

12th March 1937

**THE
LEGISLATIVE ASSEMBLY DEBATES**

(Official Report)

Volume II, 1937

(23rd February to 13th March, 1937)

**FIFTH SESSION
OF THE
FIFTH LEGISLATIVE ASSEMBLY
1937**



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Legislative Assembly.

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MR. MATHURADAS VISSANJI, M.L.A.

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LEGISLATIVE ASSEMBLY.

Friday, 12th March, 1937.

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

MEMBERS SWORN.

Mr. John Anderson Thorne, C.I.E., M.L.A. (Government of India: Nominated Official); and

Mr. John Ainslie Mackeown (Government of India: Nominated Official).

QUESTIONS AND ANSWERS.

INDIANS IN BRITISH POSSESSIONS AND FOREIGN COUNTRIES.

611. *Mr. Ganga Singh: Will Government be pleased to state in detail:

- (a) the names of the British possessions where Indians are found;
- (b) the population of Indians in each British possession;
- (c) the names of foreign countries (foreign possessions) where Indians are found;
- (d) the population of Indians in each foreign possession;
- (e) the names of foreign countries, including British possessions, where Indians are employed in Police, and their number; and
- (f) the approximate year when the Indians entered these countries?

Sir Ganga Shankar Bajpai: (a) to (d). The attention of the Honourable Member is invited to the statement on pages 651—663 in the "Indians Abroad Directory—1934" published by the Imperial Indian Citizenship Association, Bombay.

- (e) Exact information is not available.
- (f) The information is not readily available.

PERMANENT LOCATION OF GOVERNMENT OF INDIA OFFICES IN NEW DELHI.

612. *Mr. C. N. Muthuranga Mudaliar: (a) Will Government state the total amount paid to their ministerial staff from and below the rank of Superintendent, as house rent allowance in Simla during the summer months (from 1st May to 31st October, 1936)?

(b) What is the house rent collected by Government in New Delhi from their migratory ministerial staff from and below the rank of Superintendent during the winter months (1st November, 1935, to 30th April, 1936)?

(c) What is the house rent collected by Government in New Delhi from the non-migratory staff from and below the rank of Superintendent during 1936?

(d) Do Government propose to consider the advisability of permanently locating all the offices in New Delhi, so that they could derive the maximum amount of rent for Government quarters?

The Honourable Sir Henry Craik: (a), (b) and (c). The information is being collected and will be laid on the table when ready.

(d) Government considered the question in 1933 and decided to make no material change in the present practice, until constitutional developments require it.

STATE RAILWAY MEDICAL SERVICES.

613. ***Mr. C. N. Muthuranga Mudaliar:** (a) Has the attention of Government been drawn to the letter signed 'Pro Bono Publico' in the *Hindustan Times* of the 24th February, 1937, regarding the Railway Medical Service and privileges withdrawn from them recently?

(b) Will Government state why Assistant Surgeons from the I. M. D. should be posted to the railways and whether the Railway Assistant Surgeons cannot be recruited entirely from civilian employees or doctors in private practice?

(c) Will Government lay on the table a statement showing the strength of the various grades in the State Railway medical staff, and state how many of them are Hindus, Muslims and Anglo-Indians?

The Honourable Sir Muhammad Zafarullah Khan: (a) Yes.

(b) I would refer the Honourable Member to the Honourable Sir Guthrie Russell's reply to part (b) of question No. 173 asked in the Council of State by the Honourable Mr. Mahmood Suhrawardy on the 15th April, 1936.

(c) I would refer the Honourable Member to the classified lists of subordinate staff of all departments on the Eastern Bengal, East Indian, Great Indian Peninsula, and North Western Railways on scales of pay rising to 250 and above which contain all the information available. As regards superior service officers in the Medical Department of State-managed Railways, the Honourable Member's attention is invited to the classified list of State Railways Establishment and Distribution Return of all Railways. Copies of these lists are in the Library of the House.

RECRUITMENT OF EUROPEANS IN THE VETERINARY SERVICE.

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

- (a) whether it is true that there is a proposal to import European M. R. C. V. S. (Veterinary service) men for Indian service;
- (b) whether they are aware that there are already trained hands in the country; and

(c) if so, the necessity for European recruitment?

Sir Girja Shankar Bajpai: (a) No.

(b) No definite information is available as to the number of Members of the Royal College of Veterinary Surgeons unemployed in India.

(c) Does not arise.

Mr. T. S. Avinashilingam Chettiar: May I know whether they are going to import for veterinary service in the Army side?

Sir Girja Shankar Bajpai: My answer embraces both the civil and the military side. As a matter of fact, during the last two years, the Army side have recruited eleven Indians to the Indian section of the Veterinary Corps.

Mr. C. N. Muthuranga Mudaliar: Is there any proposal to establish a central veterinary college?

Sir Girja Shankar Bajpai: The next question relates to that subject.

RECRUITMENT OF STAFF FOR THE PROPOSED CENTRAL COLLEGE FOR VETERINARY TRAINING.

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

- (a) whether it is true that there is a proposal to start a central college for veterinary training;
- (b) whether the All-India Veterinary Conference, which met at Bombay last December, condemned the scheme; and
- (c) whether they propose to get staff for the new college from outside the country and if so, why?

Sir Girja Shankar Bajpai: (a) A provisional scheme has been prepared and is under examination.

(b) No; no scheme was laid before the Conference.

(c) No proposals for staffing the College, if it is instituted, have yet been considered.

Mr. T. S. Avinashilingam Chettiar: When do they hope to arrive at a conclusion?

Sir Girja Shankar Bajpai: One of the suggestions which have been made to Government is that Local Governments should be consulted before we proceed to the consideration of this proposal for the establishment of a college, and we have to decide that point first.

Mr. T. S. Avinashilingam Chettiar: May I know how many colleges there are in India already like that?

Sir Girja Shankar Bajpai: There are five veterinary colleges in India, but they only impart instruction up to what is called the Assistant Veterinary Surgeon's stage. Higher instruction in the Veterinary Science is not provided for by any of these colleges.

Prof. N. G. Ranga: Will that scheme be placed before the next session of the Conference?

Sir Girja Shankar Bajpai: Which conference?

Prof. N. G. Ranga: All-India Veterinary Conference.

Sir Girja Shankar Bajpai: The All-India Veterinary Conference is not an official organisation and such discussions as took place on the subject of that scheme at Madras was, as far as I know, available to the Conference which took place in Bombay last December.

Mr. T. S. Avinashilingam Chettiar: Is it the idea of the Government to improve the present colleges and bring them to a higher standard or do they think that a separate college is necessary for the purpose?

Sir Girja Shankar Bajpai: That is one of the points which will have to be considered by the Government, namely, whether a separate college is necessary or whether the requisite improvement can be made by improving one of the existing colleges.

Mr. T. S. Avinashilingam Chettiar: When do they expect to arrive at a decision?

Sir Girja Shankar Bajpai: I am not in a position to fix a time limit by which a decision can be reached.

SELECTION OF MR. STAIG AS FINANCIAL COMMISSIONER FOR RAILWAYS.

616. ***Mr. M. Ananthasayanam Ayyangar:** (a) Is it a fact that Mr. Staig has been selected as Financial Commissioner of Railways in succession to Sir Raghavendra Rau?

(b) If so, will there be a single Indian member on the Railway Board?

(c) Is it not a fact that at one time there were even two Indian members on the Board?

(d) What is the reason for not filling up the coming vacancy with an Indian?

(e) Has Mr. Staig had any experience of Railway finance previous to his selection?

The Honourable Sir Muhammad Zafrullah Khan: (a) Yes.

(b) No.

(c) Yes.

(d) Government have explained on previous occasions that the Board is not constituted on a communal basis.

(e) No, nor is this considered necessary.

Mr. T. S. Avinashilingam Chettiar: May I know whether asking for an Indian is the same thing as asking that the Board should be constituted on a communal basis?

Mr. President (The Honourable Sir Abdur Rahim): It is a matter of argument.

Mr. M. Ananthasayanam Ayyangar: Apart from the communal question, are there no Indians fit?

The Honourable Sir Muhammad Zafrullah Khan: It is a hypothetical question, and, I am sure, the Honourable Member would not like me to argue it.

Mr. T. S. Avinashilingam Chettiar: It is not a hypothetical question to ask whether there are any competent Indians. It is a question of fact?

The Honourable Sir Muhammad Zafrullah Khan: As soon as a suitable Indian becomes available for membership of the Board, Honourable Members may rest assured that the matter will be favourably considered.

Seth Govind Das: When will such an Indian become available?

The Honourable Sir Muhammad Zafrullah Khan: It is a matter of speculation.

Mr. President (The Honourable Sir Abdur Rahim): After all, it may be casting reflections on Indians.

Mr. T. S. Avinashilingam Chettiar: That is what he is doing now.

Mr. President (The Honourable Sir Abdur Rahim): The Chair is giving its ruling. The Honourable Member said that as soon as a suitable Indian is available, his claims would be considered. He does not want to make any observations on the Indians available now.

Mr. M. Ananthasayanam Ayyangar: What steps are being taken to give Indians the proper training so that they may hold such superior posts?

The Honourable Sir Muhammad Zafrullah Khan: Indians have just the same opportunities available for training as any other people.

Mr. M. Ananthasayanam Ayyangar: Is it a fact that Mr. Staig was appointed to assist the Railway Committee and get training?

The Honourable Sir Muhammad Zafrullah Khan: Yes, he did go about with the Wedgwood Committee.

Mr. M. Ananthasayanam Ayyangar: Was no Indian competent to go?

The Honourable Sir Muhammad Zafrullah Khan: Sir Raghavendra Rao also went with the Committee.

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

PROPOSAL TO SHIFT THE HEADQUARTERS OF THE RAILWAY BOARD.

617. ***Mr. M. Ananthasayanam Ayyangar:** (a) Is there a proposal to shift the headquarters of the Railway Board from Delhi and Simla to some other place, on the establishment of the Statutory Railway Authority?

(b) If so, to which place and why?

The Honourable Sir Muhammad Zafrullah Khan: (a) I am not aware of any such proposal.

(b) Does not arise.

ESTABLISHMENT OF A STATUTORY RAILWAY AUTHORITY.

618. ***Mr. M. Ananthasayanam Ayyangar:** (a) Are negotiations going on with the Secretary of State for India for the establishment of a Statutory Railway Authority?

(b) At what stage are the negotiations?

(c) When is it proposed to establish that authority?

The Honourable Sir Muhammad Zafrullah Khan: (a) No.

(b) Does not arise.

(c) No decision has yet been taken.

INTRODUCTION OF THE CONTRACT RATES SYSTEM FOR THE TRANSPORT OF RICE AND PADDY ON THE BURMA RAILWAYS.

619. ***Mr. Ganga Singh:** Will Government be pleased to state:

- (i) whether the Burma Railways have introduced the contract rates system for the transport of rice and paddy and, if so, from which date was the system enforced;
- (ii) whether the system was given due publicity before it was enforced; if not, why not;
- (iii) whether it is a fact that a few selected firms were in the first instance given the benefit of the contract rates and that non-European firms were asked to enter into contracts later; if so, whether Government approve of this method of giving undue preference to one class of merchants as against others; if not, what action do they propose to take in the matter;
- (iv) whether it is a fact that the Burma Railways have refused to accept the suggestion of the Burma Indian Chamber of Commerce that those firms which have entered or may enter into contracts at later dates for want of knowledge of the introduction of these rates should be given the benefit of these rates with effect from the date on which the rates were introduced; and
- (v) whether the Railway Board have received any representation from the Burma Indian Chamber of Commerce on the subject, and, if so, whether the Railway Board have reached any decision in the matter?

The Honourable Sir Muhammad Zafrullah Khan: (i) The Burma Railways introduced early last year a system under which contracts were entered into with firms for the grant to them of a rebate of a certain percentage of the freight charges on a stipulated tonnage despatched by rail within a certain period. The first contract had effect from the 1st April, 1936.

(ii) No. The arrangement was limited in its application to cases in which enquiries had shown that traffic had been diverted to other routes.

(iii), (iv) and (v). I am placing on the table a copy of the Railway Board's letter No. 6489-T., dated the 4th January, 1937, to the Secretary of the Burma Indian Chamber of Commerce which gives the information required by the Honourable Member.

Copy of Railway Board's letter No. 6489-T., dated the 4th January 1937, to the Secretary of the Burma Indian Chamber of Commerce.

Rebate on Rail Freights.

In continuation of the Railway Board's letter No. 6489-T., dated the 4th September 1936, I am directed to state that the arrangement under which a rebate of freight rates is being allowed on the Burma Railways was introduced in order to stop the diversion to road and/or river of traffic that was being carried by rail. From enquiries made, it appeared that the traffic that was being diverted was that of two European firms with whom, therefore, the Administration entered into negotiations for a minimum tonnage to be booked by rail on which a rebate would be allowed: one such contract being made in February, 1936, and the other in the following month. Similar contracts were made in April 1936 with six other firms: five of whom were Indians and one a Chinaman. These latter contracts were negotiated several weeks before your Chamber's representative on the Burma Railways Advisory Committee took up the matter, and there are, therefore, no grounds for the suggestion that the rebate arrangement was extended to non-European firms only after "information had leaked out" that European firms were being given a rebate.

2. The Railway Board agree with the views of your Committee that there should be no discrimination in such matters, but they are satisfied that there was no attempt to discriminate. In applying for the Railway Board's sanction to the adoption of this rebate arrangement, the Agent, Burma Railways, in a letter dated the 3rd January 1936, made it clear that it would be notified in the Railway's Goods Tariff. The Agent has since explained that, through an oversight in the Traffic Manager's Office, the notification that it was intended to apply only in those cases in which other competitive forms of transport have actually diverted traffic from the railway, and there can, therefore, be no justification for allowing a rebate for such traffic as was, or would in any case have been, sent by rail.

Mr. Ganga Singh: May I ask why under part 2 of the question, due notice was not given to the public about this concession of rate?

The Honourable Sir Muhammad Zafrullah Khan: I understand that a broadcast announcement was not made as it was felt that all sorts of claims, even by firms who were in any case bound to send their goods by rail, might be made under that arrangement.

Mr. Ganga Singh: Is the Honourable Member aware that this action of the Burma Railways caused a great distrust towards the Burma Railways?

The Honourable Sir Muhammad Zafrullah Khan: I have seen the letter from the Burma Indian Chamber of Commerce; I am not aware of anything apart from that.

Mr. Ganga Singh: I mean that this action of the Burma Railways in granting concessions to some selected European firms has caused a great distrust in the minds of the other mercantile communities in Burma.

The Honourable Sir Muhammad Zafrullah Khan: I believe the concession is not limited to European firms.

Mr. T. S. Avinashilingam Chettiar: Will the Honourable Member deny that?

The Honourable Sir Muhammad Zafrullah Khan: My information is that the Honourable Member may be right that in the beginning it may have been given to European firms, but my information also is that it is not limited to any particular class of firms, and it has been given to Indian firms also.

Mr. T. S. Avinashilingam Chettiar: Will the Honourable Member inquire into this matter if that is so?

The Honourable Sir Muhammad Zafrullah Khan: Will the Honourable Member read the letter from the Railway Board in reply to the Burma Indian Chamber of Commerce which I have laid on table?

IMPROVEMENT IN THE SERVICES RENDERED BY THE POSTS AND TELEGRAPHS DEPARTMENT AND DELIVERY AND TRANSMISSION OF TELEGRAMS.

620. ***Sardar Sant Singh:** (a) Has the attention of Government been drawn to the following resolutions passed by the Associated Chamber of Commerce: "Immediate steps should be taken towards effecting an all round improvement in the services rendered to the public by the Posts and Telegraphs Department with particular reference to (1) prompt acceptance for despatch and delivery of telegrams, (2) more accurate service in the transmission of telegrams in order to prevent mutilations, and (3) a speeding up of the services generally"?

(b) How far is this state of affairs due to the severe retrenchment that was practised by Government during the last few years?

The Honourable Sir Frank Noyce: (a) Government have seen the resolution.

(b) Government have no reason to believe that the retrenchment in the strength of staff in the last few years has in any way affected the efficient working of the telegraph system inasmuch as the staff is regulated according to the volume of traffic that has to be handled.

PUBLICATION OF ADVERTISEMENTS OF THE PUBLIC SERVICE COMMISSION IN CERTAIN NEWSPAPERS IN THE PUNJAB.

621. ***Sardar Sant Singh:** (a) Is it a fact that the Public Service Commission sends its advertisements to the *Civil and Military Gazette* and the *Eastern Times* in the Punjab, while no advertisements appear in the *Tribune*?

(b) Does the Honourable Member know that the *Tribune* is read by all classes of people in the Provinces?

(c) Is it a fact that the advertisement for the post of News Editor, All-India Radio, appeared only in the above two papers? If so, why, and is it the intention to invite the applications of Muslims alone?

The Honourable Sir Henry Craik: (a) Vacancies are advertised by the Public Service Commission in newspapers the list of which is given in paragraph 8 of the Supplementary Instructions for the recruitment of minorities, a copy of which is in the Library of the House. The *Civil and Military Gazette* and the *Eastern Times* appear in that list and the *Tribune* does not.

(b) Government recognise that the list is not a complete list of all the important and reputable newspapers in India, but it has been drawn up so as to cover, as far as possible, all classes of readers interested in the matter. Considerations of economy do not admit of further newspapers in the Punjab being added to the list.

(c) The reply to the first part is that the advertisement was sent to all the newspapers named in the list. The reply to the second part is in the negative.

SHORT NOTICE QUESTION AND ANSWER.

POSTAL RATES BETWEEN INDIA AND BURMA.

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

- (a) whether the postal rates between India and Burma have been raised;
- (b) whether they are aware that large numbers of Indians, who are connected with Burma, are affected adversely by it;
- (c) what is the reason for this enhancement; and
- (d) whether they are prepared to consider the advisability of postponing this enhancement?

The Honourable Sir Frank Noyce: (a) Yes. With effect from 1st April, 1937, Empire rates of postage will be applied to correspondence exchanged between India and Burma in both directions.

(b) Yes.

(c) Burma will after separation become an independent Empire country and a member of the Universal Postal Union. As such, the fixation of postage rates from Burma to other countries will be entirely within the discretion of Burma subject to certain minima and maxima as laid down in the Universal Postal Convention. In exercise of this power, Burma has decided to fix the postage from Burma to India at rates applicable to other parts of the Empire. India has decided consequently to fix the same rates from India to Burma.

(d) No.

Mr. T. S. Avinashilingam Chettiar: May I know whether the South Indian Chamber of Commerce as well as the Nagarathar Association in Madras and also the Burma Indian Chamber of Commerce wired to the Government of India, in this matter?

The Honourable Sir Frank Noyce: Yes, that is a fact.

Mr. T. S. Avinashilingam Chettiar: May I know whether this will affect the trade relations between these two countries?

The Honourable Sir Frank Noyce: That is impossible to say.

Mr. T. S. Avinashilingam Chettiar: May I know, in view of the fact that His Majesty's Government have come to the conclusion that the Indo-Burma trade relations should remain as before even after the 1st of April next, whether they will consider this matter also and keep the rates as previously?

The Honourable Sir Frank Noyce: This action is not covered by the Indo-Burma Trade Agreement. As I have pointed out, it is entirely within the discretion of the Government of Burma to fix such postage rates as they think fit within certain limits; the Government of Burma exercised that discretion, and the Government of India consequently followed suit.

Mr. M. Ananthasayanam Ayyangar: Have the Government of India brought it to the notice of the Burma Government that there is a volume of opposition and discontent on the part of the trading communities both in this country and in Burma?

The Honourable Sir Frank Noyce: The Government of India brought all relevant considerations to the notice of the Government of Burma.

Mr. J. Ramsay Scott: Are the Government of India prepared to enter into negotiations for the reduction of rates between India and Burma?

The Honourable Sir Frank Noyce: The Government of India are quite prepared to enter into negotiations at a later date in consultation with the Government of Burma, but obviously it is for the Government of Burma to take the first step.

Mr. J. Ramsay Scott: Why?

The Honourable Sir Frank Noyce: Because we have done our best. I am, however, quite prepared to review the situation after a reasonable period, to see what effect the new rates have on traffic between India and Burma, and, if necessary, we can then take up the question again.

Sir Gowasji Jehangir: May I ask whether, according to the present traffic between Burma and India, the new rates will benefit India more, or Burma more, financially?

The Honourable Sir Frank Noyce: It is extremely difficult to say; one will have to watch their effect.

Sir Gowasji Jehangir: I mean according to the present traffic?

The Honourable Sir Frank Noyce: The traffic from India to Burma is somewhat larger than from Burma to India, and, therefore, presumably, India would get rather more benefit than Burma.

Mr. F. E. James: Did the Government of India receive notice of the Government of Burma's intention to change the rates from the 1st April this year, and, if so, did the Government of India make representations

to the Government of Burma, pointing out the increased cost this would mean to the trading interests both in India and Burma?

The Honourable Sir Frank Noyce: This matter has been under correspondence for some considerable time past, and I can assure the Honourable Member that all the considerations on which he has laid stress were pointed out to the Government of Burma, which decided, however, in view of the financial position of their Posts and Telegraphs Department, that they must adopt the Empire rates.

Mr. B. Das: Do the Government of India realise that this is against the spirit of the Indo-Burma Trade Agreement and it is going to harm the trading community in India in their relations with Burma and, particularly, it will definitely harm the five lakhs of labourers that are working in Burma and who emigrated there from Orissa and Madras?

The Honourable Sir Frank Noyce: As I have said, the Government of India laid before the Government of Burma all relevant considerations. This matter is not covered by the Indo-Burma Trade Agreement. The decision to adopt the Empire rates was made by the Government of Burma, and, in consequence of that decision, the Government of India followed suit.

Mr. Ganga Singh: What rate did the Government of India suggest when the Government of Burma represented that they were going to enhance these rates?

The Honourable Sir Frank Noyce: I am not prepared to give that information.

Mr. K. Santhanam: Did the Government of India anticipate such enhancement in the postal rates when they negotiated the trade treaty between India and Burma?

The Honourable Sir Frank Noyce: I have said that the Government of India placed all relevant considerations before the Government of Burma. I have said that several times: and the Government of Burma, presumably after giving due consideration to the views which were placed before them, decided to adopt the Empire rates.

Mr. K. Santhanam: My question was—was the consideration of that enhancement involved and included in the discussions, while the treaty was being negotiated?

The Honourable Sir Frank Noyce: Will the Honourable Member kindly repeat his question?

Mr. K. Santhanam: My question is, whether the enhancement of postal rates was considered at the time of the negotiations of the Indo-Burman Trade Treaty?

The Honourable Sir Frank Noyce: I think the Honourable Member's question was whether this enhancement was anticipated when the Indo-Burma trade negotiations were in progress?

Mr. K. Santhanam: Yes.

The Honourable Sir Frank Noyce: I have no information on that subject. It is not covered by that agreement anyway.

Mr. B. Das: Was it contemplated at the time of the Indo-British Trade Agreement that Burma should have a free hand? The Honourable the Finance Member negotiated the Indo-Burma Trade Agreement and he ought to have given his views to the House.

The Honourable Sir James Grigg: I cannot answer this question off hand, but I have no recollection of its having come up when the Indo-Burma Trade Agreement was being negotiated.

UNSTARRED QUESTIONS AND ANSWERS.

EXCISE DUTY ON SUGAR.

58. **Mr. Mohan Lal Saksena:** Will Government be pleased to lay on the table:

- (a) a statement giving the total proceeds from excise duty on sugar during the last four years;
- (b) the number of factories which paid the tax; and
- (c) the total amount of sugar manufactured in the country?

The Honourable Sir James Grigg: (a) I lay on the table a statement showing the proceeds of the excise duty from the date of its imposition.

(b) and (c). I would refer the Honourable Member to the note and the memorandum on the production of sugar published by the Director, Imperial Institute of Sugar Technology, India, in the issues of the *Indian Trade Journal*, dated the 19th and the 26th November, 1936 (copies of which are in the Library of the Assembly) which contain the required information in so far as it is available.

Proceeds from the Excess Duty on Sugar.

| | Rs. (000). |
|--------------------------------|------------|
| 1934-35 | 97,23 |
| 1935-36 | 1,58,51 |
| 1936-37 (ten months) | 1,75,51 |

REPRESENTATION OF INDIA AT THE INTERNATIONAL SUGAR CONFERENCE TO BE HELD IN LONDON.

59. **Seth Haji Abdoola Haroon:** (a) Will Government be pleased to state whether India will be represented at the ensuing International Sugar Conference to be held at London on the 5th of April, 1937?

(b) If India is going to take part in the Conference, will Government be pleased to lay on the table a list of gentlemen who are appointed, or likely to be appointed, as delegates to the aforesaid Conference?

(c) If delegates are to be appointed for the Conference from India, will Government be pleased to state whether or not the Government of India before appointing delegates, propose to consult the Indian Sugar Mills Association at Calcutta and the Sugar Producers Association at Cawnpore?

The Honourable Sir Muhammad Zafrullah Khan: (a) Yes, Sir.

(b) India will be represented at the Conference by Dr. Meek, Indian Trade Commissioner in London, as sole Delegate, with Mr. Noel Deerr, of Messrs Begg, Sutherland and Company of Cawnpore, as Technical Adviser.

(c) Does not arise.

**CANDIDATES DECLARED QUALIFIED IN THE PUBLIC SERVICE COMMISSION
EXAMINATION OF 1935.**

60. Pandit Krishna Kant Malaviya: (a) Will Government be pleased to state how many candidates who were declared qualified as a result of the examination held by the Public Service Commission in December, 1935, still remain to be provided for? Do Government think that they will be able to absorb all such candidates before 31st March, 1937—the date up to which this list will remain in force?

(b) Is it a fact that certain Departments of the Government of India and attached offices have left unfilled till 1st April, 1937, a number of vacancies with a view to recruit candidates from the fresh list of qualified candidates prepared as a result of the examination held by the Public Service Commission in September, 1936? If so, will the Home Department fill up those vacancies from the 1935 list, and utilise the 1936 list only after 1st April, 1937? If not, why not?

The Honourable Sir Henry Craik: (a) As the examinations held by the Public Service Commission are competitive and not qualifying, the question of absorbing all qualified candidates does not arise.

(b) All Departments and offices which recruit through the Home Department are required to report to the latter vacancies meant for direct recruits as they occur. The unreserved vacancies reported to the Home Department up to the 31st March, 1937, will be filled from the 1935 list and the 1936 list will come into force for such vacancies with effect from the 1st April, 1937.

**QUALIFYING TESTS HELD BY THE PUBLIC SERVICE COMMISSION ON COMMUNAL
BASIS.**

-61. Pandit Krishna Kant Malaviya: Is it a fact that the Public Service Commission held their 1936 examination only because there were no qualified candidates of a particular community on their 1935 list, while there were a number of candidates of other communities who have not yet been provided for? If so, do Government consider the advisability of confining in future their next examination to those communities only from which they desire to draw candidates? If not, why not?

The Honourable Sir Henry Craik: No. It is the normal practice that examinations for the Third Division of the Ministerial Service are held annually and an examination was accordingly held in 1936.

**RE-EXAMINATION BY THE PUBLIC SERVICE COMMISSION OF CANDIDATES
ALREADY DECLARED QUALIFIED IN A PREVIOUS EXAMINATION.**

62. Pandit Krishna Kant Malaviya: (a) Are Government aware of the feeling of disappointment and discontent among such candidates as have been declared qualified in one of the examinations of the Public Service Commission, but are obliged to appear for the same examination next year?

(b) Will Government be pleased to state the names of those examining bodies or universities which having once declared a candidate qualified at an examination require him to reappear in the same examination for a second time? If the answer to this be in the negative, do Government propose to abolish the practice of the Public Service Commission mentioned in part (a) above? If not, why not?

The Honourable Sir Henry Craik: (a) and (b). No candidates are declared qualified at the examinations of the Public Service Commission. The recruitment rules lay down that a candidate who has competed in a particular examination and not secured a permanent vacancy before the next examination has no claim to future vacancies for direct recruits except by success in a further examination. No change is proposed.

**LOSS OF TELEGRAPH MESSAGES IN THE CENTRAL TELEGRAPH OFFICE,
MADRAS.**

63. Sardar Sant Singh: (a) Is it a fact that charge sheets are invariably issued against the receiving telegraphists in connection with loss of messages in the Central Telegraph Office, Madras?

(b) Is it also a fact that their names are noted always in the register of loss of telegrams even in unproved cases?

(c) Is it a fact that increments of telegraphists have been withheld in the Central Telegraph Office, Madras, in connection therewith?

(d) Are Government prepared to introduce sufficient safeguards to save innocent men from blame?

The Honourable Sir Frank Noyce: Questions Nos. 63 and 64 are answered together. Government have no information and do not propose to call for it. The matter is within the competence of the Postmaster-General, Madras, to whom a copy of the questions and of this reply is being sent for such action as he may consider suitable.

**MUTILATIONS OF TELEGRAMS BETWEEN DEPARTMENTAL TELEGRAPH OFFICES
AND COMBINED SIGNAL OFFICES IN THE MADRAS CIRCLE.**

†64. Sardar Sant Singh: (a) Is it a fact that telegraphists in the Madras Circle are blamed and penalised for mutilations that occur in telegrams between Departmental Telegraph Offices and Combined Signal Offices?

(b) Is it a fact that while the postal side lets off postal signallers with warnings, the departmental telegraphists are blamed and also penalised invariably with retrenchment in their pie-money score, even though pie-money was not earned on combined office lines?

(c) Are Government prepared to examine the procedure followed in the Madras Circle and set right such differential treatment?

**STRENGTH OF OPERATORS SANCTIONED FOR THE CENTRAL TELEGRAPH OFFICE,
MADRAS.**

65. Sardar Sant Singh: (a) Will Government be pleased to state the strength of operators sanctioned for the Central Telegraph Office, Madras, for 1936-37?

(b) Will Government be pleased to state the strength on the rolls and the actual number available on the 31st January, 1937?

(c) What is the strength of Leave Reserve of operators for the Central Telegraph Office, Madras, fixed for 1936-37 and what is the average absenteeism during the year?

(d) Was there any increase in traffic during November and December 1936 and January 1937? If so, by what percentage?

†For answer to this question, see answer to question No. 63.

(e) Was the employment of non-departmental telegraphists during busy season and times of shorthandedness in vogue in the Telegraph Department?

(f) If so, why was not shortage filled by such a process?

The Honourable Sir Frank Noyce: The attention of the Honourable Member is invited to my reply to an identical question of Mr. Sami Vencatachalam Chetty, *viz.*, No. 457 on the 26th February, 1937.

DEDUCTIONS FROM THE SALARIES OF OFFICIALS OF THE POSTS AND TELEGRAPHS DEPARTMENT TOWARDS THE DUES OF CO-OPERATIVE SOCIETIES.

66. Sardar Sant Singh: (a) Is it a fact that orders are in force in the Posts and Telegraphs Department to the effect that deductions from officials' salaries towards co-operative societies' dues should not exceed 50 per cent. of their salary, and house rent allowance is excluded from such operation?

(b) Is it a fact that nearly the whole salary is being compulsorily taken away in a number of cases from salaries of the messengers of the Central Telegraph Office, Madras?

(c) Is it a fact that representations from the affected individuals have been rejected?

(d) Are Government prepared to take steps to remedy matters?

The Honourable Sir Frank Noyce: (a) The orders are that the Department should ordinarily limit the recoveries it makes on behalf of co-operative societies to an amount which shall not exceed half the net monthly salary drawn by an employee (borrower) after satisfying all Government dues including fund deductions and court attachments. I may add that these recoveries are made with the written consent of the employee (borrower). It is open to the employee to repudiate the signed agreement. If he does so the recoveries cease.

(b) to (d). Government have no information and do not propose to call for it. The matter is within the competence of the Postmaster-General, Madras Circle, to whom a copy of question is being sent for such action as he may consider suitable. It is also open to the messengers to represent the matter to the head of the circle.

OVERTIME WORK IN THE CENTRAL TELEGRAPH OFFICE, MADRAS.

67. Sardar Sant Singh: (a) Is it a fact that employment of overtime has become more or less a daily feature of late in the Central Telegraph Office, Madras?

(b) Is it a fact that the Chief Superintendent of that office has issued orders threatening the staff with disciplinary action, if men pleaded inability to do overtime?

(c) Is it a fact that a telegraphist of the Central Telegraph Office, Madras, suddenly collapsed on the night of the 23rd December, a couple of hours after he got off duty?

(d) Is it a fact that he was detained on overtime till midnight on two days successively prior to the date of his death?

(e) Is it a fact that a clerk fainted in the office on the night of 19th January last while on duty?

(f) Is it a fact that there was an Assistant Superintendent on duty at the time of occurrence, and no steps were taken by him to get medical aid to the fainted official and the official had to struggle for himself till next morning?

(g) Do Government propose to check the recurrence of such mishaps?

The Honourable Sir Frank Noyce: Information is being collected and a reply will be placed on the table of the House in due course.

PRESS ARTICLES AGAINST THE ADMINISTRATION OF THE CENTRAL TELEGRAPH OFFICE, MADRAS.

68. **Sardar Sant Singh:** (a) Has the attention of Government been drawn to the editorial note that appeared in the *Telegraph Review* of September, 1936, and various other articles that appeared in the *Telegraph Review* and the *Telegraph Recorder*, against the administration of the Central Telegraph Office, Madras?

(b) Is it a fact that some clerks of the Central Telegraph Office, Madras, were compelled to give a declaration against their will that they did not wish to work in the Administrative branch of that office?

(c) Is it a fact that some of the affected officials complained about the matter?

(d) Is it a fact that the officials concerned were subjected to much harassment and severe punishment for having represented matters?

(e) Are Government prepared to examine the administration of the Central Telegraph Office, Madras, and put a stop to further developments?

The Honourable Sir Frank Noyce: (a) Government have now seen the article in the *Telegraph Review* of September, 1936, but not the others to which reference has been made as particulars relating to them have not been furnished.

(b) and (d). No.

(c) Government are not aware of any complaint made by the officials referred to.

(e) Does not arise in view of the replies to parts (b) to (d) above.

DUTY WITHOUT MEAL RELIEF IN THE CENTRAL TELEGRAPH OFFICE, MADRAS.

69. **Sardar Sant Singh:** (a) Is it a fact that 19 to 1 duty without meal relief is still being enforced in the Central Telegraph Office, Madras, in spite of continuous representations?

(b) Is it a fact that meal relief is granted to the staff in Rangoon Office while on that duty?

(c) Is it a fact that even short reliefs are not available in the Central Telegraph Office, Madras, to the staff on 19-1 duty till after 9 P.M.?

(d) Are Government prepared to abolish that duty altogether?

The Honourable Sir Frank Noyce: (a) to (d). Government have no information and do not propose to call for it; but I would invite the Honourable Member's attention to my reply to his unstarred question No. 146 on the 8th October, 1936, and to Mr. N. M. Joshi's unstarred question No. 200 on the 16th October, 1936.

SIGNATURES TAKEN FROM MESSENGERS OF THE CENTRAL TELEGRAPH OFFICE, MADRAS, ON TYPED ENGLISH LETTERS UNDER FALSE PRETENCES ADDRESSED TO THE POSTMASTER GENERAL, MADRAS:

70. **Sardar Sant Singh:** (a) Is it a fact that messengers of the Central Telegraph Office, Madras, were misled and their signatures were taken by certain officials of that office on typed English letters under false pretences to the address of the Postmaster General, Madras last year?

(b) Did the All-India Telegraph Union, led by the General Secretary, personally interview the Postmaster General, Madras, in January 1936 and represent matters?

(c) Is it a fact that an enquiry was held by the Chief Superintendent in connection therewith?

(d) Is it a fact that two of the members of the deputation who happened to be subordinates of that office were called by the Chief Superintendent and threatened with responsibility in the matter?

(e) Is it a fact that the Union was not allowed to put in evidence in support of the allegations they had made?

(f) Are Government prepared to examine the whole matter and institute an independent enquiry?

The Honourable Sir Frank Noyce: (a) No.

(b) and (c). Yes.

(d), (e) and (f). No.

INFERIOR SERVANTS OF THE TELEGRAPH DEPARTMENT RETRENCHED UNDER RETRENCHMENT CONCESSIONS.

71. **Sardar Sant Singh:** (a) Will Government be pleased to state the number of inferior servants (below ten years' service) of the Telegraph Department retrenched under the Retrenchment concessions?

(b) Is it a fact that many of them applied for re-employment?

(c) If the replies to parts (a) and (b) be in the affirmative, will Government be pleased to state the number of those inferior servants already re-employed?

(d) Is it a fact that some of those retrenched inferior servants have been re-employed as outsiders, although they served the Department for a number of years before their retrenchment?

(e) If the reply to part (d) be in the affirmative, will Government be pleased to state the reasons for the same?

(f) Is it a fact that junior clerks of the Telegraph Department, who were retrenched under the retrenchment scheme, have been re-employed as clerks?

(g) If the reply to part (f) be in the affirmative, are Government prepared to re-employ all the task work messengers (below ten years service) retrenched under the retrenchment scheme as task work messengers? If not, why not?

The Honourable Sir Frank Noyce: (a) to (e). Government regret that the information is not available and cannot be collected without an undue expenditure of time and labour. If any individual has any grievance to represent, he can do so in the usual manner to the proper authorities.

(f) Government have no information, but some of the retrenched men may have been re-employed.

(g) No, but such men can apply for employment and will, under the existing orders, be given preference.

DISPOSAL OF TRAFFIC ON THE RANGOON WIRELESS WORKING ON PHONES.

72. **Sardar Sant Singh:** (a) Is it a fact that a larger amount of traffic is disposed of daily on the Rangoon Wireless Working on phones?

(b) Is it a fact that the entire supervision of this section, which includes traffic supervision also, has been entrusted to wireless operators?

(c) Is it a fact that traffic supervision is a duty of telegraph masters?

(d) Is it a fact that Government, as per item 11 (a) of their orders on the report of the Varma Committee, have not accepted the recommendation of the latter body for traffic supervision by supervisor telegraphists for fear of loss of efficiency?

(e) Is it a fact that supervision of work on wireless morse working is purely traffic and administrative supervision and have Government considered that telegraph masters learning the technical terms used in the system can easily supervise the system?

(f) If the replies to parts (a), (b), (c), (d) and (e) be in the affirmative, are Government prepared to order employment of telegraph masters for supervision of the system?

The Honourable Sir Frank Noyce: (a) to (f). Information is being obtained and will be laid on the table of the House in due course.

STOPPAGE OF ALLOWANCES OF HEAD TELEPHONE OPERATORS.

73. **Sardar Sant Singh:** (a) Is it a fact that Head Telephone Operators allowance which was previously granted has been stopped?

(b) If the reply to part (a) be in the affirmative, will Government be pleased to state the reasons for stopping the same?

(c) Is it a fact that owing to opening of All-India Trunk Service the work of Head Operators has considerably increased?

(d) Are Government prepared to separate the Traffic and Engineering branches of those exchanges where there are more than 100 direct connections and give the sole charge of such exchanges to Head Operators and give them a charge allowance? If not, why not?

The Honourable Sir Frank Noyce: (a) It is not a fact that head telephone operators were granted an allowance in the past, and, therefore, no question of stopping such an allowance arises.

(b) Does not arise.

(c) The work of head telephone operators has increased to a certain extent owing to the growing use by the traffic of trunk services, but Government do not consider that there is any justification for the grant of any special pay on this account.

(d) No, because the additional expenditure involved would not be justified by the needs of the case.

CONVEYANCE ALLOWANCE FOR THE POSTS AND TELEGRAPHS STAFF.

74. **Sardar Sant Singh:** (a) Is it a fact that the question of conveyance allowance to the Posts and Telegraphs staff has been under consideration of Government for a very long time?

(b) Will Government be pleased to state when their decision in the matter will be expected?

The Honourable Sir Frank Noyce: (a) The question of the grant of conveyance allowance to certain officers of the Indian Posts and Telegraphs Department who have to perform frequent journeys on duty within a radius of five miles from their headquarters has been under consideration for some time.

(b) I am unable to say, but it is hoped to be able to arrive at a decision shortly.

REGISTRATION OF THE UNIONS OF THE EMPLOYEES OF THE POSTS AND TELEGRAPHS DEPARTMENT.

75. **Sardar Sant Singh:** (a) Will Government be pleased to state if Unions of employees of the Indian Posts and Telegraphs Department can be registered under the Indian Trade Unions Act (Act XVI of 1926)?

(b) Is it a fact that the employees of the State-managed Railways in India and postal and telegraph workers in England can have their Unions registered under Trade Unions Acts of their respective countries?

(c) Is it a fact that public utility services as defined in the Trade Dispute Act (Act VII of 1929) include the postal, telegraph or telephone service?

(d) If the answer to part (a) be in the negative, will Government please state the reasons?

(e) If the answer to parts (b) and (c) be in the affirmative, do Government propose to amend Act XVI of 1926 to allow all Unions or Associations of Government servants to be registered under the Trade Unions Act?

The Honourable Sir Frank Noyce: (a) and (c). Yes.

(b) As regards the employees of State-managed Railways, the reply is in the affirmative. Government have no information as to the practice in England.

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

EMPLOYMENT OF RETIRED PUBLIC SERVANTS IN NEW APPOINTMENTS.

76. **Sardar Sant Singh:** (a) Has the attention of Government been drawn to paragraphs 199, 200, 205 and 206 of the Report of the Unemployment Committee, United Provinces, 1935 (known as Sapru Committee)?

(b) Is it not a fact that the Committee was opposed to the prevailing practice of employment of retired public servants to new appointments and also recommended that no extension should be granted to any public servant after he has completed the fifty-fifth year of his age?

The Honourable Sir Frank Noyce: (a) Government have seen the paragraphs of the report referred to by the Honourable Member.

(b) The fact is as stated by the Honourable Member, but I may make it clear that the report deals with conditions obtaining in the United Provinces, and the remarks relating to the employment of retired public servants have reference to employment in such bodies as municipalities, district boards and Courts of Wards, etc.

RETRENCHMENT OF EMPLOYEES IN THE POSTS AND TELEGRAPHS DEPARTMENT.

77. **Sardar Sant Singh:** Is it a fact that during the period ending 31st March, 1935, a vast number of employees in the Posts and Telegraphs Department was retrenched?

The Honourable Sir Frank Noyce: It is a fact that, during the period 1931 to 1935 a certain number of employees of the Department who were surplus to requirements were retrenched. They were granted special retrenchment concessions.

DIFFERENT SETS OF OUTTURN STATEMENTS IN THE CALCUTTA CENTRAL TELEGRAPH OFFICE.

78. Sardar Sant Singh: (a) Will Government please state if it is a fact that in the Central Telegraph Office at Calcutta and other places, two different sets of outturn statements, *viz.* 'Hourly out turn statements' and 'Individual out turn statements', are required to be maintained by the staff?

(b) If so, will Government be pleased to reconcile their replies given to question No. 268 on the 16th October, 1936?

The Honourable Sir Frank Noyce: (a) Yes.

(b) There is nothing inconsistent in the reply to part (a) of this question with that given to question No. 268 on the 16th October, 1936.

RULES REGARDING SEEKING OF REDRESS IN COURTS OF LAW BY PUBLIC SERVANTS.

79. Sardar Sant Singh: (a) Will Government be pleased to state the rules, if any, whereby their servants may seek redress in courts of law?

(b) Is it a fact that under the Public Servants (Inquiries) Act XXXVII of 1850 (as amended by Act I of 1897), public enquiries had to be made in respect of the behaviour of public servants not removable from their appointments without the sanction of the Government?

(c) If the rules as are contemplated in part (a) do not exist, will Government be pleased to state if they are prepared to issue necessary instructions directing that statutory rules should not be violated by administrative officers?

(d) If the answer to part (b) be in the affirmative, are Government prepared to amend the Act to make the same uniformly applicable to all Government servants whether removable from appointments with or without the sanction of Government? If not, why not?

The Honourable Sir Henry Craik: (a) There are no rules bearing on this subject.

(b) No. The Public Servants (Inquiries) Act, 1850, is only used when it is desirable that a public enquiry should be held. It does not preclude a departmental enquiry.

(c) Necessary instructions have already been issued with reference to rule 55 of the Civil Services (Classification, Control and Appeal) Rules.

(d) Does not arise.

TRANSFER OF CLERKS IN THE POSTS AND TELEGRAPHS DEPARTMENT.

80. Sardar Sant Singh: (a) Is it a fact that the transfers of clerks in the Posts and Telegraphs Department are not made except on promotion and even on promotion the transfers should be avoided as far as possible, *vide* paragraph 419 of the Posts and Telegraphs Manual, Volume 4?

(b) Is it a fact that there are orders that the selection grade clerks, commonly known as Head Clerks in the Posts and Telegraphs Department, should not remain for more than three years at one place?

(c) Is it a fact that the recruitment in the Posts and Telegraphs Department is made according to Revenue Division?

(d) If the replies to parts (a), (b) and (c) be in the affirmative, will Government please state how the transfers of clerks from Rawalpindi and Delhi Divisions were made, thereby violating the rules laid down in paragraph 419 of the Posts and Telegraphs Manual, Volume 4, and the rules of recruitment and transfers within the Revenue Divisions?

(e) How in the case of certain selection grade clerks, were the transfers ordered from one station to another before the lapse of one year, and in the case of certain selection grade clerks in the Engineering Branch at Lahore, no such transfer was ordered, although they have been at one station for over five years?

(f) Is it a fact that there is a preponderance of a particular community in the staff A and B Branch of the Punjab and N.-W. F. Circle office? If so, are Government prepared to investigate the matter and issue orders in the interest of other communities to equalise the staff proportionately?

The Honourable Sir Frank Noyce: (a) No. All clerks in the Posts and Telegraphs Department are liable to transfer when the exigencies of the service so require. Paragraph 419 of the Posts and Telegraphs Manual, Volume IV, relates only to the transfers on promotion of clerks employed in departmental telegraph offices.

(b) No. The orders do not apply to all selection grade appointments. They apply only to Inspectors of Post Offices and R. M. S., Head Clerks to Superintendents of Post Offices and Head Clerks of sections in Circle Offices.

(c) Yes, as a general rule.

(d) Government have no information regarding the alleged transfers. In view of replies to parts (a) and (b) above, Government do not consider that any breach of rules is involved in the transfers of the clerks referred to by the Honourable Member.

(e) Government have no information. Transfers are made in the interests of the public service, and for the staff in question, transfer is a condition of service.

(f) As regards the first part, Government have no information nor do they propose to call for it. Posting of staff to any particular section of an office is not made on communal grounds. The latter part does not arise.

STATEMENT LAID ON THE TABLE.

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

The Honourable Sir Frank Noyce (Member for Industries and Labour): Sir, I lay on the table a statement, furnished by the High Commissioner for India, showing all cases in which the lowest tenders have not been accepted by him in purchasing stores for the Government of India, during the half year ending the 31st December, 1936.

HIGH COMMISSION

INDIA STORES

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

HALF YEAR ENDING

| Stores ordered. | Contract Number. | Name of Contractor. | Amount of Contract. |
|-----------------|------------------|---------------------|---------------------|
|-----------------|------------------|---------------------|---------------------|

PART A.—Cases in which lower foreign tenders, including British tenders for ten-

Nil.

PART B.—Cases in which the discrimination

| | | | £ s. d. |
|--|-----------------------|--------------------------------|--------------------------|
| Beams and bars for gymnastic apparatus No. 30. | U. 1185/1548/17-8-36. | Spencer Heath and George, Ltd. | 226 6 9 (British). |
| Canvas, flax 23,100 yards. | U. 1946/4107/9-11-36. | M. C. Thomson and Co., Ltd. | 2,646 19 7 (British). |

PART C.—Cases in which the discrimination is

Nil.

PART D.—Cases in which lower British tenders have

Nil.

FOR INDIA.**DEPARTMENT.**

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

31st DECEMBER 1936.

| Lowest tender not accepted. | Reason for acceptance. |
|-----------------------------|------------------------|
|-----------------------------|------------------------|

foreign made goods, have been set aside, wholly or partially in favour of British firms.

Nil.

is between British firms only.

| £ s. d. | |
|-------------------------|--|
| 183 7 9 (British). | The delivery time stipulated by the lowest tenderer was excessive and would not have met the requirements of the indenting Department. |
| | The firm had found it difficult on a previous contract to produce goods of the high quality needed. After some delay most of the order had to be cancelled and bought elsewhere. Further delay beyond the long delivery quoted was therefore to be expected on this occasion. This tender was accordingly passed over. |
| 2,627 2 8 (British). | The canvas was very urgently required. The order was therefore placed with the second lowest tenderer on account of the much quicker delivery offered. |

between foreign firms only.

Nil.

been set aside in favour of foreign tenders.

Nil.

THE INDIAN SOFT COKE CESS (RECONSTITUTION OF COMMITTEE) BILL.

The Honourable Sir Muhammad Zafrullah Khan (Member for Commerce and Railways): Sir, I beg to move for leave to introduce a Bill to reconstitute the Committee constituted under the Indian Soft Coke Cess Act, 1929.

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

"That leave be granted to introduce a Bill to reconstitute the Committee constituted under the Indian Soft Coke Cess Act, 1929."

The motion was adopted.

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

THE INDIAN FINANCE BILL.

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

"That the Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary the excise duty on sugar leviable under the Sugar (Excise Duty) Act, 1934, to vary certain duties leviable under the Indian Tariff Act, 1934, to vary the excise duty on silver leviable under the Silver (Excise Duty) Act, 1930, to fix maximum rates of postage under the Indian Post Office Act, 1898, and to fix rates of income-tax and super-tax, be taken into consideration."

Sir, on the subject of the budget up till now the last word has rested with me, and, therefore, I think it will be for the convenience of the House, particularly in view of the fact that the time available for Finance Bill debates this year is limited by holidays, if I merely move formally and reserve my remarks to the end of the debate.

Sir, I move.

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

"That the Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary the excise duty on sugar leviable under the Sugar (Excise Duty) Act, 1934, to vary certain duties leviable under the Indian Tariff Act, 1934, to vary the excise duty on silver leviable under the Silver (Excise Duty) Act, 1930, to fix maximum rates of postage under the Indian Post Office Act, 1898, and to fix rates of income-tax and super-tax, be taken into consideration."

Dr. N. B. Khare (Nagpur Division: Non-Muhammadan): Mr. President, I am very grateful to you for giving me this last opportunity to make some noise in this House before I bid farewell to this House. I shall, therefore, try to be very brief and also pretty reasonable.

We are asked to consider what is called the Indian Finance Bill. Sir, what is the purpose of this Bill? Its purpose obviously is to find the wherewithal or the money for the suppressive, oppressive and repressive operations of an institution called the "Government of India". Sir, even this denomination "Government of India" stinks into one's nostrils. All the other Governments in the world are called in different ways, such as, the British Government, the French Government, the Afghan

Government and so on, but here it is the Government of India. It is a possessive sense and shows that India is possessed by the ghost of Britain. Sir, this Bill really has no concern with us. It is the Bill of the Government of India; it is a Bill for its services; and the best term for it, in my humble opinion, will be not the Indian Finance Bill, but the Indian Fleecing Bill. Sir, we, the poor Indian sheep,—we are often called the dumb driven cattle—are being fleeced, and they are making warm coats out of our wool, for themselves, and we are left wool-gathering and wondering as to what has happened. So, this is India's fleecing Bill.

Sir, this Bill is only meant for two main services and to finance the operations of those services—one is the army and the other is the civil administration. The Indian people hardly come in the picture at all. The army swallows up about half the revenue of India. I have yet to see on the face of the earth either a country, a corporation or a merchant who pays half of the annual income to his janitor. Now, what is this army? What are its functions? It is called the Indian army, but it is not the Indian army at all. It is the army of occupation kept here not for the protection of the people of this country,—at best, it may be its subsidiary function,—but to terrorise them into subjection, so that exploitation may go on merrily, for ever and also to provide employment for the British people. That is its purpose. Sir, it is now an open secret and everyone knows it, in spite of the care bestowed by the Government to keep it secret, that the British soldier is kept here not because he is more useful and more competent but because he is British as against Indian ranks. That is the only purpose of keeping him here. That being the case, if England is at all honest, she should pay for the whole army. Why should we pay for this army at all? If we have an army of our own which is required for our own defence, then we can pay for it. Then, Sir, there are so many divisions in the army. The whole arrangement is very mischievous and people are divided into martial and non-martial races. I really do not know what I am. I am a Mahratta but I do not know whether I belong to a martial or a non-martial race. But I know this much that I am not a mercenary and I will not shoot my own kith and kin by the order of my so-called masters, and take pride in doing so. In this army there are also divisions, Hindus, Muslims and others. One of the purposes of this Government is not only to enhance the angularities among the various inhabitants in India but to create new divisions, like martial, non-martial and so on. There are also divisions like Indians and non-Indians. Of course, it is there without doubt. Then, there are divisions like Brahmans and non-Brahmans, touchables and untouchables, Hindus and Muslims. They are perpetually kept apart, the whole policy of Government being to divide and rule. I do not know when the Hindus and Muslims will give up their quarrels, but I know one thing that they are uniting in a superficial and artificial way. It is commonly observed that the *choti* of the Hindu has left the back of his head where it was formerly, and it is now progressing forward and is settling down on the forehead, so also the Muslim *badhi* has left the chin and has gone upwards and upwards, and it has also found its haven of rest in the forehead. That is the Hindu-Muslim unity which has come to us by the advent of British Government. Sir, if we really give up all our fights for small things and unite without any reservation, mental or otherwise, the existing state of affairs, such as troubles and quarrels will cease, and this domination by an alien race will also end and

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this Communal Award which is also condemnable will also vanish. I hope good sense will prevail upon us and that day will soon dawn.

The civil administration for which also a large share of the revenues of the Government of India has been spent centres round the Indian Civil Service which is the pivot of the Indian Empire. It is composed mostly of *burra sahibs* whose nod must be obeyed to the peril of those who dare disobey. He is the giver of everything, he can withhold anything he likes and his duties are manifold, he collects taxes, he administers justice and does all sorts of odd jobs and in the order of things, he is next to the Creator in the possession of arbitrary powers which are always used for the benefit of England and to the detriment of India. For such a service we are required to spend our hard-earned money. It is wrong to call this service the Indian Civil Service (I.C.S.), I would prefer to call it the India's cooking service,^h because the men belonging to this service cook India and nicely dress her into dishes and serve them on the British Imperial table. The object of this service is really to exploit us, and not to elevate us; and this Bill is meant to make a provision for that nefarious and unholy object. Therefore, this occasion is a *Sādiki Rāt* for them and *Kataliki Rāt* for us; which means the day of marriage for them and the day of death for us. In this connection, I am reminded of a story. There was a farmer who kept hens, a lot of them and he reared them, he tended them nicely and it so happened that bad times came. The farmer called the hens to some sort of Assembly or Round Table Conference and began to lecture to them as follows: "Oh! dear, dear, hens, you are so dear to me, you are my dear creatures, I have tended you so long, I gave you freedom to go wherever you liked, to go to any dust-bin or dung-heap, and pick up any grain you could get there and feed yourselves. Now, Christmas time has come, the times are bad, I have got a number of guests in my family, which has also become larger. So, my dear hens, I propose to remove you bodily from the sphere of earth to heavens. I am always kind to you. I will give you the option of preferring what kind of spices you would like to be mixed up with in cooking." (Laughter.) Of course the poor creatures began to cackle and nestle, and fiddle and coddle and said: "What a nice farmer is this, he has given us the option of telling him in which kind of *masalas* we would like to be cooked." There was one hen among the whole lot, an old wise one which craned its long neck and raised it proudly and said: "No, Mr. Farmer, this shall not happen. I shall not consent to my own killing." Of course what the hen meant was that the farmer was powerful enough to kill all the hens put together, but that surely it will not willingly agree to be cut and cooked. That was the difference between the wise hen and the other hens. This Government firmly believes that it is here for the maintenance of peace and order and good government. Certainly it cannot be denied that it is the function of every government to cater for peace and order and good government. No one can deny that. But the function of a Government does not end there. It begins here; but the function of the Government of India ends here. It does nothing for the people of India. Our lot is nothing else than a round of perpetual misery. Government must remember that mere polished efficiency is not the end of the Government which calls itself a civilised government. It must end the miseries of the people, make the people happy, It must enrich the life of people.

under it, make it abundant and spontaneous and responsible. But this Government will never do it, so long as it exists, I am sure. The result is perpetual misery for the people. They suffer from lack of education: there is illiteracy, starvation, famines, plagues and all sorts of things. On every Indian's face, misery is writ large, there is no kick, no vim, no vigour and no laugh in Indian life. This Government is responsible for all this misery. Government spent nothing for social relief or economic betterment and they will never do it. What is the average life of an Indian. It is 22½ years. It is falling down gradually. As compared with the average life in other countries, it is very low. The fact of the matter is that Government's functions are not performed properly and therefore I call this Government *poggy*. This word does not find a place in Webster's dictionary, and, therefore, no one need take the trouble of finding it out there I will make its meaning clear. Whenever we want money from Government as for nation building and whenever we ask the Government to do something for us, to do this thing or that thing which is legitimate, the excuse trotted out by Government is that there is no money and that all monies are spent in the maintenance of peace, order and good government. Government is very fond of replying thus. I, therefore say, this Government is *poggy* which represents the first letters of peace, order and good government. I have added a "y" to make it an adjective. This Government says that we Indians are not competent, we cannot do anything and we are Asiatics; and you know what the fate of Indians is in overseas countries of the Empire. But look at the example of Japan. It has a national Government, it is also an Asiatic race and was never so civilised as we were in ancient days. And yet because it cares for its own people, what is the result? Japan today is competing with England in all matters, military, commercial and everything else. But here in spite of British occupation for 150 or 200 years, we cannot even manufacture pins in India, let alone bicycles, motor-cars, aeroplanes and engines. And every year we raise these questions, Government are adamant, stubborn and pig-headed. Sir, for the last couple of years some money was spent by this Government for village uplift. But Government were never sincere about it; they did it only as a political stunt. If they were really sincere about it they would have found some money this year also for village uplift, but they have not done so; and the elections also are now over. What is village uplift and how was that money spent? The money was spent on foreign knick-knacks mostly; and the result was that the village remained where it was and where it is, and the money was uplifted. (Laughter.) This is known as village uplift.

Sir, a lot is made nowadays of broadcasting. The poor Indian peasant cannot get food and cannot get proper clothing, even for his women-folk; his children are unhealthy; and still he will be amused by broadcasting! What a funny idea! I have a shrewd suspicion that this broadcasting is not meant for the poor Indian villager, but that Japanese competition has hit hard the Lancashire cloth industry, and Britain does not expect now, at least in the near future, to catch the Indian market again. Therefore there must be an outlet for India's money to England and broadcasting is a very convenient outlet. If Government were sincere in their protestations, I plead once for all that this top-heavy administration must not go on hereafter. If it goes on, all these protestations about benefit of the Indian people are hypocritical. The capacity of the Indian to be taxed is absolutely limited; it is at present nil. And the needs of India

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for increased expenditure are certainly very great, if at all Indians are to live like men and not as dogs and cats. But unless and until this Government make up their mind to cut out this top-heavy administration, the misery of the Indian people will continue, and God knows what will happen to them hereafter. The budget is sought to be balanced by a mere jugglery of figures, a little tinkering here and a little tinkering there. But, Sir, balanced budgets are not produced by such methods. Balanced budgets require balanced minds also, and those are wanting in those who sit opposite and who are responsible for it. Sir, in the course of the last 7 or 8 days we have defeated Government on some very important vital issues, and any Government with the slightest sense of decency would have resigned. But this Government still goes on sitting there and grimacing at us. Therefore it is useless to make any suggestions to this Government for our betterment. But there they are and here we are; and so in a spirit of sheer desperation I will venture to make some suggestions.

Sir, it appears from the speech of the Honourable the Finance Member that he is very optimistic about the future, and he bases his optimism on some improvement in the prices of commodities. But that improvement has not got sufficiently far, it is not sufficient to warrant that assumption. He also lays some stress on the recovery of export trade to some extent, but there also we do not know how far it will be permanent or whether it will again vanish. So the only serious proposal I would place before this Government is that they must rectify the mistake which they made last year, of restoring the salary cuts. They must cut down the salary of Government servants at least by 10 per cent., if they are sincere about their protestations. If they do not do it, of course it means that our charge of exploitation is correct. Sir, this new Act is coming into force or has come into force in the provinces and provincial Governments now require more revenue. There are subventions and the separation of Burma has cost a good bit to India. If Government bear all these facts in mind they must not only reduce the salaries by 10 per cent. but they must appoint some inquiry committee to reduce the grades and scales of salary permanently. Till that time comes the budget can never be balanced and all this trouble will go on.

Sir, that perpetual salt tax is there. It is a disgrace on any fiscal system to tax salt which is a prime necessity for poor people. It is nothing but oppression, exaction and exploitation of the poor Indian masses by this profit-making Government, and it must go.

Then, Sir, there is the sugar excise duty. It has been raised by eleven annas per hundredweight. This industry is an infant industry and has made very good progress. It is a promising industry, and employs a lot of people and gives them daily bread. It is also beneficial to the agriculturists for whose welfare Government are always very solicitous. But now in spite of all that, Government have thought it fit to increase the excise duty, and they think that by so doing some inefficient factories will be wiped out and the industry will be benefited. I really cannot understand why Government should do it. They are proposing to appoint a Tariff Board to go into the question; why do they try to anticipate the findings of that Board? Why this indecent haste? That this excise duty will benefit the sugar industry is a very wonderful idea.

It reminds me of Aunt Putana of the Mahabharat fame. When the baby Krishna was gaining strength and growing there came Aunt Putana to nurse him with her poisoned breast.

The poor man's demand for the half-anna postcard is not yet satisfied. On the contrary we are getting increased rates for parcels. Sir, the people of India have cried hoarse that the exchange ratio should be changed, but they will never do it. It is not in their interest to do it. They allow gold to be exported and spirited away and refuse to put any embargo on it; on the other hand they have raised the duty on silver; so that gold goes out and silver does not come. India is denuded, and that is what the Government exactly want. They are not here to enrich us. I give them this suggestion, but these suggestions will never be accepted by Government because when it is troublesome to the Government it takes all such criticism in the press or platform to be sedition: and what else can you expect from them, except more stringent press laws and repression and yet more repression? It is vicious. This Government will go on repressing us like this because once they taste this repression it develops into a habit. It has been so with this Government. And the result is that there is no real tranquillity or peace, but sepulchral silence in India. We cannot help because those who sit opposite us are moneybags and at present we are windbags. We cannot dislodge them. But I must warn them that though ordinary wind has no power, when it becomes a tempest or a cyclonic storm, then it will carry everything before it. Let the Government beware. That day will come some time or other, as surely as night follows day and day follows night. This repression and yet more repression is the last chapter in the history of all bureaucracies and the same will be the case here also. I have no further suggestions to make, and I really cannot consider this Bill at all.

Dr. F. X. DeSouza (Nominated Non-Official): Mr. President, with your permission, I propose to make a very few observations on the Finance Bill. No single factor has had more serious effects upon the finances of this country since the depression began as the fall in the prices of primary products. Official authority estimated the fall at as much as 53 per cent: so that, calculating the value of the annual produce of the land on the official estimate at 1,018 crores, the fall amounts to as much as 536 crores per annum: truly a catastrophic fall in the national income of the country. The effects of this catastrophic fall on our national life have been disastrous. In the first place, it has automatically doubled agricultural indebtedness. Reckoned by the Banking Enquiry Committee in 1926, the agricultural indebtedness is said to have amounted to 900 crores of rupees. Automatically by the fall in prices of agricultural produce, that debt has doubled itself to 1,800 crores; and seeing that no interest has been paid during the period of depression from 1929 onwards, it is reliably estimated that the total amount of agricultural debt today is 2,200 crores. Again, this fall in the price of primary products has disorganised the finances of the country. It has upset the budget, and, to balance the recurring deficits, the late Finance Member, Sir George Schuster, had to put up the taxation of the country by as much as 30 crores per annum, and the present budget adds to this taxation by a further two crores. It has paralysed the purchasing power of the people especially of the agricultural masses. The currency which they pay is the produce of their fields, and the produce of their fields

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has become less than half its value. As remarked by the Honourable the Finance Member, it has hit the customs revenue and the revenue from income-tax. The Honourable the Finance Member, referring to the fall in customs revenue, says the law of diminishing returns is working and attributes the fall to extremely high revenue duties. May I respectfully point out to him that it is not the law of diminishing returns which is working, but rather the vanishing purchasing power of the agricultural masses, or what the cultivator calls the rupee famine. Lastly, it has led to wholesale unemployment, especially in the agricultural tracts. The Census Report for 1931 shows that the number of landless labourers in the country side has increased from 291 per thousand in 1921 to 407 per thousand in 1931.

The picture that I have drawn is not a rosy picture—as rosy as the Honourable the Finance Member has drawn in his speech. But I am afraid it is a true picture as I read the signs of the times: and what is more: not only do I not think that we are out of the wood, but I consider that we are not even on the road to recovery. If the index figure of general prices is any indication I refer you to a graph published by the Bombay Labour Office last month in which a comparative statement is given of the index figure in several countries, including Great Britain, the United States of America, Japan and India (Bombay and Calcutta). Taking the basic figure for 1929 at 100, the index figure in Japan has risen at the end of December 1936 to 92: the index figure in the United Kingdom and the United States has risen to 85, while that of Bombay and Calcutta is still 68. Those are the countries which attempted to meet the depression caused by the vast economic blizzard which swept over the world, by a set plan. But we met it like King Canute by an attitude of masterly inactivity. Our Government, however, have been more lucky than King Canute, because they have not had to budge: they have not been swept off.

The problem, as you know, as everybody knows, is now to increase the purchasing power of the masses. That can be done by various methods that have been tried by different countries, the goal aimed at being to stimulate the exports and increase internal prices. Devaluation of the currency was the method tried in most countries. Even so conservative a country as the United Kingdom went off the gold standard in 1931, and all the continental countries of Europe as well as Japan had to devalue their currencies to suit the exigencies of their trade. Within the Empire itself, Sir, Australia, who is our competitive in markets for agricultural produce, after the conclusion of the Ottawa Agreement, devaluated her currency, which is now 17 *sh.* instead of 20 *sh.*, and, having done that, she was able to undersell in British as well as in the foreign markets. But, Sir, it is useless to talk about devaluation in our country. What is sound finance in the opinion of the financiers of London, of Paris, Berlin, Rome and Tokio is considered to be playing monkey tricks here,—at least that is what our Finance Member thinks, and nobody will have the courage to gainsay him, and so I shall not pursue that aspect of the question any further.

But, Sir, there is another aspect of the question which I should respectfully like to press upon the attention of the Honourable the Finance Member. He said that from the fact that there was what he called a phenomenal rise in the exports in the last few months and the balance of

trade in our favour during the last 9 months had increased from 19 crores last year to 50 crores this year, he considered that the rupee was by no means overvalued. On the contrary, he said that there were reasons for holding the contrary view. Sir, on this question ask the farmer in his field—does he think that the rupee is overvalued or under-valued

Mr. G. Morgan (Bengal: European): He does not know what you are talking about.

Dr. F. X. DeSouza: My friend, Mr. Morgan, says, he does not know what I am talking about. Sir, I have visited many villages and the farmers have asked me—"Sir, is the *Sircar* in league with the *Sowcar*?"

Mr. N. M. Joshi (Nominated Non-Official): They are in league with each other.

Dr. F. X. DeSouza: Does the *Sircar* deliberately try to reduce prices and deprive us of the value of our produce, if so why? The answer I gave was—No, the *Sircar* has no such intention, it is the result of world conditions, but, after reading the Finance Member's speech, I shall have to tell them a different tale.

Now, Sir, failing devaluation the other remedy that a country situated like ours can employ, by which the purchasing power of the masses can be increased is by stimulating our exports, by entering into trade agreement with other countries with which we deal. The only way that can be done in our interest, I consider, is by using India's bargaining power to India's advantage. We have an immense amount of bargaining power, but unfortunately our Government seems to be either unwilling or unable to use our bargaining power to our best advantage. As I said, our bargaining power is immense. We produce primary products, for the possession of which all the great nations of Europe are arming themselves to the teeth and ruining themselves with a view that the conquerer may swoop down upon them. Now, the United Kingdom is our principal customer for our primary products. Last year, during 1935-36, we exported 36·8 per cent. of our total imports from the United Kingdom, to the value of 53½ crores of rupees. Our invisible imports from the United Kingdom during the year 1935-36 were as high as 78 crores. How is all that enormous debt to be made good? Sir, the only way to do that is by stopping the export of gold, and I do not think the supply of gold in our country, great as it may be, is inexhaustible, the only way is to stop the export of gold and to increase our balance of trade and so arrange our trade pacts that we may benefit by the exports of our primary products and create a favourable balance of trade in our favour. Sir, we sent a Delegation to Ottawa to negotiate a trade agreement with the United Kingdom. By that Agreement we gave a concession to the United Kingdom which benefited her to the extent of nine crores, and in return we got the Imperial Preference. And what is that Imperial Preference worth? In the name of the Empire, our access to foreign markets was greatly restricted, and, in the name of Preference in the United Kingdom market, we got not preference, but discrimination. Our goods received step motherly treatment in the United Kingdom market when they came into conflict with the products of the other dominions, the other colonies or with other products in which British capital

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was interested. Sir, I am not exaggerating things. I make the statement that I make founded upon official authority. Refer, Sir, to the Review of the Trade of India for the year 1935-36. You will find there that in the United Kingdom market in spite of preference we have lost heavily in the matter of linseed in favour of Argentine where linseed is grown by British capital. In pepper we have lost heavily in favour of Rhodesia where also pepper is grown by British capital. Take coconuts, there also we have lost heavily in favour of Ceylon, and the coconut grower on the west coast is threatened with ruin. And in coffee, we have lost heavily in favour of Kenya and Costa Rica, both of which are worked by British capital. Sir, I am speaking from personal knowledge and not merely from information obtained from official reports. I know, last year, as much as 1,500 tons of coffee shipped from India, which were the highest mark and before Ottawa fetched the highest prices in the London market, is now lying unsold in the London market,—there is no demand for it. And why? Because, in the London market, our preference has worked to our ruin. Sir, I for one believe most strongly in an Imperial Zollverein, in trade within the Empire and with the United Kingdom which is the heart of the Empire. I was asked why I did not vote for the Ottawa principle on the last occasion, I was told I should think Imperially. Certainly I do think Imperially. But you cannot think Imperially on an empty stomach. (Hear, hear.) You have to keep the pot boiling at home before you can think Imperially. This agricultural depression, this ruin with which the agriculturist is threatened I feel most strongly, because it is most prevalent in the province that I reside in, namely, Madras. Madras is the greatest agricultural province in the whole of India. Since Ottawa, her agriculture industry is threatened with ruin. Her coffee industry is on the brink of extinction. All planters, I challenge my Honourable friend, Mr. James, to deny—I am referring to both European and Indian planters,—all planters feel they are being ruined by Ottawa. The coconut industry on the West Coast is being ruined. Paddy cultivation, as was pointed out by my Honourable friends from Madras the other day, is also in dire straits. The answer given by the Madras voter in the last election shows conclusively that they feel the pinch much more than any other part of India and they demand that some change should be made.

I do not want to keep the House any longer. All I wish to say is that the country is plunged in a slough of despond due to the agricultural indebtedness aggravated by the crash in prices. I would draw the attention of the House and of the Government to the following extract from the Report of the Macmillan Committee. They said:

“A study of history, we believe, confirms the opinion that it is in the changes of the level of prices and in the consequential alteration in the position of debtors and creditors that the main secret of social trouble is found.”

When to this social trouble is added political unrest, then, indeed, the situation becomes menacing. It is up to the Imperial Government—it is up to the Imperial Government in co-ordination with the Provincial Governments, soon to be established on an autonomous basis, to find a remedy for this severe discontent which prevails throughout the country. (Applause.)

Pandit Krishna Kant Malaviya (Benares and Gorakhpur Divisions: Non-Muhammadan Rural): Last year, while replying to the debate on the Finance Bill, the Honourable the Finance Member told the House that there was nothing at all regarding the Finance Bill in most of the speeches delivered on this side of the House. He said that there was nothing in them even generally financial or economic. Referring to my speech, he said that it was impossible for him to say whether I talked of finance without knowing it or not, but it seemed to him that I talked without serious thinking and as it seemed to him it was all concrete nonsense. I am glad, Sir, that whatever it was, at the worst it was only concrete nonsense, which, if it means anything, means that it was beyond his understanding, but I am glad to say, Sir, that it was not the discreet nonsense which is writ large on the financial policy which he has pursued during all these years. I may even tell him in the words of a poet:

*“Būt lekin kabhi kah jaten hain dēwanē bhi
Kam ā jaten hain tute hua paimane bhi.”*

which means that even mad men and madcaps say truths just as broken cups sometimes prove serviceable.

Let us, however, today put to test his principles of economics and finance of which the Honourable the Finance Member is so much proud. Let us examine the principles of economics with which he has been dabbling during the tenure of his office as a Member of the Executive Council of the Government of India. We have been telling and shouting from housetops for the last so many years that the exchange ratio is ruinous. All that has happened in this country, all the troubles which we have to bear today were prophesied by us. The Government were warned that by fixing the ratio at 1s. 6d. they were ruining the country. Financiers, politicians and economists of this country were of one opinion, but the Government, irresponsible as they are, paid no heed to our warnings. Of course, the present Finance Member is not responsible for that policy; but he has defended and supported it all along and has refused to budge an inch from that policy. He even now says that much can be urged in favour of the contrary view. Does he know how much the country has suffered and lost on account of this policy? Will he place a statement on the table of the House showing the losses that the country and the Government have suffered on account of this ratio policy? Will Government even now stay their hands and not adopt artificial measures to support this ratio? Much of our economic troubles will cease if only he revises his policy and gives up this ratio. He still thinks that the rupee is not overvalued. He is the only man in this wide world who thinks that the purchasing power of the masses is increasing and is awaiting his direction. I may tell him that even Sir Thomas Ainscough, the British Trade Commissioner, has marked and deplored the absence of that power. Then, Sir, indirect taxes loom large in our revenues which can never be helpful for the finances of our country. I would like to tell him, Sir, that devaluation and depreciation of the currency is the only remedy now. Where is the country in this world today which is exporting gold? We are taught the first principles of economics; we are told that it is wisdom to settle when the market is high. We are told that we are getting money for the gold which was lying hoarded in our country for ages past. I want to know from him, if it is higher finance, if it is economics to sell gold when you can get a higher price for

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it knowing that others are not selling. Does England do it, does France do it? Will America do it? Will Italy, Germany, Japan or any country sell gold? Are these principles of economics and higher finance reserved for this country only? Or are these principles of higher finance and economics the monopoly of our Finance Member only? Gold is thus being driven out of the land, and what will be left with us? It seems to me that the policy of the Finance Member is "*Ham to dubenga magar yar ko le dubenga*". "It does not matter if I am drowned, but I will have the satisfaction of seeing my friend drowned first". The policy which he has been pursuing says, if it says anything, "You people are out to drive us out from your land. You people want to take the administration into your own hands. Well, have it by all means, but bear it in mind that, by the time we will leave you, we will have emasculated your people and there will be no gold in your land, and it will be impossible for you to carry on your Government." If this is finance, Sir, if this is economics, we certainly have to learn a lot. Now, Sir, I come to silver. You know that if there is one thing in this country which can be found in every household, from the meanest cottage to the biggest palace of the Maharaja, that one thing is silver. For ages past, the wealth of this country has been hoarded, either in the form of gold or in the form of silver. The major portion of this wealth has been naturally hoarded in the form of silver. When it suited these masters of ours, they, by selling the silver, reduced its price. The Indians one morning awoke and found that the then Finance Member of the Government of India, by jugglery of his financial principles and by his magician's wand, reduced the price of silver and the country found that it was poorer by about 50 per cent. The Finance Member, who did any such thing in any other country, would not only have been driven out of office, but out of the country also, and would have been hanged by the first tree in the square to serve as a warning to others. But who are we here and what can we do? Now, Sir, the present Finance Member is taxing silver, the commodity of the poor. He says that he does not want to encourage the habit of hoarding, which means that he is making it difficult for our people to purchase silver. May I ask, if this is not really a tax on capital investment? The ordinary principle of economy is "cut your coat according to your cloth". I can very well understand the difficulties of the Honourable the Finance Member. He found that it was not possible for him to meet his expenditure with the revenues he had at his command. Why didn't it strike him just as it would any layman that he should reduce his expenditure? But he did not do anything of the sort. It is not a business man's budget. They know whether they have got sufficient revenues or not, they have the power to produce money by taxes, and generally they go in for taxes. My contention, Sir, is that even when he found that the revenues of the country were not sufficient for his purposes, the first thing that should have attracted his eye was the export of gold. He should have gone in for some export duty on gold. By this means he could have restricted the export and increased the revenues of the country. But, instead of doing that, he has imposed an excise duty on sugar. Why didn't he impose some import duty on some of the things of luxury which are imported into this country? Regarding the sugar tax, he said that he would not mind if some of the weaker industries went to the wall. I wish he had the courage to talk in this fashion in his own country and retard the growth

of some industry. But why quarrel about it? He told us, the other day, that Sir T. Vijayaraghavachariar's opinion was prejudiced. Why? He told us that he was an employee of the sugar manufacturers, and naturally he could not be on the side of the consumers. May I tell the Finance Member with the same logic that he is an employee of the people who have sent him here, and generally he looks to their interest. All his policies are guided in the interests of those who have sent him here and who employ him.

The Honourable Sir James Grigg: That is not true.

Pandit Krishna Kant Malaviya: That is your opinion. May I know from him, however, whether any other Finance Member would not have taxed the export of gold from this country? May I know if there is any other country in the world exporting gold? Does America export gold? Do England and France do so?

The Honourable Sir James Grigg: Yes. France exported vast quantities of gold to America in the last two years.

Pandit Krishna Kant Malaviya: That gold was intended to pay off the debts and also because France is anxious to please America.

The Honourable Sir James Grigg: That is not true, either.

Pandit Krishna Kant Malaviya: The Honourable the Finance Member says it is not true. I repeat it that France exported gold to America simply to please America. We know and France knows that there is going to be a war, and it is very possible that France may have to borrow again from America, and that is why France exported gold in order to earn the good wishes of America. If he is so much against protection, as he poses to be, if he is so much in earnest for "Discriminate Protection", why can't he go to England and preach his pet doctrines there? Let him ask his country not to go in for the production of commodities which she can import easily and at cheaper rates. Let him tell his country that the policy of self-sufficiency is rotten and has no meaning. Here, Sir, he has taxed the production of sugar. He should know, at least, this much, that a tax on home production is always undesirable and loathsome. The tragedy of the situation is that the import duty on sugar has not been raised to the same extent. Well, Sir, he talks of "Discriminate Protection", but I feel that he is more for discrimination than protection. The worst of all this is that if we talk of finance, exchange ratio, export of gold, he will not understand us, and if we talk about vital human issues, they are beyond his conception. If you do not talk, he will say you do not know, but if you talk, he will say that you either accuse or abuse.

Well, Sir, I said last year that the Finance Bill is a consolidated demand for supplies. In other words, it is a demand for a vote of confidence. I want to say, Sir, that if the House feels and is satisfied with the way in which the administration has been carried on during the last year, if the House feels that there is nothing wrong with the administration, if the House feels that the taxes which have been imposed upon us are just, if the House feels that the administration in this country is being carried on

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in the interests of our country, well, I ask the House to accede to the demand, but if the House feels that the administration is run, not in the interests of the country, that we have no voice in either the raising of the taxes or in the expenditure of the revenues that we get, then I would humbly beg the House to throw out this Bill and not to accede to this demand. Sir, you must have heard of a recent very sensational case in the United States of America. I am not given to narrating stories in the House, but you must have heard of the case, the ten million dollar heiress case of a girl by the name of Anne Hewett. The father of the girl left a huge property for his daughter, with a provision that if the daughter did not marry or had no children of her own, then a good portion of the property would go to the mother. The notorious mother, who is known on both sides of the Atlantic for her beauty, for her wits, for her charms, laid a most diabolical plot to establish that Anne Hewett was a feeble-minded girl, was incompetent, and was a queer girl, and she laid a plot to outwit the possibility of her becoming a mother. It is a sad story of a mother's lustful greed and a girl's never-to-be-forgotten longing to be a mother. The girl says: "I think I am the most unhappy person in the world. I want a home of my own, a baby of my own." This is the thought that is continually running through the mind of this poor little girl, who must now, on account of the diabolical doings of her mother, remain for ever childless. I will not go into the story; for my purposes it is enough that the mother, gay as she was, wanted all the money for herself. She declared the daughter to be feeble-minded and incompetent, and kept her shut up in her room. The girl was not allowed to meet a single boy or girl of her own age during all her life that she remained with the mother, and all this time the mother of the girl was getting one hundred dollars a day for the maintenance of the baby from the attorneys. If the girl ever opened her lips, she was told that she would be sent to some lunatic asylum. She was never allowed any new clothes. She was only allowed to get out and appear before public on her birthdays, and even then she was not allowed to talk to anybody. She was kept at a distance and declared to be an incompetent girl. Well, just before she attained her majority, the girl was taken to a hospital on the score of an alleged operation being necessary for appendicitis. While she was there, Sir, some other kind of operation was performed on her, which decreed that, for ever, for all her life, she would be childless. The girl could not say anything, but after her twenty-first birthday she slipped out one day of her room, went to her attorney, reported the matter and filed a suit against the mother. Then she was rescued. She has got all her money now, but, alas, one thing that she wanted that she will never have: she will never have a baby of her own. Sir, you have adorned the Benches of the Madras High Court, and I ask you in the name of justice—what sentence would you award to a mother who has behaved in this way? (Hear, hear.) For the mother, none of us can say what punishment would be proper. But our tale of sorrow, the emasculation of our manhood is even more tragic, more diabolical and more horrible than that of that poor girl, Anne Hewett.

Sir, I will not talk of the coming war. I will not talk of the defences of the country, but I do ask you whether there is any country in the world which is not preparing its nationals for the defence of its frontiers: And where are we? Only the other day, we were discussing the Indianisation

of the army, and we were told that the policy of Indianisation is still an experimental measure. We were told that these masters of ours do not increase the pace, so that it might be possible for them to recede back if they found that the policy was a failure. We were told that we had no military traditions, and the most foolish argument that was advanced was this that the army is meant for one purpose only, and that is to defend the country from foreign aggression. All this was said by my friend, Mr. Griffiths, who, I am sorry to see, is not present in the House. May I tell him, Sir, that if he really believes what he has said, he is wrong. Although I for myself know him to be a gifted man, I am not prepared to believe that he really said what he thinks to be true. The army is *not* really meant for one purpose and one purpose only. The army is not for the purpose of destruction only, there is also a constructive side to it; and all the expenditure on the army is only valuable, Sir, on account of its constructive side, and that constructive side is to build up the manhood of the nation, to make every youth fit and to be a good active citizen. Sir, my friend talked of military traditions. To him the descendants of Shivaji, Rana Pratap, Ranjit Singh and the great Mughals and Pathans have no military traditions!

Major Nawab Sir Ahmad Nawab Khan (Nominated Non-Official): The Pathans and Mughals certainly have hereditary military traditions—I am going to correct that. And Rajputs also, and so also the Marathas. And, of course, the Sikhs also.

Pandit Krishna Kant Malaviya: I am glad that my friend, the gallant Nawab, agrees with me. Let him only convince his masters. Does my friend remember that it was in the year 1612 on the 12th of March, that is, today, that Jehangir, by a *firman*, granted a lease of the sites of Surat, Ahmedabad, Gogha and Khambagh, and this grant formed the first establishment of the English in this country? Does he know that the Envoys and the Agents of Queen Elizabeth used to stand bare-footed in the Darbars of these great Mughals? My Honourable friend, Mr. Satyamurti's retort regarding Napoleon's saying that "Englishmen are a nation of shopkeepers" must still be ringing in his ears. But assuming for argument's sake that we are not fit, that we do lack the qualities of leadership, may I know who is to be blamed? We or those who had the destiny of our land in their care and those who scrupulously kept us away from the army? Did they give us any military training? A most innocent institution like our Hindustani Seva Dal still stands banned. Another institution, that of Red Shirts, is still not allowed to function. To build a nation, to make it fit and to impart to it qualities of leadership, something more is needed than merely treating it as untouchables for the army.

What are the other countries of the world doing today? Let us have a peep into the affairs of other countries, big as well as small, and see what our administrators have been doing in this country of ours. Let us take Albania. It is a small country with a population of about a million, but military service is compulsory there. Men are liable for military service from the age of 20 to 50. Pre-military training is compulsory for all citizens. It begins at the age of 16 and goes up to the age of 20. Youths aged 17 are embodied in pre-military Militia, which forms part of national defence forces. Then, there is a League of Albanian youths. It is autonomous, has its own budget and is controlled and sub-

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sidised by the Minister of Education. Its object is to provide physical training for school boys from the age of 15, supplemented at a later stage by pre-military exercises. Take Argentine. Here also recruiting is carried on on the principle of compulsory military service. What is done in Iraq? It is a new small country and its population is only 30 lakhs, say, that of Calcutta *plus* Bombay *plus* Poona. Military service is compulsory and it begins at the age of 19. In Iran, where the population is about 15 millions, military service is compulsory and begins at the age of 21.

Now, let us see what is done in the colonies, protectorates and mandated territories by Great Britain herself. Take Barbados, the population of which is about two lakhs, that of Allahabad. . . .

Mr. President (The Honourable Sir Abdur Rahim): Today being Friday, the Assembly will adjourn now and meet at quarter past two. The Honourable Member can resume his speech then.

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

The Assembly re-assembled after Lunch at a Quarter Past Two of the Clock, Mr. Deputy President (Mr. Akhil Chandrā Datta) in the Chair.

Pandit Krishna Kant Malaviya: Sir, when we adjourned for Lunch, I was telling the House what is being done by other countries so far as their army and their defences are concerned. I had come up to what is being done in the colonies, in the protectorates and in the mandated territories and by Great Britain herself.

I was telling that in Barbados the population is about two lakhs. They have a volunteer force and a volunteer reserve force and there is a cadet corps consisting of three companies. It is attached to the volunteer force and the boys who are cadets must be 12 years of age. In British Guiana every male person who is a British subject between the ages of 18 and 45 is liable for service. In Falkland Island, also every British subject between the ages of 18 and 41 is liable for military service. Everywhere it seems in the colonies, in the mandated territories and in the protectorates every British subject is liable for military service. We do not know why we are kept away from the army, and the training which is given in the colonies and everywhere to British subjects is denied to us. Am I to understand that we are not British subjects? In Chili also military service is compulsory and all citizens of both sexes may be called upon by the President for employment in time of need. In Canada all male inhabitants between the ages of 18 and 60 who are British subjects are liable for military service. The Minister of National Defence may authorize boys over 12 years of age who are attending school to be formed into school cadets corps. Boys between 14 and 18 may be formed into senior cadet corps. Much of the training period is devoted to instruction in physical exercises and elementary drill, while those cadet corps which have facilities for carrying out miniature rifle practice are given rifles and cartridges of .22 calibre. The number of cadets enrolled on March 31st, 1934, was 77,418. Schools for Military Instructions are established at various centres throughout Canada.

Let us see, Sir, what Bulgaria is doing. The recruiting is based on voluntary system but any one who does not enlist voluntarily at the age of 20 has to pay a military tax. This is the way to make a nation fit.

In Czechoslovakia, Sir, the military service is universal and compulsory and this country came into existence only after the Great War! Service begins from the age of 17. What does Poland do? The military service is compulsory from the age of 21. Then there are Rifle Clubs which organise military preparations and are maintained at public expense. Its clothing, equipment and arms are obtained from the Government Stores. The Union of Rifle Clubs has no material of its own. The Union's expenses form part of the expenditure of the State. Preparatory military training is also provided. The object of the physical and military training is to increase the physical fitness of the population and to provide military training for boys. Preparatory military training is compulsory in the intermediate schools and voluntary in the higher schools. Preparatory military training consist of two stages: the first comprises physical training and the rudiments of musketry, the second stage consists of training in the strict sense of the term and specialisation in certain technical subjects, wireless, telegraphy, topography and electrical technique. There is an organisation of defence against Air and Gas attacks. In Japan the military service is compulsory from the age of 17. In South Africa, Sir, they have the Coast Garrison Force, the Citizen Force. Should a citizen not volunteer to serve with a unit of the Coast Garrison Force or the Active Citizen Service, he is then posted to a Defence Rifle Association. In the Rifle Clubs there are five classes of members:

- Cadet Members—13—17 years of age,
- Junior Voluntary Members—17—21 years of age, and
- Compulsory Members—21—25 years of age,

and so on and so forth. Every citizen between his seventeenth and sixtieth year is liable to undergo a training for a period of four years. Boys between the ages of 13 and 17 in all parts of the Union, where facilities for proper training can be arranged, are required to undergo training unless their parents object.

In Russia, Sir, Military Defence of the country falls exclusively on the workers, and all sort of military training is imparted and then there is an organisation, Sir, which is called "Osoaviachim". This is for Air and Chemical Defence. The regulations of this Association provide for the admission of all citizens on reaching the age of 14, children of 7 to 14 are admitted as young friends of the Association. Elementary military instructions and physical training of a practical military character is given to the pupils of schools where compulsory military training does not exist. The defence of the country is an obligation to which all citizens are liable. Compulsory military services begin at the age of 19. The object of the premilitary training is to ensure the military, political and physical proportion of the workers. Premilitary training is compulsory for all boys from the age of 8 onwards in Italy.

Are the citizens of all the countries I have mentioned above and their administrators all fools? The nations are made fit, Sir, in these ways. By these methods they are made physically fit and fit for military service. Our rulers complain of the lack of suitable materials. **May I know** if they have done anything to prepare suitable materials? Our rulers say that we lack the qualities of leadership. Have they given us the littlest of little training to keep us even fit for military service?

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May I further enquire what was the period of training for the new recruits who were enlisted at the time of the Great War and sent to the front for being mowed down?

Now, let us see what is being done in France and England. In France, every citizen is liable for personal military service. Preparatory military training includes elementary training and advanced military training. Elementary training is under the control of the Secretariat of National Education. The sporting associations and associations for physical training are grouped in. The Union consists of 450,000 members of both sexes. Elementary training provides physical education, marching, swimming, etc.

These are the ways, Sir, in which nations are made fit and fit also for leadership.

In England, Sir, the recruitment is on purely voluntary basis, but in order to attract more and more young men, all sorts of facilities are provided. Only the other day, we read that in order to attract youths, emoluments have been enhanced, supper will be provided, better barracks are being provided which will look like houses, week-end holidays with allowances have been permitted, late hours have been guaranteed and the marriageable age has been reduced from perhaps 26 to 21, and, over and above all this, the service will be for five years only out of which three will be spent in foreign lands. May I know if anything like this has been done in this country by these administrators? The Ministry of Education in England, Sir, has been furnished with huge funds to make the youths physically fit and strong. An Air Squadron has been formed at each of the Universities of Oxford and Cambridge with the object of influencing the flow of candidates for Commission in the Regular Air Force, for the stimulation of interest in the air matters and the promotion and maintenance of a liaison with the Universities in technical and research problems affecting aviation. Squadrons are recruited from members of the Universities but are not of a service character and are not liable for Air Force Service. Is this what is done in England and what is done here? Only last week, the Defence Secretary, in reply to a question, said that the U. T. C. have not come up to the mark and they were not prepared to sanction more money for them. Last year, Sir, while speaking on the Indian Finance Bill, I said that the Benares Hindu University Training Corps has been winning the efficiency cup or medal for the last nine years consecutively, they were applying for funds in order to extend their activities but the Government was pleading insufficiency of funds and this year we have been told that the University Training Corps have not come up to the Standard and they do not think it proper to spend more money for them.

Assuming for arguments sake that ours is the fault, that we are totally unfit, is there any country in the world which has an army which is manned and officered by foreigners because it finds that its men do not come up to the mark? Is there any nation or race of people which is unfit for military service by birth? We hear of martial and non-martial races only in this country.

As a punishment, universal military service was abolished in Germany by the Treaty of Versailles. The army can only be recruited and constituted by means of voluntary enlistment. It was laid down that all schools,

Military Academies for the training of staff officers or schools for Non-Commissioned officers and student officers should be closed, even the preparatory military training of youths was forbidden. It was provided that there must not be any collaboration between the military authorities and the universities and schools. What was achieved in Germany was achieved by the administrators here with a vengeance, and so far as the military and army side is concerned, we have been practically treated as untouchables and we are now told that we have no military traditions, that we are not fit for the army, and that we lack the qualities of leadership.

This is, Sir, how the manhood of the Indian Nation has been emasculated, how one of the greatest nations of the world which held sway over a very large part of the earth has been converted into a nation of quill-drivers. These people have done it and instead of being sorry and penitent for what they have done, they taunt us with having no military traditions, with being unfit for the army and for lack of the qualities of leadership. They have looted and drained our wealth, they have emasculated our manhood. As if all this was not enough, they have had all along recourse to the policy of divide and rule. They have set brother against brother and they have planted in our midst the tree of anti-national, anti-democratic Communal Award. They have designed to keep the Hindus and Musselmans of the land for ever apart and the constitution that they have given us, hedged in with all the safeguards possible, is as you well know, Sir, valueless. Well we might say, yes Sir:

*"Ham ne to hamesha teri khush noodi hi chahi
Khud bigre magar kam tere sare sambhale
Uska yeh sila ham ko mila uj ri muravat
Barbad kiya daldia jam ke late."*

The most painful thing, Sir, is that we are not treated as men, as human beings, as equals in other lands also. Ordinarily, even if a man has got nothing at his home, he does not want that any outsider should know it, he may not have anything to eat, he may be starving but when he goes out of his doors, just to keep his self-respect and dignity, he dresses well and maintains a good appearance outside, but our misfortune is that we are slaves in our own land and even when we leave our homes for good and want to earn a mere livelihood far far away from our shores, wherever we may go we are treated as slaves and as something less than human beings. The truth is, Sir:

*"Kisi dayar men gham ka sama nahin badla
Zamin badalti gai aeman nahin badla
Banaya ashian jisja wahin saiyad ja ponhcha
Unhi to umar guzri tinke chunte baghban meri."*

"Whenever we went, in whatever lands we went, we did everything in our power to build them, but the *Asman*, the *Saiyad*, our administrators manage to reach that land also, wherever we went".

We have made Zanzibar what it is today. We have created it with our blood. We have built up Kenya but what is our position there to-day? We unearthed the highlands, from a jungle we converted it into a life-giving garden, but we cannot even set our foot there on those highlands. And the reason why we have no place in Kenya, in Fiji, in Zanzibar and in the Union of South Africa, is that we are slaves in our own land. When

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it suited them, they went to war with South Africa: they declared that they were fighting the South Africans because the South Africans were ill-treating us. Now, it does not suit them to do so: the South Africans are ill-treating us: they are passing or trying to pass laws which will discriminate between us, which will not allow us to marry according to our own choice; but they are sitting mum: it does not affect them, it does not touch them. The Indian Government represents the case to the Secretary of State: the Secretary of State writes to the Colonial Secretary; the Colonial Secretary in his turn writes to the political department of South Africa; and in this way the vicious circle whirls round and round; and in the meantime, our own countrymen in South Africa have to suffer on account of their callousness.

In the name of all that has been done by this Government, I ask this Honourable House to throw out the Finance Bill and tell the Members sitting on the Treasury Benches that if they want to govern according to their own lights, their own wisdom and their own wishes, we on this side of this House will not be a party to it, and will not share the responsibility for their maladministration and their misdeeds. The Honourable the Finance Member was in a very chastened mood the last time he spoke in this House

The Honourable Sir James Grigg: No.

Pandit Krishna Kant Malaviya: If the change is permanent, we all welcome it, only if it is accompanied by a change within, a change of heart also. It is all for the good of both the parties. He assumed the role of a political prophet and priest in one: he asked us to make the momentous choice very carefully. He advised us, rather prayed that we should make the right choice. I do not doubt his sincerity. I realise full well that he also realises the changes that will take place. But I ask him to place himself in our position and then decide what is best for us. What does he expect us to do? Hedged in with all safeguards as we are, more than half the revenues will be earmarked and in a way reserved. We will not have enough money even for physical training, hospitals and irrigation projects. He knows not, or he minimises our difficulties. We have to provide food for our teeming millions which is the first and foremost need. Uneconomic holdings have to be made things of the past. We have to see that an agriculturist pays the rent only after he has provided sufficient food and clothing for his family. More than 70 per cent. of our holdings today are uneconomic. This is the legacy that he leaves us. What does he expect us to do? To allow them to starve as they have been doing up till now or remit rent and make the holdings economic? The moment this is done, revenues will go down. And if this is not done, for what purpose should we be there? The standard of living of the masses has to be raised. They have to be fed and clothed better, they have to be taught at least the rudiments of knowledge: the whole educational system has to be overhauled in order to make "Vidya arthakari", to give vocational training; and all this will need huge amounts. Where will we have the funds for pre-military training and for teaching our youths the use of tools and rifles? I would do all that is possible to persuade my friends to accept office if the Honourable the Finance Member could only guarantee one thing, that he would give us sufficient funds to make our boys and youths

physically and mentally fit for all the emergencies of life. The electorate voted for the Congress, because it approved of the Congress manifesto and the Faizpur Resolutions. May I ask him, although it is too much to ask him, because he cannot speak for the Governors, who will be all in all in the provinces, but may I ask him if the Governors, knowing the Congress manifesto, knowing about the Faizpur Resolutions, will allow our Ministers to proceed with the work and try to fulfil what they have promised to the electorate? But even if the Governors were prepared to do so, may I ask him where the money will come from? He knows well that the scale of pay for the provincial services has been revised to a certain extent; but the scale of pay of the I. C. S. officers stands still: the gentleman who has been put in charge has been sitting, it seems, idle for the last year—at least we do not know of anything that has been done; and we know only this much, that the scale is still what it was. We feel therefore that mere tinkering here and there will be of no use. It will be sheer waste of time, energy and money. The whole machinery has to be sent to the scrap heap and a new one installed in its place. Will he let us do it? Let him place himself in our position, see with our eyes and then say what is to be done. In the end, I will only say:

"Voh ne samjhen to her lafzé tamanna shikva,

Voh jo samjhena to phariyad bhi phariyad nahin."

Seth Govind Das (Central Provinces Hindi Divisions: Non-Muhamadan): Sir, I rise to oppose the motion made by the Honourable the Finance Member. This I do from two points of view,—one is the broader constitutional question and the other is the merits of the Bill. As far as the broader constitutional question is concerned, we are where we were from the time we entered this House. The executive is as irresponsible and as irremovable as it was hitherto. Our grievances stand where they were, and not one of them has been redressed. Under these circumstances, if we oppose the consideration of this Bill, we are exercising our constitutional right of refusing the supplies. We know, Sir, that after this refusal the logical course for us should be to go out in the country and ask the people not to pay the taxes, but as far as this is concerned, we accept our weakness today. However, it does not mean that we are going to remain as we are. We started our direct action movements from the year 1905. our first movement was the boycott movement. Then came the non-co-operation movement of 1920, and then came the historic struggle of Satyagraha in 1930 and 1932. We have advanced, Sir, and we have no doubt that if the Government remain where they are, the time is fast approaching when we would ask the people not to pay the taxes and the Government will see that they will not be able to realise a single pie from the masses of this land. The Government perhaps think that they have been able to crush our movements. They always think in these terms. They think that they have been successful in crushing the boycott movement, the non-co-operation movement and the Satyagraha movement. Before the election to this House, the Government thought the same thing namely, that the Congress was crushed, but their eyes were opened when they found that we were returned to this House in such large numbers. Before the provincial elections took place, again Government thought the same thing. They thought that the Congress was not going to be in a

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majority in most of the provinces, and it has come as a surprise to them to find that in six out of 11 provinces, in spite of official interference at several places, the Congress has been able to secure a distinct majority and with such a big number. Now, Sir, if Government think that they can ever crush any national movement, they are mistaken. Every subsequent movement was greater than the previous one, and this is clear from the number of prisoners of each movement. After the boycott movement, the number of persons who had been sent to jail in connection with the non-co-operation movement increased by leaps and bounds; in the Satyagraha movement their number further increased, and I say, Sir, if we will be compelled to launch another movement of direct action, the present jails in this country will not suffice, and Government will have to find out another island bigger than the Andamans for our jail population.

Sir, I have some experience of the masses of this country. I have been an humble worker amongst them for the last 17 years, and I know what is going to happen if the next movement comes. Let not the Government think that refusal of supplies will remain confined to the volumes of the debate of this House. It is going to spread out, and if the Government are not going to do what they ought to do, they should remember that the time is fast approaching, as I have just said, when they will not be able to realise even a single pie from the masses. Government ask us that we should go on with constitutional agitation. I ask, Sir, who is responsible for all the direct actions which have had to be launched in this country? Who is responsible for the boycott movement of 1905? Who is responsible for the non-co-operation movement of 1920? Who is responsible for the Satyagraha movement of 1930-32? Government and Government alone are responsible for all these movements, and if there is another similar movement of direct action, I say again Government and Government alone will be responsible. Sir, this Government have made us deaf, dumb, mute and blind. They have made us prisoners in our own country. We are deaf, Sir, because we cannot hear anything from outside unless it comes to us through the censor. We are not allowed to hear freely from our friends and from our relations, because every letter we receive is censored in such a way that I feel it necessary to cite a personal experience to show the manner in which our private letters are tampered with and delayed unconscionably. Sir, in 1932, when I was released from jail for the second time, I had to go to Jaipur with my wife on account of her serious illness. I used to get my letters ten days after their despatch. Once it happened that a fruit parcel receipt came. That also was received after ten days, and when the receipt was sent for taking delivery of the parcel, I found it was no use taking delivery of it. For four years, Sir, I was trying to find out the reason of such late delivery, because, even after censoring my letters, they should have reached me within three or four days. And, after four years, I have come to know that those letters of mine used to be sent to Jubbulpore, they were opened there, and then returned to Jaipur, hence the late delivery. This is the way in which censorship of private correspondence of respectable citizens of this country is going on, and thus we are made deaf. As far as our dumbness goes, the Government themselves know that we are not free to express what we feel. Even for speeches made during election times section 124-A, is applied to speakers, and people are being prosecuted under that section. We are made mute, because the Arms Act is in full operation. Not only

this, we are not to go about even with sticks and *lathis* in our hands. People like my humble self, it is said, are going to be prosecuted under section 147 and 342 for rioting with deadly weapons and abetment of riot. We are blind, Sir, especially our so-called responsible people, because they are expected not to look at the atrocities which our brethren have to face. And this is particularly going on in the case of detenus. We are prisoners in our own country, not only because we are not allowed to go outside our country without passports, but even in our own country we are not allowed free movement. A person like Khan Abdul Ghafar Khan, for whom non-violence is a creed, is not permitted to enter his own province. Under these circumstances, how can the Finance Member expect us to vote for the supplies?

Sir, our grievances are not redressed. I think if we wish to make a full list of them the present presses and materials for printing not only in this country, but in the whole world will not be sufficient. Yesterday there was Shivaratri and I accidentally remembered a Sanskrit couplet sung in praise of Lord Shiva, that couplet is:

*"Asit giri nibhansyat kajjalam sindhu patre
surtaruar shakha lekhami patra moorvi
likhati yadi grihitwa Sharada sarva kalam
tadapi tava gunanam Isha param na yati."*

It means, "If ink is made of mountains, dissolved in oceans, and if Sarada, the goddess of learning, writes with a pen which cannot be broken, on the whole universe, the virtues of God Shiva cannot be adequately described". So is the case with our grievances. But a very good summary of these grievances was made by the Honourable Sir Basil Blackett when he was Finance Member. I remember it was in 1924 when for the first time Congressmen entered this Legislature. I shall read that summary.

- (1) The Government of India is the most extravagant Government in the world.
- (2) Our military expenditure is colossal.
- (3) There has been a vast increase in taxation in India in recent years in a way unparalleled elsewhere.
- (4) There has been a large increase in the numbers and in the pay of highly paid European officials, and large reductions could be made effectively by getting rid of such officials."

This is the summary which Sir Basil Blackett made of our grievances, and after thirteen years we find that today also the same summary stands good. In his defence, Sir Basil Blackett quoted an English author in which the author praised the Government of India and I think that even the present Finance Member cannot quote a better author than what his predecessor did.

It was:

"The Government of India was originally formed on the most simple lines possible. Its tasks were to preserve order, to administer justice and to collect the revenue. It really was an absolutely ideal Government after the conception of government of the Manchester School. I do not suppose that such an economical government has ever existed before in the history of the world and I do not suppose that the world will ever again see its like. It is quite extraordinary for what it has done with a very small man power and with the smallest possible budget."

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I think a more astounding statement without any support of facts and figures was never made on the face of this earth. If we ask for the redressing of our grievances, what do we hear from them? When we ask for a change in our constitution, a worse constitution is imposed upon us, and even before imposing that constitution so many round table conferences and square table conferences are held. When we ask for Indianisation of civil services, it begins with Indianisation of police constables and railway porters. If we ask for the Indianisation of the military services, experiments are made and it is again and again said by His Excellency the Commander-in-Chief and by the Army Secretary that whatever is being done in this respect is merely an experiment. When we ask for reduction of taxes, foreign experts are imported and big enquiry committees are appointed and reports are written of big sizes, like the Taxation Enquiry Committee, and then even those reports are not given effect to. When we ask for an improvement of our agriculture, bulls and ploughs are imported. When we ask for protection of our industries, excise duties are levied. This is the way in which our grievances are met. In the face of these circumstances, how is it possible for us to vote for the supplies?

If we look into the merits of the Bill, what do we find? We find that salt tax still remains where it was. Government know that the people of this country have always been in opposition to this tax, and here I shall quote not those who have recently expressed their opinions in this respect, say, within a few years, but the opinions of those people who expressed themselves against the salt tax in the year 1882 when for the first time the Imperial Council was constituted. Raja Siva Prasad said:

"Reduction in duties on salt will be regarded by the poor as a great boon. They will be able to use salt in more adequate quantities to preserve health and life."

The Honourable the President of the Imperial Council said as follows:

"It is contrary to public policy to maintain at a high rate a tax which has a practical tendency to discourage and interfere with the progress and advancement of agriculture."

His Excellency the then Viceroy and Governor General of India said:

"I admit the wealthier classes in India have always a very large number of persons depending upon them and the salt tax they pay is not a tax upon what they consume themselves only, but also upon the salt consumed by the large number of their dependants. Nevertheless, when every allowance is made for that consideration, I am at a loss to understand how it can be argued that this tax is equitable; because, however great the number of dependants a rich man may have, it is quite impossible that the amount of salt duty he pays can bear to his revenue anything like the same proportion which the amount of duty paid by one of those poor raiyats bears to his small income."

His Honour, a Lieutenant Governor, said:

"The reduction of the salt did relieve the poorer classes and strengthened the financial position very much."

These are the opinions which were expressed in the year 1882, and it cannot be said that those opinions were expressed on account of any political motives behind them. This is as far as the salt tax goes. What do we find about the postal rates? In spite of definite assurances from the Government postcard is still sold at nine pies. Sir, it was said again and again that that was a temporary measure, but in spite of a surplus budget

in the post office we find that the price of the postcard is not reduced. We wanted reduction first in the price of the postcard, but the price of the envelope was reduced and not of the postcard. If there was a statement available showing how many envelopes and how many postcards were sold in villages it would have clearly proved by whom the envelopes are used and by whom the postcards are used. This high price of the postcard is a great hindrance in the way of the poorer classes of people of this country to have correspondence, and I say, Sir, that the sooner the price of postcard is reduced the better, but the Government have never cared for the poor of this country and they are not going to do it. Now, Sir, the sugar excise duty has been increased and Government know that when first the sugar excise duty was imposed it was condemned by our countrymen. This increase in excise duty has also been condemned universally and even those people who have nothing to do with politics and who are economists of our country, who are connected with Government and who have a soft corner in their hearts for it even now, have condemned this duty. It is said that by increasing the excise duty the competition between the big and the small factories will be fair but let me point out this. We are for protection. We do not care what happens to factories like Begg Sutherland and Co., and others because we know that if our small factories prosper their profits will remain in this country while if factories like Begg Sutherland Sugar Works prosper their profits would go as dividends to foreign countries. It is said that this excise duty is not going to hit the agriculturist because the minimum statutory rate for the price of the sugarcane has been fixed. I differ with the Honourable the Finance Member there. As experts in all countries say, under this excise duty most of the small factories will close. If these factories close down then the land which is under sugarcane cultivation is bound to decrease and in that land our agriculturists will have to sow poorer harvests which will not bring that yield to them which the sugarcane is bringing. Besides that, though the prices will be fixed by statute, the smaller factories will close down and if the bigger factories make a combination like the combination they have made in steel and iron and cement, the natural law of demand and supply will prevail and our agriculturists would be cheated. They will have to give the receipts for the statutory rates but in fact they will be getting much less than what they should get and therefore I say that this excise duty is going to hit our agriculturists as much as it would hit the factories.

Now, I come to the import duty on silver. Now, Sir, the export of gold is not stopped and every obstacle is being brought in the way of our people purchasing silver. The Honourable the Finance Member himself said that increase in the import of silver shows the same tendency of hoarding of precious metals by Indians. I cannot understand what the view of the Government is. Do they want that not a piece of precious metal should remain in the country?

This is as far as the merits of the Bill are concerned and let me point out that under these circumstances it is not possible for us to support the motion made by the Honourable the Finance Member.

The Honourable the Finance Member, while replying to the budget debate in the Council of State, said that they cannot expect any popular budget. I shall not go into detail in this respect, but I shall make only five suggestions and those five suggestions would be in very very small

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sentences of three or four words each and if they are given effect to I am sure that the Budget would be a popular one. The first suggestion is "reduction of taxation". The second suggestion is "reduction of military expenditure". The third suggestion is "cut down salaries by at least 25 per cent.". The fourth suggestion is "tax the export of gold" and the 5th suggestion is "bring down the ratio to 1—4". If these very very small sentences are put into operation, I am sure that the Budget will be a popular budget. I cannot understand why 65 per cent. of our revenue should be spent on military expenditure. Even the United Kingdom which is surrounded by so many enemies at present and where every minute there is a danger of a big war, only 15 per cent. of the revenue is spent on the military. In the same way, I cannot understand why we should spend more on our services when the United Kingdom spends much less than what we are doing, although it is six times more rich. If we put forward any plan, it is not acceptable to the Finance Member. Year before last, when we first entered this Legislature the Honourable Deputy Leader of our Party, Pandit Govind Ballabh Pant, placed a scheme of economic plan. The Honourable the Finance Member rejected it. Last year again a scheme of industrialisation was put forward and even that was rejected and may I ask what is the plan of the Honourable the Finance Member. Year before last, he himself said: "I have rejected your plan. You are entitled to ask me what my plan is. That is a perfectly fair question, and I confess freely that it is not possible to give a very spectacular answer to it". Last year he was more clear in his mind. This is what he said: "What the solution of the problem is, I wish I could say. A good many other people have been trying to solve it and have been spending more than two years on it but have not solved it. I personally feel tolerably certain that it has got to start in the village and not in the town and start with the individual cultivator and that it must seek to increase the efficiency of the villager's production, so that he cannot only sell more but also consume more. And, at the bottom of that problem, I am not at all sure that the problem that Dr. Rajan referred to is not there—the problem of health and disease in general and malaria in particular. However, the primary responsibility for that problem has for some fifteen years rested upon Indian Ministers and in one year more, complete responsibility will rest upon Indian Ministers". This year, he has been perfectly clear in this respect and this is what he said: It is reported in the *Hindustan Times* of March 4th:

"The Finance Member added that he had listened to the usual platform accusations of exploitation on the part of Britain, which had already been exposed times without number. He therefore had come to the conclusion that there was no prospect of cessation of this type of criticism. An opportunity has now presented itself to them over a large part of India and therefore I will leave it to time to do the work which argument has failed to achieve."

Now, Sir, the Government want to leave the whole problem to the Indian Ministers, and the Finance Member went out of his way to advise the Congressmen to accept Ministership. I do not know what the Congressmen would do. Though I am personally very much opposed to the acceptance of ministry by Congressmen, yet I say that even if Congressmen accept ministries, the Government have put the state of affairs in such a sorry pass, that these Ministers would be already dead children at the time of their birth!

Now, there is one more plan which the Honourable the Finance Member has. In this respect he made a cryptic statement in his budget speech, which I am surprised to find has so far gone unnoticed. He said:

"As regards British piecegoods, it is clear that the exaggerated apprehensions that were expressed in certain quarters that the recommendation of the Tariff Board was accepted were unfounded. In spite of the reduction in the duty, the United Kingdom products have not so far succeeded in re-capturing any part of the markets which they held till comparatively recently and the prices have remained largely beyond the reach of the Indian purchaser."

Sir, here I read something between these lines, and I say that this statement on the eve of the new trade agreement with Great Britain has got a great significance. This statement, I fear, is going to be the foundation on which the proposed Indo-British Agreement will stand. My apprehensions are that according to the plan of the Honourable the Finance Member, there is going to be a further reduction of tax on British textile imports.

In conclusion, I want only to say that this Government has gone beyond, much beyond the limits of fairness and safety, and I am sure it is going to end, and it will end. Sir, I oppose the motion made by the Honourable the Finance Member.

Mr. Lalchand Navalrai (Sind: Non-Muhammadan Rural): Sir, it seems to me that the Honourable the Finance Member thinks himself that, irresponsible as he is, he should present this Finance Bill without giving any reasons even for it. Sir, my first objection to the consideration of this Bill is based on the fact that, while presenting this Bill, the Honourable the Finance Member got up only to say that he moved the Finance Bill to the House. He gave no reasons at all!

The Honourable Sir James Grigg: I explained everything in my budget speech.

Mr. Lalchand Navalrai: I am coming to that budget speech. Sir, a peculiar convention was established by the Honourable the Finance Member last year

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): What is the convention?

Mr. Lalchand Navalrai: Last year also the Honourable Member made no speech in support of his Finance Bill; then he said, well, he was not going to speak himself first, because he wished the Opposition to shoot first. He said: "Let me be shot from the other side first".

The Honourable Sir James Grigg: What a fine paraphrase!

Mr. Bhulabhai J. Desai: He says he does not wish to shoot himself.

Mr. Lalchand Navalrai: Now, may I ask the Finance Member how many times he has been shot with censures, etc., and has he died? No, because he feels himself that he is heavily armoured and he has a very thick skin so that he comes out and does not care whether he is bringing in any more taxation, any more burden upon the public or that he is

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doing things properly, because he thinks he can go about as he likes with impunity. Sir, the country is groaning under very heavy taxation already, and I submit that it is adding insult to injury to come forward now and present a Finance Bill like this where taxation is being increased! Sir, I said that it was the duty of the Finance Member to come forward here and give us every detailed reason with regard to any proposed increase in the excise duty so that we may be in a position to place the counter facts and counter arguments so as to show the futility of his bringing in a Finance Bill for increasing the taxation. He does not care to make out any case before us and he simply takes up the attitude—"show why you should not be taxed further, show cause why I should not tax you". Sir, he forgets that his duty is, before he prepares his Finance Bill for taxation, to consult some of the Leaders of the House. Sir, he lives in *purdah* himself where he sits inside the *purdah*, and he manipulates his figures and other things, and beyond those *purdah* walls nobody can see anything. He can do what he likes, he sports about just as he likes, he manipulates whatever he likes (Laughter), he can put any number of taxes, and then he comes out and says, "here is your Finance Bill, you must accept it". And then after all when we ask him with regard to anything, he says that that is the constitution, "I am helpless, I am powerless"! Sir, is he also powerless in reducing the extravagant expenses of administration, is that what the Secretary of State or the British Government is prohibiting him from doing? Is that also unconstitutional? Therefore I submit that these are only lame excuses which we are not prepared to accept. Now, the Finance Member proposes to throw this burden upon us. We have been showing him during the entire Budget time and even now that he can please curtail the expenses. Sir, it has been said so many times, from time to time, that the military expenditure is too much and that it should be brought down. Now, he has prepared a budget in which he shows about a crore of rupees as deficit and he says that his expectations are that there will be about Rs. 8 lakhs surplus next year. Sir, I may tell him that if he genuinely has the desire to help the country by curtailing the expenses on the military side and also on the civil side, then we will favourably consider his budget. I, therefore, submit that instead of curtailing the extravagant expenses of the administration, he is adding insult to injury by asking that the existing duties should be increased. Now, Sir, coming to the Finance Bill itself, the Finance Member says that this excise duty should be imposed. Well, the other day, when a certain Resolution was presented that the poor man should be helped, I called that day the poor man's day, the Finance Member retorted that he was not poor. Yes, Sir, he is rich, he may be rich, but I ask—has he shown his riches now, has he shown that he possesses riches so that he can reduce this taxation, so that he can come to the help of our infant industries, our village industries? Sir, he has failed entirely. Is he helping the poor man in spite of all his riches? Has he done anything for them in his Budget? In the Finance Bill, of course, he puts more taxation on them. Sir, he has done nothing for the poor.

An Honourable Member: He says nobody is poor.

Mr. Lalchand Navalrai: He says he is not poor. If he were saying that he was poor, it would have been quite a different thing. The other day he said he is rich. He is rich because he has taken away all our gold

and he may get his share of gold when he goes back to England. Now, he is trying to take away our silver also. The point that I am trying to make out is this. If he is rich, let him show his riches by giving us a surplus budget and relieve the people of the burden of taxation. On the other hand, the Honourable Member is directly or indirectly crushing our industry. There was a time when India was self-sufficient in her industries. Nobody can deny it. Even during our time we saw that there used to be a sugar factory in each field where cane was grown. Of course, these factories were on a small scale but they were self-sufficient. But where are they now? When a cry was raised that the industries are not being helped, we find that this is the way in which they are being helped. Three years back these sugar factories were beginning to stand on their own legs and the Government professed that they were going to help them. How did they help the industry? They helped the industry by putting excise on it, but also gave protection against the import of sugar from Java and other places. What is the result of all this? The result now is that those small factories which were turning out a good bit and were trying to stand on their own legs are going to be nipped in the bud because of this increased excise duty. On the *khandasari* sugar the Finance Member proposes to raise the duty from 10 annas to Rs. 1-5-0 and on the other kind of sugar he is raising it from Rs. 1-5-0 to Rs. 2. Is that fair, I ask? How is it possible for these factories to maintain themselves? The information in my possession shows that there are about 75 per cent. of these small factories and they are turning out about 800 tons of sugar and the sugar is being sold at about Rs. 6 a maund. What will happen now is that these factories which are turning out so much sugar will go out of existence because of this increase in the excise duty. In order to support my statement, I would like to read to the House a resolution passed by certain factory owners. This resolution appeared in today's *Hindustan Times*. It says:

"We, the factory owners of Saran, Gorakhpur and Basti groups, strongly protest against the levy of additional excise duty on sugar and in view of the fixed cane price and the ruling market price of sugar, decide to close our factories by March 1937."

Mr. B. Das (Orissa Division: Non-Muhammadan): Ask them to employ Indian experts. None of them does that.

Mr. Lalchand Navarai: Experts are already doing havoc. They are sent for at a heavy expense, and what do they do for us? Have the imported income-tax experts done anything for us? Income-tax has been raised. Even the wife's income is to be assessed. What I mean to say is that when these factories were about to stand on their legs, ground is cut off from under their feet. What will be the result? The result will be that the grower of cane will suffer, because, if 75 per cent. of these factories go away, there will not be so much demand for the cane as it is at present. Then, take the case of the consumer. As the number of factories will be considerably reduced because of this increased duty, the price of sugar will be raised and in that way the consumer will also suffer. Then, take another factor. When the duty is being increased, the result will be that sugar from outside will be imported and there will be disadvantageous competition. Therefore, I submit that, from all points of view, it is wholly unwise that there should have been any increase in the sugar duty.

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As for the silver duty, I would not like to say anything now as during the discussion of the budget I showed that the only idea of increasing this duty was exploitation and also to see that India gets poorer and poorer and the people may involve themselves in debt more and more so that they cannot get out of this indebtedness at any time.

Then, Sir, let us see what has been done to help the poor man. With regard to postcards, it has been urged by the public for a long time and it is also being urged by their representatives in this House from year to year, that the price of postcards should be reduced to one pice. There was a time when the price of the postcard was one pice but they refuse to bring it to that level now. Of course, they are quite ready to give us broadcasting, though they have not given a station at Karachi. They think that communications can be made by poor people by means of broadcasting but they are not prepared to reduce the price of the postcard. I submit that it is very necessary that the poor people should be given some facilities for freer communications by reducing the price of these postcards. I see the Director General, Posts and Telegraphs, is in his seat and I would like to draw his attention to the inconvenience which is caused to the poor people. He knows himself that a great inconvenience is caused to the poor people by not having rural post offices in places where they are badly needed. Sir, in several places where people demand rural post offices, they are being refused. I know that in some places the people have even offered to defray the charges during the experimental period for starting a post office there in those places. I know there has been insistent cry for the opening of rural post offices in Sind. I should say to the credit of the Director General of Posts and Telegraphs that he becomes vigilant when a complaint is brought to his notice. I will not deny him that credit. What we want is that he should pull up his subordinate directors outside. It is his subordinate directors who are dilatory and who are not sympathetic to the people there. I know instances in Sind where rural post offices were wanted at certain places, but the Director there would not agree to open them. Some impediment or other, some objection or other was being raised. Even in spite of the offer on the part of the people to defray the charges during the experimental stage, nothing was done to comply with their request. The result was some people kept quiet, some others wired to the Director General, and I must acknowledge that the Director General was wide awake to intimate to his subordinate officers in Sind that those post offices should be opened. But the general cry remains all the same, and I would request the Honourable the Director General to give his special attention to the question and find out the cause of the dilatory tactics on the part of his subordinates. What they do is this. They have a double enquiry. First of all when a post office is wanted, the Director asks the Superintendent to make enquiries and find out if it is necessary. Then facts and figures are collected. After the report is sent to the Director, he is not satisfied with that. He again says, let another enquiry be made through the District Magistrate and the Collector of the place. One cannot understand why there should be double enquiry. A double enquiry takes time with the result that for years, they do not get post offices in the rural areas. Is this just, I ask? With regard to the administration of post offices, there are also some

grievances. I will give one instance. Examinations are held for recruitment of Inspectors and those examinations are held not yearly but occasionally. Now in 1936 an examination was held in Sind for the recruitment of Inspectors and certain people were declared to be successful. Some of these people were actually appointed and they continued to serve in their posts for about 12 months. What happened then? Some disagreement arose between certain officers and as a result the examination was declared null and void. Some technical objections were raised and the candidates who were selected as a result of the previous examination and who were acting in their posts for over twelve months were discharged.

Mr. A. H. Lloyd (Government of India: Nominated Official): What has that to do with the postal rates?

Mr. Lalchand Navalrai: It is not only postal rates that I am referring to in my speech, but general grievances against the Postal Department. This is certainly permissible in a discussion on the Finance Bill. I am within my rights. I will presently come to the Income-tax Department also which is presided over by my Honourable friend.

“What I submit is this. Is it not hard on those people that they should appear at an examination and come out successful and be given posts in which they serve for such a long time as 12 months and then be asked to go home?”

Mr. G. V. Bewoor (Director General of Posts and Telegraphs): They were not told to go home.

Mr. Lalchand Navalrai: Go home, in the sense that they were asked to quit the post. What happens? Another examination is going to be held and what will be the result? Those people who were acting in the previous posts have now exceeded 25 years of age. Will the Honourable Director General allow them to appear at the new examination or will they be ruined for life by not being able to get the posts of Inspectors because they are now over-aged. Why should you drive away men with experience and take in raw hands? These men have already passed a departmental examination and if there is disagreement among the officers about the previous examination, it was no fault of the candidates that they should be debarred from competing for another examination on account of over-age.

Mr. M. S. Aney (Berar Representative): Why was that examination declared null and void?

Mr. Lalchand Navalrai: Whose fault was it? It was not the fault of the candidates who offered themselves for the examination. The fault lies with the officers who conducted the examination. Now, Sir, I submit that there is harm done to these people and it is the duty of the Director General to see that these poor people are not made to suffer on account of being over aged.

With regard to postal rates, besides the postcard price whereof we request to be reduced to two pice, there is the question of letters also. I would draw the attention of the House to the fact that at present the duty on letters is one anna per tola. Beyond a tola, even if it is very little,

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we have to pay two pice more. To be on the safe side, have we to carry scales always and weigh the letters before posting them? We have to take care that the letter is exactly one tola and not an iota more.

Sir Cowasji Jehangir: Does the Honourable Member get a rebate if the letter is less than one tola?

Mr. Lalchand Navalrai: We will be thankful if the Honourable Member could persuade the Government to give us refund if the letter is less than one tola. I know that my Honourable friend's voice will weigh more with the Government than mine. The point I would like to be considered is this, that instead of taking two pice at a stretch, if they are going to tax us at all, let it be reduced to one pice if the weight exceeds one tola, that is the total would be one anna and three pies.

Now, coming to the Income-tax Department, I should like to spare the Honourable Member in charge of the Central Board of Revenue. I would come to his Department when the amendment relating to income-tax comes up. At present, I submit that so far as income-tax is concerned, what I would like the Honourable the Finance Member and the Honourable Member in charge of the Central Board of Revenue is the question of incidence of income-tax. The incidence is very heavy. This should be reduced. If at all Government want to retain the incidence of income-tax, they should only touch the rich mercantile community—of course they will object to this—but for the sake of the poor man the Government should agree that the scales of income-tax at least in the lower grades should be reduced.

Sir, I do not want to detain the House any more. What I submit is that the budget has not shown any rosy picture. On the contrary, it is a distressing one. The proverbial extravagance continues and the expenditure has not been reduced. And, so far as the Finance Bill goes, we are to be taxed more, and that is what we object to.

Captain Rao Bahadur Chaudhuri Lal Chand (Nominated Non-Official):

Sir, the other day, while I was speaking on the budget, I was making some suggestions regarding the allocation of the burden of taxation on deserving shoulders in order to give the much-needed relief to the poor classes, when I was stopped as my time was up. I wish to take this opportunity in order to supplement my remarks on that day, and that is one reason why I have stood up. Another reason has been afforded by the Honourable the Deputy Leader of the Independent Party, who in his very patronising and dominating tone, took me to task for expressing my views on the method of recruitment to the Indian army, the other day. The disease is spreading, and today Dr. Khare also opened his mouth on this very subject. My Honourable friend, Mr. Gadgil, had a similar complaint the other day. So this is another reason why I wish to say a few words on this subject. I may, however, point out at the outset, that although much could be said on points, where this side of the House does not see eye to eye with the Opposition, yet, in view of the very healthy atmosphere having been created the other day, by conciliatory speeches made from the Treasury Benches, I do not think it proper to refer to any contentious matters. (Laughter) and will content myself by speaking on

those points which are common between men of my way of thinking and the Honourable Members sitting opposite. I am doing this for another reason also. We know how much the cultivating classes are pressed by indebtedness. The attitude adopted by those members of the provincial Councils who were Congress minded towards the indebtedness Bills that have lately been passed has been most praiseworthy and commendable. My unfortunate province, however, was an exception to this rule, for in the Punjab a Congressman has become synonymous with anti-agriculturist. In the Punjab, every non-agriculturist, whether a nationalist or a Congressman, feels aggrieved, because he is not allowed to exploit the agriculturists by depriving the latter of their lands. However, we the agriculturists in the Punjab have solved our problems. The indebtedness Bills were passed *in spite of* the urban opposition, and, in the recent elections also, we have given a crushing defeat to the exploiting section of the population. Thank God, in other provinces the Congress has stood by the side of the poor and the weak, and they have remained true to their assertions. I am sure, the peasantry will go *with* them in those provinces, in the same way, as it will go *against* them in the Punjab.

Sir, I was suggesting the other day that the unearned increments on *abadi* lands in towns should be taxed. Perhaps we all know that the prices of agricultural lands have gone down very much, on account of the fall in prices of agricultural produce, and the landholding classes, both big and small, are in hard circumstances. But the price of urban property has gone up, and in some cases it has been more than doubled during the period of depression. This is partly due to a steady move from villages to towns, where the increasing population proves this assertion. The village shopkeepers who were petty moneylenders also, and the labourers, have moved to towns for want of any work for them in villages, while large numbers of poor agriculturists have realised that agriculture is not a paying proposition and have become day-labourers. Anyway, the price of urban property is going up and it is time that some way should be found to tax this class where this property is turned into cash. However, we all know that safety in towns and the prosperity of urban people is the direct result of the peace in the country which is secured by heavy expenditure on the army.

My second suggestion is the imposition of mutation duties on the rich. Eight annas per holding is realised from the landholders in the Punjab on every transaction about land. This is shared by the *patwari* and Government, and the principle is, therefore, not new.

But more than this I would lay stress on the cutting down of expenditure. The administrative machinery of Government has become very cumbersome, and great mischief has been done and is being done in the name of decentralisation. Department after department is being created every day, and there is in some cases overlapping of services. Besides, we have ignored the well-known principle of supply and demand. Ordinarily, things become cheap if the supply is in excess of the demand. Here, what we see is this. The supply of educated people has increased many-fold during the last 30 years, but instead of salaries being brought down, they have only gone up. Government are therefore guilty of starving thousands in order to overfeed the few. I may point out that while one class will die of starvation the other will die of indigestion. (Laughter.) Sir, there may be some grounds for paying high salaries to outsiders but to pay the same amount to their Indian successors, is unfair and must be

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stopped. So the whole system needs overhauling. Who can be a better expert for effecting these cuts than the Honourable Sir James Grigg? I hope he will remove this disparity during the two or three years at his disposal before he hands over charge to Mr. B. Das or to my friend Captain Sir Sher Muhammad Khan. (Laughter.)

Turning now to the facts given by the Deputy Leader of the Independent Party, I may tell him that I have great regard for him on account of his ability and experience, but I must confess that I have greater regard for the prestige and the rights and privileges of the great martial class to which I have the honour to belong.

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

Sir, he took me to task for my deprecating the recruitment of non-martial classes in the officers' ranks of the Indian army, and held out the threat that if I opened my lips on this subject again I would be let down severely. I accept his challenge and speak again, not only on my behalf but on behalf of the martial classes as a whole. Sir, it is not in our power to stop Government if they are bent upon committing suicide by weakening the Indian army in the way they have started or as is proposed to them by the Opposition. I would, however, ask them to read the opinions of their own Generals about the University Companies raised during the Great War. India is not Europe; here this distinction between the martial and non-martial classes has been in existence for ages and was in full swing even during the dark days when the forefathers of the Honourable Baronet from Bombay came to this country from their old caves in Persia. (Laughter.) What is the system? Martial class is only another name for *Kshatriyas* and should not have upset the Honourable the Deputy Leader of the Independent Party. I would have kept quiet but his remarks have encouraged others also. Democracy means that the voice of a community shall be in accordance with its numbers. If considerations of wealth were to be looked upon as a criterion for representation, it would not be democracy but exploitation of the poor by the rich. Thank God, the Congress, which is the largest organised political party in the country, has given proof of their siding with the poor and the days of the rich dominating the poor are gone. That was the reason why the Honourable Baronet, while talking about the elections the other day, complained bitterly and blamed the Government for not listening to men of his way of thinking. Let me tell him plainly that Government go on lines of least resistance (Laughter): their chief concern is to keep peace in the country. They have fully realised that the organisation to which my Honourable friend was referring is a spent force, and Government will not, I am sure, give them a fresh lease of life. They are greater exploiters than any party here: they have reaped the fruits of Congress sacrifices and have made tons of money in the name of Swadeshi industry. Subventions to these wealthy exploiters in the name of Swadeshi must cease as early as possible.

One word, Sir, about his theory of brain and muscle. I do not dispute his monopoly of brains in Bombay. Let some one from Maharashtra give him a reply. We in Northern India have a different story to tell. In the Punjab, which is the sword arm of India and the home of martial classes, we have a fine record of combination of brains and muscles. Our

first Indian Chief Justice in the Punjab, the Honourable Sir Shah Din was drawn from martial classes: we had two Executive Councillors of the Government of India, Sir Muhammad Shafi and Sir Fazl-i-Husain—their names are too fresh to need any detailed mention

Mr. M. Asaf Ali (Delhi: General): On a point of order, Sir. This is not a Provincial Legislature. I am not quite certain why reference should be made to provincial matters

Mr. President (The Honourable Sir Abdur Rahim): The Chair has noticed that the general discussion on the Finance Bill is apt to stray into all sorts of strange paths. But the Chair thinks there must be a limit. The Honourable Member is not really speaking on the Finance Bill—either on the merits of the Finance Bill and the proposals for taxation in the Bill, or even on the grievances of any particular body of Indians—which has always been considered to be relevant on an occasion like this. The Honourable Member really must confine himself to the Finance Bill or to the redress of grievances if he thinks he has any. The Chair is allowing considerable latitude, but there must be a limit.

Captain Rao Bahadur Chaudhuri Lal Chand: I will give one explanation. I am not referring

Mr. President (The Honourable Sir Abdur Rahim): It is not a question of referring to anybody: it is a question of being relevant.

Captain Rao Bahadur Chaudhuri Lal Chand: I am making it relevant. (Laughter.)

The question is as to who should be recruited into the army. Our grievance is that we supply the rank and file, while under the new system the officering is being done by non-martial classes, and that is a great grievance. We ought to have these prize posts, not *they*. I will not object to Government allowing a separate unit to be raised for each class—one for Parsis, one for Bengalis, like the Bengali Regiment: but let them not come to our units and spoil our traditions. Our traditions have been built up by our forefathers, by shedding their blood, and I want that these prize posts should not go to non-martial classes. The Government of India themselves have kept up this distinction, and my Honourable friends on the other side who belong to the non-martial classes come and ask to be recruited as officers. My contention is this: that the officering should be done by the classes who supply the soldiers. A Resolution in 1923 was passed by this very House to this effect that every community should be given officers' jobs in proportion to the number of recruits they supplied, and that is why I bring this matter on the occasion of the Finance Bill; and, as I said before, I would not have brought this in, had not Member after Member, two of them in your absence, Sir, stood up and blamed the Government for creating this distinction. Is India a country where this distinction has been created by the British Government? Had we not Kshatriyas, Brahmanas, Vaisyas and Sudras—the four Varnas? What does that show? The Kshatriya is the sword arm of India. The Brahmanas are only to do puja. (Laughter.) The Vaisyas are the big merchant classes; and how can you say that it is otherwise? The other theory may be true in Europe, but it is not true in India

An. Honourable Member: The Punjab High Court has held that Jats are Sudras!

Captain Rao Bahadur Chaudhuri Lal Chand: We do not depend on any favours from Government (*Cries of "Oh" and Laughter.*)

4 P.M.

Government will have to recruit us as a matter of necessity in the same way as we are called for in times when there are communal riots in Bombay and elsewhere to restore peace. But I wish to give them a warning. You can meddle with civil administration; but the moment you weaken the army, not only will our neighbours come down upon us, but internal security will be in danger. Expenditure upon the Indian army is an insurance for internal and external security and should not be meddled with on political grounds. Today, every one wants to join the army. Do Honourable Members know how the non-martial classes behaved during the Great War? I have got some facts to support my assertion. I remember the case of a Lahore Advocate who gave a list of 75 educated persons to the then Lieut.-Governor, Sir Michael O'Dwyer. The Lieut.-Governor depending on his assertion persuaded the army people to allow him to raise a University Double Company, because all of them were University graduates or undergraduates in that list. What happened? A communiqué is issued and the Advocate is sent for. What does he say? He says: "I never promised to send them as ordinary sepoy. I am prepared to send them, and they are prepared to join as officers, but not as sepoy." The result was that telegrams had to be sent by the Lieut.-Governor to persons who were doing recruiting work, and I was one of them, and he said "For God's sake, to keep up the honour of the Punjab, bring in educated men from any community" and we had to supply the men. We supplied 110 men from the Jat school at Rohtak alone of which I am the President of the Managing Committee. The Khalsa College . . .

Sardar Sant Singh (West Punjab: Sikh): May I know, Sir, whether Sardar Mangal Singh who is sitting here was supplied by my friend?

Captain Rao Bahadur Chaudhuri Lal Chand: Does my friend know that Sardar Mangal Singh is a Jat, and he was enlisted because you did not come forward? I may tell the House that Sardar Sant Singh does not belong to the martial class. (*Laughter.*) He is a bania.

Mr. President (The Honourable Sir Abdur Rahim): The Chair must warn Honourable Members that the debate is really getting too personal.

Captain Rao Bahadur Chaudhuri Lal Chand: I did not start this. Now, Sir, I will only say this much that we expect the Honourable the Finance Member to effect economies, and if possible restore our one crore for rural uplift.

Dr. Ehan Sahib (North-West Frontier Province: General): Mr. President, it is the usual custom when the Finance Bill comes up, for Honourable Members to get up and say something about their grievances. Sir, before I explain to the House certain things, I must say that I was surprised at the speech of the advocate of the martial races who just set down. First of all, I think his standard of the martial race must be very low, because, Sir, if he had any martial spirit in him, he would not have

been sitting on those benches. (Loud Laughter.) **Martial** races are always greater lovers of freedom than those who sell their country and vote with the Government simply for the sake of getting nominated in Councils

Mr. President (The Honourable Sir Abdur Rahim): The Chair must ask the Honourable Member not to make such personal remarks

Dr. Khan Sahib: Then, I withdraw them, Sir.

Now, Sir, I should like to draw the attention of the House to the speech made by the Frontier Governor last November at the opening of the Session of the Frontier Council. This is what he said:

"The forthcoming elections will be contested by all parties, and I take this opportunity of saying that participation in them by the Khudai Khidmatgar Party is welcomed by the Government, but that participation must be on constitutional lines, for it is upon this condition that the Government agreed to suspend the ban that exists in this province upon the Congress party."

Further, he says this:

"So long as this condition is fulfilled, that party and its leaders will enjoy the same share of political life in this province as is the right under the constitution of all parties. Some of that party will be returned as members of the new Assembly and may either form or help to form the Ministerial party or may occupy the seats now occupied in this Council by the Opposition. If the latter proves the case, I would remind them of the convention by which the British House of Commons Opposition came to be styled as His Majesty's Opposition."

Sir, this was the speech made on the 10th November, and the Governor said that the ban on Khudai Khidmatgars would be removed. What would be the logical conclusion one could draw from it? The conclusion would be that the Khudai Khidmatgars would be allowed free action to participate in the elections, and that their leader, Khan Abdul Ghaffar Khan, who was under a ban which was going to expire on the 28th December, 1936, would also be free to participate in the elections, that the ban on him would be removed or it would not be renewed. But what happens? A Resolution was brought forward in the same House, and, in reply to it, what does the Honourable the Home Member say? This is what he said:

"The motion before the House compels me in resisting it to place before Honourable Members of this House certain plain facts, and this I propose to do without rancour and with as little recrimination as possible. Now, Sir, it is just 4½ years since the first election to this Council took place, and as memories are sometimes conveniently short, let me begin by briefly reminding the House of what took place then. It has been claimed that Khan Abdul Ghafoor Khan was an apostle of peace, and we have had references in the speeches from the opposite side of the House to the peaceful struggle that took place under his leadership. Let me, therefore, begin by reminding this House to those scenes of intimidation that took place in Charsadda, and Mardan subdivisions of the Peshawar district. Let me remind them of the intimidation that took place in the Charsadda constituency, the intimidation went to such an extent that only 3 voters had the courage to go to the polls"

Now, Sir, I would ask Honourable Members to compare these two speeches of the Governor of the Province and of the Home Member. The Home Member did not have the imagination to think that that was the time of the Civil Disobedience Movement, and it is to the credit of Charsadda that nobody could go and vote. There was no Civil Disobedience Movement this time. Why should he have brought these points and emphasised them that certain things would recur, particularly when we are really at peace and there is no Civil Disobedience Movement on?

[Dr. Khan Sahib.]

Further on, he says this:

"Let me remind this House that such an invitation was extended by the Chief Commissioner, as he then was, invited Khan Abdul Ghaffar Khan to attend the Durbar held in this very hall in December 1931, at which was made the announcement of the grant of reforms to this province. Coupled with this invitation to attend this Durbar was an invitation to Khan Abdul Ghaffar Khan to co-operate with Government in the working of the reforms. Now, Sir, I must ask whether there has ever been any reply whatsoever from Khan Abdul Ghaffar Khan to that invitation."

Now, Sir, my brother was not able to attend that Durbar, because, on that day, he was not feeling well. I wrote a letter to the Under Secretary to that effect. Apart from that, there was another reason why he did not want to attend that Durbar, because side by side there were arrests going on of the Khudai Khidmatgars under section 40 in the province. That was in 1931, and how does it apply now? I am merely pointing out the arguments of the Executive Councillors of the Frontier Government.

In the same speech, the Home Member said this:

"On the contrary, to give you another instance, not so long ago, the present leader of the Khudai Khidmatgaran, in the absence of his brother, contested an election with the full freedom of the franchise and was successfully elected to the Central Legislature."

Now, Sir, it is a reference to me, but his memory failed him to say that I was not allowed to go to the Frontier. Not only was there that ban, but I was not allowed even to enter the Punjab. That is the kind of argument we get from these irresponsible officials. They can never think of becoming reasonable. They want you to follow their own advice, which is given for their good, and they want to take away your money, leaving you with empty pockets.

Now, Sir, I am coming to the present elections. What has our Frontier Government done during these elections? First I shall take the instance of D. I. Khan and show how the Government interfered with the elections. Kiri Shamzai is a place where the Ustran tribe lives. Four days before the election, all these people were strongly in favour of voting for the Congress candidate. And the two Khans, Faizullah Khan and Wazir Khan, were also in favour of the Congress candidate. Major Russell, the Deputy Commissioner of D. I. K., went and stayed there for four days just before the election in the dak bungalow, sent for those Khans and told them that, if those people voted for the Congress, they would be responsible and would be punished for it. Just on the day of the election, those people came, but they were actually picketed and would not be allowed to go to the polling station. They were picketed openly, and then the doctor in charge of the Chodwan dispensary openly did propaganda against the Congress, and Rahim Ali Shah, sub-inspector of police of the same station, did the same thing. It was brought to the notice of the authorities, but no notice was taken. On the contrary, they went about bragging; "These complaints are nothing. We are agents of the Government, and you can do nothing against us." Then, we come to Bannu. In Bannu, even Pandit Jawaharlal Nehru's picture was not allowed: it was removed. The flowers that the Congress volunteers were to show that they were Congress volunteers were removed and bunting and other things in polling places were taken away, and that was by, I think, I do not know whether it is Major Cobb or Captain Cobb. I know that gentleman. I had once the

misfortune to ask him on the day of Peshawar firing and he was even agreeable to open the gates in order to allow me to take the patients to the General Hospital for treatment. These military people are dumped on us without any sense and they carry on things like a military parade.

Then, coming to Peshawar, I must say that we were more fortunate but there is one thing which I shall bring to the notice of the House which is very important,—the Reform Officer. If the House remembers my second speech in this House in 1935, I mentioned two cases. Two cases were brought, one case was against the present Reform Officer. They make Reform Officers who have been corrupt in order to make them able to do things which are not right. This man practically entered into a conspiracy with the Minister, Sir Sahibzada Abdul Qaiyum. They conspired to have the presiding officers in Swabi, all from the Educational Department which is a transferred department. Another thing is, there is a rule that the presiding officer must be a gazetted officer. But they had headmasters of ordinary schools who were not gazetted officers and they were taught what to do. In the station of Marghuz, I myself know a presiding officer marking falsely. Luckily, the District Magistrate came, and I pointed out to him what he was doing. He was delaying the voting, and I must say the District Magistrate hurried things up and really did his duty. In the same constituency in Swabi, our polling agent was not allowed for two hours, from 9 to 11, we had no polling agent. We know for certain that one D. S. P., who is a relation of Sir Sahibzada Abdul Qaiyum, went inside there and marked papers for him. I went and saw the presiding officer, he did not allow the agent though he had a written statement from the candidate, and he wanted the candidate in person. After 11, things improved. In that constituency they tried their best and it was all done by the Reform Officer. This Reform Officer is a corrupt man. I remember even at the time of Colonel Garstin who was a Session Judge, he wanted to send him to prison, but the executive of the Frontier like these corrupt people to be in that province in order to hide their sins through them.

Sir Aubrey Metcalfe (Foreign Secretary): On a point of order, Sir. Might I enquire whether an Honourable Member is in order in attacking by designation, if not by name, an officer who is perfectly easily identified, and stating to this House that he is corrupt and has been found to be so? The officer has no chance of defending himself in this House, but I can assure the House that he has never been found corrupt by any judicial Court.

Mr. President (The Honourable Sir Abdur Rahim): The Standing Orders prohibit any defamatory statement being made and the Chair does think the Honourable Member will abstain from making any such statement with reference to any one, and much more against a man who is not present in the House to defend himself. The Chair thinks that the Honourable Member ought not to make charges against an individual like that.

Dr. Khan Sahib: What I am saying I am ready to prove if Government take up this case. The man has conspired against us

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member can make allegations if he likes against the executive, but if he wants to make a charge of corruption against any individual, he cannot do that in this House, he must proceed legally.

Dr. Khan Sahib: I will say furthermore that what I say I know is the truth. This officer told me to enter into a conspiracy in order to do damage to another candidate and I refused. The other candidate was Khan Bahadur Kuli Khan.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member had better not mention names.

Dr. Khan Sahib: Furthermore, Sir, I have brought all these things to the notice of Government. I have spoken about these things to the Home Member there. But did anybody take any notice? These complaints are simply filed. Again, there is something in the Khanpur constituency which I would like the House to know which belongs to a Raja. In Swabi, the Minister knew that we would defeat him. He had arranged to buy a seat for himself, and not only that, he offered Rs. 20,000 to our candidate.

Mr. President (The Honourable Sir Abdur Rahim): The Chair would ask the Honourable Member not to make any defamatory allegations against any individual, especially when the individual is not present in the House to defend himself.

Mr. Bhulabhai J. Desai (Bombay Northern Division: Non-Muhammadan Rural): The point of order, Sir, is this. The way in which the matter is now put is this, that the executive, so far as they have behaved or misbehaved and so far as their actions and omissions are concerned—it is the privilege of every Member of this House to call the attention of the House to it. Is it possible to exercise that privilege with any degree of effectiveness without pointing out who in that executive and in what manner is guilty of the deeds which are charged. In fact, a general charge would be useless if the specific charge is disallowed, it would be an extreme use of the supposed rules and orders by which a man is prevented from saying "I make this charge of interference and I say that the charge is founded on action of A. B. C. who is an executive officer."

Sir Aubrey Metcalfe: I was not objecting to allegations of interference in elections. What I objected to was the Honourable Member's statement that an individual officer, whom he designated not by name but by office as the Election Officer, is corrupt and that he knew him to be corrupt. Corruption is a criminal offence which can only be proved in a Court of law. What I maintain is that an allegation of that sort ought not to be made in this House.

Mr. President (The Honourable Sir Abdur Rahim): Standing Order 29 (2) (v) lays down that a Member while speaking shall not utter treasonable, seditious or defamatory words. This is not qualified in any way. It is perfectly true that every Honourable Member is at liberty to criticise the action of the Executive, but when it comes to making an allegation of a defamatory character against any individual, the freedom of speech that

is allowed in this House does not extend to that extent and the Chair holds that, under Standing Order 29, it is not permissible to any Honourable Member to make any defamatory statements in this House against any particular individual, although he is absolutely free to criticise the action of the executive generally.

Pandit Govind Ballabh Pant (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): May I make a submission

Mr. President (The Honourable Sir Abdur Rahim): This is the Chair's ruling.

Pandit Govind Ballabh Pant: I am not questioning the ruling at all. What I am submitting to you is this, that the mere fact that a statement is derogatory to an individual does not make it defamatory. In order that it may be defamatory, it must first be held to be false. It is perfectly true that no reflections can be made on the Governor or the Governor General. Apart from that, so long as it is true, we are perfectly within our rights to criticise or comment on the conduct of any officer, and it does not become defamatory unless it is held to be false.

Mr. President (The Honourable Sir Abdur Rahim): The Chair quite understands the distinction. The public conduct of a public servant may be criticised and of course it may be that that criticism may be of a deprecatory character but when the standing order prohibits a defamatory speech it means, for instance, a speech in which corruption is alleged on the part of a particular individual. In that case, as the Chair has held, the freedom of speech does not extend to the making of any such defamatory statement.

Pandit Govind Ballabh Pant: May I say

Mr. President (The Honourable Sir Abdur Rahim): The Chair has given its ruling. If the Honourable Member can give any precedent, the Chair will reconsider the matter, but for the present, this is the Chair's ruling.

Dr. Khan Sahib: I am not saying anything defamatory. I am simply stating before the House absolute facts. I thought that the mentioning of facts in this House would be appreciated, so that action may be taken in the future to see that those things are not done again. Our idea was that the reforms will bring honesty, security and improvement to our province but if things are carried on like this, then God help the Frontier Province. I was simply mentioning that the presiding officer at certain places, and it is a well known fact, made false marking, simply for the purpose of defeating the rival candidate. They may get members elected but I say that if we go to the electorate on any question and if the votes are collected honestly, nobody can defeat us. We know in our heart of hearts that we cannot be defeated. In these places the district magistrates went round touring their districts and impressing upon the people that they should give votes to those people who were against us. Another thing is they temporarily suspended some honorary magistrates during the election. Now, we have defeated those magistrates but they have been

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given the powers again and what are they doing now. They are simply punishing those people who voted against them. This is justice and if I don't bring this to the notice of the House nobody would know. Another thing is that we have to deal with a wonderful Government there. At one place the returning officers had rejected the papers of our candidate who was detained under section 3 of the Regulation of 1818. At another place his papers were accepted. I have also been detained under the same section. How can it be possible for the Government to allow the candidate at one place and reject him in another. Then there is no conviction under section 4 F. C. R. Security section but what does our Government do. I wrote a letter to Government asking if section 40 people would be allowed to fight the elections, to which I received an answer in the affirmative. But, just on the evening of the day for filing nomination paper, I received another letter from the Government repudiating their first letter. At two places, they permitted the section 40 candidates. At Kohat and Peshawar. But at Mardan, where they wanted their own candidates, they rejected our paper. Now, that is how the law is administered and these people who do these illegal things are promised something. They even got a man to sign the nomination papers of the candidate against me and he was made a nominated member of the District Board. So, that is the way things are carried on in the Frontier and then they say: "Oh, you see these Khudai Khidmatgars are a very violent people", but when you go through the whole election, the officials will say, when they discuss the matter among themselves, that it was through us that the election was conducted peacefully. I agreed with them in the Peshawar District to have section 144 promulgated, for the simple reason that we are non-violent, but the opposite party brings their rifles and revolvers,—and you never know what they might do! Sir, in one station where I arrived, one of the Minister's relations with a revolver was standing there. I caught hold of him and I handed him over to the police telling them about section 144—and they took the revolver from him, and two *subedars* belonging to the "martial" races simply ran away with their revolvers. (Laughter.) Then, Sir, in the frontier, we have "maliks",—I think they call them "patels" in the rest of India, or "chaukidars". Now, they collect people from the villages at night and make them guard the houses of the "lambardars" and those people—Sir, without any pay. And sometimes these people are beaten badly! I think Government knows all these things. but they don't take any notice. I have just received a letter from the frontier in which the people bitterly complain how they are treated; so, Sir, I say, if, with all your police, your constabulary, your army and your *chaukidars* you cannot protect your "patels" or your "lambardars", why trouble the poor people? Do get out of the place,—and then we will show you how to protect the people (Hear, hear); you are, after all, there only in order to trouble people. (Laughter.) Sir, this is their "goodwill". Still, in Peshawar, many of our young men are under ban; they cannot go outside Peshawar. They are not given any allowances. How are they going, then, to earn their living? Why, Sir, don't they bring cases against them? Then in the villages some of our chief workers have to report to the police stations wherever they go; and I must say that one of our men was very unjustly sentenced. I must say that in the frontier the executive and the judiciary are working hand in hand. The judiciary is conducted by the executive;

the executive is irresponsible, absolutely worse than an independent monarch. The District Magistrate thinks that his word is law and it should not be objected to. and they cannot tolerate any argument or anything you tell them: though I must say we are getting them a bit tamed. (Laughter.) Sir, in this very House when I first came and when I simply told the truth. I was at once called "violent" for telling the truth, but now it is much better. (Laughter.) Sir, see what this group of little white caps can do for you; see, Sir, what these people have done even for those "martial" races; see how we have tamed for you, bit by bit, the British lion,—and you never know what they might do! One day they might just turn away from your country and then make you free,—and then my friend, the "martial", can do whatever he likes. (Laughter.)

Sir, in the Frontier Council. one of the Khan Bahadurs made a speech. and he told the Government that if Khan Abdul Ghaffar Khan was allowed entry into the Frontier Province, nobody would give him a vote. Well, the Government ought to have taken the challenge. They ought to have allowed the people to see whether really the khudai khidmatgars were really going to get all the votes, or whether the Khan Bahadur was telling an untruth.

Then, Sir, there is the case of Mr. Jamnadas. He has been elected to the Frontier Legislative Assembly, but there is a ban on him. He cannot get out of Mardan, and there was a ban on him during his election. He could not go anywhere. Now, he is elected as a Member of the Legislative Assembly, but yet the ban has not been removed from him. (*Cries of "Shame, shame."*) There was another member of our party, Khan Ghulam Muhammad Khan, about whom the Government knew that if he stood, nobody could oppose him and he would come more or less unopposed; so on the plea, I think, of his mentioning the name of the "mutiny", as being synonymous with a "battle" or a "war", of independence, he had been sentenced for six months. Sir, that is how they get rid of us! If we mention anything which they do not like, then they simply put us into jail. But that makes no difference: our candidate defeated their candidate in the same constituency! (Hear, hear.)

Well, Sir, I do not think I will occupy the time of the House long, because somebody else probably would like to speak. (*Honourable Members: "Go on", "go on."*) Sir, if there is any goodwill anywhere else, on the part of the Government, it may be anywhere else; I do not think you can find it on the frontier. Why? Well, the present Home Member is disappearing in a few days' time, and why should he bother? It is the man who remains there, the man who is responsible to somebody who has to bear the brunt. And another thing is—why should we have all these military political officers dumped upon us? I may tell you that when I was in the army there was one officer whom they wanted to remove, and one day I was talking to the commanding officer and I asked the reason. He said, "yes, yes, he is not fit for this regiment" (I won't mention the regiment.) "He is not fit for this regiment, he is a good clerk that is all and he is only fit for promenading in the Piccadilly Circus", and then they transferred him to the Political Department. Sir, that is how all the people from the army whom they do not want they transfer to the Political Department; and they are sent to the frontier to be our District Magistrates! I say, if you really want to have any goodwill or peace on the frontier, the first thing is to remove all these military officers,

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all those gentlemen who would rather decorate the pavements of the Piccadilly Circus than do their duty honestly and competently. (Loud Applause.)

Mr. Husenbhai Abdullahai Laljee (Bombay Central Division: Muhammadan Rural): Sir, reading the speech of the Honourable the Finance Member, one finds that he really admits what everybody on this side of the House has been telling, namely, that our buying power is going down and we are getting poorer and poorer every day. With regard to the customs duties, he says that these duties ought to be reduced because people cannot buy. With regard to the silver duty, he says that it ought to be increased because the people may by chance have savings which they ought not to put in a precious metal as they will not be able to spend what little money they have on ceremonial occasions and what not. On the one hand, the position is being perfectly realised by the Government and, on the other hand, he says that he cannot reduce a farthing from the heavy military expenditure, an expenditure which is out of all proportion to our income and which we cannot bear. Then, Sir, next comes the statutory pay. There also he says we cannot do anything and we must bear it. Now, what are we to do? That is the question. If we cannot reduce the military expenditure and if we cannot reduce the statutory pay, then how are we going to get the revenue for the most important thing that we have got to do, the education and the like for the people. In a way, they will say that we are leaving education to the provinces. They will say the same thing about the medical relief. Then, Sir, comes the standard of life. I do not think there is a single Government in any part of the world which will not admit that the first and foremost duty of a civilized nation and of a civilized government is to raise the standard of life.

Now, Sir, may I ask in all fairness if in all these budget proposals and in all that has been said by the Treasury Benches there is a single word, single line, single indication to show the way in which Government are attempting or will attempt to better the standard of life? Sir, we are being told that the customs duties must be reduced to help the consumer. It may be true, but let us see what is really the position of the country. Everything possible is being done in other countries to stop the drain from the country. It is now an accepted fact all over the world that the money or any valuable gold or silver which goes out of a country is a great loss to that nation. Nobody can deny that. Today every nation is trying not only to stop the drain from its country but to become self-sufficient. That being the case, may I ask the Treasury Benches kindly to enlighten us as to how they will find market for our raw products? Is it not a fact that every year we find that one or the other market is being closed to us? Every year, when the Finance Member speaks about the reduction in customs duties, that is to say, allow the foreign goods to come in, we find that our raw products are being more and more stopped. Now, Sir, how is that consistent? I, as a businessman, fail to see how is it possible, being placed as we are, with all the good wishes that the Treasury Benches may have for foreign goods, without finding markets for the products of India? The best thing, the fair thing and the honest thing that you can do is to get us a fair market in other countries, in the

countries who want to send their goods to India, and then you can fairly ask us to buy some of their goods. I may tell the Government with all the emphasis that lies in my power that you are following a very short policy. You may reduce the customs duty as much as you like but you will soon see that the people will not be able to purchase as much as they were doing in former years. That is what will happen. Only this morning. I found the following in the *Hindustan Times*.

"In the Commons, the Foreign Secretary said that the terms of reference of the League Raw Material Inquiry (*we do not know what is going on: we have not heard about it before from our Government and our Government do not know it, will our Government inquire and tell us anything about it*) were strictly limited to the question of equal commercial access for all nations to certain raw materials. Any discussion of territorial redistribution of the Colonies or the Mandatory territories or any change in their administration was entirely precluded."

Quite right. So far as the latter part is concerned, we do not want Great Britain to sacrifice a bit of it to the Germans, Japan, or anybody else. But I ask in all fairness what is this League Raw Material Inquiry and what are these commercial accesses for all nations? May I know what is the meaning of "all nations"? Is poor India included in these nations? Will India be able to get some of the produces she requires for her industries as freely and easily from other countries? We do not really know what is going to happen. This is really the whole position in a nutshell. While we have been thinking of the buying power of the people, as I have said, very little or nothing has been done for finding out the markets for our raw produce. It may be that we will try and the Government will try later on to find a market for our raw material, but let me tell you that time has come when other countries will not have our raw produce. Therefore, the only alternative for the Government is that they should industrialise India as far as possible. In reply to this, they will say that India is an agricultural country. It was not but it has become. But so long as doors are shut against our exports, so long as Great Britain can take only a little portion of our exports and so long as other countries, such as, Italy, Germany, Japan and others, refuse to take all our produce, how are we going to pull on? Will you not show us some way? Will you not help us to industrialise at least such articles which the other nations will not admit at fair rates? Is there any attempt being made in that direction? Are we not entitled to ask this? You do not want to use force or any pressure to get us fair deal anywhere, probably you cannot do that. But unless and until we can sell our raw produce at fair rates and get some money from outside, how are we going to purchase your goods? Consider this seriously, it is your duty, as is of all other Governments who are doing it. Why adopt all this cumbersome ways and heavy pressure for the purchase of foreign goods? If you try as other Governments do, and are able to get us the fair price for our raw materials and if you are thus able to raise the standard of living, the other portion will certainly come and it will be welcomed. My Honourable friend, Sir. H. P. Mody, the other day said somewhat ironically that you should raise the standard of living of the rich people. Surely that might help. I admit that. They will buy foreign goods. But what is going to be the result? The rich people also have to look seriously for getting riches very soon to the interests of their own country. Therefore, that will not help the Government for a long time or a great deal. Besides, comparing the very very great numbers of people that are poor in India, the rich are a very very few and far between.

[Mr. Husenbhai Abdullabhai Laljee.]

After saying all this, I will now try and make some suggestions. I would suggest, if nothing else is done, that is if the military expenditure is not reduced for the time being, and so long as we cannot induce Government also to reduce the statutory salaries, and lift the heavy load which is lying on us, then, in my humble opinion, we should try hard to get some money from the Railway Department. The Railway Department is a commercial department. We used to get from that Department seven or eight crores. It has come down to nearly one crore. In the direction of increasing the contribution of railways to general revenues everything should be done. Every possible step of retrenchment should be resorted to. It is admitted on all hands that unless and until you do something, you cannot expect our revenues to be in such a condition as to meet our expenditure. You cannot say that the department which was paying seven to eight crores is not able to do anything. It has been said that the competition from road transport has crippled railway earnings. No doubt that competition is there. I admit that. But in other countries also that competition prevails. There, again, the remedy lies in industrialising the country and helping your raw materials to be railed down wherever it fetches a good market. You have got to make a special study of the distances and of the raw materials available in the different parts of the country to be taken to places at such a rate as would enable the industries to pay fair prices, use them and business may flourish there. Then, there will be compensation, as well as some more and reliable income to railways. If the industries flourish, then labour must be paid well. Labour will keep demanding more wages and the labour will consume more articles. They will use more goods and they will travel more. In this way, the revenues of Government will increase. We have seen that ever since industries have improved motor transport has come more and more into the Bombay Presidency, people are travelling much more by road transport than by rail. Here, again, people travel more by motors now than by rail as one finds many difficulties in the railway passenger service. By the way, travelling is much more comfortable by motor and also more convenient, because at every centre of stoppage they can get from small shops whatever they want. On our railways, even at big stations, you cannot get at fair prices eatables you are used to or you want. Today you have got established great monopolists for big vendors at chief railway stations. We are often told that rich people and manufacturers are the monopolists in this country. It may be true. But what about a Government Department like the Railways establishing it? What does it cost to Government to allow refreshment rooms to suit all classes of people? You must make a point to arrange for all classes every facility for every individual who want comforts at fair rates and honestly at every railway station. There also you have instead maintained and created vested interests. The result is that people do not get their conveniences, and that is a cry all over India. In fact, we made a study of the comforts available between Poona and Bombay line. What do we find on ordinary and express passenger trains? Small restaurant cars even for Hindus and Muslims are not attached to these trains, but two restaurant cars are attached to Race specials from Poona to Bombay and back to serve rich classes of people for enjoyment where traffic is much less than ordinary daily traffic.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member is now discussing the Railway Department. The railway budget is over. That has been passed.

Mr. Husenbhai Abdullabhai Laljee: What I was aiming to show to 5 P.M the House was that the general revenues have lost seven or eight crores which they used to get from the railways.

Now, I will take up the Posts and Telegraphs Department. Many Honourable Members in this House have been clamouring for the one-pice postcard. It was prevalent some years back. I think it is the duty of the Government to make bold and in their interest as much as of people to encourage poor people to write cards. One-pice postcards would really be helping the poor, and on the whole you are bound to get more revenue. If Government do believe that there is going to be more education and that more and more people will be literate hereafter, the result would then be that there would be much greater use of cards. If the Government are determined not to spread education among the masses, then that is a different matter. If the Government are not going to educate more people, then they would be justified in saying that they will not reduce the price of the postcard.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member can continue his speech tomorrow.

The Assembly then adjourned till Eleven of the Clock on Saturday, the 13th March, 1937.