

10th February 1939

THE
LEGISLATIVE ASSEMBLY DEBATES

(Official Report)

Volume I, 1939

(3rd February to 15th February, 1939)

NINTH SESSION
OF THE
FIFTH LEGISLATIVE ASSEMBLY,
1939



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Legislative Assembly.

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THE HONOURABLE SIR ABDUR RAHIM, K.C.S.I.

Deputy President :

MR. AKHIL CHANDRA DATTA, M.L.A.

Panel of Chairmen :

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MR. A. AIKMAN, C.I.E., M.L.A.

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MIAN MULLA AHMAD RAFI, BAR.-AT-LAW.

Assistants of the Secretary :

MR. M. N. KAUL, BAR.-AT-LAW.

RAI BAHADUR D. DUTT (*Upto 31st March, 1939*).

KHAN SAHIB S. G. HASNAIN, B.A. (*From 10th April, 1939*).

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CAPTAIN HAJI SARDAR NUR AHMAD KHAN, M.C., I.O.M., I.A.

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MR. A. AIKMAN, C.I.E., M.L.A.

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

SYED GHULAM BHIK NAIRANG, M.L.A.

MR. N. M. JOSHI, M.L.A.

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LEGISLATIVE ASSEMBLY.

Friday, 10th February, 1939.

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.

MEMBER SWORN.

Mr. Narayan Raghavan Pillai, C.B.E., M.L.A. (Government of India: Nominated Official).

STARRED QUESTIONS AND ANSWERS.

(a) ORAL ANSWERS.

REPRESENTATIONS FOR THE TRANSFER OF THE ADMINISTRATION OF TRIBAL TERRITORIES TO THE PROVINCIAL GOVERNMENT.

274. *Mr. T. S. Avinashilingam Chettiar: Will the Secretary for External Affairs state:

- (a) whether Government have received any representations from the Provincial Government asking for the transfer of the administration of the tribal territories in the hands of the Provincial Government;
- (b) if so, whether they have considered the matter; and
- (c) to what conclusion they have come?

Sir Aubrey Metcalfe: (a) No.

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

Mr. T. S. Avinashilingam Chettiar: Have they received any representations from the North-West Frontier Government?

Sir Aubrey Metcalfe: I cannot say more than "No" which I have said already.

Mr. T. S. Avinashilingam Chettiar: May I take it, therefore, that no representations have been received from any Government including the North-West Frontier Government?

Sir Aubrey Metcalfe: I have said that no representations have been received.

NEGOTIATIONS FOR A TRADE AGREEMENT WITH THE UNITED STATES OF AMERICA.

275. *Mr. T. S. Avinashilingam Chettiar: Will the Secretary for External Affairs state:

- (a) at what stage are Government's contemplated trade negotiations with the United States of America;

- (b) whether formal negotiations have been started; and
- (c) if so, what are the subjects of negotiation?

Sir Aubrey Metcalfe: I propose to reply to parts (a), (b) and (c) of this question together. Negotiations have commenced with a view to concluding a general treaty of commerce and navigation between India and the United States of America. The Government of India are at present awaiting the draft of such a treaty which the Government of the United States of America have agreed to furnish for the consideration of the Government of India. The important subject which will be dealt with in the treaty is to secure greater facilities than at present for Indians wishing to enter the United States for purposes of trade.

Mr. S. Satyamurti: Are these negotiations being conducted directly between this Government and the Government of the U. S. A.?

Sir Aubrey Metcalfe: They are being conducted through the ordinary diplomatic channel.

Mr. S. Satyamurti: I want to know whether they are being conducted through the Foreign Department of His Majesty's Government, or straight between the Government of India and the department concerned in the U. S. A.

Sir Aubrey Metcalfe: No; they are being conducted through His Majesty's Government.

EXPENDITURE INCURRED ABROAD FROM INDIAN REVENUES.

276. *Mr. T. S. Avinashilingam Chettiar: Will the Secretary for External Affairs state:

- (a) at what stage are Government's negotiations with the British Government regarding the items of expenditure incurred from Indian revenues abroad, *vide* starred question No. 1279, dated the 16th November, 1938;
- (b) whether any agreement has been reached on any of the matters; and
- (c) if so, to what effect?

Sir Aubrey Metcalfe: (a) and (b). The allocation of diplomatic and consular expenditure in Iran and the Persian Gulf is still under discussion. This is the only matter on which negotiations are in progress.

(c) Does not arise.

Mr. T. S. Avinashilingam Chettiar: Are the expenses in connection with Kabul, Nepal, Kashgar, Jeddah, Addis Ababa and Baghdad also under negotiation?

Sir Aubrey Metcalfe: No, they are not.

Mr. T. S. Avinashilingam Chettiar: I understand they have come to a new agreement with the Sultan of Muscat. May I know whether the amounts that were being paid by the Government of India before have been reduced or whether the responsibility of paying these amounts has been transferred to His Majesty's Government now?

Sir Aubrey Metcalfe: No, no change has yet been made. I have said that negotiations are in progress and until those negotiations have been completed no change will obviously take place.

Mr. T. S. Avinashilingam Chettiar: If I understood the Honourable Member correctly it means that the negotiations are only with regard to the expenditure in the Persian Gulf and there are no negotiations about other matters. Am I correct?

Sir Aubrey Metcalfe: Yes, that is correct.

Mr. T. S. Avinashilingam Chettiar: May I know whether they propose to take up the matter of negotiations with regard to other things after this is finished?

Sir Aubrey Metcalfe: I cannot say. It is better to get one matter finished before you take up others.

Mr. S. Satyamurti: In view of the fact that the question of the incidence of Persian Gulf expenditure has been hanging fire for many years now, may I know whether the Honourable Member can throw any light on the stage at which the negotiations stand at present and when do Government expect to get a settlement of this question?

Sir Aubrey Metcalfe: The Government of India have placed certain proposals before His Majesty's Government and those proposals are still under the consideration of His Majesty's Government. That is the stage at which the negotiations now stand.

Mr. S. Satyamurti: When did the Government of India address His Majesty's Government last on this matter, approximately?

Sir Aubrey Metcalfe: I think about a year ago.

Mr. S. Satyamurti: And they have not heard from His Majesty's Government for a whole year?

Sir Aubrey Metcalfe: No final answer has been received.

POSITION OF THE NORTH-WEST FRONTIER OPERATIONS.

277. ***Mr. Lalchand Navalrai:** (a) Will the Secretary for External Affairs be pleased to state the latest position of the North-West Frontier Province operations and whether any compromise has been arrived at?

(b) Is it a fact that lately a dacoity occurred in Dera Ismail Khan? If so, have dacoits been arrested, and did the dacoits come from the tribal area, or beyond the borders?

(c) What loss of life and property occurred in this dacoity?

Sir Aubrey Metcalf: (a) The Honourable Member is referred to the press communique, dated the 28th January, 1939, of which I have a copy here and will lay it on the table.

(b) and (c). Several dacoities have recently occurred in the Dera Ismail Khan district and it is not known to which one the Honourable Member refers.

GOVERNMENT OF INDIA.

DEFENCE DEPARTMENT.

New Delhi, the 26th January, 1939.

PRESS COMMUNIQUE.

A review of main events in Waziristan 1st November, 1938, to 15th January, 1939.

The last review of events in Waziristan dealt with the months August, September and October, 1938. By the end of that period the annual migration of the tribes to their winter locations had taken place, but a few small gangs of tribal bad characters were still active in committing offences of a guerilla nature. The failure of the Tori Khel Wazirs to control their hostile tribesmen had made it necessary to bring pressure on certain sections of the tribe by denying them the use of their winter grazing grounds.

Events in November, 1938.

The month of November passed comparatively quietly owing in part to the advent of winter and the fast of Ramzan. Such hostile activity as took place was confined to sniping, attempts to hold up traffic, and similar guerilla activities by a few gangs operating under the direction of leaders who were in close touch with the Faqir of Ipi. Pressure was maintained on the hostile sections of the Tori Khel Wazirs and in this connection tribal approaches were made to the hostile leaders who indicated, however, that they would not make submission unless authorised to do so by the Faqir.

During the month one Aqib and certain other hostile Tori Khel engaged in kidnapping offences made their headquarters in the neighbourhood of the Karesta Algad, not far from the administrative border. This area was, therefore, proscribed for air action, after due warning had been given.

Raiding into the settled districts bordering on Waziristan decreased. On the 18th November, two villages south of Kalabagh were raided by a gang under one Sher Ali Marwat; a strong force of Frontier Constabulary at once moved out to cut off the gang, but the latter succeeded in evading observation in this hilly tract and made their escape. Three individuals were kidnapped in the course of six other raids and one lost his life whilst resisting. Several kidnapped persons were released during the month, including two children who were held by a certain Tori Khel Wazir, Gagu by name, near the Durand Line.

Events in December, 1938.

There was a further diminution of hostile activity in December, 1938, except for a temporary deterioration in South Waziristan where a few ill-disposed persons were undertaking hostile activities in the territory of the Manzai Mahsuds, to the west of Kotkai. In order to strengthen the hands of the tribal *maliks* this area was visited by the Razmak brigade supported by the Wana brigade. During the march of the Razmak brigade to Kotkai there was some sniping and minor opposition. The Shabi Khel Mahsuds in whose limits this occurred have since been punished by fines. The movement through Manzai Mahsud territory was unopposed and all the hostile agitators were surrendered or settlements made on their behalf. Further south, however, the Nazar Khel and Abdur Rahman Khel Mahsuds permitted their territory to be used by the notorious Sher Ali and his gang and failed to evict them when called upon to do so; a portion of their territory was therefore proscribed for air action, after due warning, until security had been given.

During this period the Faqir of Ipi had been finding harbourage in the territory of the Madda Khel Wazirs, in contravention of an undertaking given by that tribe in June, 1938. Some weeks were allowed to elapse in order to judge the effect of the announcement of terms that had been published: no response was made by the Faqir, however, and pressure was therefore brought on the villages and sections harbouring him.

During December the release of several kidnapped persons was effected.

Few offences occurred in the settled districts until the end of the month when one villager was killed and three were wounded in a raid on the 27th December, and on the 31st December one individual was abducted from a private motor-lorry in the Bain Pass. One person was rescued by the village pursuit party from a gang that was attempting to kidnap him.

Events in January, 1939.

The Tori Khel Wazirs, having failed to effect a settlement in respect of their hostile members, increased pressure has been brought on the tribe, involving forfeiture of allowances and suspension of *khassadars* in the case of the hostile sub-sections. In addition the 1st (Abbottabad) Infantry Brigade has entered the Lower Khaisora valley where it has so far met with no serious opposition although a few ill-disposed tribesmen, Wazirs and Mahauds, have been responsible for some sniping of the troops.

After repeated warnings the Ahmadzai Wazirs inhabiting the salient of tribal territory to the north and north-east of Bannu failed to evict from their limits Mehr Dil and others who have taken part in raids, or to give security for the good conduct of persons using their territory. In consequence a blockade of this salient by troops and police has been instituted on the borders of Bannu and Kohat districts and is still in force.

There has been some increase in guerilla activity in Waziristan, and renewed raiding especially into Dera Ismail Khan district. On the 3rd January, the village of Kathgarh was raided by a gang some sixty strong, two villagers being killed and three kidnapped, including one woman. The gang was engaged by police, who suffered four casualties, and a cordon was established by Frontier Constabulary and troops with co-operation by the Royal Air Force: the raiders succeeded in reaching the hilly and intricate country of the Marwat range, however, and after several days in the hills made their way to tribal territory under cover of darkness but not without loss, at least three of the gang being wounded. Two individuals were kidnapped from Shinki village on the 14th January, but were re-captured later by a cavalry patrol.

In spite of some general improvement in the tribal situation conditions remain unsettled and the results of the increased pressure now being exerted on the Tori Khel and the Ahmadzai Wazirs of the Bannu border must be awaited.

Mr. Lalchand Navalrai: May I know if in connection with any dacoity any persons have been arrested and tried?

Sir Aubrey Metcalfe: I could not say that, because that is largely a matter of administration of the Provincial Government.

Mr. Lalchand Navalrai: May I know, therefore, what steps have been taken for the security of such a big and important place as Dera Ismail Khan?

Sir Aubrey Metcalfe: That, again, is a matter mainly for the Provincial Government.

Mr. Lalchand Navalrai: But do the Government of India know what steps have been taken to see that there is security and there is no recurrence of these dacoities?

Mr. President (The Honourable Sir Abdur Rahim): That is a matter to be pursued with the Provincial Government.

Dr. Sir Ziauddin Ahmad: Have Government got the powers to do it?

Sir Aubrey Metcalfe: Yes.

Mr. S. Satyamurti: With reference to clause (a), may I know whether any talks or negotiations are in progress for any compromise with any or all the tribes, now at war with the Government of India?

Sir Aubrey Metcalfe: No, not at the moment.

CONDITIONS FOR OPENING OF EXPERIMENTAL POST OFFICES.

278. *Mr. Brojendra Narayan Chaudhury: Will the Honourable Member for Communications please state the conditions or tests to be fulfilled for opening experimental post offices, and the conditions or tests for making them permanent?

The Honourable Sir Thomas Stewart: The attention of the Honourable Member is invited to the replies given to parts (b) and (c) of Mr. T. S. Avinashilingam Chettiar's starred question No. 723 in this House on the 9th March, 1938.

EXTENSION OF POST OFFICES IN RURAL AREAS.

279. *Mr. Brojendra Narayan Chaudhury: Will the Honourable Member for Communications please state the amount budgeted for the current year for extension of post offices in rural areas, the amount spent up to date, and the amount spent last year on this item, as also the number of post offices added last year and in the current year in India and in the districts of Sylhet and Cachar?

The Honourable Sir Thomas Stewart: Sir, I lay on the table a statement giving the information required by the Honourable Member.

Statement.

1. Amount provided in the current year's budget for the extension of postal facilities in rural areas	Rs. 60,000
2. Amount to be spent in 1938-39	Rs. 53,000
3. Amount spent in 1937-38 on this item	Rs. 2,51,000
4. Net number of new post offices added in 1937-38 in rural areas	1,165
5. Net number of new post offices added in 1937-38 in the districts of Sylhet and Cachar	3
6. Net number of new post offices added during the current financial year, i.e., from 1st April, 1938, to 1st January, 1939, in rural areas	13
7. Number of post offices added during the current financial year, i.e., from 1st April, 1938, to 1st January, 1939, in the districts of Sylhet and Cachar	Nil.

Mr. T. S. Avinashilingam Chettiar: May I know whether the whole amount has been spent?

The Honourable Sir Thomas Stewart: That is contained in the statement laid on the table

Mr. T. S. Avinashilingam Chettiar: My question was whether the whole amount budgeted for the particular matter has been spent or not. That can be answered either in the affirmative or in the negative.

The Honourable Sir Thomas Stewart: I am unable to inform the Honourable Member what amount of money has been spent in a financial year which is not yet finished.

BENGALI DIARY ALMANACS GIVING POSTAL INFORMATION.

280. *Mr. Brojendra Narayan Chaudhury: Will the Honourable Member for Communications please state:

- (a) whether his attention has been drawn to the fact that the annual Bengali diary almanacs, which command the biggest sale over any other publication in the Province, give the names of all the Post Offices in India with other postal information, covering 30 to 40 pages, and whether such publication is at the instance of the Department and for payment or free; if paid, what was the amount paid last year;
- (b) the size of the Department's pocket guide in Bengali and the sale price and last year's profit out of sale; and
- (c) whether he intends to examine the utility of publishing all the information given in the official guide through the Bengali almanacs (*Nutan Panjika*) instead?

The Honourable Sir Thomas Stewart: (a) I have no information. Government have not authorised any such publication, nor do they pay for it.

(b) The Post and Telegraph Pocket Guide in Bengali, 1938 Edition, was a document of 52 pages. The sale price is anna one per copy. There was no profit in 1937-38 from its sale.

(c) No.

Mr. Brojendra Narayan Chaudhury: What is the cost of preparing that pocket guide?

The Honourable Sir Thomas Stewart: I cannot say without notice.

Mr. Brojendra Narayan Chaudhury: Will the Honourable Member consider whether it is not more profitable to the department to issue that information through the Bengali almanac than through a separate guide? Will not that make a saving and also effect greater circulation?

The Honourable Sir Thomas Stewart: We conceive, Sir, that our own publication has its own value, and though it might save us a certain amount of money by not printing up our own publication, we still believe that it has its utility.

TRADE AGREEMENT WITH THE UNITED STATES OF AMERICA.

281. *Mr. Akhil Chandra Datta: (a) Will the Foreign Secretary please state whether Indian merchants in the United States of America labour under great difficulties and disadvantages?

(b) Do Government propose to have a trade treaty with America to overcome those difficulties?

(c) Have Government received any representation from the Indian Chamber of Commerce in that behalf?

Sir Aubrey Metcalfe: (a) The United States of America Immigration Act of 1924 places certain restrictions on the entry of Indians into that country which hamper the activities of Indian businessmen.

(b) The Government of India hope that a treaty of commerce and navigation may be negotiated with the Government of the United States of America which will improve the situation.

(c) Yes.

Mr. Lalchand Navarai: With reference to clause (a), are there any restrictions of the same nature against Americans coming into British India or Britain?

Sir Aubrey Metcalfe: No.

Mr. Lalchand Navarai: Why not?

Sir Aubrey Metcalfe: Because there is no legislation.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member cannot discuss that now.

IRREGULAR DELIVERIES OF AIR MAIL.

262. *Mr. Akhil Chandra Datta: Will the Honourable Member for Communications please state:

- (a) whether serious inconvenience was caused to business interests in Calcutta in consequence of the non-arrival of Indian mails by air towards the end of November, 1938, and subsequent irregular deliveries;
- (b) if so, what the circumstances are which resulted in such inconvenience;
- (c) whether Government are prepared to consider the advisability of taking steps to ensure advance arrangements, such as to ensure the maintenance of a regular service to India;
- (d) whether Government are prepared to consider the desirability of cabling or wirelessing advance information with regard to non-arrival, or delay in the arrival, of the air mails; and
- (e) whether Government are prepared to consider the advisability of giving full and authoritative information to the public with regard to:
 - (i) the date of the mail from the United Kingdom;
 - (ii) the extent of the delay;
 - (iii) the cause of it; and

- (iv) probable day of the arrival of the particular mail plane at various stopping places in India whenever delays take place at any point in the service and for whatever reason?

The Honourable Sir Thomas Stewart: (a) Complaints to that effect have been received.

(b) I understand that the main reason for the irregularity was the non-delivery of the fleet of Ensign land-planes, in consequence of which the carrying capacity available was seriously reduced and the smaller aircraft which Imperial Airways chartered could not cope with the heavy loads of Christmas and New Year mails. The difficulty was accentuated by the exceptionally severe winter conditions which prevailed in Europe in the latter part of December, 1938, and the early part of January, 1939—conditions which disorganised all transport and made flying at times impossible.

(c), (d) and (e). Government have considered and are well aware of the desirability of taking action on the lines recommended.

Mr. S. Satyamurti: With reference to the answer to clauses (a) and (b), may I know whether preference was given to air mails to Australia and New Zealand, as contrasted with air mails to India and if so, why?

The Honourable Sir Thomas Stewart: I gather that the Australian mails were carried before the Indian mails, the general idea being that long distance traffic should have preference in order that the Christmas mail should arrive approximately about Xmas. That I think was the general idea behind this arrangement.

Mr. S. Satyamurti: May I know whether Government have inquired into the matter carefully and satisfied themselves that no discrimination as against Christmas mails to India was practised by the Imperial Airways?

The Honourable Sir Thomas Stewart: I do not think there was any discrimination at all.

Mr. S. Satyamurti: Was the delay common to all the air mails to the Far East, or was there any peculiar or longer delay in respect of the Indian air mails as has been alleged?

The Honourable Sir Thomas Stewart: I have no information as regards mails to destinations other than India; but nothing in the evidence that has come to me has suggested that there was any discrimination against India.

CLOSING OF THE AGRA-BAH RAILWAY.

283. *Mr. Badri Dutt Pande: (a) Will the Honourable Member for Railways be pleased to state what decision has been arrived at regarding the closing down of the Agra-Bah Line?

(b) Has it been closed, or has the proposal been postponed at the intervention of the United Provinces Government?

The Honourable Sir Thomas Stewart: (a) and (b). It has been decided to close the Bah-Hatshamsabad section with effect from the 1st January.

this year and keep open the remaining section from Agra to Hatshamsabad until the end of March as an experimental measure.

Mr. Badri Dutt Pande: Am I to understand that the line beyond Hatshamsabad to Bah will be dismantled?

The Honourable Sir Thomas Stewart: That is a reasonable deduction from my answer.

Mr. Badri Dutt Pande: What will happen to the big bridge? Is it going to be sold to the United Provinces Government?

The Honourable Sir Thomas Stewart: We have no offer for the purchase of the line from the United Provinces Government, but if such an offer were made, we should certainly consider it.

Mr. Badri Dutt Pande: I was speaking about the bridge over the river on that line.

The Honourable Sir Thomas Stewart: I should require notice of that. I cannot enter into the details of the dismantling process here.

Mr. K. Santhanam: May I know if the United Provinces Government approved of the closing down of this line, or whether they were consulted at all?

The Honourable Sir Thomas Stewart: By influence, yes.

Mr. K. Santhanam: May I know whether it is not the practice of the Railway Board to directly consult the Provincial Government concerned when a line is closed?

The Honourable Sir Thomas Stewart: The Railway Board have consulted the Local Government: they have also consulted local residents about the matter.

Mr. K. Santhanam: May I know whether this matter was placed before the Standing Committee for Railways so that the financial implications of the closing down might be scrutinised on behalf of the Assembly?

The Honourable Sir Thomas Stewart: I should require notice of that. I must look up the agenda of the meeting of the Standing Committee.

Dr. Sir Ziauddin Ahmad: Did the Central Government approach the Provincial Government whether they are willing to buy the track and the bridges so that they may make a road along that line?

The Honourable Sir Thomas Stewart: I could not say whether they made an offer to the Local Government, but I am sure that they asked the Local Government whether they were prepared to guarantee the loss on this line.

CONSTRUCTION OF THE KASHIPUR-KALAGARH RAILWAY.

284. *Mr. Badri Dutt Pande: (a) Will the Honourable Member for Railways be pleased to state if the United Provinces Government have written to the Railway Department that they will hold themselves responsible for any loss that would accrue in the working of the proposed Kashipur-Kalagarh Railway?

(b) If so, do the authorities of the Rohilkund and Kumaon Railway propose to take in hand this branch line at once?

(c) In how many years will this line be completed?

The Honourable Sir Thomas Stewart: (a) Yes.

(b) The project is still under the consideration of Government.

(c) If taken up, the work will take about twelve months to complete.

AHMADZAI WAZIRS ASKED TO PAY MONEY AND RIFLES.

285. *Sardar Mangal Singh: Will the Foreign Secretary please state :

(a) whether it is a fact that Ahmadzai Wazirs were ordered to pay Rs. 2,000 in cash and 80 rifles within a specified time;

(b) whether this order was carried out;

(c) if the answer to part (b) be in the negative, what other steps have been taken to enforce the order; and

(d) whether the steps taken have proved sufficiently effective?

Sir Aubrey Metcalfe: (a) Yes.

(b) No.

(c) A blockade against the tribe has been enforced.

(d) It is as yet too early to judge.

Sardar Mangal Singh: May I know how long the blockade is likely to continue?

Sir Aubrey Metcalfe: I am afraid I cannot give that information because I do not possess it.

Maulvi Abdur Rasheed Chaudhury: May I know the reason why the Ahmadzai Wazirs were ordered to pay Rs. 2,000 in cash?

Sir Aubrey Metcalfe: There were a number of offences committed by the tribe and they were given every opportunity of purging those offences before the blockade was instituted

Mr. K. Santhanam: May I know if the rifles mentioned are rifles manufactured in their own places or brought from abroad?

Sir Aubrey Metcalfe: The terms of the blockade merely say rifles: I cannot tell you exactly what rifles they are.

Mr. K. Santhanam: Is the Honourable Member aware that they have got a cottage industry of making rifles?

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member need not go into that now.

ACCIDENTS ON THE EAST INDIAN RAILWAY.

286. *Sardar Mangal Singh: Will the Honourable the Railway Member please state :

- (a) whether the official enquiries into the causes of the recent train disaster at Chickaki (East Indian Railway) are complete;
- (b) whether there is any foundation for the belief that the railway disaster was due to sabotage;
- (c) how many similar accidents have happened during the last year on the East Indian Railway, the causes of which were sabotage;
- (d) whether the railway authorities suspect any organised conspiracy which is responsible for these accidents; and
- (e) the number of casualties, both wounded and dead, separately, and whether any compensation has been given to the bereaved families?

The Honourable Sir Thomas Stewart: (a) and (b). Yes.

(c) Two.

(d) This appears to ask for an expression of opinion.

(e) In answer to the first part, I would refer the Honourable Member to the reply given to Mr. Badri Dutt Pande's starred question No. 81 of the 3rd instant. The answer to the second part is in the negative.

Mr. S. Satyamurti: May I know why no compensation has been paid to the bereaved families?

The Honourable Sir Thomas Stewart: Because the Government of India accept no responsibility for the cause of the accident.

Mr. S. Satyamurti: Have they come to this decision irrevocably, irrespective of whatever the result may be of the inquiry by the tribunal, which my Honourable friend has promised to appoint in the debate on the adjournment motion some time ago in this House?

The Honourable Sir Thomas Stewart: Should there be, as a result of the tribunal's inquiry, a finding that the Government of India are responsible for this accident, then I think they will act in accordance with precedent.

Maulvi Abdur Rasheed Chaudhury: With regard to clause (a), may I ask whether the enquiry committee will be appointed before the next accident takes place?

The Honourable Sir Thomas Stewart: If the Honourable Member will inform me when the next accident will take place, I will endeavour to answer his question.

TRAIN DISASTER NEAR HAZARIBAGH ON THE EAST INDIAN RAILWAY.

287. *Mr. S. Satyamurti: Will the Honourable Member for Railways be pleased to state :

- (a) the latest facts about the causes of the accident on the East Indian Railway near Hazaribagh on the 12th January, 1969, the casualties and the loss of property;

- (b) whether Government have appointed, or propose to appoint, an independent officer or committee to inquire into the causes of the accident and, if not, why not; and
- (c) whether Government are aware that this is the fifth major accident on this Railway during the last eighteen months?

The Honourable Sir Thomas Stewart: (a) I would refer the Honourable Member to the reply given to parts (a) and (b) of Mr. Ram Narayan Singh's starred question No. 33B, of the 3rd February, 1939.

(b) I would refer the Honourable Member to the reply given to part (e) of Mr. K. Santhanam's starred question No. 173 of the 7th February, 1939.

(c) I would refer the Honourable Member to the reply given to part (a) of Maulvi Abdur Rasheed Chaudhury's starred question No. 180 of the 7th February, 1939.

Mr. S. Satyamurti: With reference to the answer to clause (a) of the question, may I know, Sir, whether the Government have satisfied themselves that they have complete and accurate information about the casualties and the loss of property and all relevant inquiries have been conducted and concluded?

The Honourable Sir Thomas Stewart: Yes, Sir, I think I can assure the Honourable Member that the Government of India are satisfied that all possible information has been obtained regarding the casualties and the loss of property.

Mr. S. Satyamurti: With reference to the answer to clause (b) of the question, may I know, Sir, whether the Government are in a position to say when this independent officer or committee will be appointed?

The Honourable Sir Thomas Stewart: I should be reluctant to say any particular date, but I trust it will be in the very near future.

CHANGES IN REGARD TO CONCESSIONS TO PRESS MESSAGES.

233. *Mr. S. Satyamurti: Will the Honourable the Communications Member be pleased to state:

- (a) whether Government are considering the question of reducing the loss attributed to the concessions in respect of Press messages;
- (b) what is the extent of the loss at present, what are the proposals for reducing the loss and what is the saving anticipated thereby; and
- (c) whether Government propose to consider all relevant public interests before coming to a decision in the matter?

The Honourable Sir Thomas Stewart: (a) and (c). Yes.

(b) The loss on account of concessions given to press messages is estimated to have been about 8½ lakhs during 1937-38. As regards the latter part of the question, the matter is under consideration and I am unable to anticipate the outcome of that consideration.

Mr. S. Satyamurti: May I know, Sir, whether Government hope to finish their conclusions on this matter, in time for incorporating their proposals in the budget for next year?

The Honourable Sir Thomas Stewart: Let me repeat the last sentence from my answer—I am unable to anticipate the outcome of that consideration.

Mr. S. Satyamurti: I am not asking about the actual results, but I am only asking with regard to point of time, whether Government hope to be in a position to incorporate their proposals such as they may have in the budget or the Finance Bill for next year.

The Honourable Sir Thomas Stewart: I am afraid I am unable to anticipate the outcome of that consideration.

Mr. Mann Subedar: May I know, Sir, how the Department differentiates between operating expenses on ordinary telegrams and the operating expenses in connection with press telegrams? On what basis is the loss estimated?

The Honourable Sir Thomas Stewart: I think if the Honourable Member will put down a question on the notice paper to that effect, I might be able to lay on the table statement showing how we make our calculations.

Mr. K. Santhanam: May I know, Sir, whether Government have made any calculation of the loss which they are likely to incur by the reduction in publicity for the Government departments by increasing the cost of press messages?

The Honourable Sir Thomas Stewart: No, Sir, I don't think any such calculation has been made.

Mr. K. Santhanam: May I know, Sir, if that aspect also will be taken into account in any plan to increase the rates of press telegrams?

The Honourable Sir Thomas Stewart: The rather incalculable value of publicity will always be taken into account if any revision of rates is under contemplation.

AMENITIES TO THIRD CLASS PASSENGERS ON RAILWAYS.

289. ***Mr. S. Satyamurti:** Will the Honourable Member for Railways be pleased to state:

- (a) what the extra expenditure proposed to be incurred by the Railway Board in the acceleration of passenger traffic and advertising campaigns to attract more third class passengers is estimated to be;
- (b) what the Railway Board expects by way of increased expenditure; and

- (c) whether, apart from advertisements, any other steps are going to be taken by improving amenities to third class passengers with a view to attracting more third class traffic, and, if so, what they are?

The Honourable Sir Thomas Stewart: (a) and (b). It would be impossible for Railways to estimate with any degree of accuracy the extra expenditure involved in the acceleration of passenger trains. As regards the expenditure on advertising campaigns individual Railways make their own allotment in accordance with local conditions and requirements.

(c) The provision of amenities for third class passengers is constantly engaging the attention of Railway Administrations, and I would refer the Honourable Member to the details given in Chapter VIII of the Railway Board's Annual Report on Indian Railways for 1937-38, Volume I, a copy of which is in the Library of this House. Railways will continue to provide amenities on the same lines in future.

Mr. S. Satyamurti: With reference to the answer to clauses (a) and (b) of the question, may I know, Sir, whether the Railway Board have made on behalf of all the Railways in India, to which they are responsible, any calculation as to the increased expenditure likely to be incurred on first, the acceleration of the passenger traffic and advertising campaigns, and secondly, the extra returns likely to be received by the Railways, and come to the conclusion that all this expenditure is worth while?

The Honourable Sir Thomas Stewart: I have already said that it is impossible to make any estimate with any reasonable degree of accuracy.

Mr. S. Satyamurti: May I know, Sir, if the Railway Board are starting on this campaign of expenditure, without calculating the cost and the return likely to be received by them?

The Honourable Sir Thomas Stewart: I think the Honourable Member must understand that in following up a recommendation which *prima facie* is worth while following up, one embarks on an experimental measure.

Mr. S. Satyamurti: May I know, Sir, with reference to clause (c) of the question, whether apart from the provision of the new type of third class carriages which has been put on on some Railways, there are any other major amenities which the Railway Board are contemplating or have any knowledge of, for improving the amenities of third class passengers?

The Honourable Sir Thomas Stewart: I should be extraordinarily obliged to the Honourable Member if he would put forward suggestions as to the direction in which we should take action in order to improve the amenities.

Mr. N. V. Gadgil: May I know, Sir, whether it is not the experience of Railway Administrations that cheapening of rates usually results in increasing the traffic?

The Honourable Sir Thomas Stewart: I would not admit that that is a universal rule.

Mr. K. Santhanam: May I know, Sir, whether any systematic study of the food arrangements in respect of third class passengers has been undertaken by the Railway Board?

The Honourable Sir Thomas Stewart: Yes, I think that certain investigations have been carried out in that direction.

Mr. K. Santhanam: May I know if the Honourable Member will place the results of those investigations on the table of the House?

The Honourable Sir Thomas Stewart: I have no doubt that the results of the investigations will be available when the investigations are complete.

Mr. K. Santhanam: May I know, Sir, if the Honourable Member will circulate a memorandum on these investigations when they are completed to Honourable Members?

(No reply.)

Dr. Sir Muzuddin Ahmad: Is it not a fact, Sir, in spite of the Resolutions passed in this House and the repeated demands of the Central Advisory Committee, the Railway Board are not at all familiar with the food arrangements of third class passengers? They know nothing about it.

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

CAPITAL EXPENDITURE ON RAILWAYS.

200. *Mr. S. Satyamurti: Will the Honourable Member for Railways be pleased to state as regards capital expenditure on Railways:

- (a) the reason why the Railway Board have come to the conclusion that, with regard to capital expenditure on new schemes, they cannot keep in mind any definite percentage of return as a sound criterion for sanction;
- (b) what the functions, in respect of the sanction of such schemes, of the Chief Accounts Officer as Financial Adviser to the General Manager are; and
- (c) what are the principles which the Railway Board have accepted with regard to expenditure on renewals?

The Honourable Sir Thomas Stewart: (a) and (b). The attention of the Honourable Member is invited to the exact wording of the remarks against paragraph 74 of the second statement showing the action taken on recommendations in the Indian Railway Enquiry Committee's Report, to which he is presumably referring though he has not quoted them fully or accurately. In regard to this matter and to the function of the Chief Accounts Officer in respect of it, I place on the table a copy of the Railway Board's letter No. 0458-F., dated the 22nd February, 1938, perusal of

which will enable the Honourable Member to appreciate more fully the attitude of the Railway Board towards it.

(c) The principles to be followed in regard to expenditure on renewals are stated in paragraphs 714 and 715 of the State Railway General Code, a copy of which is available in the Library of the House.

GOVERNMENT OF INDIA.

RAILWAY DEPARTMENT.

(RAILWAY BOARD).

No. O.453-F.

New Delhi, the 22nd February, 1938.

To

The Agent,
 East Indian Railway.
 Eastern Bengal Railway.
 Great Indian Peninsula Railway
 North Western Railway.

DEAR SIR,

Productivity of capital expenditure.

I am directed to invite your attention to paragraph 74 of the report of the Indian Railway Enquiry Committee regarding capital expenditure in which they expressed the opinion that capital expenditure had been incurred on too lavish a scale in the past and suggested that in future no scheme whose justification rests on the savings to be effected should be passed unless the annual saving is equal to at least 10 per cent. on the capital cost involved.

2. With a view to closer control over capital expenditure the Railway Board are reviewing the procedure for according approval to works costing over a lakh of rupees which, at present, come before them for consideration in the Works Programme. So far as works within your own financial powers are concerned, they desire that in considering schemes the financial justification of which rests on the savings to be effected you should keep the return of 10 per cent. suggested by the Committee prominently in view. They recognise, however, that neither in regard to such schemes nor in regard to schemes expected to earn additional revenue can any percentage figure of return be rigidly adopted as the sole criterion for sanction. Each scheme should receive careful examination on its merits, and the Board do not wish to fetter your discretion in the exercise of the powers delegated to you. Certain schemes, though essential or very desirable, cannot from their inherent nature show a direct return on the outlay. Where, however, this return is the predominant consideration in determining whether a scheme should be proceeded with or not, you should remember that a work which is expected to yield only a small margin of profit over and above the present rate of Government borrowing should not necessarily be regarded as remunerative. In the first place, although the present rate of Government borrowing is low, the rate at which the Railway Department has to pay interest to general revenues on capital expenditure is an average rate worked out on borrowings since 1916-17. (It amounts approximately at present to 4.75 per cent. though the effect of the reduction in the rate of Government borrowing in recent years will operate gradually to reduce it.) Secondly, there is the contingent liability to pay a contribution from railways surplus to general revenues which under the existing convention is assessed at one per cent. of the capital-at-charge. Any addition to this capital therefore increases this contingent liability. Thirdly, experience has shown that partly owing to the optimism of the departments submitting the schemes and partly to unforeseen causes the realisation not infrequently falls substantially short of the estimated return. The Railway

Board have little doubt that the last consideration carried substantial weight with the Railway Enquiry Committee when they made their recommendation of ten per cent.

3. The Railway Board also desire in this connection to emphasize the position of the Chief Accounts Officer as your financial adviser. His work in this capacity is, needless to say, not the routine arithmetical check of estimates, nor the examination of the propriety of the allocation, nor the question of the authority competent to convey financial sanction (these points have, of course, also to be examined by him), but the careful scrutiny of the justification for the expenditure proposed. Even in cases where the return on the outlay is not the determining factor, it is incumbent on him to examine and offer his advice on the general merits in the spirit of a prudent individual spending his own money. The observations in this para. should be held to apply not only to schemes within your financial competence but also to those which require the sanction of higher authority.

Your faithfully,

T. S. SANKARA.

Director of Finance, Railway Board

Mr. S. Satyamurti: With reference to the answer to clause (a) of the question,—my friend will pardon me,—I have not appreciated his answer completely,—may I know briefly what are the criteria which Government now observe with regard to expenditure on new schemes as apart from renewals?

The Honourable Sir Thomas Stewart: I have laid on the table for the information of the House a very considerable letter, and I would ask my Honourable friend to excuse me from reading it on the floor of the House.

Mr. S. Satyamurti: May I know, Sir, if Government have definitely given up the test on the definite percentage return, and if so, why?

The Honourable Sir Thomas Stewart: I think the Honourable Member will get the information he requires in this somewhat considerable letter.

Mr. S. Satyamurti: Even the reasons are given there?

The Honourable Sir Thomas Stewart: This letter gives our latest views.

SUGGESTIONS FOR THE IMPROVEMENT OF TELEGRAPH AND POSTAL REVENUE AND EXTENSION OF TELEPHONE SERVICE.

291. ***Mr. S. Satyamurti:** Will the Honourable Member for Communications be pleased to state:

- (a) whether his attention has been drawn to the address of Mr. M. Asaf Ali at the Patna Conference of the All-India and Burma Postal and Railway Mail Service Union in the course of which he suggested that the surplus of the revenue of post office telephones should be devoted to the extension of the postal telephone service and improvement of the lot of the low-paid staff;
- (b) whether the attention of Government has also been drawn to the statement that the question of making the Telegraph Department remunerative was the most urgent problem which the Department should tackle;

- (c) whether Government's attention has been drawn to the further statement that the air mails were mostly used by affluent people and hence the air mail rates should be enhanced and made a source of increased revenue; and
- (d) whether Government have examined these suggestions and propose to take action thereon; if so, what action they propose to take and when?

The Honourable Sir Thomas Stewart: (a), (b) and (c). Yes.

(d) The reply to the first part is in the affirmative. These suggestions are not new. They have been examined from time to time in the past and such action as was justified in all the circumstances has been taken.

Mr. S. Satyamurti: With regard to the answer to clause (a) of the question, may I know whether Government have considered or propose to consider the question of improving the lot of the low paid staff in the telephone department of the Post and Telegraph Department? In view of the fact that the Government make a handsome profit, they should consider the legitimate claims of all those low paid staff.

The Honourable Sir Thomas Stewart: Government always consider the legitimate claims of their staff.

Mr. S. Satyamurti: With regard to the answer to clause (b) of the question, may I know, Sir, whether, apart from the question of the revision of rates of press telegrams, to which my Honourable friend referred a few minutes ago, Government have any other proposals on hand with regard to making the Telegraph Department remunerative or at least self-supporting?

The Honourable Sir Thomas Stewart: Government have always under their consideration any possible ways of making the Telegraph Department pay for itself.

Mr. S. Satyamurti: Have Government any other specific proposals under their consideration, apart from the question of raising the rates on press telegrams?

The Honourable Sir Thomas Stewart: I am not aware of any other specific proposal.

Mr. S. Satyamurti: With regard to the answer to part (c) of the question, may I know if Government have recently considered the question of raising the air mail rates, and if so, with what result?

The Honourable Sir Thomas Stewart: Government have not considered any such proposal.

Mr. S. Satyamurti: Why not? Considering that the air mail is used by the comparatively, I will not say rich, but well-to-do people, in this country, as elsewhere, why should not Government consider the question of raising the air mail rates?

Mr. N. M. Joshi: They want to support the rich at the cost of the poor.

The Honourable Sir Thomas Stewart: Let me inform my Honourable friend that these rates have not been in force for a year, and it would be somewhat premature to consider a revision of the rates.

Mr. Muhammad Ashar Ali: Do Government realise that the Telegraph Department is working at a loss and therefore it cannot be called a commercial concern? What action are Government going to take to make it remunerative?

The Honourable Sir Thomas Stewart: The Honourable Member's statement amounts to a truism.

TRADE AGREEMENT WITH AFGHANISTAN.

†292. ***Mr. Abdul Qatium:** Will the Foreign Secretary kindly state:

- (a) the nature of talks recently held between the Government of India and the Commerce Delegation from Afghanistan headed by His Excellency Abdul Majid Khan;
- (b) the decisions which were arrived at;
- (c) whether it is proposed to enter into a comprehensive trade pact with Afghanistan; and
- (d) whether the terms of such pact will be made public?

Sir Aubrey Metcalfe: (a) and (b). The talks were purely exploratory and the conclusions reached have still to be considered and approved by the two Governments.

- (c) No final decision has yet been reached regarding a trade pact.
- (d) Does not arise.

NEGOTIATIONS FOR A TRADE AGREEMENT WITH THE UNITED STATES OF AMERICA.

293. ***Mr. S. Satyamurti** (on behalf of Seth Govind Das): Will the Foreign Secretary please state:

- (a) whether he is aware of the fact that Indians in the United States of America cannot stay in that land for an unlimited period and that the status of a business man or merchant there is not better than that of a temporary visitor;
- (b) whether he is aware that many Indians in the United States of America are prevented from opening offices to do business independently;
- (c) whether he is aware that nationals of other Asiatic countries have the advantage over Indians in the matters of residence, settlement and permanent and independent business in the United States of America; and

†Answer to this question laid on the table, the questioner being absent.

- (d) whether Government propose negotiating for a trade treaty to ensure better relationship to Indian nationals and better commercial facilities to India on a reciprocal basis; if so, at what stage the negotiations are now?

Sir Aubrey Metcalfe: (a), (b) and (d). I would invite the Honourable Member's attention to the answers given by me today to Mr. Chettiar's question No. 275 and Mr. Akhil Chandra Datta's question No. 281.

(c) Yes.

Mr. S. Satyamurti: May I know whether Government, in pursuing these negotiations with the United States of America, have ascertained or will ascertain the reasons why the nationals of other Asian countries have this advantage over Indians?

Sir Aubrey Metcalfe: The reason, I think, has been stated in this House, that at present India has no treaty of commerce or navigation with the United States, and it is that lacuna that we hope to supply by these negotiations.

Mr. S. Satyamurti: Is that the only reason, and is there no other reason? Once this treaty is concluded, there will be no disadvantage against Indians as against other Asian nationals?

Sir Aubrey Metcalfe: That, I think, is the position.

TRADE AGREEMENT WITH AFGHANISTAN.

294. ***Mr. S. Satyamurti** (on behalf of Seth Govind Das): Will the Foreign Secretary please state:

- (a) whether the informal talks with the delegation from Afghanistan have reached a conclusion;
- (b) the time when trade negotiations will commence;
- (c) whether he will consult non-official advisers representing the mercantile and consuming communities of the country before his concluding the trade agreement;
- (d) whether he will stipulate the condition of freedom of trade and citizenship for Indians in Afghanistan on a par with the treatment accorded to Afghan nationals in this country; and
- (e) whether he will consult this House before the conclusion of the contemplated agreement on its various issues, such as, trade monopoly, exchange difficulties and check on the freedom of trade experienced by Indians in Afghanistan?

Sir Aubrey Metcalfe: (a) and (b). Attention is invited to answers to parts (a) and (b) of question No. 292 asked by Mr. Abdul Qaiyum today.

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

Mr. S. Satyamurti: I take it that my Honourable friend refers to the answer of the Commerce Member to Mr. Chettiar's question, when he refers to the previous answer.

Sir Aubrey Metcalfe: No. I am referring to the answer which I would have given to Mr. Abdul Qaiyum earlier if Mr. Abdul Qaiyum had been in the House.

Mr. S. Satyamurti: May I suggest that that answer may be read out?

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member can read it out.

Sir Aubrey Metcalfe: The question is No. 292:

"(a) and (b). The talks were purely exploratory and the conclusions reached have still to be considered and approved by the two Governments.

(c) No final decision has yet been reached regarding a trade pact.

(d) Does not arise."

Mr. S. Satyamurti: With regard to clause (c) of question No. 294, may I know what is the answer?

Sir Aubrey Metcalfe: That is a point which will be considered when the question of trade pact negotiation approaches somewhat nearer.

Mr. S. Satyamurti: With regard to clauses (d) and (e) of the question, may I know what is the answer?

Sir Aubrey Metcalfe: I cannot undertake to do that until the present conversations have reached a more definite stage.

Mr. S. Satyamurti: But, in pursuing those conversations, will Government bear in mind the considerations urged in clause (d) of the question, namely, reciprocity of trade and citizenship between India and Afghanistan?

Sir Aubrey Metcalfe: Certainly they will bear it in mind. That is one of the reasons why conversations were initiated.

TRAIN DISASTER NEAR HAZARIBAGH ON THE EAST INDIAN RAILWAY.

295. *Mr. Mohan Lal Saxena: Will the Honourable Member for Railways be pleased to make a comprehensive statement about the derailment of the Dehra Dun Express which took place near Hazaribagh Road?

The Honourable Sir Thomas Stewart: I would refer the Honourable Member to the reply given to Mr. Badri Dutt Pande's starred question No. 81 of the 8rd February, 1939.

TRAIN DISASTER NEAR HAZARIBAGH ON THE EAST INDIAN RAILWAY.

296. *Mr. Mohan Lal Saxena: (a) Will the Honourable Member for Railways be pleased to state the total number of third class tickets issued at the Howrah station for stations beyond Hazaribagh Road on the day of the derailment of Dehra Dun Express?

(b) What was the total seating capacity of the third class carriages which were damaged and caught fire?

(c) What steps were taken to extricate the wounded from the debris and to give them relief?

(d) Is it a fact that non-official agencies were not permitted to offer relief? If so, why?

(e) Is it a fact that a number of dead bodies were discovered more than 48 hours after the occurrence. If so, why?

(f) Has any compensation been given by the railway authorities to the injured and the relations of the dead? If not, do Government propose to do so, and when?

The Honourable Sir Thomas Stewart: (a) "Train by train" records of booking of passengers are not maintained, but, between 17 and 23 hours, 143 tickets were issued beyond Hazaribagh Road at Howrah station.

(b) One third class bogie caught fire and one was damaged. The total seating capacity of each is 120.

(c) and (e). I would refer the Honourable Member to the Senior Government Inspector's report.

(d) It is understood that all references from non-official agencies were answered by the local civil and police authorities.

(f) I would refer the Honourable Member to the reply given today to part (e) of Sardar Mangal Singh's starred question No. 236.

IMPROVEMENTS IN THE ALL-INDIA RADIO.

297. *Mr. Mohan Lal Saksena: (a) Will the Honourable Member for Communications be pleased to state what improvements, if any, have been made in the All India Radio Department during the year 1938?

(b) Have any advisory committees been appointed for the various broadcasting stations? If so, how have they been appointed?

(c) What steps, if any, have been taken to encourage the production of cheap radio sets in India?

The Honourable Sir Thomas Stewart: (a) If the Honourable Member would give me an indication of the nature of improvements he has in mind, I shall endeavour to give him the information he wants.

(b) As the Honourable Member is aware, there is an Advisory Committee at Delhi. With regard to Bombay, Calcutta and Madras, Government have been in communication with the Provincial Governments concerned about the formation of Advisory Committees, and it is hoped that they will be formally constituted very shortly.

(c) I am unable to add anything to what was stated on this subject in Mr. Clow's speech in this House on the 10th August, 1938, in connection with Sardar Mangal Singh's Resolution on broadcasting.

Mr. Mohan Lal Saksena: May I know if any improvements whatever have been made?

The Honourable Sir Thomas Stewart: I trust that we are making day to day improvement in our organisation.

Mr. Mohan Lal Saksena: Are Government considering the appointment of Advisory Committees?

The Honourable Sir Thomas Stewart: Yes. That is a proposition that we are perfectly prepared to consider.

RADIO GOODS IMPORTED INTO INDIA AND TRAINING IN RADIO INDUSTRY.

296. *Mr. Mohan Lal Saksena: (a) Will the Honourable Member for Communications be pleased to state the total value of radio goods imported in India during 1938, and how much was purchased by the Government of India, or Provincial Governments?

(b) What are the names of the firms from which the goods were generally purchased, and have any Indians been deputed to these firms to take training in the radio industry?

(c) Do Government give any scholarship for the study of radio industry? If so, how many? What are the names of those to whom scholarships have been given?

(d) What other help, if any, do Government give to persons desirous of proceeding to foreign countries for higher research and receiving training in this industry?

The Honourable Sir Thomas Stewart: (a) The information asked for will be found under the heading of "wireless apparatus" in the monthly "Accounts of the Sea-borne Trade and Navigation of British India", copies of which are available in the Library. No figures relating to radio goods as distinct from wireless apparatus are available. The value of wireless apparatus purchased by All-India Radio during 1938 was Rs. 9,19,000. I have no information regarding the value of radio goods purchased by Provincial Governments.

(b) A statement, showing the names of the firms from which wireless apparatus was purchased by All-India Radio, is laid on the table of the House. Government have not deputed any Indians to any of these firms for training.

(c) No, Sir. The other parts of the question do not arise.

(d) The High Commissioner for India endeavours to secure all possible facilities for the training of Indian students in the United Kingdom in the various branches of engineering and technology.

Statement showing the names of the Firms from which Wireless Apparatus was purchased by All-India Radio.

1. Messrs. The India Radio and Cable Communications, Company, Limited, Bombay.
2. Messrs. Philips Electrical Company (India), Limited, Calcutta.
3. Messrs. Standard Telephones and Cables Limited, Calcutta.
4. Messrs. Rama Brothers, Karachi.
5. Messrs. General Electric Company (India) Limited, Calcutta.
6. Messrs. Laxmidas and Dwarkadas, Bombay.
7. Messrs. M. Simons and Sons Company Inc., Limited, New York.
8. Messrs. The Gramophone Company Limited, Dum Dum.
9. Messrs. The Framashaw Motor Company, Bombay.

Mr. S. Satyamurti: With reference to the answer to clause (c) of the question, may I know the reason why the Government of India do not give any scholarship for the study of the radio industry abroad? Do they not realise the need for higher research in that direction, with a view to manufacture in our country cheaper and cheaper radio receiving sets?

The Honourable Sir Thomas Stewart: Government are not prepared to admit that the demands of radio technology are more important than other forms of technology.

Mr. S. Satyamurti: Does my Honourable friend include in radio technology the manufacture of cheap radio sets, and, if so, why is it that Government do not consider it necessary to encourage the manufacture, by sending our students abroad, so that they might get the necessary experience and knowledge in that direction?

The Honourable Sir Thomas Stewart: I can only repeat that I can see no reason in the world why radio technology should be singled out for special treatment.

Mr. S. Satyamurti: With reference to clause (b) of the question, may I know whether the firms from which we buy radio goods give reasonable facilities for Indians for being trained in this industry?

The Honourable Sir Thomas Stewart: What I understand is this: it is a condition of the contract with the firms who instal our major installations that they should train during the process of installation Indian personnel in the use of those installation.

Mr. S. Satyamurti: How many Indians have been trained so far according to that arrangement?

The Honourable Sir Thomas Stewart: If the Honourable Member wants detailed figures, he must give me notice.

Mr. K. Santhanam: Have Government made any arrangements for training radio mechanics, to give cheap and efficient service for possessors of radio sets in the big towns?

The Honourable Sir Thomas Stewart: Government are neither the sellers of radio apparatus nor do they claim to be a service agency in that respect.

Mr. K. Santhanam: Are Government aware that the expansion of broadcasting is hindered by the lack of service men in most of the big towns?

The Honourable Sir Thomas Stewart: No, Sir. I do not think that is a serious handicap.

Mr. Mohan Lal Saksena: With reference to part (b) may I know why Indians have not been deputed for training? Is it because no men have applied for it or the firms have refused to give them training?

The Honourable Sir Thomas Stewart: The Honourable Member is asking me something that I know nothing about.

POST OFFICES OPENED IN RURAL AREAS.

299. *Mr. Mohan Lal Saksena: (a) Will the Honourable Member for Communications be pleased to state the number of post offices opened in rural areas during the last 12 months, the number of hands employed therein and their total cost?

(b) What is the average area which each post office serves at present, and how does it compare with Great Britain and other countries?

(c) What is the present programme of Government for extending postal facilities in rural areas?

The Honourable Sir Thomas Stewart: (a) Information as to the number of post offices opened in rural areas during the last twelve months is not readily available; but the number opened in the financial year 1987-88 was 1,286. Information with regard to the number of hands employed in these offices and their total cost is not readily available and cannot be collected without an undue expenditure of time and labour.

(b) Information regarding Great Britain and other countries is not available. As regards India, I would refer the Honourable Member to Appendix V of the Annual Report of the Indian Posts and Telegraphs Department for the year 1987-88 (a copy of which is in the Library of the House) which shows the average area served by a post office in the different postal circles.

(c) The policy of the Department is generally to provide postal facilities in rural areas where they are considered justified.

Mr. M. Ananthasayanam Ayyangar: How many rural post offices have been closed during the same year?

The Honourable Sir Thomas Stewart: I require notice of that.

Mr. T. S. Avinashilingam Chettiar: How many of these are seasonal post offices—opened only for a few months in the year?

The Honourable Sir Thomas Stewart: Seasonal post offices such as those that are opened at melas and fairs are not included in this number.

CONTRACT FOR REMODELLING OF WALTHAM STATION YARD.

300. *Mr. K. S. Gupta: (a) Will the Honourable the Railway Member please state whether he is aware that the general condition of calling for separate tenders according to the schedule of rates in the Bengal Nagpur Railway for all works costing more than Rs. 5,000 is often violated by splitting the contracts to sums less than five thousand?

(b) What is the estimated cost of remodelling of Waltham Station Yard?

(c) Who are the contractors for the work?

(d) Is it a fact that the major contract for the above work is split into minor ones?

(e) How many such minor contracts, and of what value each, were entered into for the whole work?

(f) Is not F. S. W. Bill intended to carry Bengal Nagpur Railway Company's small articles free of charge from place to place?

(g) Is the same F. S. W. Bill used to carry contractor's materials? If so, does the Honourable Member see that it is a material loss to the Railway?

(h) What is the object of a credit note issued to firms supplying materials to the Railway? What is the reason for not issuing credit notes to the contractors also instead of F. O. S. and debiting the charges to them?

The Honourable Sir Thomas Stewart: Enquiries are being made from the Railway Administration and a reply will be laid on the table in due course.

REDUCTIONS IN THE ENGINEERING DEPARTMENT OF THE BENGAL NAGPUR RAILWAY.

301. *Mr. K. S. Gupta: Is the Honourable the Railway Member aware that after the introduction of the Wages Act the authorities of the Bengal Nagpur Railway are reducing the staff in pay and grade? If so, what is the action taken or proposed to be taken to see that the provisions of the Wages Act be strictly applied without recourse to reduction in the pay and prospects of the employees of the Engineering Department of the Bengal Nagpur Railway?

The Honourable Sir Thomas Stewart: This is a matter of detailed administration on a Company-managed Railway in regard to which the Government have no information. I am, however, sending a copy of this question to the Agent and General Manager of the Bengal Nagpur Railway for such action as he may consider necessary.

Prof. N. G. Ranga: Are we to understand that the Government of India are kept completely in the blind in regard to the policy of these various railways and in particular this railway, about its policy of retrenchment?

The Honourable Sir Thomas Stewart: I would remind the Honourable Member that to a considerable extent these railway administrations are autonomous.

Prof. N. G. Ranga: Is this merely a matter of detail? Here is a definite allegation made and it is brought to the Honourable Member's notice that retrenchment is being made. Are we not entitled to know whether the information is true and if so, to what extent?

The Honourable Sir Thomas Stewart: This is a matter of domestic concern of the railway in question. This is not a responsibility of the Government of India.

Mr. S. Satyamurti: In view of the fact that the Payment of Wages Act was passed in this House at the instance of Government, will the

Honourable Member pursue this matter further, and see that it is not abused to the detriment of the employees of the Bengal Nagpur Railway?

The Honourable Sir Thomas Stewart: So far as I am aware, the Bengal Nagpur Railway have no exemption from the provisions of the Payment of Wages Act.

MUSLIMS EMPLOYED ON THE EASTERN BENGAL RAILWAY.

†302. *Mr. Muhammad Nauman: (a) Will the Honourable Member for Railways be pleased to state the total number of Muslims employed on the Eastern Bengal Railway on the closing list of the year of 1988 and the number of Muslims employed on the closing list of the year 1987?

(b) Is the Honourable Member aware that the percentage of Muslims employed in subordinate cadres in permanent services on the Eastern Bengal Railway comes to about five of the total, in spite of the Government of India Resolution of 1984?

(c) What efforts have been made to make up Muslim quotas of 45 per cent. as required by the Eastern Bengal Railway?

The Honourable Sir Thomas Stewart: (a) to (c). I would refer the Honourable Member to the reply I gave to Shaikh Rafiuddin Ahmad Siddiquee's starred question No. 1577 on the 29th November, 1988.

• DISCHARGE OF MUSLIMS ON THE EASTERN BENGAL RAILWAY.

†303. *Mr. Muhammad Nauman: (a) Will the Honourable Member for Railways please state whether it is a fact that Muslims are discharged in temporary and permanent posts in all grades on the Eastern Bengal Railway on the slightest pretext to defeat the purpose of the Government of India Resolution of 1984 in the matter of recruitment?

(b) Will the Honourable Member state comparatively the number of Muslims and Hindus discharged after the Resolution of 1984?

The Honourable Sir Thomas Stewart: (a) Government have no reason to believe that there is any discrimination against Muslims in the application of the "Rules regulating discipline and rights of appeal of non-gazetted railway servants".

(b) I would refer the Honourable Member to the reply I gave to part (a) of Shaikh Rafiuddin Ahmad Siddiquee's starred question No. 1578 on the 29th, November, 1988.

PERCENTAGE OF MUSLIMS ON THE EASTERN BENGAL RAILWAY.

†304. *Mr. Muhammad Nauman: Will the Honourable Member for Railways state what improvement has taken place in the percentage of Muslims

employed in permanent services since 1934, and place on the table a comparative statement of percentage in the years 1934, 1935, 1936 and 1937 on the whole of the Eastern Bengal Railway?

The Honourable Sir Thomas Stewart: I would refer the Honourable Member to the statement laid on the table in connection with part (b) of Shaikh Rafiuddin Ahmad Siddiquee's starred question No. 1578 asked on the 29th November, 1936.

NON-EXISTENCE OF FACILITIES FOR TRAINING OF MUSLIMS ON STATE RAILWAYS.

†305. ***Mr. Muhammad Nauman:** (a) Is the Honourable Member for Railways aware that no facilities for expert training in India and in foreign countries are offered to deserving Muslims on the Eastern Bengal Railway, East Indian Railway, North Western Railway and Great Indian Peninsula Railway?

(b) Will the Honourable Member state the number and names of employees, community by community, on these Railways who were offered facilities for special training during 1933—1936?

The Honourable Sir Thomas Stewart: (a) and (b). So far as the Eastern Bengal Railway is concerned, I would refer the Honourable Member to the reply I gave to Shaikh Rafiuddin Ahmad Siddiquee's starred question No. 1579 on the 29th November, 1936. As regards the three other railways referred to, Government have no reason to believe that there is any discrimination against Muslims, and do not consider that the labour involved in a scrutiny of the records for the past five years to compile the information required can be justified.

NEGOTIATIONS FOR A TRADE AGREEMENT WITH THE UNITED STATES OF AMERICA.

306. ***Sardar Mangal Singh:** Will the Foreign Secretary please state :

- (a) whether the negotiations with the United States of America have begun for the conclusion of a commercial treaty;
- (b) whether they are being conducted by the Government of India direct, or through His Majesty's Government in the United Kingdom;
- (c) when they hope to finish them; and
- (d) whether this House would be consulted before the commercial treaty is finally ratified by the Government of India?

Sir Aubrey Metcalfe: (a), (b) and (c). Negotiations have commenced with a view to concluding a general treaty of commerce and navigation between India and the United States of America and are being conducted through His Majesty's Government in the United Kingdom. It is not possible to say how long it will take to complete the negotiations.

*Answer to this question laid on the table, the questioner being absent.

(d) Government will certainly consult the House if such consultation should prove necessary.

Prof. N. G. Ranga: Is there any representative of the Government of India associated with His Majesty's Government representatives in carrying on negotiations with the United States Government?

Sir Aubrey Metcalfe: Not at present.

Prof. N. G. Ranga: Why is it that there is no representative of the Government of India?

Mr. President (The Honourable Sir Abdur Rahim): You cannot discuss a question like that now.

Mr. S. Satyamurti: May I ask for some elucidation of the answer which my Honourable friend gave? In answer to (d), he said that Government will consult the House if necessary. Does it mean that, if and when Government are in a position to come to an agreement with the United States, they will then consult us?

Sir Aubrey Metcalfe: I cannot commit Government but there seems to be no reason why they should not be consulted in a matter in which business interests are involved.

Sardar Mangal Singh: May I know whether the Indian Chamber of Commerce of the United States of America will be consulted in this matter?

Sir Aubrey Metcalfe: It will, if necessary, but it is perfectly clear what the Indian public want in the matter and that is what we are trying to get.

Prof. N. G. Ranga: In what manner are His Majesty's Government closely in touch with the views of the Government of India in these conversations?

Sir Aubrey Metcalfe: Through the External Affairs Department.

Mr. M. Ananthasayanam Ayyangar: Why not through the Commerce Department?

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

PROFESSION TAX LEVIED BY THE MADRAS GOVERNMENT.

***307. *Dr. Sir Ziauddin Ahmad:** Will the Honourable the Railway Member please state whether the profession tax levied by the Madras Government is levied on persons serving in centrally administered services?

The Honourable Sir Thomas Stewart: The question should have been addressed to my Honourable colleague, the Finance Member.

PROTECTION OF THE INTERESTS OF INDIAN MERCHANTS IN THE UNITED STATES OF AMERICA.

306. *Mr. Manu Subedar: Will the Foreign Secretary please state :

- (a) whether Government are aware that, in spite of the immigration restrictions on the entry of Asiatics in the United States of America the Japanese and Chinese merchants secure not only entry into the United States of America but full protection for their trade interests on account of the existence of trade treaties between China and the United States of America and Japan and the United States of America;
- (b) whether Government are aware that even Siam and Borneo claimed equal business rights and protection for their merchants in the United States of America through trade treaties;
- (c) whether the negotiations for a treaty of commerce and navigation between India and the United States of America have started;
- (d) who is conducting the negotiations, and what are the heads on which negotiations are being carried on;
- (e) whether, pending the conclusion of these negotiations, the Government of India have asked the Government of the United States of America to give Indian merchants facilities and protection not inferior to that enjoyed by (i) United States of America merchants in India, and (ii) merchants from other countries in Asia going to the United States; and
- (f) if not, whether Government are prepared to consider the proposal to make such a request?

Sir Aubrey Metcalfe: (a) and (b). Yes.

(c) and (d). I would invite the Honourable Member's attention to the replies given by me today to questions Nos. 275 and 306 by Mr. Chettiar and Sardar Mangal Singh, respectively.

(e) and (f). No. The Government of India do not consider that any useful purpose will be served by requesting the United States Government to grant special facilities and protection to Indian merchants pending the conclusion of the negotiations.

Mr. Manu Subedar: The answer does not cover one of the queries, *vis.*, what are the heads on which negotiations are at present being carried on?

Sir Aubrey Metcalfe: I have answered that at least four times already this morning,—*vis.*, that the point on which they are trying to negotiate is to secure facilities for Indian business men as subjects of a country with which the United States of America are in treaty relations on this particular point.

Mr. Mann Subedar: Is the question of the ownership of land in the United States by Indian citizens also included?

Sir Aubrey Metcalfe: No.

Mr. Mann Subedar: Sir, on the last occasion the Commerce Member stated in a reply to me that this will be also one of the points which will be so included.

Mr. President (The Honourable Sir Abdur Rahim): That is not the point here,—it is commerce and navigation.

Mr. Mann Subedar: It goes beyond the mere issue of a trade pact; it also extends to the rights of the nationals of the two countries?

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member can put down a more precise question.

Mr. Mann Subedar: With reference to the answers to clauses (e) and (f), may I ask why the Government of India will not make a request, for the time being, pending these negotiations, to give a few more facilities to the Indian merchants, to the U. S. Government?

Sir Aubrey Metcalfe: For the simple reason that the facilities at present enjoyed by foreigners of all sorts in America are governed by American law, and you cannot expect, in fact there will be no hope of expecting the U. S. Government to alter their law for a period of six months in order to grant a request of this kind.

EXPULSION OF TWO INDIAN JOURNALISTS AND A STUDENT FROM FRANCE.

309. ***Mr. S. Satyamurti** (on behalf of Seth Govind Das): Will the Foreign Secretary please state:

- (a) whether his attention has been drawn to the resolution passed by the "Majlis" in London on the 18th December, 1948, protesting against the action of the French Government in arresting and expelling permanently without offering any explanation whatever one of its members, Mr. Feroze Gandhi, the special correspondent of the *National Herald*, and Mr. Sunder Kabadi, correspondent of the *Amrita Bazar Patrika* and the *Bombay Chronicle*;
- (b) whether he is aware that the French Government have expelled Mr. Imtiaz Ali Khan, a *bona fide* student of the Paris University;
- (c) whether the India Office was approached by the "Majlis" to make representations to the French Government for an explanation and for the rescinding of that order;
- (d) whether the India Office, London, took action in that direction; and

- (e) whether Government have done anything in the matter; if so, what the actions are and with what result; if not, his reasons therefor?

Sir Aubrey Metcalfe: (a) No.

(b) Yes.

(c) The Government of India have no information.

(d) and (e). Representations were made by His Britannic Majesty's Ambassador in Paris regarding the expulsion of Mr. Imtiaz Ali Khan. The French Government, however, were not prepared to alter their decision in the matter. As regards Messrs. Feroze Gandhi and Sunder Kabadi, the Honourable Member's attention is invited to the answer given to Sardar Mangal Singh's question No. 4 on the 3rd February, 1939.

Mr. S. Satyamurti: Have the orders against these two gentlemen since been withdrawn, by the French Government?

Sir Aubrey Metcalfe: Not so far as I am aware.

Mr. S. Satyamurti: May I know if Government are aware of the existence of any rule of international law or courtesy between His Majesty's Government and the French Government, for example, as to the principles or conditions on which the subjects of either State may be expelled,—or is it a unilateral right of each with respect to which the other Government has no right?

Sir Aubrey Metcalfe: It is ordinarily a matter of internal administration.

Mr. S. Satyamurti: May I know whether His Majesty's Government have brought any pressure, diplomatic or otherwise, to bear on the French Government with regard to these orders upon these Indian nationals?

Sir Aubrey Metcalfe: I doubt if one Government is in a position to bring pressure to bear on another Government in a matter which concerns purely their ordinary internal administration.

Mr. S. Satyamurti: Have His Majesty's Government at least ascertained from the French Government the reasons for the expulsion orders against these gentlemen and is my Honourable friend in a position to give us a statement of the reasons?

Sir Aubrey Metcalfe: I am not in a position to give a statement of the reasons—although I understand that His Majesty's Government have made or are making inquiries.

Mr. S. Satyamurti: Have His Majesty's Government learnt from the French Government (to the knowledge of the Government of India) the reasons for these orders against these Indians?

Sir Aubrey Metcalfe: No, I gather they have not.

UNSTARRED QUESTION AND ANSWER.

ISHURDI-PADNA RAILWAY PROJECT OF THE EASTERN BENGAL RAILWAY.

4. Maulvi Abdur Rasheed Chaudhury: (a) Will the Honourable the Railway Member please state at what stage the Ishurdi-Padna Railway project of the Eastern Bengal Railway is at present?

(b) Was any survey made of the projected railway line?

(c) When was the survey made?

(d) Will the Honourable Member state the reason why the project has not been given effect to?

(e) Do the Railway Department contemplate taking up this project in the near future?

The Honourable Sir Thomas Stewart: (a) to (d). The attention of the Honourable Member is invited to the reply given to part (a) of question No. 21 put by the Honourable Mr. Kumarsankar Ray Choudhury in the Council of State on 5th September, 1938.

(e) No.

RESOLUTION RE WITHDRAWAL OF INDIA FROM THE LEAGUE OF NATIONS—*contd.*

Mr. President (The Honourable Sir Abdur Rahim): The next business before the House is the voting on the amendment, moved by 12 Noon. Sir Syed Raza Ali, to the Resolution moved by Mr. T. S. Avinashilingam Chettiar and the Resolution itself. The question is:

“(a) That after the words ‘Governor General in Council’ the words ‘unless the League of Nations agrees to reduce India’s contribution to 2,00,000 francs with effect from 1941’ be inserted;

(b) that the word ‘immediate’, occurring in the first line, be omitted; and

(c) that all the words occurring after the words ‘to withdraw from the League’ be omitted.”

The motion was negatived.

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

“That at the end of the Resolution, the following be added:

• ‘and also for the reason that Great Britain has persisted in following an utterly wrong policy with regard to Palestine, in contravention of Article 22 of the Covenant, and in open disregard of the feelings of the Indian Nation in this matter.’”

The Assembly divided:

AYES—51.

Abdul Ghani, Maulvi Muhaminad.
 Abdur Rasheed Chaudhury, Maulvi.
 Aaaf Ali, Mr. M.
 Ayyangar, Mr. M. Ananthasayanam.
 Azhar Ali, Mr. Muhammad.
 Basu, Mr. R. N.
 Chaudhury, Mr. Brojendra Narayan.
 Chettiar, Mr. T. S. Avinashilingam.
 Chetty, Mr. Sami Vencatachalam.
 Das, Mr. B.
 Das, Pandit Nilakantha.
 Datta, Mr. Akhil Chandra.
 Desai, Mr. Bhulabhai J.
 Deshmukh, Mr. Govind V.
 Gadgil, Mr. N. V.
 Ghulam Bhik Nairang, Syed.
 Gupta, Mr. K. S.
 Hegde, Sri K. B. Jinaraja.
 Jedhe, Mr. K. M.
 Jogendra Singh, Sirdar.
 Kailash Behari Lal, Babu.
 Lahiri Chaudhury, Mr. D. K.
 Lalchand Navalrai, Mr.
 Malaviya, Pandit Krishna Kant.
 Mangal Singh, Sardar.
 Manu Subedar, Mr.

Mudaliar, Mr. C. N. Muthuranga.
 Muhammad Ahmad Kazmi, Qazi.
 Murtuza Sahib Bahadur, Maulvi Syed.
 Paliwal, Pandit Sri Krishna Dutta.
 Pande, Mr. Badri Dutt.
 Rafuddin Ahmad Siddiquee, Shaikh.
 Raghubir Narayan Singh, Chondhuri.
 Ramayan Prasad, Mr.
 Ranga, Prof. N. G.
 Rao, Mr. M. Thirumala.
 Raza Ali, Sir Syed.
 Saksena, Mr. Mohan Lal.
 Sant Singh, Sardar.
 Santhanam, Mr. K.
 Satyamurti, Mr. S.
 Shahban, Mian Ghulam Kadir
 Muhammad.
 Sham Lal, Mr.
 Singh, Mr. Ram Narayan.
 Sinha, Mr. Satya Narayan.
 Sri Prakasa, Mr.
 Subbarayan. Shrimati K. Radha Bai.
 Umar Aly Shah, Mr.
 Varma, Mr. B. B.
 Zafar Ali Khan, Maulana.
 Ziauddin Ahmad, Dr. Sir.

NOES—45.

Abdul Hamid, Khan Bahadur Sir.
 Ahmad Nawaz Khan, Major Nawab
 Sir.
 Aikman, Mr. A.
 Ayyar, Mr. N. M.
 Bajpai, Sir Girja Shankar.
 Bewoor, Mr. G. V.
 Boyle, Mr. J. D.
 Buas, Mr. L. C.
 Chanda, Mr. A. K.
 Dalal, Dr. R. D.
 Dalpat Singh, Sardar Bahadur
 Captain.
 DeSouza, Dr. F. X.
 Gorwala, Mr. A. D.
 Greer, Mr. B. R. T.
 Griffiths, Mr. P. J.
 Grigg, The Honourable Sir James.
 Hardman, Mr. J. S.
 James, Mr. F. E.
 Jawahar Singh, Sardar Bahadur
 Sardar Sir.
 Joshi, Mr. N. M.
 Kamaluddin Ahmed, Shams-ul-Ulema.
 Kushalpal Singh, Raja Bahadur.
 Lillie, Mr. C. J. W.
 Mackeown, Mr. J. A.

Maxwell, The Honourable Mr. R. M.
 Menon, Mr. P. A.
 Menon, Mr. P. M.
 Metcalfe, Sir Aubrey.
 Miller, Mr. C. C.
 Mukerji, Mr. Basanta Kumar.
 Nur Muhammad, Khan Bahadur
 Shaikh.
 Ogilvie, Mr. C. M. G.
 Pillai, Mr. N. R.
 Row, Mr. K. Sanjiva.
 Scott, Mr. J. Ramsay.
 Sher Muhammad Khan, Captain
 Sardar Sir.
 Sircar, The Honourable Sir Nripendra-
 Sivaraj, Rao Sahib N.
 Spence, Mr. G. H.
 Staig, Mr. B. M.
 Stewart, The Honourable Sir
 Thomas.
 Sukthankar, Mr. Y. N.
 Sundaram, Mr. V. S.
 Thomas, Mr. J. H.
 Zafrullah Khan, The Honourable Sir
 Muhammad.

The motion was adopted.

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

"That the main Resolution, as amended, be adopted:

'This Assembly recommends to the Governor General in Council that immediate steps be taken under Article 1(3) of the Covenant of the League of Nations to give notice of India's intention to withdraw from the League, among others, for the reason that the League has failed to implement the provisions of Article 16 of the Covenant against covenant-breaking members

of the League and also for the reason that Great Britain has persisted in following an utterly wrong policy with regard to Palestine, in contravention of Article 22 of the Covenant, and in open disregard of the feelings of the Indian Nation in this matter."

The Assembly divided:

AYES—55.

Abdul Ghani, Maulvi Muhammad.
Abdur Raahood Chandhury, Maulvi.
Asaf Ali, Mr. M.
Ayyangar, Mr. M. Ananthasayanam.
Azhar Ali, Mr. Muhammad.
Basa, Mr. R. N.
Chandhury, Mr. Brojendra Narayan.
Chettiar, Mr. T. S. Avinashilingam.
Chetty, Mr. Sami Vencatachalam.
Das, Mr. B.
Das, Pandit Nilakantha.
Datta, Mr. Akhil Chandra.
Desai, Mr. Bhulabhai J.
Deshmukh, Mr. Govind V.
Gadgil, Mr. N. V.
Ghansuddin, Mr. M.
Ghulam Bhik Nairang, Syed.
Gupta, Mr. K. S.
Hans Raj, Haizada.
Hegde, Sri K. B. Jinaraja.
Jedhe, Mr. K. M.
Jozendra Singh, Sardar.
Kailash Behari Lal, Babu.
Lahiri Chandhury, Mr. D. K.
Lalchand Navalrai, Mr.
Maitra, Pandit Lakshmi Kanta.
Malaviya, Pandit Krishna Kant.
Mangal Singh, Sardar.

Manu Subedar, Mr.
Mudaliar, Mr. C. N. Muthuranga.
Muhammad Ahmad Kazmi, Qazi.
Murtaza Sahib Bahadur, Maulvi Syed.
Paliwal, Pandit Sri Krishna Dutta.
Pande, Mr. Badri Dutt.
Rafiuddin Ahmad Siddiquee, Shaikh.
Raghuhir Narayan Singh, Choudhuri.
Ramayan Prasad, Mr.
Ranga, Prof. N. G.
Rao, Mr. M. Thirumala.
Raza Ali, Sir Syed.
Saksena, Mr. Mohan Lal.
Sant Singh, Sardar.
Santhanam, Mr. K.
Satyamurti, Mr. S.
Shahban, Mian Ghulam Kadir
Muhammad.
Sham Lal, Mr.
Singh, Mr. Ram Narayan.
Sinha, Mr. Satya Narayan.
Som, Mr. Suryya Kumar.
Sri Prakasa, Mr.
Sribharavan, Srimati K. Radha Bai.
Umar Aliv Shah, Mr.
Varma, Mr. B. B.
Zafar Ali Khan, Maulana.
Ziauddin Ahmad, Dr. Sir.

NOES—45.

Abdul Hamid, Khan Bahadur Sir.
Ahmed Nawaz Khan, Major Nawab
Sir.
Aikman, Mr. A.
Ayyar, Mr. N. M.
Bajpai, Sir Girja Shankar
Bewoor, Mr. G. V.
Boyle, Mr. J. D.
Buss, Mr. L. C.
Chanda, Mr. A. K.
Dalal, Dr. R. D.
Dalpat Singh, Sardar Bahadur
Captain.
DeSouza, Dr. F. X.
Gorwala, Mr. A. D.
Greer, Mr. B. R. T.
Griffiths, Mr. P. J.
Grigg, The Honourable Sir James.
Hardman, Mr. J. S.
James, Mr. F. E.
Jawahar Singh, Sardar Bahadur
Sardar Sir.
Joshi, Mr. N. M.
Kamaluddin Ahmed, Shams-ul-Ulema.
Kushalpal Singh, Raja Bahadur.
Lillie, Mr. C. J. W.
Mackeown, Mr. J. A.

Maxwell, The Honourable Mr. R. M.
Menon, Mr. P. A.
Menon, Mr. P. M.
Metcalf, Sir Aubrey.
Miller, Mr. C. C.
Mukerji, Mr. Basanta Kumar.
Nur Muhammad, Khan Bahadur
Shaikh.
Ogilvie, Mr. C. M. G.
Pillai, Mr. N. R.
Row, Mr. K. Sanjiva.
Scott, Mr. J. Ramsay.
Sher Muhammad Khan, Captain
Sardar Sir.
Strar, The Honourable Sir
Nripendra.
Sivarsaj, Rao Sahib N.
Spence, Mr. G. H.
Staig, Mr. B. M.
Stewart, The Honourable Sir
Thomas.
Sokthankar, Mr. Y. N.
Sundaram, Mr. V. S.
Thomas, Mr. J. H.
Zafrullah Khan, The Honourable Sir
Muhammad.

The motion was adopted.

Mr. President (The Honourable Sir Abdur Rahim): The House will remember with reference to the Resolution, the voting on which has just been concluded, a question was raised whether the Chair ought not to have put the amendments that have been put to the House today and also the Resolution on the last day, when the debate on the Resolution was concluded. The debate concluded by closure just about a minute or two before 4 o'clock when the Chair had fixed an adjournment motion to be taken up. The Chair ruled then that it should not be justified in going on to the voting on the other amendments and the Resolution as it was past 4 o'clock because, at 4 o'clock, before which the debate had concluded, the voting on the first amendment was already in progress, and the Chair held that, in the absence of express authority or precedent, it should not be justified in delaying the adjournment motion any further. The Chair promised at the time, on the question being raised by the Leader of the Opposition, to consider the matter over again. There is no express authority, but, on further consideration, the Chair is confirmed in its opinion that the procedure which was then adopted was perfectly correct. The adjournment motion having been fixed at 4 o'clock, it would not be right to delay it any further than was absolutely necessary; and the necessity in this case arose from the fact that voting was already in progress. If the Chair had taken up the other amendments to the Resolution in this particular case, the adjournment motion could not be taken up for some time longer, and it might happen that in some cases the delay would be still more considerable. The Chair has, therefore, no doubt that the procedure which it adopted was quite correct.

Mr. President (The Honourable Sir Abdur Rahim): The following Resolution standing in the name of Choudhri Raghbir Narayan Singh was withdrawn by leave of the House:

"That this Assembly recommends to the Governor General in Council that a committee be appointed to enquire into the conditions of the textile industry in India and to make recommendations to ensure co-ordination in the industry and its orderly growth and to provide reasonably uniform conditions which will prevent uneconomic competition and unfair exploitation of labour."

Mr. President (The Honourable Sir Abdur Rahim): A question has arisen, which the Chair has got to consider, whether the next Resolution standing in the name of the same Honourable Member can be moved by him now because the heading says that it is to be moved only if the previous one is barred. That Resolution has been withdrawn, but, without creating any precedent on this point,—because the Chair may have to consider it later,—the Chair will allow the Honourable Member to move the next Resolution unless there be any objection on the part of any other Honourable Member who has any Resolution to move after this.

As there is no objection, the Chair will allow the Honourable Member to move this Resolution, without creating any precedent.

RESOLUTION *RE* TRADE AGREEMENT WITH BURMA.

Choudhri Raghbir Narayan Singh (Meerut Division: Non-Muhamadan Rural): Sir*, the Resolution which I am now moving with your permission is as follows:

"That this Assembly recommends to the Governor General in Council that notice be given on the 1st April, 1939, to the Governor of Burma for the termination of

*The Honourable Member spoke in Hindustani.

[Choudhri Raghbir Narayan Singh.]

the India and Burma Trade (Regulation) Order 1937; that steps be taken in consultation with the leaders of parties in this Assembly for the negotiation of a fresh trade agreement with Burma and that any settlement that may be arrived at should be subject to ratification by this Assembly."

Sir, the difficulties and troubles which the Indian people are experiencing almost every day in Burma are not hidden from this Honourable House. As every one of us fully knows, and would admit, it is the Indian people who have contributed so largely to the making of Burma as a progressive unit. In fact Burma's financial and commercial progress and progress of every other kind is mainly due to the help given by every section of the Indian people from the poor Indian labourer right up to the big business magnate. But what have the Indians got in return for all this? This had better not be asked, for it is a tale of inhuman atrocities perpetrated against Indians in Burma. Their life, property and honour are not safe; yet neither the Government of Burma nor the Government of India, nor, for the matter of that, the Home Government have cared to pay any serious attention towards preventing those atrocities or doing justice to those who have suffered on that account, although their attention has been drawn to this state of affairs by different ways and means by representatives of the people in this House and by all sections of the people all over the country. The wail is still going on, but

kon sunta hai fughan-i-darweesh

(who cares to pay any heed to the wailings of a poor beggar). However, God would ultimately do us justice.

In these circumstances, our demand is only this that the Governor General in Council be asked to terminate the existing trade agreement between India and Burma by which goods worth nearly ten crores go out to Burma and goods worth about 25 crores come from Burma to India without any taxation, and that a fresh agreement be drawn up in consultation with the leaders of parties in this Assembly and subject to ratification by this Assembly. I believe that every Member of this House would regard it as a most moderate demand and the minimum that could be asked.

Sir, I do not know much of economics; so I would leave it to my expert friends to deal with the intricacies of the subject from the economic point of view and to show whether or not the export of 10 and the import of 25 crores is to our advantage. All I understand is the simple fact that if goods worth 25 crores had not been bought from Burma this amount would have been saved to India. India is a poor country and we can ill afford to let go such a heavy amount out of the country. On the other hand, if India had not bought to that extent from Burma she would not only have saved so much for her own needs but would also have done something towards producing some of those commodities and amenities of life which she is now getting from Burma in the shape of grain and other manufactured material. This means that because we are getting things from Burma we are neglecting our duty in respect of producing them in our own country.

Sir, these, then, are the circumstances, and this is our demand; and both are so obvious and clear that it would only be a waste of time to discuss them here at length. I would, therefore, appeal to the House through you to consider the present Resolution in the spirit in which it is moved. I hope that it would be accepted by all quarters without dissent.

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

"That this Assembly recommends to the Governor General in Council that notice be given on the 1st April, 1939, to the Governor of Burma for the termination of the India and Burma Trade (Regulation) Order 1937; that steps be taken in consultation with the leaders of parties in this Assembly for the negotiation of a fresh trade agreement with Burma and that any settlement that may be arrived at should be subject to ratification by this Assembly."

Notice of an amendment has been given by Mr. Avinashilingam-Chettiar who wishes to add the words "and with a view to the protection of Indians in" after the words "fresh trade agreement with". But this would enlarge the scope of the Resolution and cannot be allowed. The discussion will be confined to the Resolution now before the House.

Mr. Manu Subedar (Indian Merchants Chamber and Bureau: Indian Commerce): Sir, I have risen to support the Resolution, moved in such eloquent terms and in the mother language by my friend, Choudhri Raghubir Narayan Singh. I would like to place before the House the genesis of this Trade Regulation Order. Section 160 of the Government of India Act says:

"With a view to preventing undue disturbance of trade between India and Burma in the period immediately following the separation of India and Burma and with a view to safeguarding the economic interests of Burma during that period, His Majesty may by Order in Council give such directions as he thinks fit for those purposes with respect to the duties which are, while the Order is in force, to be levied on goods imported into or exported from India or Burma and with respect to ancillary and related matters."

Several Orders were issued relating to monetary arrangements—immigration, income-tax and other arrangements: but the most important of the Orders is the one which is referred to in the Resolution. This Order is to last for three years—it was issued in March, 1937: it was to be in operation for three years or until 12 months have elapsed from the giving of notice by the Governor General of India to the Governor of Burma or *vice versa*. The effect of this Order is to create a customs union between Burma and India. Section 2 of Part II of the Order says:

"Except as otherwise provided in this Order all goods imported from or exported to a customs port or customs aerodrome in Burma shall in British India be deemed for the purposes of the Sea Customs Act, 1878, to be goods imported from, or exported to, a customs port or customs aerodrome in British India."

In other words, we have got Burma separated on political grounds, contrary to the wishes, both of the Burmese people and of the people of India; but though it is separated, its economic life is still intimately bound up with the life of this country. I do not know whether the Commerce Department has been watching whether we are not receiving from Burma goods which have paid duty in Burma in excess of similar re-exports from this country. In any case, the position is that we are treating the ports of Burma as if they were the ports of India for the purpose of customs. There are various other provisions in the Order into which I need not go now: they deal with the reduction of duty, with the imposition of excise and corresponding import duty, and generally they deal with provisions for the safeguarding of revenue of either country in certain eventualities. The object of this Trade Regulation Order was to prevent sudden disturbances of the economic relationship between the two countries which had been administered by the Government of India and which have been torn as under, as I said, on purely political grounds. The relations were intimate and they continue to be intimate. India is the largest customer

[Mr. Manu Subedar.]

of Burma, so large that, in the figures which are available to me, I find that India purchased 50 per cent. more than the entire exports of Burma to other countries in the world. In other words, we are the largest customer of this country, both in the matter of agricultural produce, mineral produce and forest produce. On the other hand, we are selling them articles manufactured in this country. Burma is a customer of ours in the matter of textiles, jute, iron and steel, cigarettes and tea. This trade is at present based more or less on the question of geographical and local considerations. So far as India is concerned, I am not for a moment thinking that these directions in which our trade is at present going on will remain permanent. Burma may want a little more revenue and may want to change this Order themselves. Burma is aspiring to be a manufacturing country and there are various steps at present contemplated by the Burmese Government which indicate that they have no desire to go on exporting raw material and to go on importing finished goods from any other source. So far as India is concerned, let me state it here that in the event of a complete break with Burma, a contingency which I do not contemplate as I shall show presently, but in the event of a complete break with Burma, we are not worried with regard to the articles which we are selling to Burma. In articles like textiles India is importing about 12 crores rupees worth of textiles and exporting to Burma 300 lakhs worth. In the matter of metals India is importing several crores of rupees worth of iron and steel from abroad and is exporting to Burma iron and steel worth 80 lakhs only. In jute we export about a crore of rupees worth to Burma; but no substitute has yet been found for jute and we need not at least anticipate the worry which will arise when such a substitute is found.

I do not want to put forward anything in a fighting spirit—the Resolution is there. All I say is this: and I do not wish to anticipate the discussions which will take place when the negotiations for a new agreement will come on the scene. All I say is this that we do not expect and we do not want from Burma even any undue favours in the economic field so long as we are not satisfied that the nationals of India in that country are treated properly. No economic advantage would compensate us for treatment of Indians of the kind which we are hearing in the last few months or for the utter and complete failure of the Government of Burma to safeguard the lives and property of Indians in particular and of many other sections of the community generally.

Sir, all that the Resolution requires at the present moment is that notice should be given in ample time to both sections to prepare the heads on which they wish to negotiate and to come to a common agreement, but it will certainly have the effect which we expect it will have in that it will improve the atmosphere in which these questions will be studied by the Burmese people. Sir, the people of Burma are new to self-government, and with such rights as they have under a constitution which is deficient, and guided as they are largely by a theocracy which has no experience of world conditions, have not yet realised,—and it is my object today to stress this point,—and a notice which we shall give will make them realise,—that if they want suitable terms from other people they have to base their demands on a basis of give and take and that they cannot expect perpetual favours of the kind which India is giving by these

trade regulations orders and continue them for ever regardless of the conditions which they establish in their own territory for Indian nationals. Sir, the position of India has also undergone a change during the period that this Order has run. With regard to rice, of which India takes 11 crores rupees worth from Burma, India is the largest customer, as she is taking about 45 per cent. more than what goes out to the rest of the world, and yet complaints have been heard in this House that the price at which Rangoon rice is dumped in this country is very low, and that it is depressing the price of local rice in India in such a manner that something will soon have to be done. I was referring to the deterioration of prices in India during the last two years,—there are many reasons for it and I shall not go into all of them now,—but one of the reasons is certainly very definite, namely, the defective selfish monetary policy pursued by the Government. In any case, we cannot have a free import of rice into this country from Burma regardless of the effect of such an import on the prices here and on the condition of the peasants who are growing rice in India. Rice, Sir, I maintain, is engaging the activity of a larger number of the rural population in this country than any other article of agricultural produce.

Then, Sir, take the question of kerosine, petrol, lubricating oils, candles and other products of mineral oil. Here also, the position, as far as I have been able to ascertain, is that there is a possibility of producing mineral oil in this country in large bulk. The concessions in respect of these are being held by certain companies who are operating in Burma, and these concessions are not being utilised, that is to say, those companies are suppressing those concessions because they find it more convenient and more profitable to go on producing elsewhere. I will not detain the House by mentioning that there are deeper financial considerations in the oil business including the one which I mentioned to this House before, which has not been contradicted by the Government of India, namely that the Government of the United Kingdom holds controlling interests in some of these oil companies and in the exploitation of this country with regard to the sale of kerosine, which is the poor man's fuel, and of petrol, which is used by practically all classes.

Then, Sir, with regard to teak, the same is the position. India has enormous resources both in the Andamans, in Assam and on the Malabar coast, and I say that the exploitation of these resources is being unduly hampered partly by the retrograde rates policy of the Government and partly also because of the fact that very cheap timber is coming from Burma . . .

Mr. President (The Honourable Sir Abdur Rahim): Today being Friday, the House will adjourn now. The Honourable Member can resume his speech after Lunch.

The Assembly then adjourned 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 Chandra Datta) in the Chair.

Mr. Manu Subedar: Sir, I was saying at the time, when we rose for lunch, that India need have no apprehension if the trade regulation Order

[Mr. Manu Subedar.]

came to an end tomorrow, but so far as the Burmese people are concerned, it would be good to warn them that it would be suicidal for them. They cannot afford to offend or to lose such a customer as India, judging merely from the business point of view. In a leader on this subject, the *Statesman* wrote the other day that at the root of the difficulties between Indians and Burmans in Burma there are economic topics. I make bold to say that the economic advantages which the Burmans are getting out of this sort of disturbances which they have adopted or they might get by continuance of this sort of thing, would be a fleabite compared to the harm which would come to them from the displacement of Burmese trade of such serious volume with this country. What we want is a trade regulation by means of a treaty in which the true representatives of a free Burma and the true representatives of a free India sit together. Unfortunately, it is the presence of the third party which does, I am told, no good either to the Burmans or to the Indians. The Englishman claims to be the friend of the Burmans in Burma, and therefore, somewhat unfriendly to the Indian population there, the bulk of which are Mussalmans. The Englishman claims to be a friend of the Mussalmans in this country. The Englishman claims to play many roles and it is for the Englishman to satisfy his conscience over this. All I say to the Burmese people is that we have no quarrel with the Burmese people; their historical calamities came from the ambition of England, and that we have no aggressive designs towards the Burmans. Indian capital and Indian labour have built up the prosperity of Burma and I would tell my countrymen who are in Burma to obey scrupulously every law which the Representative Assembly of Burma passes for the benefit of Burma. I would tell them to be good citizens there. I would say that you go and identify yourself with the life of the country in which you are living so much so that in case there is any difficulty between India and Burma in future, I want the Indians in Burma to speak for the Burmese country, the country of their adoption.

The ill-treatment of Indians abroad is a very old topic in this country, and Sir Girja Shankar Bajpai has been doing his best to explain why matters could not advance further than they have advanced. But it is curious that, as we come nearer home, the ill-treatment becomes acuter as in Ceylon and Burma now. But let it be understood that on the question of Burma it is not merely the representatives of the people speaking from this side, but it is also the Government of India who is not going to take matters lying down. If I understood aright the speech of the Honourable Sir Jagdish Prasad the other day, Sir Jagdish Prasad, who is regarded in many quarters as a very mild and inoffensive person, uttered a note of warning that if matters were not mended soon, retaliatory measures would have to be taken, and I expect the Government Benches today to corroborate that statement. Sir, as regards Indians in Burma, there are a certain number of them who have never seen this country, who have been born there. There are a very large number who have married Burmese and who have made Burma their home. I want the Burmese people to see whether they cannot make an effort to absorb the Indians. But they should not expect that at the cost of self-respect India will leave her nationals in the condition in which they are and continue to give economic benefits under a trade regulation order, which benefits Burma no longer deserves at our hands. The Government of Burma and the Burmese people must

realise that the minority problem offered by the Indians is a difficult one. Whatever other solution there may be, let me make it clear that *goondaism* and violence cannot solve any problem at any time under any circumstances.

Mr. Deputy President (Mr. Akhil Chandra Datta): The Honourable Member's time is up.

Mr. Manu Subedar: I will finish in a minute. All I want is that the Burmese people should not adopt the solution of the Indian minority problem, a model of which has been given by Herr Hitler in Germany. A few hundred thousand Indians in Burma are not like the few hundred thousand Jews in Germany, nor has Burma got 70 million dominant Germans with a vast army behind them. It is also a futile method as time will point out both in the case of Indians in Burma and in the case of Jews in Germany. What has happened is that Government has failed in Burma as the remarks of Sir Archibald Cochrane, the Governor of Burma, show this morning. Sir, I will only conclude on the note that section 160 which gave authority to His Majesty by Order in Council to regulate this matter expires as soon as this order terminates. This is one more constitutional reason why we want this order to be terminated so that any new treaty may come to this House for ratification and that should be done in an atmosphere of self-respect and reciprocal advantages to the two countries.

Mr. Muhammad Ashar Ali (Lucknow and Fyzabad Divisions: Muhammadan Rural): It was my good fortune in the year 1915 to have gone to Burma and to have been there for about 27 days. Again I had to go there in connection with an educational institution. I have been up to Prome both in Lower Burma and in Upper Burma, and the conditions in which I found the people living there were so very good and the relations between Indians and Burmans were so very cordial that one could really admire the position Indians occupied there. Trade was very much in the hands of many of my own countrymen, Indians, and, especially, I found that there was one trader and merchant who was a Muslim, but he has now gone to pieces. He was there and he had bought in those days all the German trade that flourished in Burma in those days. From all these things I found that the trade was in a flourishing condition so far as the Indian trade was concerned. It is horrifying indeed to read the descriptions we have received in India about the present conditions in Burma. One has to find out and trace the origin of these disturbances.

Sir, conditions in Burma are getting worse and worse every day. The Phongyis are ranged against the Indians and the Burmans are cutting the throats of Indians. We find that there is something wrong in the Government of Burma. From the speech made by Sir Jagdish Prasad on the floor of this House, the other day, one could not but infer that the accounts we read in the papers are absolutely correct. The adjournment motion in this House was carried and Sir Jagdish Prasad went to the length of saying that if conditions do not improve retaliatory measures will have to be taken. That shows that the Government of India is cognisant of the facts but the Government of Burma does not seem to be taking effective steps. We read in the papers that on the 9th February His Excellency the Governor of Burma in his address to the Legislature of Burma said that if the ministry failed to enjoy the confidence of the Legislature it would

[Mr. Muhammad Ashar Ali.]

become his duty to follow the directions given in the Instrument of Instructions and that, so long as Ministers retained the confidence of the Legislature, they are assured they will have the support of the Governor and his efforts will be directed in a constitutional manner towards assisting them to carry out the policy which they advocate. Now, Sir, the Governor also gave a sort of warning to the Legislature that if conditions did not improve he will have to take action under the Act of 1935. That shows that conditions in Burma are getting worse and worse. Conditions in our own provinces are much better. Law and order is in the hands of Burmans and still you find that they are not managing it properly and they are not able to save Indians. It is not possible for the Indians to live in safety and comfort to carry on their trade.

Economic conditions are not very satisfactory in India. Prices are falling. Cheap stuff is brought from Burma. If the trade agreement is ratified by this Government, then cheap stuff will come in here and we know what will happen. We have had to protect wheat and sugar. Copra and rice are asking for protection. At the same time, we find that rubber and tea are under restriction of export. Under these conditions if cheap stuff comes from Burma we are bound to lose. The trade is under the Order in Council and if the treaty is ratified by this House or the Government of India, conditions will become worse and worse. All this ill-treatment of Indians is due to certain cliques. It is very difficult for us to say whether the cliques are between the European Community and the Burmans. One cannot say what is the real state of affairs. Unless more effective steps are taken, then the life of the Indians will not be safe in Burma. Burma has become like a colony and we thought that conditions in Burma would improve but we now find that the conditions have not improved at all in spite of the rise in the status of Burma. If we are forced to enter into an agreement with Burma, I am afraid we will be the losers. When we read that our Provincial Governments are floating loans and taking steps to improve the conditions in the provinces, we are surprised how the House of Representatives which has got more powers is not even able to control law and order. Under these conditions, I would ask the House to pass this Resolution. Sir, I support the Resolution.

Mr. K. Santhanam (Tanjore cum Trichinopoly: Non-Muhammadan Rural): Sir, I share fully the two previous speakers' feelings of indignation about the recent happenings in Burma but at the same time I should say that this particular Resolution has not been framed in any spirit of hostility. So, I would like to read the terms of the Resolution itself so that it may be judged on its merits:

"That this Assembly recommends to the Governor General in Council that notice be given on the 1st April, 1939, to the Governor of Burma for the termination of the India and Burma Trade (Regulation) Order"

That is the first part. The second part is:

"that steps be taken in consultation with the leaders of parties in this Assembly for the negotiation of a fresh trade agreement with Burma"

and the third part is:

"that any settlement that may be arrived at should be subject to ratification by this Assembly."

There is in this Resolution nothing savouring of hostility to Burma nor is the prime object of this Resolution any sort of revenge or any undue interference with the trade between Burma and India. In spite of all that has happened, geographically and in other ways, Burma is inextricably bound up with India and we do not want the feelings of hostility to spread either from here or from there. This particular order was a transitional order and I should like the House to concentrate on the terms of this order. It was issued "with a view to preventing undue disturbance of trade between India and Burma in the period immediately following the separation of India and Burma" and "with a view to safeguarding the economic interests of Burma during that period". Now, Sir, I should like the House to mark the one-sided arrangement. It is not for the purpose of safeguarding the interests of India. It is with a view to safeguarding the economic interests of Burma during that period.

Now, Sir, Burma has a very favourable balance of trade of over 15 crores of rupees a year in the trade with India. Therefore, if the trade negotiations had been started on the 1st April, 1937, the Government of India would have been able to insist on greater preferences for Indian goods than they have been able to do. In view of past historical associations, it was considered advisable not to interfere with trade on the date of separation but there can be no valid reason to persist in the order which, as I have said, was made "with a view to safeguarding the interests of Burma" and it is time that the economic interests of India were also considered in an equal measure.

Then, again, take clause 4, Part II:

"The duties levied in British India immediately before separation on goods imported into British India from places outside Burma and India may only be reduced or abolished with the previous consent of the Governor of Burma."

Therefore, this order gives the power of veto as it were to the Governor of Burma on our own tariff arrangements; even with reference to our trade relations with foreign countries this Governor of Burma is given the power of veto and certainly it is not desirable and self-respecting on the part of this country to allow this situation to persist a moment longer than necessary. Then take clause 8 of part III:

"A duty may be imposed in Burma on rice exported to India not exceeding that imposed on rice exported to other countries."

But we have no power to put in an import duty on Burma rice. Suppose there is a widespread famine in India, then it is open to the Burma Government to put on an export duty on Burma rice and India is bound to take Burma rice in spite of the export duty, but, on the other hand, when rice is cheap, the Indian Government cannot say that "in order to raise the price level of Indian rice, we shall impose a small duty on Burma rice"! Sir, there cannot be a more one-sided arrangement than this. This order which is so one-sided was done to placate Burma, separated totally against our will and largely against Burma's will also; naturally, the British vested interests have got great stakes in Burma, and they were anxious that they should have some breathing time before they can readjust themselves to the separation. Sir, what has happened has happened. Now, it says that for three years it should not be disturbed but this order will continue to be enforced, unless you give one year's notice and the earliest date on which you can give notice is the 1st April, 1939, and, therefore, this Resolution has been tabled. There is nothing in it to which the Government of

[Mr. K. Santhanam.]

India or the Government of Burma can reasonably object. Again, this order was imposed upon us by the Secretary of State and if this is terminated the negotiations will have to be undertaken by the Government of India. This will bring about a very healthy and necessary psychological reaction on the part of the people and the Government of Burma. Now, they feel, as it were, that the whole thing has been arranged for them and they need not bother to cultivate good relations with the people of this country, but on the very day that notice of India's termination of this agreement is given, they will realize that their entire economic future depends upon cultivating goodwill towards the people of India and I am sure that they will be much more reasonable than they are today.

Sir, I should like to draw the attention of the House to one or two economic facts about this order. Sir, the total production of rice in India is to the order of 26 million tons and we get from Burma annually an amount ranging from one to two million tons. Though it is a small fraction,—it is only five per cent. of the total rice produced in India,—yet its reaction on the price of rice in India is very great. As the Honourable the Commerce Member and other Honourable Members know, the bulk of the cultivators of India are rice producers, and unless they get a minimum price level, the whole purchasing power of the people of India will be considerably diminished, and, therefore, also all our industrial and every other kind of development arrested. It is sometimes argued that if we give a little protection to our rice or wheat, the industrial classes will suffer. This will be true only if the industrial population is numerically as large or larger than the agricultural population. India has no foreign markets; her entire market is within her own borders, the consumers are agriculturists and unless agriculturists can get a fair price for their produce, there can be no market for the industrialist. Though there will be a time-lag of one or two years, finally all industrial activity and the standard of life of the industrial labour will be affected if the price of agricultural products falls below a certain level. Then again, India imports 65 per cent. of the petrol produced in Burma and 62 per cent. of the kerosene produced in Burma. Sir, for the last two or three years we have been trying to find out from the Government why petrol should be sold at such an extortionate price in this country while the people cannot afford to pay it, but the Government of India have never cared to take the public into their confidence. The real reason is that we have no control over the oil which comes from Burma, we have no power to put in any kind of duty or impose any kind of restriction on petrol coming from Burma, and so long as this situation continues, this unfair exploitation of the people of this country cannot possibly be checked. So if for nothing else, at least for the purpose of control of petrol and kerosene prices there should be the termination of this order and negotiations should be started. From the point of view of the Indian Budget also the termination of this order will do a great deal because even the imposition of ordinary revenue duties will probably give two to three crores to the Indian exchequer which can be passed on to the Provincial Governments, if the Government of India really want to help the Provincial Governments. From all these aspects it is very desirable and necessary that this order should be terminated and negotiations should be started.

Now, I would like to say a few words about the last two parts of this Resolution before I close. Sir, it is no use merely to give notice of termination and then for the Government of India to start negotiations in their

own old-fashioned way. They should take, first the Leaders of the House into their full confidence regarding the procedure and the objectives. When once they decide the procedure and the objectives, they should negotiate an agreement and place this before the Assembly and take its ratification before finally concluding it. If they proceed to do these two things, they can be certain that the new trade agreement will start under good auspices and the relations between India and Burma would be better regulated; otherwise the existing relations would only be worsened if the Government do something autocratically and then we have to fight the Government of India so much so there will be a sort of triangular fight over this trade agreement. Such a thing should not be attempted; and, therefore, I would urge that the House should unanimously accept this Resolution with all its parts. The first part of the Resolution urges that there should be a termination of the existing Order. The second part urges consultation with the Leaders of this House before any negotiations are started and the third part urges final ratification by this Assembly of any agreement that may be entered into. With these words I cordially support this Resolution.

Dr. Sir Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): Sir, during the last two months we have twice discussed the question of Burma. It was clearly brought to the notice of the Treasury Benches that the case of the Indians in Burma requires to be safeguarded. We repeatedly drew attention to the fact that the Government should do something for the poor Indians who are now in Burma. Our Government, however, paid very little attention to our repeated request and they said that they were not in a position to do anything substantial except appointing an Agent which they did after a good deal of pressure from this side of the House. Now, on both these occasions, we laid great stress on the fact that the next step which they ought to take is to bring pressure upon them and to threaten the termination of our trade agreement with them. We all know and I think the Government cannot deny that this trade agreement is entirely for the benefit of Burma. It is not in the interests of India. Burma, no doubt, was developed by Indian capital, Indian labour and Indian brains and at the time of its separation we were very anxious that we should give assistance to Burma. But the way in which they have treated us and the way in which the Government have looked after the interests of Indians in that country has compelled us to use other methods besides persuading the Government to do something for us in order to safeguard the interests of the Indians in that country. Therefore, it is very desirable that we ought to tell the people of Burma that this trade agreement, which we agreed to in the interests of Burma itself, ought to be revised for this main reason that their treatment towards the Indians is not good. Now, this is really one weapon which we want really to use and if it will not succeed and the dissolution of the trade agreement will not achieve the object which we have in view, then we will have to use other methods which I need not discuss at present moment. But my argument for pressing this measure is not so much on the intrinsic importance or the merit of the case but mainly to show our anger that we are not satisfied with the treatment which that Government has accorded to the people of India. If we did away with this agreement, I am confident that it will be for the advantage of Indians. There is one great commodity which we bring to this country from Burma and that is rice. Now, we have seen from the example of wheat that by putting a small import duty

[Dr. Sir Ziauddin Ahmad.]

on Australian wheat, the price of wheat immediately went up to the advantage of the Indian cultivators.

The Honourable Sir Muhammad Zafrullah Khan (Member for Commerce and Labour): Did the Honourable Member call the duty small?

Dr. Sir Ziauddin Ahmad: I call it a small duty, because, at the very outset, we had advocated from this side an import duty of Rs. 2-8-0 but the duty actually levied was only Rs. 1-8-0. If we stop the import of rice altogether from Burma, the price of the Indian rice will go up to the benefit of the Indian cultivators. Therefore, even my Honourable friend, the Commerce Member, will not deny the fact that if we announce today that no rice will be imported in this country from Burma, the price of rice of this country will go up and it will be for the benefit of the rice-growing population of this country. We have done something for the benefit of the wheat-growing cultivators of this country and it is very desirable and we had been pressing it from this side of the House that something ought to be done for the rice-growing cultivators of this country also. What I want to press is that in case the trade agreement is terminated, it would not be to the disadvantage of this country. On the other hand, it will be to the advantage of this country. We are pressing this not so much for the economic advantage of the country as in the interests of the people of this country who reside in Burma.

The second advantage that we can derive is in the case of petrol. If we stop the petrol of Burma altogether from coming to this country, I am sure we will be better off than we are at present in spite of the fact that we are not producing petrol and kerosene oil in sufficient quantity which is necessary for the use of this country and we will have to import it from other countries. I think our experience has shown that the petrol which is imported from Persia, Russia and other countries is sold cheaper in Delhi, Calcutta and Bombay than the petrol imported from Burma. I am not going to discuss the causes at present, but this much is certain that if petrol is stopped altogether from Burma, it will be to the advantage of this country. I should like to say one thing more in this connection. If our Indian Government had the courage, which I doubt they have, to stop altogether the petrol of Burma from coming into this country then the importers of Burma oil will put a pressure on the Home Government, and the Secretary of State, under the pressure from these oil magnates, may do justice to us. This measure will be much more effective than the pressure of our Honourable Members who are sitting on the Treasury Benches.

Mr. Manu Subedar: But the British Government themselves are the shareholders in the Burma oil.

Mr. F. E. James (Madras: European): No.

Dr. Sir Ziauddin Ahmad: I do not care who the shareholders are but one thing is certain that the moment we decided that in the interests of the Indians who are now residing in Burma we are going to stop the import of all articles from Burma and will have nothing to do with Burma so far as trade is concerned, I am sure, there will be some kind of pressure

brought to bear on the Home Government from different sources to secure that the Indians do get justice in that country. It is certain that if an Englishman had been treated in any country in the same manner as the Indians are being treated in Burma, then they would have boycotted every article coming from that country. I think the feeling in this country is becoming stronger against Burma and if our Government slept over the matter and did nothing, then the people of this country will begin to boycott all kinds of articles coming from Burma. That is what will happen ultimately if the Government did nothing in this matter. If our relations with Burma had been normal and if they had given us a fair treatment, probably we would not have minded to press for the cancellation of this agreement. But we want to use it as a lever to get our wrongs redressed and that is the only thing we can do. If our own Government did nothing in this matter, then I am afraid the feelings in this country will become stronger against Burma and the people themselves will have to use their own methods. With these words, I support the motion.

Mr. F. E. James: Sir, I shall only take a very short time to express one or two observations. If the Resolution is being moved on the grounds of its being used as a weapon to force the Burma Government in regard to the position of Indians there, then we are opposed to it. I understand from the Mover of the Resolution and from one or two other speeches that have been delivered that that is not the real purpose of the Resolution. Unfortunately, the purpose of those who have sponsored the Resolution is bound to be read in the speeches which some of them have delivered and there is in these speeches undoubtedly a note of threat, namely, that this method should be used as a weapon to deal with the Burma Government in relation to the situation of Indians in that country. I frankly believe that it is the wrong method of approach just now. I know that there are certain circumstances when it is perhaps justifiable to use trade relations as a weapon in regard to other relations with another country. But I do not believe that those circumstances have arisen in Burma today, nor do I believe that the position in Burma justifies the threats which have been uttered by Honourable Members in support of this particular Resolution. Anyone who has studied the position of Indians in Burma and who has looked into the report that has recently been issued—the interim report—knows that the whole position is a very complicated one. Honourable Members who have any knowledge of Burma, whatsoever, ought to know that any suggestion of the use of the trade agreement as a weapon with which to force certain circumstances upon Burma would be very greatly resented by the people of Burma. There is no doubt about that. The people of Burma are as sensitive as the people of this country.

The Honourable Sir Muhammad Zafrullah Khan: Very much more.

Mr. F. E. James: I did not want to put it on too high a plan. They are as sensitive as and perhaps more truculent than the people of this country. I do not think it is in the best interests of the Indian community in Burma that this kind of threatening attitude should be used in this country. We are not convinced that the stage has been reached when the effort to understand the position in Burma should be abandoned by the people of this country. I am quite aware of the warning issued the other day by the Honourable Sir Jagadish Prasad and I hope that his words will

[Mr. F. E. James.]

carry weight in Burma. We have seen in the newspapers this morning the speech delivered before the opening of the Parliament of Burma by His Excellency the Governor and the unmistakable warning which he issued there in his capacity of Governor to the Government of that country. The situation is much more under control than it was last July or August and it seems to me that the new Government of Burma should at least be given a trial or, if not, should be allowed to give way to a Government which perhaps might be strong enough to deal with the situation. But we are definitely opposed to the use of this trade agreement as a means of threatening the people of Burma. My Honourable friend, Mr. Satyamurti, the other day, in the course of the discussion on the adjournment motion uttered very wise words about the importance of the Indian community in Burma seeking to secure the goodwill of the Burmans. Well, I suggest to him that if this trade agreement is used as a weapon, it is surely using a weapon which is not likely to conduce to that kind of goodwill that he desires the Indian community in Burma to secure from the Burmese people. It is trying to enforce goodwill with the aid of a big stick. As far as economic justification for the termination is concerned, we have heard some very interesting figures from my Honourable friend, Mr. Manu Subedar, and a point of view which was, if I may say so with great respect, extremely well put by my Honourable friend, Mr. Santhanam. We ourselves do not at present see that there are strong economic grounds for notice of termination immediately. There are obviously adjustments which are desirable and if those adjustments require technical notice of termination, then that notice should be given. But we do feel that any revision of this agreement should be undertaken with the greatest possible care. We would prefer the continuation of the Customs Union between the two countries.

Mr. S. Satyamurti (Madras City: Non-Muhammadan Urban): On the same terms as now?

Mr. F. E. James: It seems to me that India has gained a great deal as a result of this Customs Union. There is no doubt that India S.P.M. has captured the Burma market for piece goods and for many other articles which India now produces and a revision of the agreement on the basis of mutual preferences might conceivably mean that India would have to sacrifice much. At the same time it must be admitted that Burma is losing in customs revenue as a result of this free Customs Union. It is not an easy conclusion to arrive at. This Order in Council has been promulgated by His Majesty in Council and, therefore, if it is terminated, India and Burma would enter into negotiations for a new agreement which is better than this one for both countries. I think a good deal of caution is required in entering into such negotiations.

Now, Sir, I would say one thing and that is if it is agreed that notice of termination should be given and if negotiations as a result are entered into on both sides, then, obviously, it would be difficult to exclude all considerations relating to the condition of Indians in Burma from those negotiations. But I still maintain that owing to the close connection between these two countries, from an economic point of view, the sound principle is, as far as possible, to maintain as free a trade between these two countries as we can.

In regard to the minor point in the Resolution, namely, that notice of termination should be given and then that negotiations should be undertaken in consultation with Leaders of Parties in this Assembly, we would prefer that instead of Leaders of Parties, there should be consultation with the interests mainly concerned, *e.g.*, representatives of Chambers of Commerce and industry. As far as the last part of the Resolution is concerned, we are perfectly consistent when we say that we do not recommend that part of it to the House because, obviously, it would be not only difficult but also improper for the Government of India, in its present constituted state, to commit themselves to obtain the ratification of any agreement entered into with another country by this House before it is concluded. Therefore, for these reasons, we are not able to give our support to this Resolution as it stands, and I hope the House will understand the point of view I have endeavoured to explain.

Mr. M. Thirumala Rao (East Godavari and West Godavari *cum* Kistna : Non-Muhammadian Rural): Sir, my two Honourable friends who have preceded me from my Party have explained the economic aspect of the Resolution and I do not know why my friend, Mr. James, finds any difficulty in giving his support to this Resolution, if he has agreed with the arguments advanced by my two friends of our Party. While expressing his opposition to the whole Resolution, he has emphasized his disagreement, part by part, for reasons which are not quite conceivable. Apart from the political issue involved just at the present moment, for such of us who have carefully listened to the speech of the Honourable Sir Jagadish Prasad, there is a warning, a very mild and diplomatic warning in that speech that trade relations between Burma and India have to be reviewed and a sort of implied threat is also contained in it that if Burmans do not behave properly and if the life and property of Indians in Burma are not safe, these relations may have to be cut short. Anyhow, some of us who have heard the speech thought that for a Member of the Government of India, it was quite satisfactory from our point of view.

The adjournment motions which have been recently discussed here and in the Simla Session once more emphasize that whatever may be the economic aspect of this order, it is also politically up to the people that are responsible for the nationals of this country abroad that they should review it in that light. There is the provisional draft of the Burma Trade Regulation Order and along with it we have also got the provisional draft of Burma-India emigration order and these two were passed at the same time by an Order in Council and these two have got the same life. That means, in order to have a continuity of policy governing the relations between Burma and India and in order not to have any violent disturbance of conditions existing at the time of separating Burma, these two orders have been passed. But now we are in the year 1939. Burma has seen an independent Ministry responsible to the elected representatives of the people for two years. In India also all the provinces are being run by responsible Ministries. Now the conditions have considerably changed and the responsibility for the people of the respective provinces that have gone there to Burma either as businessmen or as labourers largely devolves upon the Provincial Governments also. In this respect the Government of India have divested themselves of large powers which they were hitherto wielding. The only power left in the hands of the Government of India when the situation has not improved for a considerable time is with regard to the

[Mr. M. Thirumala Rao.]

trade agreement. This is the weapon in their hands which they should not hesitate to use.

Whatever may be said by other speakers, I should like to look at this Resolution from the political point of view, because the time has come when you cannot go on arguing with people who are determined somehow or other to expropriate Indian interests in Burma. As long ago as in the year 1892 when the question of the separation of Burma was discussed in this very House Mr. John Tait, the then European representative of Burma in that Legislative Assembly, said:

"It will preserve an atmosphere of discontent against what is called the peaceful penetration of Indians into Burma; parties of irreconcilables will come into existence distracting the attention of the people and the country at large from the main consideration", etc.

Parties which were suspected to have been in existence as early as in 1892 have strengthened themselves today. All the students, women, the phonyias,—every political party in Burma is now up against Indians. They are so organised that they are able to demoralise the existing ministry. Even the Premier there is not able to come to the rescue of the people to safeguard their life and property. In a communique issued by the Government of Burma he said that he is allowing the utmost latitude of speech and association for all these associations consistent with the safeguarding of the national consciousness of Burmans. The situation is so bad that all the violence that has been used is being, though not tacitly supported, in a way, acquiesced in by the most responsible man who is in charge of law and order in that province. Therefore, what I suggest is that whatever considerations might have been there from the economic point of view it is not just that India should go on feeding this country with a trade balance of 15 crores a year in her favour. It is specifically said in the Resolution that not only will the agreement be terminated but that also steps should be taken in consultation with the Leaders of Parties in this Assembly for the negotiation of a fresh trade agreement. Evidently when trade agreements are entered into not only economic but political and other considerations enter into the field. This, as I understand from the wording of the Resolution, is also the plea for all the relations, economic, political and racial, that subsist between Burma and India, undergoing a review at as near a date as possible. And also as representatives of this Assembly, as leaders of public opinion, as elected people who represent responsible opinion in the country, Leaders of Parties in the House should be taken into consultation. The Government of India are not accustomed to consult the Leaders in any such affairs and it is a departure with which they may not be able to reconcile themselves. I can very well understand the opposition of Mr. James towards the consultation of this Assembly in any such agreement. Hitherto vested interests and foreign interests that have exploited Burma and built up huge fortunes in that country have been mainly behind the scene to do whatever they like with the Government of India; but once these trade agreements are brought before the searchlight of this House and are open to discussion and criticism, whatever lurks behind the agreements which are of a suspicious character cannot come in.

Sir, I do not want to take up much time of the House but we can very well understand the opposition of Mr. James and all his friends towards this mild Resolution. It was contemplated in the very order that the agreement may be terminated by 1940. It will expire on the 1st April, 1940.

whereas, the Resolution wants it to be terminated a year earlier, *i.e.*, on the 1st April, 1939. Where is the harm in that? I think this is the most proper time for us to review the situation. Whatever opinion others may entertain I feel the time has come when the Burmans should be made to understand that they cannot ruthlessly expropriate the interests of Indians and yet gain by the trade of this country. Sir, I support the Resolution.

The Honourable Sir Muhammad Zafrullah Khan: Sir, I have considerable sympathy with the points of view to which expression has been given by those Honourable Members who have spoken in support of this Resolution. Two lines of argument have been pursued in support of this Resolution, one, the political line and the other the purely economic line. Now, with regard to the first if I said anything I would be trespassing into the field which properly belongs to my Honourable colleague, Sir Girja Shankar Bajpai. There is another reason for not taking up too much of the time of the House over that issue and that is that that matter has been separately debated only very recently in this House. I was myself in Burma for a few days in the early part of the year 1936 and I was delighted to observe the cordiality of the relations between the Indians and the Burmese people; and it came as a very great shock when recent developments revealed the degree of the deterioration of those relations. Sir, I have felt as much indignation and as much horror over the recent happenings in Burma as anybody else in this House. I have a very great deal of sympathy not only with the people, whether Burmans or Indians, who have suffered in these happenings but also with such of our people who have to carry on under very difficult conditions just now in Burma. But, Sir, we must not forget that, as Mr. Santhanam has pointed out, the relationship between Burma and India and between the people of Burma and the people of India is not a temporary one. Let us hope that what has recently happened was an isolated instance of impulsiveness and excitability on the part of a section of the Burmese people. We know the Burmese people are rather impulsive but there is behind this a long tradition of friendliness and co-operation between the two peoples. And I am glad, Sir, that the speeches on this Resolution have been such that nothing has been said which might make more difficult the restoration of friendly relations between these two peoples in Burma. On that I shall say no more.

I now come to the purely economic aspect of this question; and though some extreme suggestions have been put forward, the adoption of which would defeat the very purpose that this Resolution has in view, I may say this: that there is very little on the purely economic side with regard to which there can be much controversy. If I am unable today to give a categorical assurance with regard to the different parts of the Resolution, it is for the reason that the matter is under the active consideration of Government and it would be premature to announce anything before a final decision is arrived at. But let me say this: that though on the one hand it will not be denied even by Mr. James—I doubt whether it will be denied by anybody in Burma—that Burma has done very well out of these arrangements which we have been discussing here, yet the picture is not altogether so blank on the other side as has been tried to be made out. It is true that the balance of trade is heavily in favour of Burma; but what is that balance mainly composed of? Out of the total trade of Burma with this country which amounts to over 25 crores of rupees, well over 20 crores is represented by the imports from Burma of rice, petrol, silver and kerosene. Let me take the question of rice which has exercised the minds of Honourable

[Sir Muhammad Zafrullah Khan.]

Members considerably. They have given expression to their anxiety on that score not only today but on several occasions during question hour. Our total production of rice in this country amounts, on the average, to between 26 and 27 million tons. But that quantity is insufficient for the requirements of the growing population of this country. We are, therefore, compelled to import quantities of rice from other countries, mainly from Burma and that import now on the average amounts to about a million and a half tons. The proposal is that we should impose some duty on this mainly with the object of raising the price of rice inside India. It is too late today to assert that we have never imposed any duty on articles of food, because we have in the case of wheat and in the case of broken rice imposed duties on food grains; but those are clearly exceptional cases. Broken rice, which is a by-product of the rice milling industry, and in other countries is put to industrial uses, in this country competes actively with high grade whole rice, and it was found that it was being dumped into India as a by-product and it may very easily be dumped into any country, and, therefore, it was found necessary to impose a duty on broken rice. With regard to wheat, our crop of wheat is ordinarily in normal times sufficient for the requirements of the country. We, sometimes, as a matter of fact, when the parity allows, are in the position of an exporting country with regard to wheat. A duty has been imposed on wheat at such times when prices outside have fallen so low that there is danger that if imports of wheat were allowed they would depress the prices much below the economic or remunerative level. With regard to rice the position is not the same. I am not arguing that no action in that direction is possible. I am merely explaining the position to Honourable Members so that they should have the whole picture in their minds when they are considering this question. With regard to rice, as I have said, the produce in the country is not sufficient for the needs of the country

An Honourable Member: Only by five per cent!

The Honourable Sir Muhammad Zafrullah Khan: It is all very well to say only five per cent; but let us look into the figures. $1\frac{1}{2}$ million tons must be brought from outside if there is not to be distress among the comparatively poorer population of certain parts of India. It is suggested that we should impose a duty. Let us assume for purposes of illustration that the duty is eight annas a cwt. That would mean Rs. 10 per ton; and on $1\frac{1}{2}$ million tons, the duty would amount to a crore and a half rupees. Who is going to eat that rice? Almost entirely the same people who produce rice in this country; and the proposal amounts, therefore, to this, that the people who produce the rice in this country should pay—it does not matter what would be the ultimate destination of that amount: at any rate to begin with it will form part of the revenues of the Government of India—should pay the extra crore and a half, so that the price of their own rice should rise a little bit, and they may be able to sell their own rice to themselves at a higher rate—a small quantity will go to other people, but, mainly, as I have said this rice is consumed and the import of rice is mainly for the consumption of the people who produce rice in this country. Now, I am not saying that that argument is conclusive by any means. But the essence of the argument applies and, therefore, the solution of this

question is not as easy as Honourable Members might be disposed to think from the mere citation of figures—so much is coming in and let us try to stop it

An Honourable Member: Who eats wheat?

The Honourable Sir Muhammad Zafrullah Khan: A good deal of wheat is eaten by other people also who are not cultivators themselves. . .

An Honourable Member: So is rice.

The Honourable Sir Muhammad Zafrullah Khan: Not to the same extent, I venture to think. But as I have said I do not want to develop so much an economic thesis as to point out certain factors in the situation which must be borne in mind.

Also there is this question to be taken into account to some extent; the effect of these measures in the purely economic field—not merely political irritation—on the very large number of Indians in Burma in whose interests a good deal of this argument has been urged, of measures to be adopted at this end. That again should make us pause and consider to what extent their interests might be affected lest we should do, in our efforts to help them, something which might have the contrary effect

Mr. K. Santhanam: They will only get better wages because of the rise in prices.

The Honourable Sir Muhammad Zafrullah Khan: The Indian population in Burma is not composed only of labourers: there are people who have extensive interests in the rice crop in Burma itself—owners and mortgagees of paddy land and people who carry on trade in rice in Burma. But, as I have said, the whole of this matter is under the active consideration of the Government of India, and I merely wish to emphasize the fact that it is not a simple question, and that there are several aspects of it which have got to be studied. The Government of India will make up their minds with regard to this question one way or the other before the date for giving notice arrives. They will seriously consider the question whether it would not be right to give an indication that they are anxious to discuss these matters with the representatives of Burma in order to make adjustments which may have become necessary in the interests of India. It will be for the representatives of Burma to look after the interests of their country. As I have said before, if I am unable to say more this afternoon or to be more precise and definite, it is for the reason that the consideration of this question by Government has not yet been concluded.

Mr. Deputy President (Mr. Akhil Chandra Datta): The question is:

“That this Assembly recommends to the Governor General in Council that notice be given on the 1st of April, 1939, to the Governor of Burma for the termination of the Indian and Burma Trade (Regulation) Order, 1937; that steps be taken in consultation with the leaders of parties in this Assembly for the negotiation of a fresh trade agreement with Burma and that any settlement that may be arrived at should be subject to ratification by this Assembly.”

The motion was adopted.

RESOLUTION RE CUT ON SALARIES OF GOVERNMENT EMPLOYEES.

Mr. Sani Vencatachalam Chetty (Madras: Indian Commerce): Sir, with your permission, I wish to move the third of the Resolutions which stand in my name. It reads thus:

"That this Assembly recommends to the Governor General in Council that a cut on salaries of and above Rs. 100 of all grades of employees of the Government of India be imposed with effect from 1st April, 1939."

Sir, I need not remind this House of the attempts on the part of the popular side from time to time to impress upon the Government the necessity of reducing the salaries of Government officials with, unfortunately, no effect. All this time the demand was based on the ground that such a reduction would save a lot of money in the expenditure of the Government of India and also incidentally in the expenditure of the Provincial Governments and that such savings could be utilised for other purposes of a beneficent nature to the general populace. While that argument stands, with as much force as when it was originally expressed, there are various other considerations, Sir, why such a reduction as is asked for in this Resolution should be immediately given effect to. There is no other country than India where the financial condition of the Government has no relation whatsoever with the economic condition of the country. In fact, it very often occurred that while the country was passing through acute economic distress, the finances of the Government in India showed enormous surpluses.

Sir, for a situation like that, I quite see that history has been largely responsible. We never had the benefit of a responsible Government in this country. The Governments from the days of the East India Company have been particularly designed and constructed more for the exploitation of the resources of this country than for improving the economic fabric of this land. It is, therefore, easily understandable why the richness or prosperity of the Government does not necessarily reflect the prosperity of the people, and if anything it reflects the contrary state of affairs. Sir, the bloated salaries which the Government servants have been enjoying have also their historical background. The servants of the East India Company who came down here came under the fear of grave risk to their life and property. They thought they were going to an uncivilized land notorious for Bengal tigers and cheetas and for tropical diseases against which there was no immunity. Moreover, their appetite or their greediness for money-making was greatly incited by the plenty of gold and precious stones which the former servants of the East India Company took back with them from this country. Naturally, they demanded very high salaries, and whether it was the East India Company or its successor the British Government, they thought that in order to establish their Empire in the East, they must satisfy the desires of their employees, to whatever might be the extent of those desires. They had further no hesitation in granting these high salaries for the mere reason that not a single pie came out of their pockets. It is human nature not to feel worried in spending monies which do not belong to you. Therefore, I do not blame either the East India Company or the British Government for having sanctioned such large salaries to their servants who, they thought, and the servants themselves also thought so,—were doing merely the Empire's work in this land. Sir,

it was after a considerable time that Indians were taken into the higher services. Indians who were qualified in English were only very few, and they naturally thought that Government appointments which carried such large salaries were desirable in preference to other walks of life in this country. Both the Government and some of the Indian parents spent considerable sums of money over the education of the boys, and they made them qualify for these Government posts. However, the Government did not on that ground treat the Indian employees on the same lines as their English confreres. But in a situation like that the sentiment of inferiority, of the necessity of rendering the same services as his contemporary did on a less pay got the better of the Indian, and he naturally agitated for equality of treatment with his European brother in the service. Sir, the public opinion was also in favour of such equalisation of treatment. As a result of that, there was a tardy recognition and the pay was equalised at least in some of the cadres of Government service. That is how we have come by these large salaries, absolutely disproportionate to the economic condition of our country or to the incomes arising from other walks of life in this country.

Then, there has been a reaction after these salaries came to stay, in that, if a person qualified for Government service was able to secure a thousand rupees at the end of ten years, naturally a person who qualified himself for law or for medicine or for any other profession thought that, as his class mate was getting in Government service so much, why he should not get also the same in his own profession. Therefore, they raised up their own fees. The fees that are current in law, the fees that are current in medical profession in this country are also abnormal but they have taken their cue from the bloated salaries of Government employees. It is thus that the social equilibrium, that the economic condition of this country has been violently disturbed. Persons who would have been most useful in commerce, in trade and industry, have been absorbed in Government service to the detriment of the material interests of this country. Their brains no doubt work in a particular way, but I am sure such brains as they possess, if they had been used in other walks of life, would have been productive of much greater good to this country than what they are able to do in the Government service. The best of the Indians in Government service is, after all, a subordinate to a European brother, whatever may be the presumption or the flattering function which the senior Government officers might lay to their own souls. That we can see every day and every minute. Therefore, they cannot really be responsible for any improvement or any new things, and even if they should become responsible their originality would have to stop with the putting up of a note to the senior officer.

I consider that the Government salaries have a disastrous and pernicious effect upon the economic condition of this country. So, it is not so much the quantum of saving that might result by this ten per cent. cut that worries me, as the restoration of the equilibrium of the social economy in this country. I know that with the reduction in the salaries of Government officials there will no doubt be a corresponding reduction in the standard of living in this country, but I think that God has come to our rescue in the depreciation of prices that we have had for the last series of years. There are other reasons why Government should now consider this question very carefully. They did not lose the opportunity of the increase of prices, but they at once appointed a committee to enquire into the incidence of expenditure of the Government officials, and added large allowances and

[Mr. Sami Venkatachalam Chetty.]

large accretions to their original pay. If the argument that was then adopted and accepted by the committee that the increase of prices justified an increase in the pay of Government servants—that argument must also be applied in support of this Resolution, namely, that the decrease of prices justifies a reduction in salaries.

Some of my friends think that putting up a figure as low as Rs. 100 might affect a large number of persons who belong to the middle classes. I do not think that there is much danger in putting it down to so low a figure as Rs. 100 for this reason. The man on Rs. 100 will always be able to spare Rs. 10 much easier than a man with Rs. 4,000 can, because the man with Rs. 4,000 a month has developed certain luxuries which by habit and custom have become almost necessities. I hope by cutting down some of those luxuries they will approximate themselves much nearer to the difficulties which the people of this country have to undergo in earning these sums of money and that will bring about a more reasonable frame of mind among the high *topiwallas* who boss over this Government of India. Sir, it is necessary that this retrenchment should be carried into effect. It may also be stated that there has been some cut in the salaries of the high officials of the Government by way of increased taxation, that is imposed under income-tax. It may be so, but then, while an increase in income-tax affects not only the Government officials but also other communities, the retrenchment that is asked for in this Resolution will affect only the Government servants. I do not ignore the fact that, so far at least as Indian officials are concerned, a large amount of their money is spent on Indian products. I know both by experience and by contact with other business men that the Indian Government official is the best customer for Indian goods, whereas the European officials generally pride themselves on the fact that they do not buy anything Indian excepting perhaps, Sir Frank Noyce who acknowledged that he always used to buy Indian articles.

Mr. A. Akman (Bengal: European): They pay duties.

Mr. Sami Venkatachalam Chetty: The more common reason why there should be reduction in the Government salaries is that the money saved thereby could be utilised for nation building purposes in the provinces. That is an argument which has been repeated very often and I do not want to elaborate that point. It is gathered from the census reports that there are as many as five million people employed in public administration. If retrenchment is effected in their salaries, I am sure a corresponding number or even a larger number of people will be benefited by the money passing to them through the Government in the shape of beneficent activities. I do not see that there would be much difference of opinion with regard to the fundamental object of this Resolution, though there might possibly be some difference of opinion with regard to the graduation of the reduction or the minimum salary that should be left untouched. I, however, hope that the Government will consider the desirability of going into this question along with the popular representatives and see that a reduction is made. I quite realise that it is a hard thing for them to cut their salaries. If this Government is represented by responsible ministers I could say that their interests differ from the interests of the employees but this Government is carried on by the very employees whose salaries I want to touch.

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

It is no doubt a difficult task but the Honourable the Finance Member, so far as the question of economy and so far as financial propriety is concerned, is reputed to be a very hard and impartial master and I hope that as a parting gift to this country he will see the impartiality and justice of the proposition I have supported. I commend the Resolution to the House.

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

"That this Assembly recommends to the Governor General in Council that a cut on salaries of and above Rs. 100 of all grades of employees of the Government of India be imposed with effect from 1st April, 1939."

I find that notice has been given of an amendment by Pandit Maitra to the effect that the amount of money so saved be made available to the Provincial Governments in suitable proportions for expenditure in nation building departments. This clearly enlarges the scope of the Resolution. Therefore, it cannot be allowed. The Chair rules it out of order.

Pandit Lakshmi Kanta Maitra (Presidency Division: Non-Muhammadan Rural): I have got another amendment,—No. 3. I shall move it. Sir, I move:

"That for the word and figures 'Rs. 100' the word and figures 'Rs. 200' be substituted."

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

"That for the word and figures 'Rs. 100' the word and figures 'Rs. 200' be substituted."

There will be a discussion on this amendment as well as the Resolution.

Pandit Lakshmi Kanta Maitra: Sir, I am in perfect agreement with the Resolution so ably moved by my Honourable friend, Mr. Vencatachalam Chetty, but, Sir, while I agree with him in his arguments for imposing an all round cut on the salaries of all the different grades of Government servants, I am also sensible of the fact that the Resolution as it is, if given effect to, would mean considerable hardship to a vast body of public servants in this country who draw a salary of Rs. 100 and above but below Rs. 200. In the year 1935 when we came to this Assembly, during the budget discussion, when the Honourable the Finance Member restored the salary cuts, I pointed out that it was extremely unfair for the Government to allow the cut to be restored. I suggested that a gradual process of restoration of cuts might have been adopted, so that those who were in the lowest rungs of service would have been given relief, whereas those who are higher up would be compelled to contribute a smaller portion of their salaries in the shape of cuts to the State. It so happened that the Honourable the Finance Member was so apprehensive of the grumbles of the highly paid Government servants that he completely restored the cuts. The result is that today, after four years, we find that Government is faced with a deficit. The revenues of the Government do not show any upward tendency. By this Resolution, we want to focus the attention of the Government on the necessity of retrenchment and for that purpose to make a drastic reduction in the salaries of the higher officials in all departments, so that money may be set free for beneficent activities, or, to use

[Pandit Lakshmi Kanta Maitra.]

a phrase commonly used, for nation building activities. At the present moment, it is a common complaint that these so called nation building departments are absolutely ignored. They are starved to feed fat the police and the military and the other high salaried services.

An Honourable Member: Fat?

Pandit Lakshmi Kanta Maitra: Yes. Some of them are very fat. I shall make an exception in the case of the Honourable Mr. Maxwell.

When the salary cut was imposed a few years ago, two distinct classes of public servants were exempted from its operation, the military and the police. Honourable Members are aware that there was a good deal of resentment amongst the Government officials themselves that there was such an invidious distinction made between different classes of public servants by their common employer, the Government, that a certain class of officials were not called upon to make any sacrifice at all for the State, whereas others were compelled to sacrifice a portion of their income. Now by this Resolution we want to make it perfectly clear to the Government that we do not want this kind of invidious distinction to be introduced. We want the cut to be given effect to in all the departments of the Government. I have, however, an apprehension, and from my experience I might say it is a well founded apprehension, that this Resolution might give a handle to reactionaries to cripple only our own countrymen drawing moderate pay, by drastic retrenchment, whereas the higher paid services will be left intact. I, therefore, want to make it perfectly plain that if the Government really mean business, they should take courage in both hands and apply this axe to all grades, classes and conditions of service without fear of discontent, unpopularity or indiscipline among the ranks. Now, the question is, what should be the minimum wage for a public servant. That certainly is a question which admits of honest differences of opinion. It may be said that for the average Indian, Rs. 100 per month is just sufficient for him to carry on. It may with equal reason be contended that in these days for a decent family to have a decent living it should have more. A gentleman cannot be expected to adequately discharge his normal duties and responsibilities to his family and to the State with a pay of Rs. 100. After all, it will not do to forget that the children of these employees will be among those who will in future man the different offices in public life as also in Government services. So they must have excellent education and sound health. They must maintain a reasonably high, not very high, but a fair standard of living. We have to see that the next generation may have a suitable training and equipment so that they may be better fitted to shoulder the responsibilities of private life and public life. Sir, it is from that point of view that I am moving this amendment as I am of opinion that Rs. 100 is far too small an amount for a respectable Indian gentleman to carry on in this land. I believe that the worth of a man is not to be judged by the amount of salary he draws, but, after all, having regard to the conditions of mundane existence, having regard to the facts of modern competitive life, some minimum must be fixed which should not be touched in any way so that the morale of the administration, the morale of those who run it may not be impaired. This is why I want to fix the minimum at Rs. 200 by this amendment. Sir, I move.

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

"That for the word and figures 'Rs. 100' the word and figures 'Rs. 200' be substituted."

Mr. M. Ananthasayanam Ayyangar (Madras ceded Districts and Chittoor : Non-Muhammudan Rural): Sir, this is not the first Resolution of its kind. A Resolution was previously moved by me requesting the Governor General in Council to reduce the total expenditure of the Central Government by ten per cent., and that was passed. Today, Sir, this is a very modest Resolution asking that a ten per cent. cut may be imposed on salaries above Rs. 100. An amendment has been moved by my Honourable friend, Pandit Lakshmi Kanta Maitra, that the minimum should be raised from one to two hundred rupees. I will come to that later on.

4 P.M.

The point that the Central Government has to consider is how far the several Provinces which have been made autonomous have to function, and how they can be provided with sufficient finances to discharge their obligations to the public, particularly with respect to their nation-building activities. Sir, I cannot speak for all the Provinces in India, but I would only refer to the Province of Madras which is one of the biggest provinces, and which is the province which has the largest provincial income, *viz.*, a revenue of nearly Rs. 16 crores a year. Sir, in that province the major portion of the income comes from land revenue. Next comes the income from excise duties on liquor, toddy and *arrak* included. The third portion, to the extent of two crores of rupees income, comes from Stamps and Court-fees. These are the three main heads of the provincial revenue. So far as our province is concerned, prohibition has been introduced in more than three districts, and there is every chance of it being extended to the twenty-three districts. Sir, it is not a mere matter of sentiment with the Congress Government, but it is a matter of fact that prohibition has given an immense relief to the poorer section. The Honourable the Finance Member, who has been looking into a number of principles of taxation, should also take this into consideration.—*viz.*, that persons who contribute to the provincial revenue nearly four and a half or five crores in Madras, not to speak of other provinces, are the poorest in society. They drink toddy and *arrak* and they are taxed to contribute to the general revenues of the province. Sir, what justification, if they are allowed to manufacture a quart of toddy or *arrak*, which may not cost even two pice, can there be to pay for that quart nearly a rupee or a rupee and half? Sir, if it is considered a necessity for the poor, there is no justification to tax the poor and pay the rich for roads, hospitals, schools and other things for maintaining the various institutions which are now today daily catering to the richer section of the population? On that ground also, Sir, prohibition is absolutely necessary and justified.

Then, Sir, there will be a large cut in one of the provincial revenues. There was a famine hitherto in only a few districts in our Presidency. Now, that shows a tendency to increase, and many more districts are afflicted. Therefore, land revenue remission, which was granted last year; is also being granted this year, and, possibly, in the coming years also, much larger remissions in land revenue have to be given. The third item of income, Stamps, is also not likely to yield much on account of the trade

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depression in the world, and especially here in India, so that it is impossible to get on with provincial administration without imposing additional taxation or finding out additional sources of revenue. As regards additional taxation, there was a Conference held here possibly under the presidency of the Honourable the Finance Member with a view to finding out how best death duties could be imposed, and I do not know what the result of that Conference has been. That may not come to the large amount that may be required for running the administration of several provinces. Therefore, it is abundantly necessary that the Central Government should come to the help of the several provinces. Sir, they started well two or three years ago when the Honourable the Finance Member thought it fit to allocate a crore of rupees from the Central revenues for purposes of rural uplift, but unfortunately he did not pursue it later. Under these circumstances, it is necessary to find out some other source of income.

The Government of India Act, in one of its sections, I believe section 140, lays down that the Federal Legislature can, by a special Statute or Act, allocate the whole or any portion of the salt duty and the excise revenue to the provinces. The duty on salt with its surcharge is now yielding an income to the tune of eight and a half crores to the Central revenues; the other revenues, excise on sugar, petrol and matches come nearly to seven crores. The whole of that amount can be distributed to the provinces, but the Honourable the Finance Member has not chosen to put his finger in that direction. It is no doubt true that during the last Session he introduced the Income-tax Bill and if that came into operation from the 1st of April last year, that might give a small relief to the provinces, but it is surprising that he has not, in spite of repeated requests with regard to this aspect of the question, taken any action and why a ten per cent. cut on all salaries over Rs. 100 or if he thinks it necessary to raise the minimum to some amount, say, Rs. 200, why that cut should not be imposed? I would remind the House that when the cut was restored, his ground was that that was one of the pledges given when the cut was imposed. He will remember that along with that emergency measure a number of other emergency measures were adopted. Take, for instance, the surcharge on salt. There is a duty of one rupee and four annas per maund of salt, and, in addition, there is a twenty-five per cent. surcharge on that salt. Sir, salt is not a luxury, but a necessity for the poorest of the poor in this country. No doubt its incidence might sit lightly on the general mass, but all the same the question of the necessity of the continuance of that surcharge has not been tackled by the Honourable the Finance Member. Even the essential articles of food may be taxed provided the incidence is distributed over the masses of the population and it yields a large revenue. That may possibly be the justification for having a duty on salt. If the surcharge is also to be continued, let the benefit go to the provinces according to the proportion in which those provinces contribute towards that duty. No portion has been given till now. Nor has any amount been paid from the petrol fund. The Premiers have been asked that unless they do this or that according to the Motor Vehicles Bill, even this amount would be withheld from them. Why on earth the Honourable the Finance Member is so very particular to create a new set of heavenly things and wants to keep in that heaven those persons who get salaries over Rs. 200?

I know of a case in Madras. I am not prepared to state his name, nor is it proper that his name should be mentioned. This gentleman originally started on Rs. 800 in Government service. He is now getting Rs. 1,500 a month. He does not know what to do with the money. He drinks, and he pays Rs. 600 a month to the club month after month. Of course, there are necessaries of life which should be provided, but a rich man cannot eat gold and you cannot throw dust into the stomach of the poor people. Barring those who go naked, the rest have got to be provided with clothes. One man can crop his head in one fashion and another man can grow his moustache and yet another man can shave his moustache also. Barring the minimum amount that is necessary for decent life, the rest contributes only a mental satisfaction. If a man wants to hoard, it gives him mental satisfaction that his bank balance is increasing, otherwise he will waste his money. He may ruin his own body by drinking and by committing all sorts of immoral offences. On the last occasion, I said that the Civilian officers ought not to be paid so much. I remember quite well that Mr. Lloyd, who was a Member of this Assembly at that time, said that Rs. 4,000 a month that they get are not being taken away to their mother country. Most of their money is being spent here, because they drink and do this and that. Therefore, is it right when there is not enough to eat in the country, that an expert be appointed to introduce a new kind of taxation in this country? I say that the circumstances of this country are considerably different from the circumstances prevailing in Western countries. All these taxes cannot be tried in this country. Let not the Honourable the Finance Member be under the delusion that the money that is raised by taxation is spent for the benefit of the country. It is being spent lavishly on the services. It is being spent for the benefit of the services. I ask the Honourable the Finance Member to lay his hand to his heart and say if he has tried to retrench in all possible ways and has tried to effect economies before asking the House to tax the people of this country in so many ways? It was but right that an emergency measure was introduced and an emergency cut was imposed, and, so long as that emergency measure continues to be on the Statute-book, there is no justification for restoring this cut. Technically, I can tell him that he has kept his pledge to restore the cut. But there is no more such a pledge and let him impose a cut once again. The provinces are badly in want of money for nation-building services. The Central Government tried to make an experiment in the art of nation-building services by spending money over public utility services in their own way by giving a crore of rupees. But he did not renew that grant and cut it short. He is, therefore, indifferent as to how the coffers of the Provincial Governments might be enriched by giving them more money from the Central Government revenues. It is a legitimate claim of the provinces, under section 140 of the Government of India Act, to get the whole or part of the salt duty and the duty on sugar and matches. That has not been done yet. Therefore, in the absence of such measures, I would ask the Honourable the Finance Member to consider whether the Resolution moved today is not just and proper. That is my first point.

My second point is that the Provincial Governments are very much in need of money for nation-building departments, and the Central Government must come to their rescue.

The third point is this. I know my people much more than the Honourable the Finance Member can know them, and, in my opinion, Rs. 200

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a month is more than enough for decent living in this country. Nothing more is necessary. If more than Rs. 200 a month is paid, then either it will be wasted or hoarded. The poor people are absolutely in want, and, therefore, the standards of living in Western countries ought not to be imported into this country. From that point of view, nobody will really grumble if a cut of 10 per cent. is imposed. Our popular Ministers have already shown by their own example that high officials can live on Rs. 500 a month. In the province of Madras, they have reduced the salaries of new entrants, and I am told that, even with regard to the I.C.S., and other services recruited by the Secretary of State, a reference has been made to the Secretary of State. The Honourable the Finance Member said not long ago that the reference to the Secretary of State is still pending. Possibly a new expert is required to deal with it, and it will be disposed of only when he returns to England. There is no reason why the pay of the Civilians or those persons who are recruited by the Secretary of State should not be reduced. So far as new entrants are concerned, their salaries ought to be reduced. Yet no attempt has been made in that direction. On these grounds, I support the Resolution so ably moved by my friend, Mr. Venkatchelam Chetty.

Mr. Shyam Lal (Ambala Division: Non-Muhammadan): Sir, when a Resolution with regard to the salary cut is moved, it has never been dealt with on its merits. The Government Members think that it has been moved in a spirit of hostility, and that is one way of driving them out from India. Sometimes its economic aspect is taken. Of course, when income-tax is being raised and the law is being enacted for adding to the resources of the country, profuse sympathy for Provincial Autonomy and for rural uplift is shown. But when the question comes of touching their own pockets, that is, of course, a sacred thing and it cannot be touched. The position in that case is just like that of a lawyer whom we approached for some subscription for a charitable fund. We said: "Will you give us Rs. 200?" He said: "Don't you know I cannot give Rs. 200?" We said: "You can give us Rs. 200 out of your rent income which is Rs. 500 a month." He replied: "Oh, with regard to that, I have taken a pledge that I will never touch it." So, you may move any number of Resolutions for retrenchment, but so far as their salaries are concerned, you cannot touch them. Of course, they have got sympathy for India, and they want that there may be Self-Government in India. The Provincial Governments have succeeded and they wish them well. But their salaries cannot be touched. That is the position that is taken up by them. But my submission is that by drawing huge salaries you have demoralised the whole of India. Look at what is happening in the districts. Formerly, there used to be only one Collector who had a bungalow and a few servants. Of course, his standard of living used to be high. But, what happened after that? Now, every Extra Assistant Commissioner has a bungalow, a motor car and a number of servants, and every district has got more than 100 officers. In a district which used to have only one Collector, now there are 100 officers, and the whole burden falls upon the poor people.

Then, there is an attempt on the part of the poor people to imitate these officers in their ways of living. Nobody tries to serve the poor people. There is no contact between these officials and the masses because of the disparity in their modes of living. The officials, whenever they go on tour to the villages, return the same night to their homes, because they

do not have all the comforts which they command at their homes. In this way, the officers are demoralised. Their lives have become very soft. Formerly, the Settlement Officers used to work very hard; now, everybody shuns hard work. They only draw huge salaries. These sumptuous dinners and feasts not only demoralise them, but also the people. Of course, we are not moving this Resolution in a spirit of hostility to the Government servants. If the Collectors and other officers in a district lead a high life, then the poor people imitate them, and thus there is a scramble amongst all the communities for jobs.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member must remember that this Resolution concerns the employees of the Government alone.

Mr. Sham Lal: My submission is that Government servants, whether in Delhi or in the districts in the provinces, drawing huge salaries, have demoralised the people. I should say that this ten per cent. cut is a modest demand. I would go further and say that there should be no salary above Rs. 500 a month. Of course, in this very House, the doubt was raised whether the Congress Ministers, if they accepted office, would content themselves with a salary of Rs. 500. It was said that they would be corrupt. I ask this House in all sincerity to say whether the experiment of drawing a salary of only Rs. 500 a month has succeeded or not, and, I am sure, the time will come when they will not draw a pie more than Rs. 500 a month. What is the justification for drawing huge salaries from a poor country like India? No doubt you express sympathy to the poor people, but there can be no real sympathy between you and the poor people if you go on drawing such huge salaries. My submission is that, not only on the ground of saving money, but also on the ground of improving the morals of the people in this country, there should be a cut in your salary. What salary is Hitler drawing? Are you better than Hitler? You say you are only managers or administrators in India, and that you can remain here only on condition that you get such huge salaries. If you are costly managers or costly administrators in India, then we do not want such costly people. It is better that the House is not managed well and that the children should get sufficient to eat. I remember, in my school days, a clergyman came to my village to preach Christianity. It was winter then, and he had several blankets with him. The people collected round him. He said to them: "You are all poor people, I have got great sympathy for you, because you are all shivering in cold." The people then said: "If you have got sympathy for us, please give us some of your blankets, so that we may protect ourselves from cold." No doubt, the officers here, drawing Rs. 5,000 and others drawing much more than that, all profess lip sympathy to the poor people. They say that India should stand on her legs, that she should get Provincial Autonomy, and so on. But there is no real sympathy except in words. If, therefore, you have got any real sympathy towards the poor people in India, if, as you say, you are serving India in a spirit of real service, if you really want India to be self-reliant, I think you must accept this modest Resolution seeing that the experiment of low salaries, so far as Congress Ministries are concerned, is a success.

Mr. T. S. Avinashilingam Chettiar (Salem and Coimbatore *cum* North Arcot: Non-Muhammadan Rural): Sir, the Honourable the Finance Member, Sir James Grigg, is shortly going to submit his last Budget to this

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House in a few days. Lately people were paying him compliments and I wish he gets another and a more deserving one. If what I hear is true, his next budget is not going to be an easy one. All the four years he has been in this House every budget of his has been certified. No budget has been passed by this Assembly. No Finance Bill has been passed by this House. May I tell him that the time has come when at least by this one act he can establish his *bona fides*. People establish their *bona fides* by their sacrifices. He comes to this country identified with the interest of the Civil Service. It was in 1931, I think, that the salaries of the employees under the Government of India were revised. As regards those services which are recruited by the Secretary of State, a promise was held out that revision of their salaries will be made in the near future. After that the question has been brought before this House many times by means of interpellations at question time. The previous Home Member, Sir Henry Craik, used to give the stereotyped reply that the question will be considered. One year passed and then we put the same question as to when they were going to consider the revision of the pay of the services and the reply was, "let us wait till Federation". We were waiting that Federation will be ushered in very soon when the question of revision of salaries will be taken up. Now, that Federation has been left to the astrologer. We asked the Government as to when they would consider the revision of salaries of the all-India services recruited by the Secretary of State and the reply was given the other day that they had no intention of considering the question at all in the near future. May I ask the Government, whether this is fair, or honest. The fact that functions and the guidance and the management of the government of this country is in their hands, in the hands of Civilians, should not prevent them from looking upon their own pay with a sense of public duty and voluntarily coming forward with a cut in their salaries. The salaries of the services, under the Government of India, are very high as compared with Provincial Governments services. They owe it in all fairness to put a cut upon the all-India services for their salaries have never been revised since 1931 since when it was promised many times that their revision will be considered; that promise having never been carried out. I do think that a cut in salaries today is very essential for this reason if for no other, in order to bring the income of government servants into line with the income of others in this country. I do request the Honourable the Finance Member to take effective steps, as I do believe he can, if he wishes to make representations to the Secretary of State that those services, the revision of whose salaries is long overdue and promised many a time but never done, that that should be immediately taken in hand. When the cut on salaries is being considered I would suggest that it is not right to have one flat rate for all as was done last time: For one who receives 20,000 rupees thinks that 2,000 is not much while to somebody who might get 20, two rupees are really much. People on the other side know much more of economics, and they know that the value of money is much less to people who receive higher salaries; and, as such, this cut should be graded and I do hope the Resolution, as amended by my Honourable friend, Mr. Maitra, will be accepted by the Government in a very good spirit and that this House will pass it unanimously.

The Honourable Sir James Grigg (Finance Member): Sir, I am not sure that Honourable Members are going to be so satisfied with their

triumph when I have finished. The remarks of the last speaker very well illustrate the dilemma which, at this time of the year, the Finance Member of the Government of India must be in when called upon to discuss a question of imposing a cut on the pay of Government servants. Various Honourable Members opposite have, during the last two or three weeks or months, sought to draw me on in regard to my intentions in this matter. I have with more or less success disengaged myself from their blandishments on the plea that that is a matter which can only be disclosed in relation to the budget; and that is the attitude which I propose to continue to observe; and, if I am to continue to observe that reticence in regard to the budget proposals, it also follows that I am in a hopeless dilemma in discussing the merits and demerits of this question. If I say that a pay cut is a bad thing it will be assumed that we do not propose to do anything of the sort in the budget. If I say it is a good thing the contrary will be assumed. So I propose to enter into no arguments on the question but merely content myself with the usual answer that in this matter it is impossible to anticipate the budget statement; and that being so, the Members of the Government are in a similar dilemma and apart from myself we propose to take no part in the debate on this Resolution or in any voting on it.

Mr. S. Satyamurti (Madras City: Non-Muhammadian Urban): Sir, I think the Finance Member has been much less than fair to this House or to himself, in the attitude he has chosen to adopt. This idea of the budget every year silencing him for months in advance and never taking the House into his confidence on any financial matter is a new theory which I think the Chancellor of the Exchequer in the House of Commons would be hard put to to maintain; but here they can do almost anything and the Finance Member seems to think that the whole thing is a joke, and since he is going away soon, he can take things humorously. I suggest, as a matter of serious consideration, that the question which we seek to raise in this Resolution is a recommendation to the Government for a cut in salaries beginning either with 100 rupees as we say in the Resolution or 200 rupees as in the amendment and a graded cut as my friend, Mr. Avinashilingam Chettiar, has suggested—surely, the Government must have some views on this matter; and why should they not take the House into confidence and say what their views are? What do they expect this House to do? Do they want to make a secret of their opinions? What are their inclinations? Is the Government going to remain neutral on this Resolution? I want to know.

The Honourable Sir James Grigg: I thought I made that quite clear—that Government Members do not propose to vote at all.

Mr. S. Satyamurti: Then, it seems to me that the Government, who have constantly blamed the Congress Party for not co-operating, are distinctly following our illustrious example: they are now non-co-operating with this House, because the Finance Member says he is in a dilemma. I should like to know what is the dilemma. He says: "If I say a cut in salaries is good, it will be assumed there will be a cut in salaries in the budget. If I say it is bad, it will be assumed that there will be no cut." Assuming that an indication is given, what is the public interest which will be seriously harmed? Supposing Government servants get notice by the tone of my Honourable friend's speech that there will be a cut in

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salaries, they will begin to cut their budgets from now. It is good for them. It is good for their families: it is good for their creditors, and it is good for the social fabric all round. On the other hand, if my Honourable friend says: "We do not propose to look at this cut in salaries for another year" then, as some Honourable Member on this side described it they can say that for another twelve months they can go on doing as they like and their salaries will not be touched. I do suggest that, on a matter of this kind on which the opinion practically of all non-official sections of this House is unanimous—I do not speak of the European Group, because I never know what they will do except that they will vote for the Government on every matter—and since Government are neutral, perhaps they may also remain neutral—I do not know whether there is any difference of opinion among other Indian elected Members of this House, that this question of reduction in salaries has become a matter of vital moment.

The Congress Governments have introduced the Congress maximum of five hundred rupees for their own Ministers and have cut down the salaries of servants under their control. But the Secretary of State is non-cooperating with the Provincial Governments, in respect of those services which are under his control. I will mention one thing and leave it to the Honourable the Finance Member to contradict or leave it uncontradicted. I am reliably informed that during this year the Finance Member, seeing the budget returns in customs and other sources, seriously proposed to the Government of India and to the Secretary of State a cut in salaries and the Secretary of State turned it down, and the Government of India would not accept even his advice for leaving the Secretary of State's services alone and impose a cut in the salaries of their own servants. Now, it seems to me that, when such a position is facing us, we must face this cut in salaries from the point of view of the best and the longest interests of this country. Do the salaries in this country—I am talking of the highly paid services—bear any comparison at all to salaries paid to similar public servants in Japan, in Soviet Russia or even in Europe or in America, or even in England, as my friend reminds me? It seems to me that it is a scandal of the first magnitude that people should be paid 2,000, 3,000, and 4,000 rupees and even 5,000 rupees for work for which they will not get even half of that amount in their own country. He will shortly be going back to his own country and to the Inland Treasury, and I ask him whether he will find there any of these European colleagues getting half of what they are getting here for the work they do in their own country. Will he answer that question? May I know why this country should be perpetually robbed and exploited to pay fictitiously high salaries to European servants? And do you know, Sir, that the corruption is becoming so great that our Indian friends have got into an unholy alliance with the European servants? "Equality" is what they say: the Europeans are paid so much and we must be paid so much: ten Europeans get 4,000 each and one Indian gets 4,000 and they imagine that it establishes the principle of equality. I put it to my Indian friends that this is not right: they are born in this country, they live in this country; their children will have to live here. Do they really compare their own salaries with the average income of the people of this country? I dare not put it to you, Sir. But I put it to the Finance Member whether it is not a canon of public finance that there ought to be some

relation between the average salary of the highly paid officials and the average income of the people. What is the average income of the people of this country? I will take any figure which my Honourable friend gives me—it cannot be more than 30 rupees a year; and yet my Honourable friend acquiesces in a system under which there is absolutely no relation between the fanciful salaries paid to our public servants and the average income of our people. I am willing to have the figure of even 60 rupees a year or five rupees a month: where is the comparison between five rupees and five thousand rupees a month? Moreover, Sir, among public servants themselves the problem has assumed a very serious proportion. The Provincial Governments are reducing their salaries and any responsible Government at the Centre is bound to reduce the salaries of its servants. Therefore, you will have different categories of public servants doing more or less similar duties and drawing different salaries. It is not good for the body politic. Moreover, Sir, this theory of the standard of living is often put up, that people who are paid high salaries cannot keep up their standard of living, if there is a drastic cut. But, as a matter of fact, Sir, this Resolution is a very modest one. It contemplates a cut, and I suggest a graded cut from 2½ per cent. to 25 per cent. Even if 25 per cent. is cut on a salary of Rs. 4,000 I think the man will still have enough and more than enough for all his needs, comforts, and reasonable luxuries. We are not now asking for the Congress maximum of Rs. 500 to be imposed; we are only asking for a cut in salaries and I suggest, Sir, that there can be no reasonable argument against it. Let us also remember that these increased salaries were fixed on the ground that the cost of living had risen in this country, that people have got to be paid more because they have got to pay more for their own needs. But today the index of prices absolutely shows that the cost of living has fallen down. Has the Finance Member ever applied his financial conscience to the immorality of continuing salaries at such a high level on the ground of a rise in the cost of living, even during times when the index of prices shows definitely that the cost of living has fallen? Is it right? Is it moral? Do you not owe something to the taxpayers of this country? The pre-war level was 146, the index of prices today is only 126. So, there ought to be a reduction of ten per cent. at least. Moreover, Sir, let us remember that the securities provided in the Government of India Act, 1935, for a class of high-salaried servants cannot last them very long. Very soon, there will be forces at work in this country which will make this Government of India Act a dead letter, and these highly paid servants will have to face, from any popular Government at the Centre, a drastic cut in their salaries. I want the Government of India to make a beginning, and make things somewhat easy for them. After all, Sir, in every democratic country, there is always a tendency to revolution if there is a big chasm between the earnings of the few rich and the earnings of the average people. I know the argument is advanced that, if you cut down the salaries of Government servants, what about the incomes of professional gentlemen like doctors, lawyers and merchants and others? My answer is that, if there is an all-round cut in salaries of Government servants, the income of all other people is bound to be reduced, with exceptions, of course, like the Leader of the Opposition or the Leader of the House, and they are exceptions which prove the rule. I may tell you that, as a matter of economic adjustment, if the salaries of Government servants are reduced, the income all round is bound to be reduced, and there will be no differentiation between one class of wage-earners and another class of

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wage-earners or professional gentlemen. And, as a matter of fact, professional income in this country, certainly in the case of lawyers, has been considerably affected; and I believe even in the medical profession the complaint is already heard. And, with regard to the fancy incomes in other walks of life, you can have income tax, super-tax, death duties, etc. and the Congress believes profoundly in the doctrine of taxing the rich for the benefit of the poor.

The Honourable Sir James Grigg: Ask the Congress Governments about death duties.

Mr. S. Satyamurti: Yes, the Provincial Governments are taxing the rich for the benefit of the poor.

The Honourable Sir James Grigg: As regards death duties you apply to some of your Governments.

Mr. S. Satyamurti: My Honourable friend refused to give me an answer as to what Sir Alan Lloyd is doing and what his recommendations are. If I ask him, he does not reply. If he wants my co-operation, let him lay his cards on the table. Then he will get our co-operation as he got, in spite of his provocative manners, from this side of the House, on the Income-tax Bill. That Bill was supported by this side of the House, because we believe in the doctrine of taxing the rich for the benefit of the poor.

The Honourable Sir James Grigg: I was talking of your mentioning death duties.

Mr. S. Satyamurti: Your appetite seems to be growing by what it feeds on. You should remain grateful for what you have already got. And, as for death duties, we will look at them, when you bring up your proposals and our Provincial Governments will look at them and consider them on their merits.

Now, Sir, there is a joke in the Government of India Act called the retrenchment campaign. Do you know what it means? Some chaprassis, some small peons, or somebody's small allowance, some few clerks in the Auditor-General's office, mostly Madrassis! This is the kind of retrenchment campaign going on under the auspices of the Finance Member. And, while we are supposed to have a big retrenchment campaign, new offices are created, new allowances are given, and nothing is done to touch the big bloated salaries of the fat and superior officials. And you are creating new jobs for people in the Governor General's office.—the Political Adviser to the Crown Representative. And you have created a number of offices, and I cannot now remember all the new offices that they have created. But I am told that the Posts and Telegraphs Department, which is under my Honourable friend, Mr. Bewoor, has been asked to surrender Rs. 70,000 in the next year's budget out of coolie's charges. You are going to starve the coolies, humble menial labourers of the postal department, who get starvation wages, in order that the Finance Member may balance his budget keeping these high salaries at their unjustifiably high level. It seems to me that the position of the Congress Party in this matter, and I believe of

all sections in this House, is a very reasonable position. Last time, when there was a ten per cent. cut, they saved nearly two crores of rupees on both the railway and the general budgets, and if they put a ten per cent. cut now, even on a graded scale, they will get at least two crores, if not three or four crores, under both the budgets. May I know why the Finance Member refuses to accept this gift? After all, we come here by the votes of these among other people. If we cut their salaries and ask them to surrender ten per cent. of it, we take the risk of these Government servants turning round and charging us with reducing their salaries. But we believe in their good sense, in their patriotism, and in their love of their country. We believe they will understand our motives, and they will feel that we are doing this thing, for the benefit of the poor in the land. We take that risk. Why not take that risk yourselves? Why are you afraid of your own Government servants? Why do you not introduce this cut either from Rs. 100 or Rs. 200, and a graded cut? It seems to me, Sir, that Government are not facing this task. It seems to me the Finance Member has already cast his eyes on London; he has really forgotten India already. That is why I find during the last few days that at question and other times he has been becoming very indifferent, and it seems to me that the holiday spirit has caught hold of him, and he feels that he has had enough of this country. But he must remember that Finance Members may come and Finance Members may go, but Government must go on and the people of this country must live. It is because we believe that the poverty and hunger of the people of this country must be satisfied, that there must be money for the nation-building departments of the provinces, and that Government ought to retrench, that we suggest to the House to pass this Resolution unanimously.

Mr. Bhulabhai J. Desai (Bombay Northern Division: Non-Muhamadan Rural): Sir, I am surprised that the Finance Member expects me to accept his dilemma. It does not exist at all. If you allow me to assist him in getting out of a self-created delusion, he says that if he says that a cut in salaries is a good thing, therefore there is already a cut in salaries proposed in the next budget. My friend, I think, recollects that there are many opinions which he holds which it takes him a lot of time to give effect to. We are not so foolish as to imagine that even if you believe in the right, you will do the right. Therefore, Sir, to my mind, there is not the slightest chance of our facing any dilemma which he has himself created. The truth is this that they dare not face this House and tell them, not so much as to what they will do in the next Budget, but as to what the general attitude of the Government is on a question on which as honest men they cannot have any other opinion than the one which we all hold on this side of the House. The dilemma is not at all that we shall get any cue to the great secrets which he will preserve till the evening of the 28th day of February. The dilemma is really this,—how can he, and with what face, support this Resolution, and if he cannot support it, he wants to create some other excuse so that he may get out of the dilemma. Therefore, Sir, I am unable at least as a public man to accept the kind of dilemma which he has created for himself or that there is any justification for the way in which he has tried to get out of this matter, but inasmuch as some questions have been asked, I think it is only right that some sort of idea should be placed before the House as to the mind of the Government on this matter, because I look naturally to the other side for some sort of defence for what they are doing for

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earning their salaries, and it is rather a curious commentary that they seem not to be even eager to give themselves a certificate, that they are being paid for what they deserve. I thought that some Honourable Members on the other side who draw Rs. 4,000 would say "I have done this or the other to deserve my salary", but I am glad they begin to realise that they dare not put themselves to that test. Otherwise, I thought that on a motion of this kind the Government would really place before this House any practical difficulties, if there are any, in the way of the Resolution being given effect to, even if they accept the Resolution so far as its principle is concerned. But if they think that they are by this method going to defeat anybody, they are very much mistaken, because, I am sure, the whole of the public will judge this matter from the point of view of their inability to defend themselves on this issue. Therefore, it is no use saying that this is not an issue in which the House is not entitled to have a full explanation from the Government as to the different branches of the services that are being maintained at a huge cost, how and at what cost they are being maintained, and in what departments it is possible to obtain the services at a lesser cost.

Coming next to the merits of the issue itself, and notwithstanding the fact that my friend, the Deputy Leader, told you that I was somewhat of an exception which proved the rule,—I do not accept it at all,—and I will give you the reason for it, which I have always told those who seek for security, that they should be satisfied with a lesser emolument in their own life. A man takes a certain amount of risk in a profession in which he may earn nothing throughout his life, and it does not lie in the mouth of one who is in service to say, "Oh, if I had taken the same risk as you did I might have made Rs. 5,000 a month." Well, he did not do it, and that is the complete answer. I recollect one of the Judges of the Bombay High Court, a civil servant, who, before his retirement, always used to pull my legs. What he told was this. One day, a question arose as to the taxation of fees. My friend, Sir Muhammad Zafrullah Khan, and others who have been at the bar will appreciate this. He happened to have a docket of a fee on an opinion which I happened to give. There was marked a certain amount of fee for the opinion. Then, they had marked another five gold mohurs on it for expedition well knowing that I had not enough time at my disposal to give it preference over other matters which were awaiting, and he asked me—"there were 10 gold mohurs for my opinion and five gold mohurs for expedition; supposing I give you 10 gold mohurs for opinion and 20 mohurs for expedition, how soon can I do it?" I said "just now if you like it". And I remember he used always to pull my legs, but, at the end of his retirement, he tried his luck. He asked for permission to practise at the bar, and I don't wish to tell the sorry tale as to what happened to him then, notwithstanding the prestige of having been an ex-Judge of the same High Court. Therefore, let us not talk of the professions when we talk about the services. There is absolutely no comparison in this matter at all. Let us get back, therefore, to those who seek the service of the Crown or the State in any country whatever, and the fact remains that in this country the origin of the large scale of salaries is well known and must be well known to my friends. It is important to remember it, so that the changed circumstances may enable them to see the thing in a proper perspective. There was undoubtedly a time when two classes of persons were the servants of the State

in so far as the higher part of the hierarchy was concerned. The European who came to oblige us having left with regrets the land to which he belonged and called this a land of regrets all the time, notwithstanding all that he got out of it, and there was the Indian who was educated purely for no other purpose,—if you read the despatch of Lord Macaulay, you will find it there,—than to be a medium between those who governed and the poor tiller of the soil and the hewer of wood in this country. There was another reason,—whether it is there or not is immaterial, because the facts justify that it must have been so,—that you should try and take care, because the higher the taxation the higher the expenditure seems to have been the theory, the object being, as is well known, the same as in another profession. I will not mention it, so that not a rupee would be left at the end of the year, and you would always be a starving individual. Every time you raise the taxes, every time you raise the salaries under one form or another, whether in the army or in the civil service, and I do say that seriously to all my friends on the other side, at all events, who are Indians, that this claim for quality and the prestige merely by reason of the quality of fame is indeed a very definite kind of prestige altogether. There is honour in serving one's country for a lesser salary, even though another man, whom I will not call upon to do so and whose covenant I cannot touch without the intervention of the Secretary of State, may still claim his pound of flesh.

There is no dishonour whatever in any man agreeing to serve and in serving on a lesser salary than a colleague of the same standing because he belongs to another race, and indeed I recollect a certain incident very well. A short time ago, before the Congress Ministers got into office, a facetious observation was made by a Member of this House, who is fortunately absent today, and told us: "Oh, yes, if you reduce salaries and take Rs. 500, where would the rest Rs. 2,500 come from"? I understood the insidious and almost disgraceful suggestion made behind it. I said that means that you have got so attuned to your standard of life that, with anything less than Rs. 3,000, you cannot live in imitation of your masters. But remember this, that there are other countries in which public servants of every kind have given up their higher professional emoluments and considered it an honour to serve on less perhaps than a fifth or a tenth of what they used to make in their respective professions, and I only mentioned Sir John Simon to him. After that we had an end of that wretched discussion. So that, the fact remains that from the point of view of the poverty of this country, which undoubtedly was not being heard by the other people, though they saw it, but did not affect them either ethically or economically, the time has now arrived when the poverty must be understood in terms not merely of ability to maintain these fat services,—and after all, what they do in this country is being done by administrative servants in all other countries. Take, for instance, France and many other countries of which I have some little knowledge, and I did give figures at the time when we were discussing the question of the Army Budget last year, and they may be looked at if necessary,—that a French officer, right up to the Field Marshal, probably takes a fifth of the salary than what is paid to the European officers who are here for the purpose of protecting us and for guarding and commanding the white troops of this country including our own. Similarly, talking of civil services,—remember this, and I wish to call attention to it, so that every friend, who is sitting on that

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side of the House,—if he has not seen it, he will look at it one day,—the staggering figures which Mahatma Gandhi published at the commencement of last year with reference to the proportion that the average income of a civil servant bears to the average income of an Indian, and he went even further and gave figures of the relation between the salary of the lowest chuprassi as compared with those who sit at the head of these great offices.

One thing is quite certain that neither in the quality of service,—good or bad I am not here arguing that part, I am not blaming or making any charge of efficiency or inefficiency whatever.—but I am saying this that however efficient you may be, however industrious or hard-working you may be, after all is said and done it is up to us to say, this is all we can afford, you can serve or you can leave. We are not able to exercise that judgment and that power merely because our money is in the hands of other people to spend. Otherwise, it is an honest bargain which my Honourable friend the Finance Member will certainly think about. After all, a man can say, this is all I can afford, I cannot afford more. I may remind him of the illustration which I gave him the very first year from the book which he had already read I believe. I said, if you want to guard your house, and, on that guard, you spend Rs. 50 out of an income of Rs. 80 and leave the rest of the house to be managed on Rs. 30 and you keep an accountant on Rs. 20, then you will be left with only Rs. 10. That is in terms of Rs. 10 as against crores, but the fact remains that this is the way in which all the money—indeed this country was regarded as no more than providing employment for the services in order to maintain the domination of the country. What is it that is left at the end of that budget except that the army is provided, the services are provided for, and if there is a little surplus, it is a mercy; otherwise they raised loans or raised taxes. That is the true analysis of the budget of this country. Therefore, I do appeal to my Honourable friend not to impose this dilemma on himself but consider it as if he was a genuine economic adviser, as a genuine honest servant of the Indian State. From that point of view, if you think you are worth more, we say, thank you, we cannot afford it,—that is all we can tell you. Instead of having to force it down when we have got the right and the power, why not begin graciously at this time so that at least now you might leave something for what you call nation building departments of the Government, of which the first words were only heard during the last eighteen months so far as I am concerned. Otherwise you simply said, the budget must be balanced, the credit of India must be maintained. Balancing the budget means, spending what I have got, I cannot spend a little more lest taxes might have to be raised and loans might have to be raised. There is no competition whatever in matters of this kind. It is a question of what the country can afford. We can be content with less efficient service if necessary. On the question of unemployment in this country we are told by benches opposite that for a service of Rs. 50 or 60 a month as many as 2,000 applicants, highly skilled educated people, are forthcoming. Then, what is the justification, I ask, for maintaining the scale of salaries which is being maintained? If there is competition, why not that same work be done by a person who has indeed capacity, but so far as this is concerned, if you reduce one, you have got to reduce the other all the way down. I draw no inference from the Honourable Member's silence, but I trust that his dilemma was merely an excuse to get out of it

on this occasion and that there is every possibility that when the time comes he will, not merely like a tax gatherer but as a tax spender, see to it that this Resolution is given effect to.

Some Honourable Members: Let the question be now put.

Mr. President (The Honourable Sir Abdur Rahim): The Chair will put the amendment first. The question is:

"That for the word and figures 'Rs. 100' the word and figures 'Rs. 200' be substituted."

The motion was adopted.

Mr. President (The Honourable Sir Abdur Rahim): Now, the Chair will put the Resolution as amended. The question is:

"That this Assembly recommends to the Governor General in Council that a cut on salaries of and above Rs. 200 of all grades of employees of the Government of India be imposed with effect from 1st April 1939."

The motion was adopted.

STATEMENT OF BUSINESS.

The Honourable Sir Muhammad Zafrullah Khan (Member for Commerce and Labour): Sir, the House is aware that His Excellency the 5 P.M. Governor General has allotted Friday and Saturday, the 10th and 11th March, and Monday, Tuesday and Wednesday, the 13th, 14th and 15th March, for the voting of Demands for Grants. It has been represented to us that there is a general desire that the House should not sit on Saturday, the 11th March, that Thursday, the 16th March should be allotted in lieu of that day for the voting of Demands, and that the day lost on Saturday, the 11th March, should be made up by the holding of a sitting on Saturday, the 25th March. His Excellency the Governor General has authorised me to announce that, if this is in fact the general desire, he is prepared to make the proposed change in the dates for the voting of Demands, and, on the same assumption, I would request you, Sir, to direct that the House should sit for the transaction of official business on Saturday, the 25th March.

Mr. President (The Honourable Sir Abdur Rahim): The Chair is prepared to direct that the House shall sit on the 25th March. But there is one difficulty about questions. The questions fixed for the 11th March cannot be answered orally as there will be no sitting of the Assembly on that day. The Chair thinks that any questions that have been put down for that day will be answered in the manner the Chair has suggested before. As regards the 25th March, the Chair takes it that the only arrangement that is possible as regards questions for that day is that Home, Finance and Defence Departments will answer questions on that day instead of on the 11th. If that would suit Government Benches, the Chair will give the necessary direction.

The Honourable Sir James Grigg (Finance Member): Not the same questions as on the 11th.

Mr. President (The Honourable Sir Abdur Rahim): No. Additional questions. That is in the rotation of Departments fixed for the 11th March. There will be no sitting on the 11th March. There will be a sitting on the 25th March. The Assembly stands adjourned till 11 a.m. on Monday next.

The Assembly then adjourned till Eleven of the Clock on Monday, the 16th February, 1959.