, as I have also already informed this House, I propose to take this House into my confidence in that review. Therefore, Sir, I do not think it is appropriate for me to say very much about it at present. But there is one point which I should like to make, because it is an illustration of the sort of inconsistency which exists in the criticisms which are levelled against the Government. We have been told, on the one hand, that a totally inadequate provision has been made for dealing with the liability on the Post Office Cash Certificates. It has been levelled as a charge against Government that a heavy liability has been allowed to accrue under that heading, and that the House should have been told of that liability, and that means should be found for meeting it. On the other hand, we are told that, because of the scale of provision which has been made for reduction and avoidance of general debt, an unwarranted burden is being put upon the taxpayer of today. I do suggest to Honourable Members opposite that the two charges to some extent offset each other, and that in advancing criticism of the Government, they should consider the budget as a whole. The next serious point dealt with by my Honourable friend was the question of Army expenditure, and, as that was touched on by several other Honourable Members, I must say a word or two about it. It seems to have been understood that the arrangement which I described to the House, by which a sum of Rs. 10 crores is to be provided for special non-recurring expenditure, not by an additional vote, but by economies to be made under various headings by the Army within the limit of Rs. 55 crores—it seems to have been supposed, I say, that the existence of that provision indicated that the financial control of the Army expenditure was to be relaxed in some way. That is a totally false supposition. Financial control will be maintained with all the

previous stringency; there is to be no relaxation under that heading. The sum and substance of the arrangement is this. If at the end of any particular year the balance between the amount required for the normal recurrent expenditure of the Army and the sum of Rs. 55 crores, which is provided in the budget, is not fully expended, because there has been some delay in executing the special programme of expenditure, that balance will not, as in the ordinary way, lapse, but it will be carried to a suspense account and be available for expenditure in the future years.

Mr. A. Rangaswami Iyengar (Tanjore *cum* Trichinopoly: Non-Muhamadan Rural): On the Army and not on the other civil services.

The Honourable Sir George Schuster: For expenditure on the approved and authorised programme, a programme which, as I say, will be strictly controlled by the Finance Department.

Then, my Honourable friend referred to the very large railway reserves, and the large sum standing to the credit of the depreciation fund, and stated that the existence of these large balances might encourage us to hope that fresh taxation need not be raised. But, unfortunately, at that point I am brought into contact with the ways and means position, and as Honourable Members know well, those balances are only book balances; they have already been fully employed in capital expenditure on the railways. Therefore, I am afraid that that suggestion in practice will not be a very helpful one.

I would turn now to the remarks of my Honourable friend Sir Purshotamdas Thakurdas, to whom I must say I am grateful for his recognition of realities in not supporting the rejection of the Finance Bill. I should like to express my agreement with him in his emphasis on the importance of economic conditions and his deprecation of over-emphasis of political conditions. I think he also performed a very valuable service in providing a conspectus of provincial finances. That is a very relevant matter, because the finances of the Central Government are closely connected with the finances of the Provincial Governments, and as Honourable Members must realise, the whole question of the distribution of revenue and heads of revenue, as between the provinces and the Central Government, is a live issue, which must come up for consideration in the near future. My Honourable friend went on to deal with the general condition of the country, and he expressed a pessimistic view of that. He criticised the general policy—or rather the absence of any general policy—on the part of the Central Government. He said, in the first place, we ought to have more information as to the general economic condition of the country. I agree with him in the abstract, but when it comes to particular measures, I do not think it is reasonable to suggest that, in the present state of Government finances, a sum of Rs. 63 lakhs, which would be required according to the recommendations of the Economic Inquiry Committee, could be provided merely for the purpose of obtaining that sort of information. But I am willing to say to him that that is a matter into which I am quite prepared to inquire, and I think it is a reasonable request that we should take steps to provide as good as possible statistical information to enable the public to get a general view of the economic condition of the country. My Honourable friend, amongst other things in the policy of Government which he criticised, referred to the policy as regards alcoholic liquors. I think he suggested that, while we have been careful of the

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morals of China and have incurred a large sacrifice of revenue by restricting the exports of opium, we have not been so careful of the conditions in India, and that, in fact, we were earning an increasing revenue from the duty on alcoholic liquors, with the suggestion that the consumption of alcoholic liquors was increasing. I should like to correct that last assumption by giving the House certain figures. Taking the figures of liquor and drug shops in 1917-18 the total number of liquor shops was 54,805, and in 1926-27—which is the last year for which I have got any figures—the total number was 44,842, a decline of about 20 per cent. The drug shops too declined from 17,147 to 14,322. The figures for the consumption of alcoholic liquors also show a very remarkable decline. Taking the total consumption of alcoholic liquors and converting them into what are called London proof gallons, that is to say, giving an equivalent of alcoholic content for the various liquors, the figures are as follows:

1919-20	..	..	..	..	12,850,467
1926-27	..	..	..	..	7,563,777

That is to say, a decline of over 5 millions, or 40 per cent.

Sir Purshotamdas Thakurdas (Indian Merchants' Chamber: Indian Commerce): Can the Honourable Member oblige me by giving the figures of quantities without converting them into proof?

The Honourable Sir George Schuster: I should be very pleased to provide my Honourable friend with the figures of quantities. I have not got them with me here. I have got them in my office. But I can tell him that the quantities of every kind of alcoholic liquor have declined, except the quantities of imported beers, which show a slight increase. The figures that I have quoted, I think, give a more reliable basis of comparison than anything else.

Then I would turn to the remarks of my Honourable friend, U. Tok Kyi, who, advancing the point of view of Burma, which was supported in other quarters of the House, asked us to consider a reduction in the export duty on rice. That is a demand which I certainly view with sympathy. It was a very good point, and a point which he was quite entitled to make. But I would ask my Honourable friend to realise that, in the present state of the finances of the Central Government, it is hardly practical politics to consider that question, and that it is one of those questions which must come up when the general distribution of the heads of revenue between the Central Government and the provinces comes under review. In the meanwhile, as I indicated in an answer to a question put by the Honourable Member recently, Government are investigating the position with a view to discover whether the export duty on rice is really interfering with the trade in rice, whether it is a substantial factor in the economics of the situation.

My friend Mr. B. Das gave us some figures about Bihar and Orissa. That again raises questions of distribution of heads of revenue between the Central Government and the provinces. He also referred to the banking inquiry, but that is a matter which I shall deal with later.

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I now turn to the speech of my Honourable friend Mr. Birla. He again gave a pessimistic view of the present state of industry. He levelled a charge against me, that I had no information to furnish to the House, to justify any optimistic view of the position, other than the figures of railway traffic and imports and exports. I have already said, in dealing with my friend Sir Purshotamdas Thakurdas' speech, that I am prepared to take steps to provide means for improving the picture that we can give of the economic situation, but, in the meanwhile, I would say that those figures, which I have given and relied on, are to some extent an indication of conditions, and I do not think that my Honourable friend supplied any other figures of a more convincing nature. He did give certain figures, and I have been at a loss to find where he got those figures from. He gave us, for example, a statement of the consumption of cloth per head in the country before the war, and he said that it was 18 yards, and that, since the war, and at present, it had dropped to 10 yards, ten square yards per head. The figures are really entirely different. The actual consumption in the year 1913-14 was 16.28 yards per head and in 1926-27 it was 16.4 yards per head, and in 1927-28 17 yards per head. Therefore it stands, for the last year for which we have any recorded figures, at a figure substantially higher than the last year before the war, and, if we take the five years average before the war, the figure of consumption was 14.16 yards per head and it is 17 yards today.

Mr. Ghanshyam Das Birla (Benares and Gorakhpur Divisions: Non-Muhammadan Rural): May I interrupt the Honourable Member? I am very thankful to him for providing all these figures. I might draw his attention to the pamphlet recently published under the auspices of the Bengal Chamber of Commerce under the title *Economic Milestones on the High Road to India's Prosperity* in which they say that it has been recently calculated that India's consumption of piece goods, which was 18 yards per head of population before the war, is now reduced to 10 yards. This is on page 15 of this pamphlet. I myself think there is a discrepancy between the figures which have been given in the Government publications and the figures given by the Bengal Chamber of Commerce. But I am quite sure that the Honourable Member would like to make investigations and find out what the discrepancy is due to.

The Honourable Sir George Schuster: I was quoting from an appendix to the Report of the Indian Tariff Board on the cotton textile industry inquiry. That Report gives figures up to the year 1925-26, and I have had compiled, on a similar basis, the figures for the years 1926-27 and 1927-28. I have no reason to doubt the accuracy of the figures procured by the Tariff Board, and I should like to have an opportunity to investigate the figures supplied by my Honourable friend. Sir, in connection with this question of cotton piece-goods, there is one other figure to which I should like to call attention, because it has a bearing on some of the arguments which we have heard in this debate to the effect that the policy in this country has been directed in the interests of British trade and contrary to the interests of India. The figures in this connection are very instructive. The total import of foreign piece-goods in the year 1899-1900 was about 2,200 million yards. In the year 1927-28 it was 1,900 million yards. At the same time the total production of piece-goods in India had increased from 1,300 million yards to 3,697 million yards. Therefore there has been an enormous increase in the home production, and a large decrease in the

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import of foreign goods. Sir, I think, one can say that, taking that very important industry, the direction of trade has been entirely in accordance with the views which my Honourable friend would support. Then, Sir, my Honourable friend suggested that, until the policy of deflation stops, there will be no chance of any improvement from other measures. I do not know, Sir, from where he gets his view that the Government is following a policy of deflation. It certainly has not been so since I have been connected with the finances of this country. Nor have I any evidence to show that deliberate deflation has been resorted to in recent years. I think that deals with most of the important questions on what I have described as specific criticisms of the Government's policy. There are other matters, but I think it will be unjustifiable for me to take up the time of the House any longer with these.

I will now turn to what I described as the general indictment of British policy in India. As regards the whole course of British policy over the 150 years of which we have records, I do not think that it will be appropriate for me to enter into any details now. That is a matter of history, and future generations will judge. What we are concerned with is the practical issue of how to carry on for the next year and the next few years. Now, on that point I should like to correct the impression which was given in speeches of Honourable Members as to my own view of the situation. It was apparently thought that I hold an extremely optimistic view of the position. I did say that I saw no reasons for forming a hasty judgment that matters were approaching a desperate situation as regards the industries of this country, but nothing that I said could justify the interpretation that I hold the view that we could now sit down in complacent satisfaction, feeling that there was nothing further for the Government to do. I took pains to express the view that I fully appreciated that the standard of living among the agricultural classes of this country was miserably low, and, so far as the Government can do anything in the matter, I certainly think that that should be one of the main lines of action which they should follow. My Honourable friend, Diwan Chaman Lall, suggested, I think, that, in days gone by, the Finance Members used to go about in disguise, *inognito*, in order to obtain reliable first hand information as to the situation. Nothing would give me greater pleasure than to be able to do that, if my Honourable friends will allow me time to get on with my work, and therefore to have spare time to travel about the country. But I don't think I shall choose my Honourable and learned friend to accompany me. I think I will choose someone who looks less prosperous and more like a son of the soil. (Cheers and Laughter.) But, Sir, whatever our wishes may be in this matter, the limitations on what Government can do are very great. The powers of Government generally are limited, and the powers of the Government of India are particularly limited owing to special difficulties.

My Honourable friend, the learned Pandit Motilal Nehru, who, I am sorry to see, is not here, referred us, in the course of his speech, to conditions in Czecho-Slovakia, and he drew the conclusion from the fact that a new country there had been able to establish self-government in a very short time from no beginnings at all, and carry on the business of Government successfully, that a similar thing could be done in India. I think it is an interesting argument and that there is much to be learned from what is happening in those countries, but I would say that there is a great deal

also to be learnt as to the differences that exist. Czecho-Slovakia is a small country, filled with educated people, with good roads and railways, containing within its borders all the coal mines and all the textile manufacturing works, which formerly served to supply the whole of the dual monarchy of Austria-Hungary. It is an exceptionally rich corner of the earth, and has exceptionally natural advantages. It is a comparatively easy problem to restore financial conditions, and to build up a system of government in a country like that. Honourable Members must realise that it is a different thing to deal with an enormous continent like India, with its vast distances, its 300 millions of people, many of whom are still in a primitive stage of civilization. Then there are special limitations for this Government in that we are only the Central Government, furnished with limited powers, and a great deal of criticism heard in the course of the debate is criticism which should more properly be directed against Provincial Governments. After all, agriculture is not only a provincial subject, but it is a transferred subject, a subject in which some measure of responsible government has been introduced, and although we can do much from the Central Government in giving a lead in a matter like agricultural research, as to which a start is going to be made, we cannot really, from the Central Government, control the direct development of agriculture. But, in spite of these difficulties, I quite agree that we must not sit down and do nothing. But there are two necessary conditions for success in any part that we can play. The first is money, about which I have already spoken, and the second I would say is co-operation. We do want the support of public opinion. Much has been said, in the course of the Honourable Members' speeches about conditions in the country. We have heard, for instance, a great deal about the miserable housing conditions in Bombay. I, Sir, welcome such criticism, and such expressions of opinion, if they are a genuine representation of public opinion, if they mean that public opinion is awakening to these things, and is ready to put pressure on Government to improve them. That is entirely a development in the right direction. But if they are merely expressions of criticism of the Government, and not intended for the amelioration of the conditions themselves, then one cannot view them with any such favour. The possibility of getting from an Assembly of this kind a genuine expression of public opinion is the possibility which gives value to the debates in this Chamber. Now, I am quite willing to accept that most of the speeches which we have heard from Honourable Members opposite did represent genuine, heartfelt expressions of public opinion. But if I am willing to give credit to Honourable Members for honesty in this matter, I trust they will give us, on these Benches, some corresponding credit. I am not sure that they always do so, and speaking from my own short experience here, I should like to deal with two special examples.

The first matter I have to refer to is this question of a banking inquiry. Now, Sir, if anyone ever, on the Government Benches, made a genuine effort to meet the popular demand for a measure which was considered to be necessary in the interests of this country, I made that effort in trying to start this banking inquiry. (Hear, hear.) I started it deliberately on lines which would enable me to say to all who were interested in the subject: "This is your show. I want you to suggest the way in which it should be done and give you as great a latitude in securing it as possible." Naturally, if I am to be responsible for the result, I must do something to see that the inquiry is properly directed, that is, directed to the right objective, and likely to obtain a useful result. The basis on which I sketched the lines of this

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inquiry was that we were to get, in the first place, a picture of local conditions and recommendations based on that picture, made by people who had first-hand knowledge of local conditions, but that, as the desire was to introduce something in the nature of new measures, it would be of the greatest value to supplement local knowledge and experience with practical experience of men who had knowledge of the development of banking systems in other countries which had attained a further stage of economic development. I cannot conceive any more reasonable idea. It was to be a blending of local knowledge with the wider experience which is not available in this country. But even that has been criticised from the opposite side. One must expect to get a certain amount of criticism. It is impossible to please everybody, but there seems to be something more than this underlying the general nature of the remarks which have been made on this question. I had attempted to get the feeling of this Assembly by consulting the Leaders of the various political parties. I know of no other means by which one could get at the feeling of the Assembly on matters of this kind. Yet I am now told that all these discussions have taken place without the knowledge of the Members on the back benches, and that if I imagined that I had got the feeling of the Assembly with me, I was very much mistaken. That is a very disheartening announcement to hear, and I say here and now, I am not prepared to go on with the banking inquiry unless I can get an assurance from the Leaders of the various Parties that I have got the feeling of the Assembly with me in this matter. (Hear, hear.)

An Honourable Member: You have got it from the National Party Leader.

The Honourable Sir George Schuster: I have, and I have accepted it with great gratitude. I would have liked to have said at the opening of my remarks, that I recognised the speech of the Leader of the National Party as being a most valuable contribution to the debate, and I should like to express my gratitude to him for having restored the debate to the level of a common humanity from which at times it had shown signs of dropping.

Mr. Fazal Ibrahim Rahimtulla (Bombay Central Division: Muham-madan Rural): On a point of personal explanation, Sir, I think the Honourable Member is referring to the speech, I made in this House. I said, and made it perfectly clear when I interrupted Pandit Malaviya, that, if Government wanted the opinion of the Parties as such, the usual procedure was that they should write to the Secretary of the Party and the Party, after discussing the matter should submit their view. If they want the personal opinion of the Leaders, I have not the least objection. I did not impute any motive either to the Leaders or to the Honourable the Finance Member who asked the Leaders for their opinion. I was given the impression that the Leaders had discussed it, and I was asked pointedly whether I knew anything about it, and therefore I had to reply that the Party, as such, did not know anything about it.

Mr. President: Has the Honourable Member got confidence in his Leader or not? In a matter of this kind, unless Honourable Members are prepared to place confidence in their Leaders, things cannot get on.

Mr. Fazal Ibrahim Rahimtulla: We have confidence in our Leaders and I have full confidence in my Leader. The question is not, whether we have confidence in our Leaders or not, but it is the question as to what is the right procedure. If Government wished to obtain the opinion of the Party, the right procedure was to do it formally.

The Honourable Sir George Schuster: I am very glad to receive the explanation of my Honourable friend. If, from ignorance of the customs, I addressed, in the first place, the Leaders of parties instead of the Secretaries of the parties, the mistake is mine.

Mr. President: I share that blame with the Honourable Member.

The Honourable Sir George Schuster: Thank you, Sir, for recalling to the House that I consulted you about the procedure. But the point of substance remains and it is this. I say it in no aggressive spirit, but I wish to make my position perfectly clear that, in proceeding with this banking inquiry, I wished to do something which I understood was the general wish of the whole of this Assembly and of the general public which is interested in these matters, and that, unless I am satisfied that I am carrying the House with me, I do not propose to proceed with the inquiry. I have not the slightest doubt that the Leaders of the various Parties will be able to give me that assurance, but I do wish, as the question has been raised by several Members on the back benches—not only my Honourable friend, but four other Members have referred to the question—as that question has been raised, I do wish to make the issue perfectly clear. Sir, this is one instance that I would refer to.

The other instance that I would take is the question of civil aviation. Now, Sir, I think all the Members of the Standing Finance Committee will bear me out that, in discussing the Government's policy on civil aviation, when we have had before us the additional demand required for this year, no one could have taken greater pains than I did to satisfy the wishes of all Members present to ascertain what policy they stood for, and to give them the assurance that, whatever business was done, would be done in a way which would satisfy their idea as to what a proper policy should be. (Hear, hear.) I entirely agreed, in general principle, with the policy which was advocated most ably by my Honourable friend Mr. Haji. I entirely agreed with him that, whatever the Government did to encourage civil aviation in this country, they should take steps to see that, where a Government subsidy was given, it should not be used to establish what might be described as a foreign monopoly, in such a way that the chances of development of Indian aviation would be prejudiced. (Hear, hear.) It has been an extremely difficult thing to discuss before the Standing Finance Committee practical business arrangements when we have not entered into definite negotiations with any particular group, and when, because we were dealing with tenders which could not be disclosed, it was not possible to make clear to the Members of the Committee the exact terms on which arrangements could possibly be made. The Members of the Standing Finance Committee were ready to appreciate the situation, and they helped me very much in arriving at a definition of certain broad lines on which they were prepared to say they would approve the grant, and were prepared to say in advance that they would approve any expenditure undertaken on those lines. In spite of that, Sir, my Honourable friend Mr. Jannadas Mehta referred to what he understood to be the arrangement,

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and I think I may say that he referred to it with some measure of criticism. His criticism was not at all bitter, but he seemed to be uncomfortable as to what was likely to be arranged. Now, Sir, the proceedings of the Standing Finance Committee have, as a matter of fact, been fully reported in a recent number of the *Pioneer*, so that everybody knows exactly what the minutes of the last meeting were. There is nothing further to be said on the matter, but the point again that I want to make clear is this. In the case of the banking inquiry, I seem to have consulted the Leaders of Parties and there seems to be some doubt as to whether I have carried the back benches party with me. In the case of civil aviation, I have, on the Standing Finance Committee, come into touch with Members from the back benches of the various parties, and there seems to be some doubt whether I have carried the Leaders with me. I submit that makes it very difficult for anybody on these Benches, who wishes to follow a policy in accordance with the public opinion which is represented in this Assembly, it makes it very difficult for him to know how to proceed, and I submit that a great deal of the criticism which is levelled against the Government that they do not take public opinion into account is unjustified, and judging from these two instances which have come within my own short experience. I think it is possible for Honourable Members to give us, on this side, much greater assistance than they do. Now, Sir, on this subject of civil aviation, I particularly expressed the wish to Honourable Members, who were interested in the matter, that they should endeavour to get time to discuss it in connection with the Demands for Grants. I think it would have been easy to arrange for time to discuss an important matter of public policy of this kind. I quite agree that it is reasonable that Leaders on the other side should wish to take the occasion of the Demands for Grants to bring up those political issues which they consider to be of dominating importance; but surely, Sir, it is possible to arrange that their discussions should be concluded in some shorter space of time than we have experienced, and, if Honourable Members are really interested in taking advantage of opportunities for debate in this Assembly for giving guidance to a Government which wants to help them, then I think, they can do, as I said just now, a great deal more to help these Benches than they do now.

Sir, as I said, in dealing with my Honourable friend, Pandit Madan Mohan Malaviya, I hope he will allow me to take him as representing that first view of dealing with the Government's proposals which I regard as the constructive view. At least, in his own speech—I do not know what action his Party is going to take—at least in his own speech, he seemed to me to be offering constructive help; and not passing merely destructive criticism of the Government.

I should now like to turn to those who represent that other view, the view of destructive criticism. Perhaps I might take, as a typical exponent of that view, my Honourable friend, Mr. Srinivasa Iyengar, who opened this debate. (Laughter.) He told us, in opening his speech, that he was a very pleasant man. (Laughter.) Sir, it was quite unnecessary to say that. It was obvious. But, under his very pleasant manner, I found it somewhat difficult to discover any pleasant matter. (Laughter.) Indeed I found it somewhat difficult to discover any matter at all; in the sense of

material which is relevant to the discussion of the Finance Bill. But he did represent that destructive view and there are two of his main points which I should like to deal with. The first point was the criticism of the small proportion of votable expenditure in the budget. I have already dealt with one subject in this connection, and I need not go over that argument again, but I do think that, however small the proportion of votable expenditure in the budget is, it contains a large number of subjects which are of great moment to this country,—to the every-day life in this country, and Honourable Members have not taken the opportunity which they might have taken for discussing these subjects of great interest.

His second point was the unconstitutional action of the Government in restoring those grants which have been cut out by a majority of the Assembly. He said the Government was disregarding the will of the House, and that I myself did not know my duty. My duty was to advise the Governor General not to restore the cuts. Sir, we had a very entertaining speech from my Honourable friend the other day when we were discussing the provision of money for travelling allowance to the Executive Councillors. I understood the general tenor of his remarks to be, the keynote of what he said to be, "For heaven's sake let us get down to business; what is the use of talking, when you cannot deliver the goods. I have got no use for any sort of discussion which does not mean business". Well, Sir, what could be more unbusinesslike in my Honourable friend's proposals? Does he seriously propose that the whole of the existing organisation of Government should be scrapped without any substitute available to take its place? Surely, we on these Benches must carry on the business of the Government until some change is possible, and I say that, anybody who attempts to interfere with our conduct of this business, as long as we are responsible for the administration of this country, is guilty of an irresponsible and unbusinesslike action. (Applause.) My Honourable friend asked, "What does the Government intend"? Sir, I think it is a very simple question; it is very simple to explain what the Government intends, and what the Government is going to do. I would like to go back, Sir, to that debate to which my Honourable friend made his most valuable contribution. In that debate, Sir, we heard some differences of opinion. It was not my privilege to speak in the debate, but I did have the pleasure of listening to my Honourable colleague, Sir George Rainy, and I would like to say this; that I think the Honourable Pandit Madan Mohan Malaviya was perhaps slightly unfair to my Honourable colleague in his remarks yesterday when he said that he thought my colleague was attempting to score a cheap point about the differences that were disclosed during the course of that debate. Sir, I am sure that nothing was further from his intentions. Speaking for myself—and I am sure I speak for all the Members on these Benches—I listened to that debate with a certain feeling of embarrassment. I felt, if I may say so, rather like a stranger who happens to be present at a family quarrel. Now, Sir, families do quarrel, and any stranger with decent feelings is not happy when he is present at one of those quarrels. And the last thing that we want to do is to score a cheap point out of the fact that we had been present at the quarrel. I say, Sir—and again I am sure I am speaking for all my colleagues on these Benches—that we recognise that what we have before us belongs to a single family, and that the underlying unity is much greater than any differences which may appear on the surface. But, Sir, if we are prepared to take this view, there are two observations which I should like to make, arising out of that. In

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the first place, if we are prepared to look behind the differences which do exist between individual leaders on the other side and say "These are matters only on the surface, and underneath it all there is real unity of feeling in the demand for a true form of responsible Government"—if we are prepared to say that to you, I think you ought to be prepared to do the same thing to us. What I mean by this is, that you ought not to select the utterances of any particular public man in England and say to us, "You don't mean business." You ought to realise, and I say it with the greatest conviction, that underneath whatever may be said or done in England, there is an absolutely genuine determination, on the part of the British people, to honour the pledge of 1917. (*An Honourable Member*: "No, Sir".) As I believe you when you say that you represent one people, I also believe most firmly that the British people mean business in this matter.

The second observation I would make is this: that although we do not want to exaggerate those differences which were disclosed, I think we are entitled to say that as a result of the debate that we have had, "here at least there is a case for a calm and impartial inquiry". Even those who take the lowest view of the responsibility of the British Government in this matter must admit that the British Government must at least be a party to any arrangement which is made; and, if the British Government is to be a party to such an arrangement, surely it must inquire into the situation. And that is all that is being done now. I say to my Honourable friend: "That is business-like action." If you are going to undertake important business, or enter into any arrangement which means the transfer of enormous responsibilities from one party to the other, surely you will inquire into the situation before you do so. I can imagine nothing more business-like than that; nor can I imagine anything more unbusiness-like than that, having embarked on this inquiry, we should desist from it before it is completed, because of objections raised by some party outside.

Sir, these are all very elementary points, but it is necessary to be clear about them. And when my Honourable friend asks, "What is Government going to do?" I say to him that our duty is very clear. Our duty is to carry on with the administration of this Government as best we may, and in spite of any opposition which is offered to us, until a change is introduced. We can take no other course. Having said that, Sir, I sincerely feel that, in a great deal that we can do, there is room for co-operation between us. I have said that already, and I should like to repeat it. And that brings me to my last point today, in connection with the remarks which fell from the Honourable the Leader of the Opposition. I refer not only to what he has said in this debate, but to what he has said in the course of the other discussion, where he dealt with a passage from my original budget speech. It will be remembered, Sir, that in very restrained and very respectful terms, I issued a note of warning in my budget speech—restrained because, coming as a stranger among you, I was diffident as to what I should say, respectful, because I have the greatest respect for the Honourable and learned Pandit. But, Sir, I meant what I said, and I could have said a great deal more than I did on that subject. I appealed to the Honourable Pandit and to the Members opposite to consider, in all that they did within the next few months, that anything which created a general feeling of political instability, or of disturbed

political conditions, might react very severely on, and to the great detriment of, the general masses of the country. My Honourable friend has said that he has higher objects in view. I quite agree with him that the objects which he has in view take their place in a higher scale of value than anything like mere material prosperity. I do not quarrel with him on that point. I do not say that I agree with his particular object, but I agree that the nature of the object is in a higher scale of value. But, Sir, the attainment of those objects is of no value to anybody unless there is some underlying material prosperity, or at least a certain minimum of material prosperity. Political liberty is of no value to a starving people. Now, Sir, I do not want to exaggerate the picture, but I do say this with all seriousness. I attempted, in my Budget speech, to lay before the Members of this House a true and unvarnished account of the Government's financial position. I did not disguise the fact that we have certain difficult passages to negotiate, and if we cannot negotiate those passages with success, it is bound to react upon the general business of the country. Now we have heard on all sides that the general business of the country today is in a very serious condition. It is in a condition, a low condition, in which any further shock is likely to have a serious effect. I think that, if the view gets abroad that there is a likelihood of serious political disturbance ahead, it is bound to increase the difficulties of the Government and the difficulties of private business. Now I particularly do not wish to exaggerate this matter and I do not wish to say things which are going to cause a general feeling of pessimism abroad, but I get evidence every week that very large sums of Indian money are being invested in foreign securities by people who are losing confidence in Indian securities. Now that movement, if it goes on, might have disastrous effects on the business of the country. I am sure that my Honourable friend, Sir Purshotamdas Thakurdas, will bear me out in that. I do not ask him to agree with me as to what is happening, but I am sure he will bear me out in saying that, if it does happen, it would have disastrous effects on the business of the country. And although this may be only a temporary phase, and although material things are of comparatively minor importance, still, at the present stage of the country's development, I think that it would react right through the country, on everybody—agriculturists and the poorer classes employed in the mills as well. I would ask my Honourable friend to take these words seriously. I do not ask him to give up one bit of his political theory. None of us would take an unfair advantage of his co-operation. But I do appeal to him to take into account the general interests of the country; and, Sir, I would say this, that the result of co-operation in that manner would not in any way weaken the cause for which he stands. I would say rather, that it would encourage a sense and appreciation of the responsibility of those who sit on the opposite Benches—an appreciation of their responsibility throughout the country, which would hasten the realisation of that day for which we all—and I say it, Sir, without any hesitation or reservation—for which we all are equally anxious, namely, the realisation of the pledges given by the British Government in 1917. (Applause.)

Mr. President: The question is:

"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, 1896, further to amend the Indian Paper Currency Act, 1923, to fix rates of income-tax, and to raise the import and excise duties on motor spirit, be taken into consideration."

The Assembly divided:

AYES—64.

Abdul Aziz, Khan Bahadur Mian.
Abdul Matin Chaudhury, Maulvi.
Abdullah Haji Kasim, Khan Bahadur
Haji.
Ahmed, Mr. K.
Alexander, Mr. William.
Allison, Mr. F. W.
Anwar-ul-Azim, Mr.
Ashrafuddin Ahmed, Khan Bahadur
Nawabzada Sayid.
Bajpai, Mr. G. S.
Bower, Mr. E. H. M.
Bray, Sir Denys.
Chalmers, Mr. T. A.
Chatterjee, The Revd. J. C.
Coatman, Mr. J.
Cocke, Sir Hugh.
Cosgrave, Mr. W. A.
Crawford, Colonel J. D.
Crerar, The Honourable Mr. J.
Dalal, Sardar Sir Bomanji.
French, Mr. J. C.
Gavin-Jones, Mr. T.
Ghazanfar Ali Khan, Mr.
Ghuznavi, Mr. A. H.
Gidney, Lieut.-Colonel H. A. J.
Gour, Sir Hari Singh.
Hira Singh, Brar, Sardar Bahadur,
Honorary Captain.
Hussain Shah, Sayyed.
Jowahir Singh, Sardar Bahadur
Sardar.
Keane, Mr. M.
Kikabhai Premchand, Mr.
Lall, Mr. S.
Lamb, Mr. W. S.

Lindsay, Sir Darcy.
Mitra, The Honourable Sir Bhupendra
Nath.
Mitter, The Honourable Sir Brojendra.
Mohammad Ismail Khan, Haji
Chaudhury.
Muhammad Nawaz Khan, Sardar.
Mukharji, Rai Bahadur A. K.
Mukherjee, Mr. S. C.
Purshotamdas Thakurdas, Sir.
Rafique, Mr. Muhammad.
Rahimtulla, Mr. Fazal Ibrahim.
Rainy, The Honourable Sir George.
Rajan Bakhsh Shah, Khan Bahadur
Makhдум Syed.
Rao, Mr. V. Panduranga.
Rau, Mr. H. Shankar.
Rau, Mr. P. R.
Rogers, Mr. P. G.
Roy, Mr. K. C.
Roy, Rai Bahadur Tarit Bhusan.
Schuster, The Honourable Sir George.
Shah Nawaz, Mian Mohammad.
Shillidy, Mr. J. A.
Simpson, Sir James.
Singh, Rai Bahadur S. N.
Singh, Raja Raghunandan Prasad.
Stevenson, Mr. H. L.
Sykes, Mr. E. F.
Tirloki Nath, Lala.
Webb, Mr. M.
Yakub, Maulvi Muhammad.
Yamin Khan, Mr. Muhammad.
Young, Mr. G. M.
Zulfiqar Ali Khan, Nawab Sir.

NOES—39.

Acharya, Mr. M. K.
Aiyangar, Mr. C. Duraiswamy.
Ayyangar, Mr. K. V. Rangaswami.
Ayyangar, Mr. M. S. Sessa.
Belvi, Mr. D. V.
Bhargava, Pandit Thakar Das.
Chaman Lall, Diwan.
Chunder, Mr. N. C.
Das, Pandit Nilakantha.
Dutt, Mr. Amar Nath.
Dutta, Mr. Srish Chandra.
Farookhi, Mr. Abdul Latif Saheb.
Goswami, Mr. T. C.
Gulab Singh, Sardar.
Hans Raj, Lala.
Iyengar, Mr. A. Rangaswami.
Iyengar, Mr. S. Srinivasa.
Jogiah, Mr. V. V.
Kartar Singh, Sardar.
Kidwai, Mr. Rafi Ahmad.

Mehta, Mr. Jannadas M.
Misra, Mr. Dwarka Prasad.
Mitra, Mr. S. C.
Murtuza, Saheb Bahadur, Maulvi
Sayyid.
Naidu, Mr. B. P.
Nehru, Pandit Motilal.
Neogy, Mr. K. C.
Phookun, Sriji T. R.
Roy, Mr. B. C.
Sarfaraz Hussain Khan, Khan
Bahadur.
Shafee, Maulvi Mohammad.
Shervani, Mr. T. A. K.
Singh, Mr. Gaya Prasad.
Singh, Mr. Narayan Prasad.
Singh, Mr. Ram Narayan.
Sinha, Kumar Ganganand.
Sinha, Mr. Rajivaranjan Prasad.
Sinha, Mr. Siddheswar Prasad.
Tok Kyi, U.

The motion was adopted.

Mr. President: The House will now consider the Finance Bill clause by clause. The question is:

"That clause 2 stand part of the Bill."

Mr. Ram Narayan Singh. There are two amendments in the name of the Honourable Member—amendments Nos. 2 and 3. Both relate to the same subject, and can be moved together as one amendment.

Mr. Ram Narayan Singh (Chota Nagpur Division: Non-Muhammadan): Sir, as suggested by you, I shall put these two amendments together. My first amendment is that:

"In clause 2 of the Bill, after the words, 'to impose' the words, 'or to remit' be inserted."

The second amendment is:

"In clause 2 of the Bill, for all the words occurring after the words, 'the 1st day of April, 1929,' the following be substituted:

'they remitted all such duties hitherto imposed on salt manufactured in or imported by land into any such part, and such remissions of duties shall, for the purposes of the said Act, be deemed to have been effected by rule made under that section.'

The amended clause will run thus:

"The provisions of section 7 of the Indian Salt Act, 1882, shall, in so far as they enable the Governor General in Council to impose or to remit, by rule made under that section, a duty on salt manufactured in, or imported into, any part of British India other than Burma and Aden be construed as if, with effect from the 1st day of April, 1929, they remitted all such duties hitherto imposed on salt manufactured in, or imported by land into, any such part, and such remissions of duties shall, for the purposes of the said Act, be deemed to have been effected by rule made under that section."

Sir, before I say anything in support of these, my amendments, I would bring to the notice of the House and to the notice of the Honourable Sir George Schuster that I have tabled another amendment levying taxes on motor cars motor lorries, motor cycles and their accessories. The Honourable Sir George Schuster always requests us to assist him. I have therefore proposed that I should be fair to him, and as he is a new Finance Member, I shall not put him to any loss or any difficulties in finding out

that money. After calculating the amount, I found, that, if that amendment is carried, I think he will get only about 2 crores of rupees, and still he will be in need of some more money. He can, with your permission, bring in another amendment and get the amount from other sources.

An Honourable Member: What are those sources?

Mr. Ram Narayan Singh: There are several sources, and they can find out those sources for themselves.

Now, Sir, by this clause the Honourable Sir George Schuster wants a sum of Rs. 634 crores 64 lakhs. In order to realise this sum, he will have to maintain a very large staff, for which he will have to spend 133 crores and 98 lakhs. The net revenue that he will get will be only 5 crores and 66 lakhs. Of course, if this amendment is carried, there will be a loss, but I have suggested a way, in order to assist the Honourable the Finance Member, by which this loss can be compensated.

[Mr. Ram Narayan Singh.]

Sir, when a tax is proposed, we have to consider several things. We have to consider whether there is any necessity for such a tax; we have to consider what is the object of the tax; and we have also to consider the effects of the tax on the general mass of the population. Sir, so far as the necessity for this tax is concerned, I have already said that this necessity can be met from other sources, and if this proposal is not accepted, I think the Government can as well manage without the sum that is now asked for. Then as regards the object, I submit, Sir, that this is not pure. The poor are going to be taxed; beggars in the streets are going to be taxed, to maintain a huge army, in order to keep the people in perpetual slavery as well as to terrorise and suppress other weak nations in other parts of the world. Further, the sum which the Honourable the Finance Member asks for will be spent for maintaining the Executive Council, and we know what the Executive Council is doing. They sit and make plans and prepare programmes for repressive measures in the country, and we have heard this morning something about the raids and arrests that are being made all over India.

Now, Sir, so far as the method of taxation is concerned, as far as I have read, economists all over the world hold that direct taxation is desirable. Let everybody know what he is going to be charged, what he has to pay as a price for his liberty and safety, if there are such things in this country. Sir, the ways in which these indirect taxes are levied here are more or less akin to the ways of pickpockets, cheats and thieves, who do not allow the people to know what they are going to take from them. Besides that, if any indirect tax is to be imposed, they do not consider that only the articles of luxury should be taxed. As a matter of fact, only the articles of luxury should be taxed. Things of universal necessity ought not to be taxed, much less the articles of food. Sir, we have a very glorious past behind us before this Government came into existence. We know what were the principles which were followed in the past. The King of a country was regarded something like the Sun. Just as the Sun takes away water from very big rivers, from the high seas and oceans by process of evaporation and distributes it by process of rains equally all over the world, over mountains, over wide fields, over trees, over creepers without any distinction whatever, so the King ought to levy taxes on the richer classes; he ought to take money by process of taxation from those rich people in whose hands, by process of time, the national wealth has accumulated, and that sum ought to be distributed equally among all classes of people by way of providing to them all the advantages available from a government such as protection, liberty, justice, education, means of progress and so on and so forth. In this way, taxes were levied and spent in the past. This is the way in which taxes ought to be levied today. But this Government is not going to follow any rules like that. They will tax the rich and the poor alike. This method of taxing reminds me of a proverb that is generally known in the mofussil. "*Andher nagari chauvat Raja, take ser bhaji take ser khaja*". It means that, when an idiot reigns, there is chaos in the city, and every article of food, sweets as well as vegetables, sell at the same rate of two pice per seer. Sir, this is exactly the position in which we stand today. This Government is not going to consider, or perhaps they have not the capacity to consider, from whom money ought to be taken, to keep the administration going, and they are taxing both the rich and the poor alike. My friend, Mr. Sesha Ayyangar,

said yesterday that if we make a calculation, we shall find that the poor are taxed much more heavily than the rich. Last year they remitted taxes on motor cars, tyres and such like luxuries. What does it mean? It means that they are going to help the rich people of this country; not only that, they are going to help the industries of foreign countries, and in this way drain the money of this country. Sir, I think that the Honourable Sir George Schuster appears to be a very sympathetic gentleman, and if he has got any sympathy for the poor, then he should translate the expressions which he utters with his sweet tongue, into action, and show his sympathy for the poor. I told you, Sir, that in my district, at least one-fourth of the population, for several months in the year, do not get any corn for their food. They live on roots, fruits and leaves of trees in jungles. I ask the Honourable the Finance Member, is it wisdom to tax such people? As I have said already, there should be principle and justice in taxation, and the salt tax is the blackest record in the black history of the British rule in India. I hope therefore that every Member of this House will support the amendment. With these words I commend the motion to the House. I hope that every Honourable Member, whether he be a Hindu or a Moslem, whether he belongs to this party or that party, will support my motion. Sometimes I have seen that people keep neutral. I would tell them that it is not good to be a neuter gender.

Mr. President: Order, order.

Mr. Ram Narayan Singh: I bow to your ruling, Sir. The straightest way ought to be followed. If the Government require money, and if Honourable Members are anxious to give them money, then let them directly support the Government and go into the Government lobby. But if they think, in their heart of hearts, that the Government is bad, if they think that millions of people require salt and that they ought not to be taxed, then they should vote with us in the lobby to which we go. One thing more and I have done. In our part of the country, there was a community known as *Noniya* community. I believe in other parts of the country also there are such communities. They used to prepare salt for the whole community in every village. By this salt duty this community has been annihilated, and the credit for that ought to go to the Government. This was a great industry. This was a cottage industry. The salt industry dates from time immemorial, from the time man came into existence, from the time that human beings began to live in India. It was a national industry and a cottage industry and the *Noniya* people used to manufacture it. With one more request to my Honourable friends to support my amendment I resume my seat.

Mr. President: Mr. Acharya.

Mr. M. K. Acharya (South Arcot *cum* Chingleput: Non-Muhammadan Rural): Sir,

Pandit Nilakantha Das (Orissa Division: Non-Muhammadan): May I rise to a point of order? I presume you will allow my Honourable friend Mr. Acharya to move his amendment at this stage, and if so, I rise to a point of order. That amendment is for reducing the duty from Rs. 1-4-0 to four annas. I have got an amendment which is No. 8 on the list. It is remitting the salt duty in its entire extent.

Mr. President: That is what Mr. Ram Narayan Singh wants.

Pandit Nilakantha Das: As I understood his amendment, he remits the salt duties imposed since the days of British rule or the East India Company.

Mr. President: I am unable to differentiate between the amendment of Mr. Ram Narayan Singh and that of the Honourable Member. I thought the amendments of both the Members were the same, namely, that they wanted the remission of the tax altogether.

Mr. C. Duraiswamy Aiyangar: (Madras ceded districts and Chittoor: Non-Muhammadan Rural): May I point out, Sir, that the amendment in the name of Pandit Nilakantha Das is different from that in the name of Mr. Ram Narayan Singh? Pandit Nilakantha Das's amendment and my amendment will retain the duty of Rs. 1-4-0 upon imported salt, but will take away the duty on locally manufactured salt either wholly or to the extent of twelve annas according as it is proposed. Therefore there is a considerable difference between the amendment proposed by my Honourable friend Mr. Ram Narayan Singh and that proposed by myself and Pandit Nilakantha Das.

Mr. President: I wonder if Government accept that view.

The Honourable Sir George Schuster: I understand that the interpretation of Mr. Ram Narayan Singh's amendment is the abolition of all salt duties. I was not quite clear myself, on the wording, whether he intended only to abolish the duty on salt manufactured in India and imported by land into India, or whether he intended to abolish both the import duty on foreign salt and the excise duty. But I understand from what my Honourable friend has said now, that he intended to move the abolition of all salt duty, that is, duty on imported salt, as well as on salt manufactured in India. In that case his amendment is substantially different from that proposed by Mr. Duraiswamy Aiyangar.

Mr. President: In that case, I will ask Pandit Nilakantha Das to move his amendment.

Mr. C. Duraiswamy Aiyangar: May I make a suggestion to the Chair that all the amendments might be first moved and discussion take place thereon and ultimately the questions may be put?

Mr. President: Pandit Nilakantha Das.

Pandit Nilakantha Das: My amendment is:

"To clause 2 of the Bill the following be added at the end:

'and the said provisions shall, in so far as they enable the Governor General in Council to remit any duty so imposed, be construed as if, with effect from the 1st day of April, 1929, they remitted the duty to the extent of the said one rupee and four annas and such remission shall be deemed to have been made out of the leviable duty by rule made under that section.'

The whole clause will then read like this as amended:

"The provisions of section 7 of the Indian Salt Act, 1882, shall, in so far as they enable the Governor General in Council to impose by rule made under that section a duty on salt manufactured in, or imported into, any part of British India other than

Burma and Aden, be construed as if, with effect from the 1st day of April, 1929, they imposed such duty at the rate of one rupee and four annas per maund of eighty-two and two-sevenths pounds avoirdupois of salt manufactured in, or imported by land into, any such part, and such duty shall, for all the purposes of the said Act, be deemed to have been imposed by rule made under that section, and the said provisions shall, in so far as they enable the Governor General in Council to remit any duty so imposed, be construed as if, with effect from the 1st day of April, 1929, they remitted the duty to the extent of the said one rupee and four annas and such remission shall be deemed to have been made out of the leviable duty by rule made under that section."

Section 7 of the Salt Act, 1882, provides:

"The Governor General in Council may from time to time, by rule consistent with this Act,—

- (a) impose a duty, not exceeding three rupees per maund of 82 $\frac{2}{7}$ pounds avoirdupois, on salt manufactured in, or imported by land into, any part of British India;"
- (b) (*My amendment is under this*) 'reduce or remit any duty so imposed, and re-impose any duty so reduced or remitted'."

From time to time, duties have been remitted by notification under this particular clause. In 1893, in the case of salt manufactured in the Punjab mines, the duty was remitted for salt used in glazed earthen ware. On another occasion in case of Madras salt sent out to Travancore and other places. There are other instances also quoted in the foot note of the section and clause. So, under this amendment, if it is carried, the effect will be that the duty will be levied, and that duty, so far as Indian indigenous salt is concerned, will be remitted entirely to the extent of Rs. 1-4-0. The idea is that the tariff duty on foreign salt is just as much as the excise duty on salt manufactured in India. If we have Rs. 1-4-0 as excise salt duty on salt manufactured in Bengal, say, then the tariff duty on the salt which is imported into Bengal from Liverpool or Germany will be just Rs. 1-4-0. If we say, we have no duty here, then the import duty goes, as a matter of course. When there is no imposition of excise duty, there is no standard by which we can levy a duty on imported salt. So the excise duty there technically, according to my amendment, remains untouched. That excise duty will be remitted, though technically it will be there on the Statute-book for the purpose of the tariff duty on imported salt. That is the idea of my amendment.

Sir, I was just listening to the very sweet and what I may call beautifully persuasive speech of my Honourable friend, Sir George Schuster.

Mr. President: He did not persuade you?

Pandit Nilakantha Das: It was persuasive all the same. He did, Sir, but perhaps could not persuade me. I quite realise his position and if he could carry the sweetness of his tongue to the depths of his heart, he would be the first man, before I make any speech, to prove my case, to accept my amendment and pour oil over all agitation here. For, this salt tax is the centre of the objectionable features of the Finance Bill, so far as the economic aspect of it is concerned, this salt tax is the crux of the whole problem. He may not have known it. He is new to this House. Year after year, this salt tax has been, as my friends described it, a hardy annual. I think my amendment requires little persuasion on this side of the House. I know we shall be very strong in carrying this measure, for this measure

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requires little persuasion to the representatives of the people, irrespective of their political opinions. On this question, I must apologise to you, Sir. Our memories are not only long and painful, but to some utterly unpalatable and even galling.

This salt tax painfully puts me in mind of a tax, which I call mediæval, I may even call it primitive. It is, Sir, a poll tax, and as such, is full of the humiliating memory of the days and dealings of ancient slavery as well as mediæval fanaticism. I need not go into details of this historical significance of the problem for obvious reasons. Let me say this much, that it is all unseemly for a people to fight with their Government in this second quarter of the 20th century on the issue of a tax round which clings the associations of barbarism.

It is a poll tax, a capitation tax, and more so from the view-point of the Government. We know, it can be proved on authority that consumption of salt decreases, when the tax is increased. But to the Government the consumption is inelastic. What else is it then but a poll tax, a capitation tax? What else is the principle and significance of a capitation tax? True, it puts one in mind of the days of human slavery. Which Government was that that thought of poll taxes? Not an organised, not a civilised Government. A poll tax can only be thought of when the Government wants to make money out of the ignorance of the people. No Government would ever think of a poll tax. This salt-tax is a poll tax venerated over, with what the Government calls 'indirect', I mean, the principle of indirect taxation. It is a direct poll tax I say, and it is primitive in its character.

Mr. President: The Honourable Member is repeating the same thing over and over again.

Pandit Nilakantha Das: Am I? I am sorry, Sir, but this subject is so very painful.

Mr. President: That may be, but there are rules governing the debate in this House.

Pandit Nilakantha Das: I am not consciously doing it.

Mr. President: I am prepared to believe the Honourable Member!

Pandit Nilakantha Das: It is a tax which is levied on food. Rich people are not affected by this tax, although I don't say that rich people have nothing to do with the tax. It is a tax all the same, and they pay as much perhaps as the poorest man pays. It is in keeping with the character of the present Imperialistic civilization, which should no longer find its *pro sto* on the exploitation and oppression of the poor. For it has always been the function of Imperialism to exploit the property of the world where protection of such property is the weakest. The poor man is exploited and what else is this tax? It partakes of the distinct character of that Imperialistic policy of exploitation. It is a tax on human blood. The poor man is bled to find money for the coffers of the State under this tax.

I don't propose to pose as a chemist in this House, but I say salt has very much—perhaps 90 per cent.—to do with human blood, and when you tax salt you tax the poor man's blood. Poverty has been a sin for a long time and therefore it is being punished. But how much longer will it be punished like this? Whatever may be the character of my opposition to this tax, I say it should not be a source of revenue. Salt should not be a source of revenue. If you make it a source of revenue, as I remarked some time ago, you are always tempted to make it your sure reserve, a certain source of revenue. Many other taxes are there, they are not certain, but there is no uncertainty about the poor man, or even the rich man for all that, taking a pinch of salt. You are always tempted to grasp the poor man, to bleed the poor man. It engenders a sort of depravity which is not healthy to the cause of humanity. It stands to murder humanity in ignorance and weakness. This is such a tax.

You may say there is France, there is Italy, there is that Republic of Brazil. They have it, they have this salt tax. It does not matter if England does not have it. It has something else. We shall explain that later on, but big countries have it. Why should you not have it in India? There are examples in the West and in the countries Westernised. I know, but I refuse to enter into the circumstances which actuated them to put on this salt tax. I look within before I look without. What have I got to do with Brazil having a salt tax, I have not been to Brazil. You may have got many books, many accounts, this and that. Only yesterday my friend Mr. Chaman Lall's statements and mine were being questioned for our not having been personally to the tea gardens in Assam. For that reason our statements could not be regarded as authoritative. Whether authoritative or not, whether facts or not, whether reasonable or not, I don't go to question or to criticise what others are doing in this world. I ask myself what I should do, and I say, so far as I am concerned, I am not going to give any sanction whatsoever, moral or physical, for this tax on the poor man's blood.

Mr. President: Does the Honourable Member say "physical sanction"?

Pandit Nilakantha Das: Yes.

Mr. President: How can he give physical sanction?

Pandit Nilakantha Das: Physical sanction in voting. We are sometimes carried to the Lobby against our will. Sanction there is not mental or moral, I think it is physical. Is'nt it?

Mr. K. Ahmed: You will be hauled up to the police court!

Mr. President: It is not possible for the Honourable Member to finish before Lunch I suppose?

Pandit Nilakantha Das: I don't think so.

Mr. President: The House stands adjourned till a Quarter to Three.

The Assembly then adjourned for Lunch till a Quarter to Three of the Clock.

The Assembly re-assembled after Lunch at a Quarter to Three of the Clock, Mr. President in the Chair.

MOTION FOR ADJOURNMENT.

RAIDS AND ARRESTS IN SEVERAL PARTS OF INDIA.

Mr. President: I have just received the order of the Governor General for communication to the Legislative Assembly.

Mr. K. Ahmed: I anticipated it.

Mr. President:

"In exercise of the power conferred on me by sub-rule (2) of Rule 22 of the Indian Legislative Rules, I, Edward Frederick Lindley, Baron Irwin, hereby disallow the motion for adjournment, of which Pandit Motilal Nehru has this day given notice, on the ground that it cannot be moved without detriment to the public interest.

IRWIN,

Viceroy and Governor
General."

21st March, 1929.

THE INDIAN FINANCE BILL—contd.

Pandit Nilakantha Das: I was going to say, Sir, that the salt tax should not be made a source of revenue. One may very well ask if it is not to be a source of public revenue, what do you propose to have in its stead. There are two reasons for the total abolition of the entire tax on indigenous salt in India. I have got to explain them a little. One reason is that this is a measure of protection. The other day when Demands for Grants were being discussed, we carried a cut in the salt Demand on the issue that India should be made self-supporting in matters of salt. Indian salt should be made to supply the whole of India. There is a difficulty and the main difficulty is foreign imported salt. If we cannot make Indian salt, it was found out the other day—at least it was so given out—if we cannot make Indian salt very very cheap, as compared with foreign salt, we have no hope, at least for the next 20 years, of making India self-supporting so far as salt is concerned. It will be very difficult to put a very heavy protective tariff duty on imported salt. It will not look well for many reasons, salt tax being a poll tax, as I have said, it is a bad tax, it is obnoxious to tax the blood of man. Realising all this, and Indians as we are by culture, we have been all along throughout our historic tradition first members of humanity and then members of the nation, it is not for us to say, let English salt, German salt or Aden salt be taxed, not ours. It does not look well. But we are here constrained to give some protection to indigenous salt, and what is the compromise? I will give you here a compromise. The compromise is to remit the excise tax, *i.e.*, excise duty on indigenous salt. Then, this Rs. 1-4-0 per maund remains on imported salt and that is a measure of protection.

It is said that the people in Bengal, Bihar and Orissa and some parts of Assam have to depend entirely on foreign salt. They have also been made, during the course of the last hundred years or so, to contract a kind of liking, natural or artificial, whatever it be, they have been made to contract a kind of liking for foreign salt on account of its quality. Whatever that be, I hope my Honourable friend Pandit Duraiswamy Aiyangar, I mean Mr. Duraiswamy Aiyangar

Mr. G. Duraiswamy Aiyangar: I am a Pandit all right.

Pandit Nilakantha Das: My Honourable friend proved it home the other day that quality matters very little to the common man, even in Bengal and Assam. It is not a question of quality so much as the question of unavailability. It is not made available there. That is our position. But supposing a certain section of the people are attracted by its quality, they love foreign salt, they prefer it on account of its better quality. Admit, for the sake of argument, that it is so, I believe even the Members of Government will agree when I say that such a preference can be found only with the richer section of the community. It is quite natural that, when protection comes, the richer and the more enlightened section for that matter, who have been mainly responsible except Government, for killing the indigenous salt and for killing its market in Bengal, they ought to be made to pay for relieving the poor.

(At this stage Mr. President vacated the Chair which was taken by Mr. Deputy President.)

It will be a very small burden which such people will never, I believe, grudge to pay. It will be in the fitness of things that, if any one is to be taxed in this country for the purpose of giving a certain protection to the native industry, I mean indigenous industry, it is that section of the people who can bear such a burden without difficulty. In this case, there will be practically no difficulty to them.

My second reason is that it is not possible for us to propose an abolition of tariff duty perhaps on this occasion. Had I wished to abolish the tax altogether, I am afraid, Sir, I could not have done so. It is only the duty on excise salt which I propose to remit—perhaps some of my friends do not understand the significance of it; I apologise to them as I have not perhaps been intelligible. The Bill says "salt manufactured in, or imported by land into" India and not Burma. That is, if we pass this Bill as it is, we levy a duty on indigenous salt alone. This Bill is for excise salt duty only. Our difficulty arises there. In this Bill, by no amendment shall we be able to abolish the duty on imported salt. That duty, I mean tariff duty, is, according to the Tariff Act, levied on the basis of this excise duty, which by rules made under Section 7 (2) of the Indian Salt Act, can be remitted by the Governor General in Council. Thus the duty will remain leviable for the purpose of taxing imported salt, and will not be realised on indigenous salt on account of the remission proposed here. Now, I hope, it is clear that the abolition of the salt duty altogether is forbidden ground so far as this Act is concerned,

3 P.M. and we shall have to take the previous sanction of His Excellency the Viceroy before we can bring in such an amendment. That amendment, as I understand it, and as far as I have experienced

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it in previous years, that amendment means the putting in of something new into the body of this Bill. If you want to do that, you cannot do that merely by means of an amendment. Two years ago, I looked into the question, and I applied for sanction to amend this particular section to that effect. I am sorry to inform my Honourable friends that I was not allowed to do so.

An Honourable Member: I am very sorry.

Pandit Nilakantha Das: There is nothing to be sorry under the present arrangement. So, I say that the question is hedged in a double difficulty. For these two reasons, I propose this particular amendment.

So far as the other countries are concerned, I have said, I refuse to enter into the circumstances prevailing there; our main concern is India, and in this connection, I confess, to a certain extent, also England. England is the home of my Honourable friends who rule over our financial and political destinies. When they think of making money out of the poor man's pinch of salt, will they look back across those 6,000 miles of the blue ocean and tell me what are the things obtaining there? Is there a salt tax in England? I know there was one some hundreds of years ago. That was in the middle ages. The world has advanced since then, and much water has since flown under the bridge of the Thames. They had a salt tax then; but as soon as the people realised that they had a certain right, a substantial right to govern themselves, as soon as their eyes opened towards the political and national future of their country, and their particular share in it, they did not brook a medieval, a primitive tax like that. Objections were raised—I could write pages and volumes, and I can read many quotations, but I refrain from doing so, because I do not propose to take much time of the House if I can avoid it. But I know, from the point of view of human health, health of industry, health of agriculture,—from all sides there were objections—so many and varied that the levy of such a duty was at last found impossible. I may here quote a small passage.

Mr. D. K. Lahiri Chaudhury: (Bengal: Landholders): May I ask the Honourable Member what is meant by the health of industries and the health of agriculture?

Pandit Nilakantha Das: My Honourable friend ought to have known by this time perfectly well what is meant by the health of industries and health of agriculture. If he looks only to his own orchards and fields, and if he goes to some industrial centre or even to a village to inspect what the state of cottage industry is there, he will see that it is anything but healthy. I know he is a big zemindar; I am making no reflection on him but I am afraid he is not in touch probably with the real state of things in the villages.

Mr. D. K. Lahiri Chaudhury: I differ from my Honourable friend. I keep in close touch with my tenants.

Pandit Nilakantha Das: Then I ask him, is industry in a healthy condition? Is your agriculture in a healthy condition in the villages?

Mr. D. K. Lahiri Chaudhury: I simply asked the Honourable Member to explain what he meant by it. I did not mean to attack him.

Pandit Nilakantha Das: I have explained it sufficiently well, I think, and I hope I have been intelligible even to my Honourable friend over there. I was going to say—I am going to quote one passage to show that even in England, where I need not say anything about the income of the individual or the circumstances of living or the standard of life, which is dinned into our ears day in and day out, even in this House for imitation; but I shall quote one thing. An English salt manufacturer, giving evidence before a Select Committee on Salt in 1836, by name William Worthington, said this. A member of that Committee put the question, "Since the repeal of the duty, has there been an increase in the demand for that sort of salt which is used for household purposes?" The answer—what is the answer? "Very considerable." And here in India the salt tax gives you, gives the Government, six, sometimes ten and sometimes even more, crores of rupees year after year. We are told it is only six annas, or four annas or something like that *per capita*, as if it were a very small thing. But the gentlemen who are sitting during the winter in this Imperial Delhi and enjoy the summer on the heights of Olympus, Simla I mean,—to such people four or six annas I know means nothing. They do not understand what a four-anna piece means. I am afraid they have not seen one, for it is not gold nor is it paper. But we, all the representatives here on this side of the House, have very painful experience of what that little thing means, that four anna piece, to our villagers. As my friend here (Diwan Chaman Lall) tells me, it is a matter of life and death for them.

I should like to remind you of the history of the salt tax in this country. We are sometimes told that the history of this tax is a very long one; I know long and painful it is under British Rule in India. But I was once surprised that even the Arthashastra of Kautilya was laid under contribution to afford an authority for this particular tax in ancient times. I felt sorry to think that there should be so much ignorance—genuine or put on, does not matter here—about Indian life, Indian culture, Indian government, Indian polity. On account of a kind of a spoon-feeding in culture, we have been gradually accustomed, innured, to things which, if we knew what our forefathers were, we should not care a tuppence for. Now what was the principle of taxation in India in those days? The land today belongs to the Government, or the zemindars—for that matter, through the zemindar it is Government's land—the land then never belonged to Government. It was never the Raj's land. When the kingship was first conceived as is illustrated in the story of Bena, there was no idea of King's proprietorship over the land. It was a willing contribution of one-sixth of the return on the land, later on supplemented by a land tax that maintained the King and maintained him to please the people and to work for the good of the people, to consider himself the real servant of the people. This was the principal theory of our Indian taxation. How can it be possible that there was a salt tax? If there was a salt tax, the men who made salt perhaps used to give one-sixth of what they made out of it to the King, probably a little land tax in addition in later days. As a matter of fact, a mendicant in the forest, who used to live by picking grains from the streets

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or cart ways had to pay one-sixth of those grains picked up, and that was the King's portion. If you look at it from the side of the King, that was a tax; but I must tell you clearly

Diwan Chaman Lall: On a point of order, Sir. There is no quorum.

(A count was taken.)

Mr. Deputy President: There is a quorum.

Pandit Nilakantha Das: In India there was no tax which the King ever imposed on the people: the basic principle of our culture, I may say, was "Duty", whereas a complete change has come over the world and now the basic principle is "Right". Now the King, as well as the people, are always demanding of each other—the King says "Give me my tax", the people say, "Give us our rights of representation and of shaping the state policy." "No representation, no taxation". But in ancient days there was no such struggle for existence or for kingship; there was no oppression of the people by the King, and the people did not feel that they should take away anything called power from the King. That was the culture then, the smooth working, the dovetailing of each other's interests, and in such an arrangement, the salt tax must be impossible. Then what is the meaning of quoting Kautilya to prove the ancient history of the salt tax?

Mr. M. S. Aney (Berar Representative): Why does the Honourable Member not refer to the historic fact that the sage Agastya was the first Aryan to give free sea salt to the people of this country?

Pandit Nilakantha Das: My gallant Mahratta friend knows these matters better than I do: he is proud of the heritage of the culture of Agastya, who went to his part of the country never to return to Northern India. We believe he is still there guiding their destinies and rising up year after year in the Autumn. But it was he who gave free salt; he went to the South, and the allegorical story is that he made salt out of the sea and before that, as I shall just come to it, the people were making salt from the earth. I am just coming to that.

It is during the Muhammadan period we are told that there was a salt tax; but what was that? 2½ to 5 per cent. Was it a tax? I cannot say what it actually was. Perhaps just as the produce of the land was taxed, so was the produce of the sea, or the land which produced salt. It was like a common tax, an ordinary tax; it was no salt tax, it was no poll tax, it was no capitation tax; that is what I want to impress upon the attention of the House. It was 2½ to 5 per cent. Now, will any one compare the percentage of the present salt tax. What is the present percentage? 1,000, 1,200, is that the proper calculation? It will come to even more, for the salt price is sometimes 1a. 6p. whereas the tax is Rs. 1-4. According to the proper rule of three calculation, it comes to how much? 1,600 per cent. Am I right? And during the Muhammadan times it was 2½ to 5 per cent. I take it out of reports written by Englishmen—authentic reports; but I am sorry I have not got them to quote from. Was that a tax at all?

If you say what is the character of the salt tax, I have already told you it is the public revenue reserve. Had it been so, every one, every

school-boy knows the story of Muhammad Tughlak, that idealist, that scholar-Emperor, who dabbled in economic problems without studying them, and he would have been the first man to draw on this tax, had it been the custom in those days. He was in want of money, and he went from house to house to collect a poll tax; for state expenditure he collected his own subjects' property in desperation; he was in dire need of money and he wanted to issue notes, I mean, paper currency without any metallic reserve in the treasury; and he wanted that copper coins with the stamp of the Emperor should pass as gold and silver coins. He took to so many means of making money; but we do not hear of the salt tax even then; it has never been recorded by Ibn Batuta, that famous African traveller who was a friend and for seven years practically an associate and a colleague so to say of Muhammad Tughlak. Am I to hear that he could not record it? I maintain, Sir, that the salt tax had no history before the coming of the East India Company.

I shall simply rapidly pass over the Sikh regime in the Punjab, when some little money—inconsiderable though it be—was realised from leasing out mines in the salt range, the stronghold of the Indian Government's monopoly even today. But the salt, as such, was never taxed. Though in the Sikh days in the Punjab, which were the days of the East India Company in other parts of India, when these mines were leased out and when we might expect to hear of a salt tax in the Punjab salt range, we do not hear of anything like that at all. It was a mining lease rather than anything else; that is not a salt tax. Just as a zemindar lets out his stone mines, or the Government lease out their silver mines, so it was with this salt range; under a mining arrangement it was let out.

But admitting for argument's sake that the salt tax was a tax in India just as it is today, for argument's sake I take it, it was so; but will the Honourable the Finance Member take note of the fact that all the sources of supply were open to the people? The mine was there in the Punjab and the sea from Sind to Chittagong; all this was open to the people who were making their own salt. Who began the monopoly? The word "monopoly" came into this country with the East India Company. That cursed word "monopoly" of salt came into this country with the advent of the British merchant rulers. Evidently there was no monopoly of salt in India before then. There being no monopoly, it would be self-contradictory if you say that there was a tax. People were not making salt in factories, and *Nimak Mahal* is a word which the East India Company probably coined. In those days there was no big centralised manufacture of salt. Sometimes people carried a potful of water from the sea, boiled it in their houses and made salt. I shall now tell the House how the monopoly system has pressed heavily on the poor people, how it has actually operated itself on the people, and how clandestinely people prepared their own salt for which, not they, but their zemindars were punished.

But you may say that if today we give salt free, how can it be supplied to the people in the interior? They will be put to a lot of expense and trouble to carry salt into the interior from the sea coast. You may say that. But, Sir, I have got literature in my hand to show—I do not know whether I shall be believed at this hour of the day if I tell you, Sir, that all over India there is salt earth from which salt can be made easily. It is made in this way, Sir. First take out the earth and then put it

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into water. The water is then filtered and boiled and allowed to evaporate, and the deposit that remains is salt. That is how salt is made, and the earth for making salt nature has supplied in her abundance, and such earth can be found even in the land of my friend over there, in Allahabad.

Munshi Iswar Saran (Lucknow Division: Non-Muhammadian Rural): Not very much.

Pandit Nilakantha Das: Much or little, the source has not been tapped, and you were not living in the days of your grandfather to tell me now . . .

Munshi Iswar Saran: Address the Chair please.

Pandit Nilakantha Das: I am sorry, Sir; my friend ought to have lived in the days of his great grandfather to tell me today whether that salt was much or little

Mr. C. Duraiswamy Aiyangar: Did you live then?

Pandit Nilakantha Das: Sir, Mr. Thornhill of the Board of Revenue, perhaps of Madras, in the Report on Salt in 1876, on page 94, says that, "the quality of earth salt varies greatly in different localities. That produced from the black cotton soil is generally the best". Mark the quality here. "It is pure white", and not muddy, not the black salt of Madras which is not palatable to

An Honourable Member: To Mr. Kabeer-ud-Din Ahmed.

Pandit Nilakantha Das: To my friends like Mr. Kabeer-ud-Din Ahmed in Bengal. The salt produced "was in well-formed small crystals" like the Cheshire salt. "That produced in red soil is dirty and red in appearance, the former is used largely for human consumption and the latter exclusively for the use of cattle." Mark, Sir, there was a provision in every household for giving salt to cattle.

Sir, the earth salt policy of the Government recently came in for criticism at the hands of Sir Thomas Holland in a speech which he delivered before the Royal Society of Arts. He alleged that the restriction on the manufacture of earth salt pressed heavily on the poor. The policy, he maintained, was responsible for stinting the supply of salt for agricultural operations, and to that extent accountable for agricultural deterioration in India. This is the criticism of Sir Thomas Holland.

Sir, five years ago, in March, 1924, a question was put in this House regarding salt earth, not by a man who lived on the sea coast, but by a man who lives in the Surma Valley, I mean Mr. Ahmed Ali Khan. He was pressing for an industry, the extinction of which affected his own constituents, and as a matter of fact, here is my friend Mr. S. C. Dutta from the same constituency, who tells me that, not only is there an abundance of salt earth in his district, but there are springs in his own gardens and orchards which give saline water and formerly salt was made out of that water. Now, Sir, a stone has been put and a guard has been established there so that no man can carry a jarful of water and make salt out of it. But whatever be the real state of things there, the answer given to the question put by Mr. Ahmed Ali Khan was that, "The Government of India do not propose to abolish the restrictions, nor do they think it worth their while to institute any inquiry in regard to the

extent and nature of hardships occasioned to the poor". I hope my Honourable friend, Sir George Schuster, after the fine sentiments he has expressed, will take note of these words—Government do not consider it worth their while to institute an inquiry in regard to the extent and nature of the hardships occasioned to the poor. And, Sir, we are crying ourselves hoarse, we have been crying ourselves hoarse on several occasions in this House, for the promotion of cottage industries which are being killed day after day. Of course the machinery for this extinction is imperceptible to the common man. But may I tell you, Sir, that this salt industry was almost a cottage industry throughout India, and it afforded occupation to people in their slack season for which Mahatma Gandhi is now putting,—I cannot say unwelcome or welcome,—the *charka* into the hands

Mr. Deputy President: We are discussing the question of taxation of salt, and not the manufacture of salt. I hope my Honourable friend will try to be a little more relevant.

Pandit Nilakantha Das: I only mentioned it in order to press it upon your attention as well as upon the attention of the House.

Mr. Deputy President: But the question of the formation of salt is not under discussion.

Pandit Nilakantha Das: No, Sir. It is not the formation of salt. But I submit the formation of salt is connected with the taxation of salt. If you take out the tax, then I want to show to the House how people will have their cottage industry, how they will thrive, how it will help them to grow, how their agriculture will be improved, and how their cattle will be fed with salt. All this is relevant, I submit, to the question of taxation on salt. You have heard of the floods in Orissa in Balasore district in 1927. That was a salt-producing district. Formerly there were monopoly centres there, but now there are not even those centres, and people are thrown out of employment and they are sinking in floods and dying of famine. Nobody cares for these *rayats*, sometimes they are deceived by *sirdars*, and sent out to Assam plantations. If they have got a plot of land, it produces nothing. For a land on which salt was formerly manufactured cannot produce rice. Men who have experience in land will tell you that on a land where salt was being manufactured for about half a century at least, not even the best scientific manure can bring the proper amount of fertility. If they have got a plot of land, that land is taxed, cultivated or fallow—for that is the *royati* tenancy—and in order to pay the tax, these *rayats* have to go to Jamshedpur or to Calcutta to earn money and pay the tax

Mr. K. Ahmed: Don't look at me, look at the Chair. (Laughter.)

Mr. Deputy President: Possibly you might be able to extract some black salt from over there. (Laughter.)

Pandit Nilakantha Das: I tell you this is the condition, and I would not have told you all these things had I not been required to do so. But the thing is there. They were, out of pity, in 1927 allowed to make their own salt, and for a full year, I have not got statistics with me, emigration from that particular land was arrested a good

Mr. K. Ahmed: You are not true to your salt if you have not got the statistics.

Pandit Nilakantha Das: It is the salt of the Government. I cannot be true to Government salt. They were very healthy, and I have seen them making their salt. Government had not the face to forbid them from doing it. Gradually some preventive officers or some other officers were secretly set on them, and local officers were made by law to fine these people Rs. 5 or 6, or 10. That was enough to produce the effect desired by Government, for the people got terrified. They are probably now emigrating in large numbers to industrial centres, Fiji and other places as before.

Mr. K. Ahmed: Were you arrested for smuggling?

Pandit Nilakantha Das: I do not know whether some of them are today carrying loads of salt as labourers from ships which come from Liverpool to Calcutta. The purpose of my saying all this was to show how a whole machinery of spies, under the name of preventive officers, is constantly in operation so that people cannot even have a pinch of salt if it is not purchased directly from Government. These machines of demoralisation, some germs of which have developed into the Criminal Intelligence Department, were invented even when the monopoly first began, in the early days of the East India Company. They were then fresh—brand new. Those were the days of regulations. In those days there were no Acts as we have now. There were two regulations, Regulation X of 1819 and Regulation X of 1826, to which I shall refer here. One of them, namely of 1819, makes the boiling of salt water criminal. Then there occurs in the other, *i.e.*, of 1826 a peculiar thing, a very interesting thing. Under the Regulation of 1826 burning of straw soaked in salt water was to be severely dealt with. If it was burnt, what was the punishment? They were not so civilised in those days. Criminality in those days could perhaps be transferred from one man to another. Vicarious punishments were, I suppose, allowed. The zemindar was to be fined Rs. 500 for each single case found out among the tenants, and the cases were dealt with not by judicial officers. There is another very interesting thing too. If the zemindar had co-sharers, 2, 3 or 4 or 5 sharers, then the fine, *viz.*, Rs. 500, for each offence was not divided. Each of the co-sharers was to be fined Rs. 500 for each single case. That was the law in respect of which Devendranath Tagore on behalf of the British Indian Association made a petition where he said:

“In general it is the poor *rayats*, often without any malicious designs against their landlords, and owing to their inability to pay the high price of so necessary a condiment, who have brought themselves under the operations of this rule, by preparing solely for domestic consumption a little salt upon their daily fires in one of their ordinary cooking utensils, or by burning a little straw steeped in salt water. The manner in which the *rayats* prepare the salt for such daily consumption precluded all probability of discovering . . .”

Still, if cases were discovered? Mr. Devendranath Tagore was fined Rs. 500 each time. I shall not tax the patience of the House by narrating the long history of how it grew in severity and how it killed many races of poor people during the course of a century and a quarter. In the Famine Report of Orissa of 1866, page 222, paragraph 49, it is said that “salt manufacturers, who had turned to landless labourers through sheer helplessness” on account of the Government monopoly in salt were the people upon whom “the utmost severity of the calamity” had fallen. You do not, perhaps, know the extent of the mortality in that famine. Now, I am quoting from the Government Report on the famine of Orissa

and Bengal. 20 lakhs of people died out of a population of 60 lakhs. That is one-third of the population died, and this salt monopoly was substantially responsible for this calamity.

Then comes another chapter in the history of the salt tax. It is against the imported salt that I propose my amendment to-day. Now, Sir, the East India Company came here. It is useless to quote things. So much quoting is unnecessary. It will simply tax my friends and take longer time than necessary. I shall be as brief as I can be. When the East India Company came here, they pounced upon this salt. Who were the manufacturers and who were the taxpayers? As I hinted the other day, servants of the Company were not paid. They were let loose on the people. Yes, it is a fact. One of my friends told me that he went to pay a visit to that great historian Vincent Smith. He was buried among his books. My friend found in his library that there were many records about the doings and activities of the East India Company and their servants. He asked Vincent Smith, "In your books I find nothing about the things one may find here". The historian said "My dear friend, what can I do? I have come to realise that these men were a perfect set of scoundrels, but for political reasons, I do not write about them." This is what I have heard from my friend. I do not know how far it is true, but I have reasons to believe it to be true from what I know of this salt tax business. I know how the early servants of the Company were let loose on the people. They were paid very little, and were freely allowed to carry on business and plunder people. There was a Resolution to prevent them from taking part in the manufacture of salt. What was the reply? They must make some money. The service must be made attractive to them.

The East India Company was making lots of money. Human nature is human nature everywhere. In England, why should the nation of shopkeepers brook this profit making of a few individuals? A set of people are making profits in India. Why should others be deprived of doing the same? The Borough of Droitwich complained. Then the Chamber of Commerce in the City of Gloucester also pointed out that the manufacture of salt by the East India Company was a manifest violation and evasion of Act 3 of William IV, c. 85 and protested against the exclusion of "the British merchant from the benefit of a market to which he had natural and paramount claims to be admitted." Similar Resolutions were passed by the Chambers of Commerce of Bristol, of Liverpool and other important Trade Centres. I draw . . .

Mr. Deputy President: Order, order. I hope the Honourable Member will realise that he has already taken one and a half hours. I think he should try to be more brief and more relevant.

Pandit Nilakantha Das: I will be very brief (Laughter), though I have so much to say, for the subject is so vast and momentous, and the description is so painful. Then with regard to the principle of the duty. It was to give facilities to the English merchants in the market of India, where they had a paramount and natural right. What is that paramount and natural right? I cannot say, nor have I any desire to say that. I don't like to say unpalatable things, especially because my friend over there is so very polite and sweet. Then what was the principle? The principle is, as first mooted by the Duke of Argyll, that famous Secretary of State

[Pandit Nilakantha Das.]

for India, that the poor man must pay something—I am not quoting it. Perhaps I am not going to speak for a very long time. The Duke of Argyll said—but this is so important (Laughter from some Honourable Members). This is not a thing to laugh at. The Duke of Argyll said :

“On all grounds of general principle, salt is a perfectly legitimate subject of taxation. It is impossible to reach the masses by direct taxes, if they are to contribute at all to the expenditure of the State, it must be through taxes levied upon some articles of universal consumption, there is no other article in India but salt answering this description, and therefore I am of opinion that the salt tax of India must continue to be regarded as a legitimate and important branch of the public revenue.”

I consider this to be not an indirect tax as it is called, but a direct tax, and if I get time and if you will allow me, Sir, I will prove it.

This is the principle of our salt tax—our salt *magna carta*, so to say, as my friend Mr. Aney would like to remind me here—and if this be the principle, may I ask what about the poor man's matches in the market? Is it not a taxable commodity? Do we not fill the coffers of our State with taxes on matches?

Mr. Deputy President: Order, order. May I remind the Honourable Member that Standing Order 29(2)(vi) lays down that :

“A Member while speaking shall not—

(vi) use his right of speech for the purpose of wilfully and persistently obstructing the business of the Assembly.”

I hope the Honourable Member will try to bring his remarks to a conclusion as soon as possible.

Diwan Chaman Lall (West Punjab: Non-Muhammadan): May I ask whether it is not within the right of the Honourable Member to use his right of speech?

Mr. Deputy President: Quite so, but within the restrictions contained in the rule I have quoted.

Diwan Chaman Lall: Is there any time limit?

Mr. Deputy President: There is no question of time limit but I say that the speech of the Honourable Member must be relevant.

Pandit Nilakantha Das: I am sorry, I never meant to be irrelevant.
(At this stage Mr. President resumed the Chair).

Mr. President: Is the Honourable Member still speaking? Although there is no time limit to speeches, on this motion, the Honourable Member is expected to make a legitimate use of the procedure of this House.

Pandit Nilakantha Das: But considering the importance of the subject, and the fact that we have been paying a tax like this for such a long time, over a century and a half, I hope I shall be wanting in my duty if I do not make it a point this year to convince even the Government Members who have not yet been convinced by argument.

Mr. President: Pandit Nilakantha Das.

Pandit Nilakantha Das: Thank you, Sir. Then I was speaking about the Duke of Argyll (Laughter). I asked, this being the principle of the

salt tax, that every poor man must give something to the State for its protection of the poor—if I may say so—perhaps the other aspect of the same principle is that the poor man is protected by the Government, receives some benefit real or chimerical, and should be taxed for that purpose—if it be so, I was just going to ask on how many things is the poor man not paying in this land? Kerosene, does he not pay for it? Does he not pay a heavy tax for matches and for income-tax? Who actually pays the income-tax? And all the taxes that are gathered that come to the Government coffers, where do they come from? They are all based on the primary articles of human consumption. Prices go up. There was the currency trouble, and the price went high and low. Whom did they ultimately affect? And that, I say, is a thing which reaches each and every poor man in every land, not to speak of matches, or kerosene, or even income-tax, which is sometimes directly levied on the debtor. As a matter of fact I know that many creditors, at the time of lending money, take some proportionate advance as interest for the income-tax. That does not matter. Am I to explain here that the grain of rice, the grain of wheat which the poor eat, is the real article which ultimately bears the burden of almost all taxes? Then how do you say the poor man must pay something and that it must be out of salt? By no stretch of logic can such a position be maintained. Here I am reminded of a very curious statement of Mr. Dadabhai Naoroji, who was discussing this selfsame subject long ago:

“What a humiliating confession to say that, after this length of British rule, the people are in such wretched plight that they have nothing that the Government can tax, and that Government must therefore tax an absolute necessity of life and how can anything be a greater condemnation of the British lines of policy that the people have nothing to spend and enjoy, and pay tax on, but that they must be pinched and starved in a necessary of life.”

This was what our famous Grand Old Man, Dadabhai Naoroji, a man who gave the ideal of nationalism in the single term Swaraj to the country at a time when the whole country was going to be thrown into chaos, a man who brought cosmos out of chaos, this was what he said about the salt tax. He condemned this salt tax and condemned the Government on that score.

It was said that the tax was no tax at all and that it did not affect the consumption of salt. It was so stated in this House, and I myself heard it often. It is not we are told, like India rubber, elastic. It is inelastic. If you tax salt at the rate of even Rs. 30 per maund, even then the man has to eat salt. He must find money for paying the tax and eat it. The other day, in a communiqué which we were discussing, the average was given as 12 lbs. in India per head consumption. The lowest was 8½ lbs. per head. That is the figure, if I remember aright. Shall I tell you, Sir

Mr. President: Why do you threaten me? (Laughter.)

Pandit Nilakantha Das: Whom did I threaten, Sir? I am only appealing to the House through you, Sir.

Mr. President: The Honourable Member knows that the Chair is very unwilling to hold that any Member of this House is wilfully and persistently obstructing the business of the Assembly and I am not still prepared to believe that the Honourable Member is doing on this occasion.

Pandit Nilakantha Das: No, no, Sir.

Mr. President: I would therefore ask the Honourable Member to be brief.

Pandit Nilakantha Das: I bow to your ruling, Sir, and I shall be ruled by you whenever I am irrelevant. I may be unconsciously irrelevant, I never mean to be irrelevant, but I am prepared to abide by your ruling.

An Honourable Member: Kindly be brief.

Mr. President: The Honourable Member may be relevant, but there is another rule which says that the right of speech shall not be used for the purpose of wilfully and persistently obstructing the business of this House, but I am not prepared to believe that the Honourable Member is doing anything of the kind. I would, however, ask the Honourable Member now to be brief and conclude his observations.

Pandit Nilakantha Das: I hope I have convinced the House of the fairness of my motion. That was my only object in speaking at this length. I am very very anxious to convince the House with as many arguments from as many aspects as I can. I never mean to obstruct the business of the House and I never like to stand in the way of any Honourable Member exercising his right of speech.

Then, Sir, let me be brief (Hear, hear). Before I was interrupted, I was upon that *per capita* consumption. It was 12 lbs. average
 4 P.M. and 8½ lbs. minimum. But what was the official calculation when the salt tax was yet green and young?

General John Crawford (not our Honourable friend here, Colonel J. D. Crawford), Medical Officer of the Bengal Government, in a statement to the Select Committee on salt (1836) says:

"A Bengal or a Madras sepoy receives a ration of 17 lbs. per annum, that is ½ oz. per diem. A Bombay sepoy 2 oz. per day or 45 lbs. per annum."

This is the land allowance,

"at sea it is 40 per cent. more with salt fish to boot."

This was what was being given in the thirties of the last century.

Mr. President: Order, order. If the Honourable Member does not conclude his speech in another five minutes I shall have to revise my opinion about the Honourable Member's attitude.

Pandit Nilakantha Das: I shall if possible take another opportunity, with your permission, to say many more things that I have got to say.

Mr. President: I always give the Honourable Member an opportunity to speak.

Pandit Nilakantha Das: Then, I have finished.

Mr. President: Mr. M. K. Acharya.

(The Honourable Member was not in his seat.)

Mr. President: Mr. Amar Nath Dutt.

Mr. Amar Nath Dutt (Burdwan Division: Non-Muhammadan Rural):
I move my amendment No. 5 which is as follows:

"That in clause 2 of the Bill, for the words 'one rupee and four annas', the words 'eight annas' be substituted."

Clause 2 of the Bill is an amendment of section 2 of the Salt Act. I do not know, Sir, why the Government introduced a convention by which, every year, they have to amend an Act. Probably they want to show that they have the assent of the representatives of the people in the matter. The original Act empowers them to have it determined by rules framed under the Salt Act. For the provisions of section 7 of the Indian Salt Act XII of 1882 says:

"The Governor General in Council may from time to time, by rule consistent with this Act impose a duty, not exceeding three rupees per maund of 82 $\frac{2}{7}$ pounds avoirdupois, on salt manufactured in, or imported by land into, any part of British India."

Here is the law laid down about 46 years ago which empowers an autocratic Government to impose salt duty up to a maximum of Rs. 3. It is a pity that a convention like this had been established that the subject was to come year after year for consideration in this shape and form to afford us an opportunity of discussing it without any intention of paying any heed to what we may suggest. The country is not likely to be deceived by this procedure for they are well aware of our helplessness in this Assembly. Sir, I shall not take much time of this House in moving my amendment. Salt is an article which must be admitted by every sensible man, be he a Member of a tyrannical Government or an autocratic Government or a bureaucratic Government or a benign Government, as also by every other human being who has any conscience or intellect left in him, as an article which should not be taxed. (Hear, hear.) Any one attempting to adduce any argument in support of taxation of one of the barest necessities of life is either a knave or a fool for he wants thereby to deprive a human being of an article of food which is absolutely necessary for the rich and the poor alike. Arguments for the reduction of the salt tax have been adduced year after year on the floor of this House, and they have all fallen on deaf ears. I wonder why the Government are still persisting in sticking to the convention of bringing this sort of Bill before the House, instead of relying upon the power that is given to them under the original section of the Salt Act. Probably that day is not far off when they will do so; or probably they think that some harmless or vociferous speeches here will not affect them. That shows their mentality. I think we should not say much about it, knowing as we do that they are determined to do what they want to do, and knowing as we do that we cannot alter their minds. In fact I pity the Honourable Member from Orissa, Pandit Nilakantha Das, who took up so much time of the House, who I think is still having some faith in the good intentions of the present bureaucracy. I pity him. Long long ago, at least in Bengal, we were disillusionised, when a brilliant Viceroy brought about the dismemberment of our province to stem the tide of growing nationalism. Probably Lord Curzon wanted to give us an opportunity of expiating for the sins of Bhubanandas and Mir Jafars. Their sons and their sons' sons have to expiate for the sins committed by them, and probably they will have to do so for generations to come as there are even today a number of Mir Jafars and Bhubanandas. Sir, what I ask for is that this salt tax should be

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reduced to at least annas 8. This is our demand. We are not on our knees before an alien bureaucracy asking for any boon or concession, but we do demand, as Indians, in this House, our inherent right, our birth-right, in our own land, in order to see that the poorest amongst us do get their salt. We demand that the Government should cut down and reduce the salt tax to annas 8. If they do not, all the epithets, all the abusive epithets that one can use may not avail us to bring them down to a sense of understanding the situation; but they ought to read the writing on the wall. Year after year, if you go on flouting public opinion like this, year after year if you go on insulting us without listening to us and without granting our just demands, because you have got the power to do so, pray do not talk of progressive realisation of responsible Government. I also ask those countrymen of ours who are still induced by false hopes to take note of this. I hope Englishmen in England have not yet lost their senses; I say to you Englishmen, look at the depth of degradation to which you have come down. If this is the position in India, you are all exploiters, which is but another name for thieves, and you have become tyrants—for which the euphemistic name given is autocrat. What are you? Are you the children of those Englishmen

Mr. President: Order, order.

Mr. Amar Nath Dutt: Yes, Sir; I shall come to the point. I demand of you, Englishmen, to reduce the salt tax.

Mr. President: The Honourable Member must address the Chair.

Mr. Amar Nath Dutt: Therefore, I move this my amendment, that:

'In clause 2 of the Bill, for the words 'one rupee and four annas' the words 'eight annas' be substituted.'

I hope, Sir, it will be accepted by the House.

Mr. V. V. Jogiah (Ganjam *cum* Vizagapatam: Non-Muhammadsan Rural): Sir, my amendment proposes that the duty on salt should be reduced to As. 10. Sir, there can be no greater hardship upon a community than the imposition of duty on an article which is almost indispensable to life. It has been admitted, Sir, that salt is a commodity, which is a prime necessity of life. Medical opinion has been insisting that, unless a man takes at least 20 lbs. of salt, he cannot lead a healthy existence. So that, even the poorest of the poor cannot get on without this necessary commodity, salt. In India, as has often been pointed out in this House, 10 lbs. of salt is said to be the average consumption per head, while that is only half the amount that is required for leading a healthy life. In England, we find that the average consumption per head is 40 lbs. Salt is needed, not only for men, but also for the cattle. The use of salt, Sir, as has been stated by Professor Fawcett, must be as free as the air we breathe and the water we drink. The price of salt always depends upon the duty that is imposed on it. People take more salt when the duty is less and prices are cheaper. This is proved, Sir, by statistics. Increase in the salt duty always resulted in the reduction of consumption, and decrease in the duty in an increase of the consumption. For instance, in the year 1908 when the salt duty was reduced by 8 annas, we find, Sir, that the total consumption of salt in the whole of this country which was about 36½ million maunds

before, increased to 43½ million maunds. That is, it increased by 20 per cent. And then with regard to the average of consumption per head, it was found to be less than 10 lbs. before the year 1903 and it went up after 1903 to about 11 lbs. In fact, Sir, this rapid rise in consumption took place in response to every reduction or lowering of the duty. There can be no greater evidence, no more conclusive proof, than this that a higher duty entails, great privation and considerable suffering, on the people. The consumption of salt, Sir, has not kept pace even with the normal increase in the population.

It was once the orthodox official opinion that the duty on salt did not press unduly upon the people of this country. The Government and its apologists always advanced two arguments in defence of salt duty. One was that it was the only contribution that the poorer classes made towards the public expenditure. The other argument was that the duty imposed on salt compared favourably with the duty per head in other countries. So far as the first argument is concerned, Sir, I submit it is altogether incorrect. It is the poorer classes that pay most, relatively to their income, towards the revenues of the State. It is these classes, Sir, that always pay most of the taxes in this country. Take, for instance, the drink revenue. It is the poorer classes that contribute most of this revenue. Again, it is they that pay the forest revenue, though they were deprived of their rights to graze and their right to collect fuel, free of duty. It is they again, that pay the bulk of the revenue from stamps and registration for the reason that most of the litigation in courts relates to small sums. It is they again, Sir, who pay a fair share of the customs duty as was admitted by one of the Finance Members who stated that, as much as 20 to 25 per cent. of the revenue is paid by the poorer classes. One Mr. O'Connor, once Director of Statistics, stated in a paper read by him that it was the poorer section of the Indian cultivator that contributed most largely to the finances of the state of this country. There is therefore no justification whatever to say that the poorer classes do not contribute and that this salt duty is the only duty they contribute to the Indian Exchequer. The next argument, Sir, is that, compared to other countries, the average of salt duty in India per head is less. This again, Sir, is a very fallacious argument. An argument like this could be valid only if we take into consideration the income of an Indian compared to the people in other countries. It is a well known fact, Sir, that the average income of an Indian in this country is only about Rs. 6 a month, while in other countries it is not less than about Rs. 100. So that, if this is taken into consideration, this argument also does not hold.

It has been admitted, Sir, times without number by responsible administrators that this tax presses very heavily upon the people of this country. It is useful, Sir, to recall to the memory of this House certain statements made by responsible men in the Government of India and by former Secretaries of State. In this connection, Sir, I would take this opportunity of referring you to what Lord Cross, a Secretary of State for India, wrote to the Government of India in a despatch to the Government of India in the year 1888. He wrote as follows:

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

[Mr. V. V. Jogiah.]

His Lordship further urged on the attention of the Government of India the following weighty consideration on the point:

"I will not dwell on the great regret with which I should at any time regard the imposition of additional burdens on the poorest classes of the population through the taxation of a necessary of life; but apart from all general considerations of what is in such respects right and equitable, there are, as Your Excellency is well aware, in the case of the salt duty in India, weighty reasons for keeping it at as low a rate as possible. The policy enunciated by the Government in 1877 was to give to the people throughout India the means of obtaining an unlimited supply of salt at a very cheap rate, it being held that the interests of the people and the public revenues were identical and that a proper system was to levy a low duty with unrestricted consumption. The success of that policy has hitherto been thwarted. While the duty has been greatly reduced, the consumption through this and other causes has not increased. The revenue is larger now than it was before the reforms commenced in 1877, and I see no reason to doubt that the consumption will continue to increase, if it is not checked by the enhancement of this tax."

He afterwards speaking again at a public meeting, stated that he was convinced that the earliest occasion should be taken to abrogate the increase in the salt tax. So that it was the opinion of a responsible statesman like Lord Cross that this duty bore heavily on the poor people of this country. I can multiply such utterances from other Secretaries of State. But I do not wish to trouble the House with them, as the time at our disposal is short.

I will say one word more, Sir. It is really very surprising that India, possessing a very large seaboard and presumably therefore being in the position not only to manufacture salt for itself, but also to supply it to other countries, should depend for its supply of salt to the extent of one-third on other countries. It is said, Sir, that this Indian salt does not command a market in Bengal. It is really strange why the Bengalees when they are out of Bengal, use this salt, but when they are in Bengal they do not use it. I fear, Sir, there is no genuine feeling against the Indian salt in Bengal; but it is a feeling which is manufactured in a very artificial manner. The other day, my Honourable friend, Mr. Neogy, referred to it at great length and I do not therefore propose to repeat it.

It is necessary, Sir, if salt should be supplied at the cheapest price in this country, that the policy of Government with regard to the manufacture of salt must be altogether changed. The manufacture of salt should not be restricted, as it is at present, to a few places, but it must be considerably improved and extended. I know, Sir, at one time there were a number of salt factories throughout the length and breadth of the country, but I am sorry to observe that most of them have been abolished and they have now been confined to a few places. In these circumstances, Sir, I suggest that salt manufacture should be improved, and I submit that severe economy and rigorous retrenchment should be applied through all departments of Government in order to secure a reduction of the salt duty. With these words I move my amendment.

Khan Bahadur Sarfaraz Hussain Khan (Patna and Chota Nagpur *cum* Orissa: Muhammadan): Sir, my amendment is that the salt duty should be reduced to one rupee. I should have been glad if the duty were totally abolished, but as I think it may be difficult for the Government to carry on the administration, I simply move the reduction of the duty to one rupee. I may tell you, Sir, that this salt duty hits the starving millions of India to a considerable extent. In the first Assembly a similar question

was discussed, and after that, I went to my village and there, if not thousands, at least hundreds of people came to me—people half-naked and in rags, with only a loin cloth round their bodies and no other cloth—living in mud huts and cottages, who could not even have two meals a day—they lived simply on what little they could get—cereals and other things—they could not get food of any other kind—they all came and fell at my feet and said “You are in the Assembly: why do you not move for the reduction of the whole of the salt duty? To us one pice is as much as one thousand rupees is to you. So you will not be doing your duty if you do not work for the reduction of the salt duty.” I felt it very much before; and from being a supporter of the Government, this salt duty it was, which made me turn a Swarajist. (Cheers.) And, Sir, if this small reduction is not accepted by the Government, then I am afraid, in this old age of mine, I do not know what I might become. I do feel for the people and I know that my friends on the Treasury Benches are not against the people—the hungry millions who go from day to day with a single meal and sometimes not even that. My friend, Pandit Nilakantha Das, said that the landlords do not pay much attention to the condition of the tenant. He is wrong there. Those zemindars who have got any sense of responsibility go and try to mix with the people in their houses and join their ceremonies and see what they do. It is on behalf of those people, whom I know full well, and about whom my Honourable friends on the Treasury Benches have no idea whatever, that I wish that the duty on salt should be abolished altogether. But, Sir, I do not seek to cut it down in full. I say, gradually reduce it so that after a few years it should be abolished altogether. The Members on the Treasury Benches should have the gift of imagination and common-sense to understand how things are going from bad to worse, and I hope that they will accept my amendment and, in the course of a few years, altogether abolish it. That, Sir, is why I have come up to Delhi; it is only for that purpose; because otherwise I felt I would be shirking my duty to my tenants and to the hungry millions for whose welfare I am equally responsible. I say that the whole duty should be abolished, but for the present I appeal to the Members of the Treasury Benches that they will accept this simple amendment. With these words I move my amendment that in clause 2 of the Bill for the words “one rupee and four annas” the words “one rupee” be substituted.

Mr. C. Duraiswamy Aiyangar: Sir, I am sorry that, at this late hour of the day, I have to take up the time of the House while probably many people may not be inclined to give a patient hearing.

In the first instance, Sir, I wish to say that, if I move this amendment on the salt tax, and if I make a speech upon it, it is not in view of the impending elections that I am doing it, it is not with a view to give an account to my electorate that I am now making a speech. If I did not give an account to my electorate for the last three years, rather for the last six years, I am not going to give an account to my electorate by this one speech of mine. Sir, in the book, *India in 1922-23*, Professor Rushbrook Williams passed a remark like that with reference to the Members of the Legislative Assembly who were leaving the Assembly at the end of 1923 and standing for fresh elections. His remarks were:

“Apart from any question of compunction which they might have had in adding to the burden of the classes stricken by poverty, the majority of the members had naturally to consider the question of their approaching elections.”

[Mr. C. Duraiswamy Aiyangar.]

That, Sir, was an insinuation which Professor Rushbrook Williams made in that book called Moral and Material Progress Report, an insinuation which he made unjustly and irrelevantly against the Members of the Legislative Assembly in 1923, when they protested against the raising of the salt tax from Rs. 1-4 to Rs. 2-8. Sir, a remark like that from Professor Rushbrook Williams I can understand. The other day, Sir, my Honourable friend, Sir Hugh Cocke, when I made a speech about the railway fares, freights and amenities, taunted me by saying that I might print it in a pamphlet and distribute it to my constituency. That also I can understand. But, Sir, it pained me very much when I heard from you, Sir, yesterday that you gave latitude to the Members of this Assembly in this session because of the impending elections. If the Honourable Members of this House have not accounted for their work in this Legislative Assembly and for their work for the cause of the country during all this time of three years that they have sat here, are they going to do it by one speech upon the Finance Bill, or by one speech upon any other subject in this particular session? Sir, you will also have to face the elections. I am very sorry therefore that you should have passed such a cruel remark against Members of this House who have all, like you, Sir, come here to represent the people and their constituencies with all their conscience, with all earnestness and with all zeal.

Sir, the amendment which I have the honour to move this day requires some explanation. It is not in the usual form of substituting one rupee, or twelve annas or 8 annas or four annas for Rs. 1-4-0, but it is framed in such a manner that it naturally requires a little bit of explanation. The amendment that I propose, Sir, runs as follows:

"and the said provisions shall, in so far as they enable the Governor General in Council to remit any duty so imposed, be construed as if with effect from the 1st day of April, 1929, they remitted the duty to the extent of twelve annas out of the said one rupee and four annas, and such remission shall be deemed to have been made out of the leviable duty by rule made under that section."

I will explain, Sir, frankly what my object is in moving

Mr. President: Is it not the same as the amendment of Pandit Nilakantha Das?

Mr. C. Duraiswamy Aiyangar: It is the same as that, but the only difference is, while Pandit Nilakantha Das has moved for the total abolition of the tax on Indian salt and retained the duty of Rs. 1-4-0 on imported salt, I retain 8 annas tax upon the Indian salt and retain Rs. 1-4-0 upon the imported salt.

Sir, I am responsible for the wording of this amendment, and let me say a word in explanation of it. There are two Acts, Sir, the Indian Salt Act and the Indian Tariff Act. Under section 7 of the Indian Salt Act there are three powers vested in His Excellency the Governor General in Council; one is of imposing a salt tax to the extent of Rs. 3 as the maximum; the other is of reducing the salt tax, and the third power is of remitting the tax. I say, Sir, these terms "imposition, reduction and remission" have got their respective significance in law, and we presume that in law no word is unnecessarily used, and therefore I take advantage of these three powers which have been given to His Excellency the Governor General in Council under section 7 in order, if possible, to get some benefit for the poor people of this country.

Sir, it has been asked by some Members here, my Honourable friend Mr. Amar Nath Dutt asked—why the Government introduced the convention of bringing up the Finance Bill year after year before the Assembly when they have got the power under section 7 of the Indian Salt Act. My friend Mr. Neogy said that he achieved a great thing in 1921 when he established, along with his colleagues in the Assembly on that occasion, the convention of getting the Finance Bill before this House, even if it be for a specific and limited purpose. But, Sir, my idea is that the Government consented to place the Finance Bill only as regards a certain portion of the ways and means and not entirely the ways and means of all their expenditure; only a certain portion of it, just enough to meet the demands left for our vote. I say, Sir, they have consented to place the Finance Bill, limited in extent, before this House, not with *bona fide* intentions, but so far as I am able to see,—because we have day after day reasons to suspect their motives,—with some nefarious object. Although they know that they have, under section 7 of the Indian Salt Act, power to impose salt tax to the extent of Rs. 3, and as they know also that it is a tax which presses heavily upon the poorest of the poor in this country, they do not want to take the responsibility on their own shoulders of levying this tax, but they want the instrumentality of this House to throw that sword on the neck of those poor people. They ask, therefore, through this Finance Bill to legislate before a certain tax is levied upon those poor people. If they had reserved their power to themselves and if they had gone on levying the salt tax without reference to the popular Assembly, as this is often called, then they would have taken upon themselves the entire opprobrium, the entire notoriety, the entire curses of the people of this country. In order to have the peoples' representatives also to share with them these curses, the Government have begun to place this Finance Bill before the Assembly. I say, therefore, if they ask us to share with them those curses, let them also co-operate with us in seeing that the curses are reduced, that the difficulties and hardships which are experienced by the poor people are reduced to a minimum, let them try and alleviate their miseries.

Now, Sir, the question of the salt tax is unfortunately not given the importance in this House that it deserves. In this matter, Sir, I am not prepared to throw the entire blame upon the Government Benches alone. I wish to apportion that blame on the peoples' representatives also. I would call that contributory culpability on the part of the peoples' representatives responsible for this. People boast in this Assembly or on public platforms that they represent the poor people; they are shedding tears for the sufferings of the poor, and yet, when the question of salt tax comes before the House, where are they? And there has been an attempt, even today, to see the House fail for want of a quorum. I am sorry to say, Sir, whether they are members of my party or of any other party, that there has been an attempt to evade their duty in this matter, and I am sorry to say there is a good deal of contributory culpability on the part of the peoples' representatives; because if all the people, with one united voice, had attached that importance to it which the subject requires, I am sure the salt tax would have been abolished long ago.

Now, Sir, in the first instance, I wish to place one aspect of the matter before the House, before I go into the hardships of the poor people. I first consider it as a most humiliating thing that a necessary article of food should be taxed in any country. I call it melancholy meanness to go and tell a poor man, when he has to drink a cup of gruel, "first pay my

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tax and then drink your cup of gruel." It is unimaginable that there should be a tax levied upon a necessary article of food, and it is well known that, in a country like this, the poorest of the people are those who take the greatest amount of salt. Their food does not contain the salt which the food of the rich people may contain in other ways. The rich man may have his salt in various other articles of food which he takes, but that is not the case so far as the poor man is concerned. I therefore consider it a most humiliating thing that a tax should be levied on one of the most necessary articles of food.

Sir, we have, on the floor of this House, heard cries of humiliation with reference to the cotton excise duty. Merchant princes of Bombay raised a hue and cry on the floor of this Assembly and said that it was not for the sake of money that they were fighting, but for the sake of humiliation that they were subjected to on account of the cotton excise duty. Sir, if the levy of the cotton excise duty, on the textiles, the profits of which go to the rich man's pockets, is a humiliation to this country, I ask, is it not a thousand times greater humiliation that, in this country, every poor man should be asked to pay for the necessary article of his food? I therefore consider it highly humiliating, and I asked my Honourable friend, the Finance Member over there, whether there are any countries in this world which levy this salt tax. Sir, My Honourable friend gave me an answer—it is a very recent question that I put. The question was this:

"Will Government be pleased to state which other coastal countries in the world levy any duty on salt and the rate of such duty?"

This was on the 29th January 1929.

The Honourable the Finance Member replied as follows:

"The Governments of the following countries levy taxes on salt:

Brazil,
Bulgaria,
France,
Netherlands,
Venezuela.

I must leave it to the Honourable Member to say which of these countries are covered by his term 'coastal countries'. The Government of India have no up-to-date information as to the rates of tax levied by the Governments mentioned in the second list."

Well, Sir, it is really regrettable that the Government of India have not up-to-date information as to the rates of taxes levied by the Governments mentioned in the second list. Sir, with all the huge machinery that they command, it is really surprising that they are not in a position to say what the rate of duty is in those five countries which have been named.

Now, Sir, I have been driven to search out some information on this head. I may take first, Sir, the important country which has been mentioned,—that is France. At page 75 of this book, the *Financial Crisis of France* by George Peel, written in 1925, he says this:

"As regards the salt tax, this was the oldest tax in France, dating, it is said, from the days of Philippe de Valou's in the fourteenth century, and known under the name of *gabelle*, meaning a gift or *gabe*. This tax, it need not be said, was levied

with the grossest injustice and inequality prior to the Revolution. There were regions of the great *gabelle*, of the small *gabelle*, regions redeemed of the *gabelle* and regions which had always been exempt from the imposition. One of the most distinguished of French economists, writing in 1876 said the average daily pay of an agricultural labourer was 60 centimes. From this it may be deduced that salt tax in the regions of the great *gabelle* was as high as one tenth of the whole of the labourer's revenue. The Revolution, of course, abolished this tax, but it was soon re-established in 1806. By 1872 the salt tax was so modified that it was equivalent only to one franc per head of the population, a mere trifle."

That, Sir, is the present condition of France, and the Honourable the Finance Member does not strengthen his position by putting forward France as a great ideal for levying a rate of Rs. 1-4-0 per maund in this country. My amendment asks for eight annas duty; it is not a trifle; it is much more than that; it is something very substantial so far as we are concerned. The next country to which I can make some reference, because I have had the benefit of some information, at least from the Library of the Assembly, is Venezuela, which is one of the countries mentioned by him. In Venezuela, as I find, from the 1926 Statesman's Year-book, it occupied the fourth rank in the revenue sources of that country, whereas our salt tax here occupies the third rank. But in 1928 salt became a Government concern there and the salt tax is there no more. (*An Honourable Member*: "Hear, hear.")

Then, we are told that the salt tax has a political significance in the sense that it is a tax which all people will pay, every one will universally pay. I am not referring today at any length to the old hag theory of the Duke of Argyll or the demolition of it by Professor Gokhale. Mr. Gokhale in the Imperial Legislative Council has often demolished that theory; only he made an exemption with reference to the income-tax and the opium revenue. He said, excepting for the matter of opium revenue of this country, and the income-tax, all other sources of Government revenue are contributed by the poorest man. I would ask the Honourable the Finance Member to make a reference to those speeches, but with reference to those two exceptions I wish to tell him that the opium revenue is also contributed by the poorest people of this country. We have had very very sorry and sad accounts of how persons working in factories in Bombay have been administering opium to their children, to their babies in order to prevent them from crying when they are working in the factories. The poorest of wage-earners also are contributing to the opium revenue of this country.

As for income-tax, as my Honourable friend, Pandit Nilakantha Das, has stated, there again it is the poorest man that pays. It is the poor man that borrows and though it is the rich man's hand that pays, it is the poor man's purse that really pays. Therefore, Sir, there is absolutely no exception to the various sources of revenue being contributed by the poorest man in this country. Then why advance the theory that, but for the salt tax, the poorest people will escape? As for the political significance in a country which is not a self-governing country, of every man sharing the taxation and feeling the responsibility of the State,—if that be the fullest implication of the political significance of it—I will only read to you a short passage from the "Government of India" by Mr. Ramsay Macdonald:

"The Salt Tax has long been regarded as a blemish on our Indian fiscal system. . . . The Salt tax is exaction and oppression; and if the people understood it, it would only breed discontent. It is a survival of the general exploitation of India's poverty by a profit-making Company. The argument for its retention illustrates the error

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so prevalent in India, of assuming that the political wisdom of a Western self-governing State is also political wisdom in an autocratically or bureaucratically governed one, and that a bureaucracy has the same right to impose burdens on a people that a representative Legislature has. The payers of the Salt Tax have no more to say in Indian policy than the man in the moon, and the price of their salt has no more influence on the Bureaucracy than the cost of their weddings."

Therefore, there is absolutely no political significance about it. People who pay the salt tax are not feeling the responsibility of this Government, are not allowed to feel the responsibility of the Government, and

5 P.M. there is no sense of nobility or magnanimity about it. On the other hand, positively it is a humiliating tax. I ask, if there be no other ground for it, at least on this ground, is it not the duty of the Government to relieve the people from that humiliation?

Now, I come to the hardships of the tax. The hardship of the tax has been pleaded before you on the ground of the extreme poverty of the people in this country. My Honourable friend, Mr. Mukhtar Singh, yesterday was quarrelling with the Honourable the Finance Member as to why he advises thrift to persons who have reduced their expenditure to an irreducible minimum, who are absolutely poor. But the Honourable the Finance Member is not to blame for that. The Honourable the Finance Member gets his information about the people of this country from that Bureau of Public Information, the head of which is Mr. Coatman. Shall I read out to you a page—page 95—of his wonderful publication, and who can resist the temptation of coming to the conclusion which the Finance Member, new as he is to this country, has done? Before I quote it, I am surprised to find that one important item, which is made a test of the richness of people, is the cigarettes that are smoked.

"Anybody whose direct acquaintance with India extends over a period of 20 or 30 years will have no hesitation in saying that India has, on the whole, prospered during that period, and if he were pressed to account for his belief he would point to a number of signs, each of them, no doubt, unimportant when considered separately, but, when taken together, found to be fairly convincing. Railway statistics for example, show that even the poorest sections of the people can afford to travel much more than in the past. Again, cigarettes, mineral waters and other simple luxuries are now enjoyed by the masses."

I would ask if my Honourable friend Mr. Coatman were here, how many cigarettes he exchanged with these masses.

Diwan Chaman Lall: He is here.

Mr. C. Duraiswamy Aiyangar: He is concealing himself somewhere.

"Savings bank deposits and membership of co-operative societies are continually increasing, showing that more and more of the people are able to save a little and put it by for hard times."

One other passage I may read from his wonderful book, page 146. And when I was telling the substance of it to my Honourable friend, Sir Purshotamdas Thakurdas, he would never believe that such a statement was made in a responsible book like this. The mistake lies in considering it responsible. At page 146 he says:

"It is, however, certain that the problem of unemployment in India is very different from the corresponding problem in England. In this country there is unemployment from time to time in particular industries, but normally all the labour available can be absorbed and, very often, the trouble is not to find work for the workless, but to find workers for the work."

Diwan Chaman Lal: Where does he get it from?

Mr. C. Duraiswamy Aiyangar: You are fighting about one statement about Mr. Jinnah. Why don't you attack him on these points.

"When we talk of unemployment in India, what we have in mind usually is the unemployment among the educated classes, and there is not the least doubt this constitutes a problem which is becoming more and more serious every year".

So, according to Mr. Coatman, the problem of unemployment in this country is only among the graduates, among those who pass university examinations, but among the masses there is no question of unemployment. The difficulty that he finds is more to get people for the work and not get work for the people. That, Sir, is the study which he has made of the conditions in this country, and he is entrusted with the task of preparing a moral and material progress report year after year and putting it into the hands of the Secretary of State, to throw dust in the eyes of the members of Parliament in England. ("Shame.") Two sentences will do instead of this big book. There can be no moral progress in this country so long as opium and liquor are prevalent in this country. There can be no material progress in this country so long as our friends in England are exploiting all the industries in India. Two sentences will do for describing the moral and material progress of this country. Now, Sir, if the House agrees with me that the people of this country are really poor, that the problem of unemployment stares them in the face, and that Mr. Coatman, who is fully employed, is not an authority for speaking upon the unemployment of persons in these villages, then I proceed further to say that the salt tax imposes a very heavy burden upon the poor people of this country. Now, Sir, very often statements proceeding from me would receive some weight if they are supported by some authorities and if the authorities happen to come from their own men, they are probably a little more weighty, because they were given at a time when they were never considered as communists. They considered them as good citizens of England. Mr. Fleming, in his evidence on the 5th March, 1830, before the Parliamentary Select Committee, said:

"I am of opinion they would consume more if it were cheaper."

John Crawford said:

"I should think, upon the whole, that there is no country in the world in which salt, at the present moment, is higher priced than it is in Bengal in reference even to its absolute price and still more in reference to the capacity of the people who are consumers of it."

Then, Sir, Alexander Reed, a Cheshire salt manufacturer was asked a question?

"Is it not natural that consumption should be much greater in a country where salt meats are not necessary where bread, butter and cheese, which in this country are fully impregnated with salt, are not the common food of the people? Do you understand the question?"

He replied:

"I do understand it. It is difficult to prove it. But I should say, supposing a person in this country consumed 12 lbs. a year and the same individual were to go in a hot climate with the same food as is given to the inhabitants of India and that the supply of salt were as free then the consumption will be double that quantity i.e., 24 lbs."

Mr. President: What year was it?

Mr. C. Duraiswamy Aiyangar: It was in the Parliamentary Select Committee in 1890: I do not know how the date becomes of significance here

Mr. President: Great significance.

Mr. C. Duraiswamy Aiyangar: When human nature has been the same. Now, Sir, I shall not trouble this House with any long history. I will ask my Honourable friend, the Finance Member, to remember certain figures. We have all along been speaking of salt as being only necessary for human beings. I shall put that before him first. There are 300 millions of people in this country. Of course the figure comes up to 318 or 320 millions. My Honourable friend, Mr. Lloyd, who is not in the Assembly now, but who is adjacent to it, asked me to deduct the number of babies and I have deducted 18 millions. It does not matter. Taking the 1921 census figures, there are 300 millions of people. There have been 9 years after that, and I am quite sure that, in these nine years, there has been at least some increase of population, but that is another matter. I will refer to that later on. For 300 millions, taking the average of 15 pounds per head, because 17 pounds is the jail diet in Madras—the figures in India range from 10 pounds to 18 pounds per head according to provinces, you must have a supply of at least 4,500 million pounds of salt every year. Next let us take the number of cattle. I take the figures of cattle from the Royal Agricultural Commission's report, but before I give the figures, let me satisfy the House that, according to all authorities, cattle require salt in a large degree than men for keeping up their health. I do not know where my friend, Dr. Hyder, is today but I shall refer to him presently. Dr. Ratan says, salt is a good prophylactic or preventive of diseases. Mr. Arthur Young points out that 7 annas a head is the minimum estimate for salt to cattle. Mr. Robertson, who was once asked to report on the Coimbatore Agricultural College in Madras, says:

"The high price of Salt in India is a serious drawback on agriculture. In England good agricultural salt for the use of stock or for use as manure can generally be purchased at about 30s. per ton, similar salt costs in this Presidency (Madras) about Rs. 50 per ton. Live stock cannot be maintained in good health, unless they have frequent and regular access to salt."

Now, Sir

Mr. President: Order, order. I think the Honourable Member is bound to take long. The House stands adjourned till tomorrow morning at Eleven of the Clock.

The Assembly then adjourned till Eleven of the Clock on Friday, the 22nd March, 1929.