

23rd March 1939

**THE
LEGISLATIVE ASSEMBLY DEBATES**

(Official Report)

Volume III, 1939

(14th March to 28th March, 1939)

**NINTH SESSION
OF THE
FIFTH LEGISLATIVE ASSEMBLY,
1939**



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LEGISLATIVE ASSEMBLY.

Thursday, 23rd March, 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.

STARRED QUESTIONS AND ANSWERS.

(a) ORAL ANSWERS.

APPROVED LISTS FOR PROMOTION TO SELECTION POSTS, ETC., ON THE EAST INDIAN RAILWAY.

†1246. *Mr. Muhammad Nauman: Will the Honourable the Railway Member be pleased to state regarding the East Indian Railway:

- (a) whether the General Manager, East Indian Railway, has made any rule prescribing the maintenance of an approved list in respect of promotion to posts on the normal channels and the selection posts;
- (b) whether the General Manager, East Indian Railway, prescribed any syllabus for the purposes of selection-cum-examination and selections for selection posts;
- (c) whether the business of the Selection Boards has been ordered by the General Manager to be conducted orally; if not, whether there is anything to the contrary; and
- (d) how a Selection Board is appointed and whether it is defined anywhere in the Establishment Code?

The Honourable Sir Thomas Stewart: (a) to (d). Such rules and instructions as have been prescribed by the General Manager will be found in the East Indian Railway's "Rules for the recruitment and training of subordinate staff", a copy of which is in the Library of the House. The reply to the second part of (d) is in the negative.

OUT-AGENCY AT SOOTEA OPENED BY THE EASTERN BENGAL RAILWAY.

1247. *Mr. Kuladhar Ohaliha: (a) Will the Honourable the Railway Member please state if the Sootea out-agency was opened in November 1937, by the Eastern Bengal State Railway for serving the Eastern area of the Tezpur Division?

- (b) Is it a fact that the said out-agency was closed for goods from January last, causing inconvenience to the public?
- (c) Is it a fact that the out-agency was closed for passengers, etc., on the objection of the steamer Companies?
- (d) Are Government aware that the out-agency brought an income of about Rs. 2,000, or more, to the Railway?

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

(e) If so, are Government prepared to see that the out-agency is kept open for all traffic?

(f) Do the Eastern Bengal State Railway receive any subsidy from the Government of Assam for the extension of the Railway to Rangapara North?

The Honourable Sir Thomas Stewart: (a) Yes.

(b) It is a fact that the out-agency was closed for the booking of goods from January last, but only a small quantity of goods traffic was moving.

(c) No. The out-agency was closed for the booking of goods only.

(d) The earnings on both goods and coaching traffic during the calendar year 1938 were approximately Rs. 9,000.

(e) and (f). I would refer the Honourable Member to the reply given to parts (a) and (d) of his starred question No. 1190 of 20th March, 1939.

Mr. T. S. Avinashilingam Chettiar: May I know whether the policy of the Government is to open out-agencies only when they are paying?

The Honourable Sir Thomas Stewart: It is an obvious reason for opening an out-agency, namely, that it will pay.

Mr. T. S. Avinashilingam Chettiar: May I know whether Government will take into consideration the convenience of passengers living in rather far off tracts from which access to the railway station is rather difficult, in closing or opening an out-agency?

The Honourable Sir Thomas Stewart: In this present instance I understand that there are alternative facilities.

Mr. Kuladhar Chaliha: Is it a fact that in the interests of the steamer companies this out-agency was being closed?

The Honourable Sir Thomas Stewart: I understand that it was in order to avoid uneconomic competition with the steamer company that this out-agency was closed.

Mr. Kuladhar Chaliha: Is it a fact that the Assam Government pay about Rs. 1,70,000 subsidy to this railway?

The Honourable Sir Thomas Stewart: I dealt with that in answer to a question asked by the Honourable Member a few days ago.

EXPENDITURE ON THE PROVISION OF AMENITIES TO THIRD CLASS PASSENGERS ON RAILWAYS.

1248. ***Mr. Brojendra Narayan Chaudhury:** Will the Honourable the Railway Member please state the amount of money spent last year by the (i) State Railways and (ii) other Railways in capital expenditure to provide better accommodation and amenities to third class passengers and the earnings of (i) State and (ii) other Railways from third class traffic and passenger and luggage fares in that year?

The Honourable Sir Thomas Stewart: I would refer the Honourable Member to the Explanatory Memorandum of the Railway Budget for 1937-38 and to page 99 of the Railway Board's Annual Report on Indian Railways for 1937-38, Volume II, which contain the information he requires for both State and other Railways. No separate records are maintained of the earnings from luggage booked by third class passengers.

REDUCTION IN UPPER CLASS ACCOMMODATION TO COPE WITH INCREASED THIRD CLASS TRAFFIC ON RAILWAYS.

1249. *Mr. Brojendra Narayan Chaudhury: Will the Honourable the Railway Member please state:

- (a) whether it is a fact that the figures for 1937-38 disclose that the Indian Railways possess one first class seat for 11 passengers, one second class seat for 70 passengers and one third class seat for 480 passengers as against 12, 90 and 400 passengers in 1935 as stated by Mr. N. M. Joshi in this House;
- (b) whether it is a fact that in spite of the list of additions given to the House by the Honourable Member during the discussion of demands for grants for the coming year, the Railways have not been able to cope with increased third class traffic and do not curtail upper class accommodation in response to decreasing traffic; the reasons why the Railways cannot and do not do so; and
- (c) if so, whether the Railways propose to insist on continued propaganda to attract more third class passengers by means of pictorial advertisements in the newspapers where railway travel is described as cool, comfortable, safe and even by an appeal to religious beliefs of the people?

The Honourable Sir Thomas Stewart: (a) Yes. The figures given by the Honourable Member are substantially correct.

(b) No.

(c) Does not arise.

Mr. Brojendra Narayan Chaudhury: Does the Honourable Member consider that his answer to (b) follows from his reply to (a)? The Honourable Member says that the figures are substantially correct.

The Honourable Sir Thomas Stewart: I have no reason to believe that the figures we publish are other than correct.

Mr. Brojendra Narayan Chaudhury: The Honourable Member admitted the correctness of the figures that year by year the railways are being more and more overcrowded. Then how does he say in reply to (b), No?

The Honourable Sir Thomas Stewart: I have said that the figures quoted by the Honourable Member are substantially correct.

Mr. K. Santhanam: May I know if the Railway Board is considering the desirability of fixing a standard of maximum and minimum number of persons per seat for each of these classes of accommodation?

The Honourable Sir Thomas Stewart: No, Sir. I think it is unnecessary to do so.

Seth Govind Das: The Honourable Member said that the figures quoted in clause (a) are correct. Then, how does he say that what is stated in clause (b) is not correct?

The Honourable Sir Thomas Stewart: It happens to be true nevertheless.

Mr. President (The Honourable Sir Abdur Rahim): This is a matter which has been argued over and over again.

Mr. S. Satyamurti: With reference to the answer to clause (b) of the question, may I ask the Honourable Member what is the latest information available to them—that the railways have been able to cope with all third class traffic without any overcrowding?

The Honourable Sir Thomas Stewart: I explained to the House only a week or two ago that elaborate steps had been taken to check the existence or non-existence of overcrowding in railway trains. The results of the census taken showed that overcrowding was the exception, not the rule.

INCREASE IN THE ALLOTMENT OF SEATS TO THIRD CLASS PASSENGERS ON RAILWAYS.

1250. *Mr. Brojendra Narayan Chaudhury: Will the Honourable the Railway Member state:

- (a) whether he is aware that third class passengers, particularly in the hot season, give expressions of discomfort felt due to overcrowding in various ways, such as, quarrelling and even fighting for a seat near windows, vigorous hand fanning, etc., when the compartment is full to near the maximum accommodation, though the maximum may not be exceeded;
- (b) whether the fact that India is on the whole much hotter than Europe, is taken into consideration in allotment of accommodation; and
- (c) whether Government intend to increase the allotment to at least two feet per head?

The Honourable Sir Thomas Stewart: (a) I appreciate that travel by rail in the hot season in India is liable to be attended by discomfort and I am prepared to take it from the Honourable Member that expressions of discomfort may find vent in the manner he suggests.

(b) All relevant factors are taken into consideration.

(c) The question of increasing the minimum width of seat per passenger will be examined.

TICKETLESS TRAVELLING ON RAILWAYS.

1251. *Mr. Brojendra Narayan Chaudhury: Will the Honourable the Railway Member please state:

- (a) approximately the cost of the special measures to check tickets to prevent ticketless travelling mentioned in paragraph 65, page 64, of the Railway Board's Report on Railways in the year 1937-38 as against rupees twenty-six and half lacs, the amount due from the passengers detected by the staff;

- (b) of the above twenty-six and half lacs, approximately how much has been realised;
- (c) whether he can give any idea of the volume of ticketless travel that still goes on in spite of the efforts at detection, and the amount of consequent loss;
- (d) whether it was considered in recent years if legislation would be necessary; the extent to which the matter was followed and whether any Bill was drafted; and
- (e) if the reply to part (d) be in the affirmative, whether the matter has been given up, or is still being pursued—the stage at which it is or the reasons for giving up the idea of legislation to stiffen the law of evasion?

The Honourable Sir Thomas Stewart: (a) The cost of the special measures to prevent ticketless travelling is not available, but the total cost of ticket checking staff amounted to Rs. 38,41,465.

(b) Rs. 25,55,762.

(c) It is not possible to compute with any accuracy the volume of ticketless travel that still goes on in spite of efforts at detection.

(d) and (e). I would refer the Honourable Member to the reply given to part (a) of his starred question No. 988 of the 13th March, 1939.

Mr. Brojendra Narayan Chaudhury: Is the Honourable Member satisfied that the amount realised by the detection staff pays for the cost of that staff?

Dr. Sir Ziauddin Ahmad: Several times over.

The Honourable Sir Thomas Stewart: Yes, it is our opinion that it is worth while spending the money on that staff.

Mr. Brojendra Narayan Chaudhury: Will the Honourable Member kindly explain how it is worth while?

The Honourable Sir Thomas Stewart: It is really a matter of opinion. While it is possible to keep a record of the ticketless traveller who has been detected, we have obviously no statistics of those who have gone undetected.

Mr. S. Satyamurti: Have Government given up finally any idea of legislation on this matter?

The Honourable Sir Thomas Stewart: I think I have answered a question to that effect recently. I think the implication of my reply was that no final abandonment had been made.

MAINTENANCE OF ACCOUNTS OF CERTAIN REFRESHMENT ROOMS ON THE BENGAL NAGPUR RAILWAY.

1252. ***Mr. K. Santhanam:** Will the Honourable Member for Railways please state with reference to the statement laid by him on the table of the House on the 7th February, 1939:

- (a) whether the Bengal Nagpur Railway are keeping separate accounts for the first and second class refreshment rooms maintained by them;

- (b) whether they realised any profit or incurred any loss, during the last three years; and
- (c) what the total expenses and receipts on this account for the same period were?

The Honourable Sir Thomas Stewart: (a), (b) and (c). Government have no information as to whether separate accounts are maintained for first and second class refreshment rooms.

Mr. K. Santhanam: May I know whether they have ascertained from the Bengal Nagpur Railway whether they are keeping accounts?

The Honourable Sir Thomas Stewart: The Government are perfectly well aware that the Bengal Nagpur Railway are keeping accounts, but it is a very difficult thing to separate out the precise shares of the first and second class refreshment rooms, in view of the fact that there are very considerable charges which are common to both, overhead charges of the entire catering department, for example.

Mr. K. Santhanam: May I know the cost of the entire catering department of the Bengal Nagpur Railway?

The Honourable Sir Thomas Stewart: I cannot say unless the Honourable Member gives me notice.

Dr. Sir Ziauddin Ahmad: Is it not a fact that this is a losing concern?

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

Pandit Nilakantha Das: The first and second class refreshment rooms,—are they not the only refreshment rooms maintained and managed by the railway themselves? The third class refreshment rooms. . . .

The Honourable Sir Thomas Stewart: If a question is being asked in regard to third class refreshment rooms, I should require notice.

AMOUNT RECEIVED FROM CERTAIN REFRESHMENT ROOMS AT BOMBAY CENTRAL.

1253. *Mr. K. Santhanam: Will the Honourable Member for Railways please state:

- (a) the amount received by the Bombay, Baroda and Central India Railway from Messrs. Aguiar and Company on account of the first and second class refreshment rooms at the Bombay Central for the last three years;
- (b) whether the arrangement for the payment of thirty per cent. of the net profits is for any stated period, or renewable from year to year; and
- (c) for how long this arrangement has lasted?

The Honourable Sir Thomas Stewart: (a) 1936—Rs. 65-8-0.
1937—Rs. 511-0-0.
1938—Rs. 118-7-0.

(b) The arrangement is renewable from year to year.

(c) Since 1932.

Mr. K. Santhanam: May I know whether in the opinion of the railway administration this arrangement is working satisfactorily?

The Honourable Sir Thomas Stewart: I could not possibly give the Honourable Member the views of the railway administration.

Mr. T. S. Avinashilingam Chettiar: May I know whether tenders were called for when these contracts were given?

The Honourable Sir Thomas Stewart: I could not answer that without notice.

CONTRACT FOR CERTAIN REFRESHMENT ROOMS ON THE SOUTH INDIAN RAILWAY.

1254. *Mr. K. Santhanam: Will the Honourable Member for Railways please state :

- (a) when the South Indian Railway entered into a contract with Messrs. Spencer and Company for the first and second class refreshment rooms, and for how many years;
- (b) whether any tenders were called for;
- (c) whether the contractors are bound to maintain the rooms at all the stations mentioned in the statement; and
- (d) if the number of persons requiring European catering is so small, what is the need for maintaining so many refreshment rooms and within so short distances of one another?

The Honourable Sir Thomas Stewart: (a) The original agreement executed in 1897 by which Messrs. Spencer & Co. undertook the management of first and second class refreshment rooms was valid for seven years. From 1916 to date, each refreshment room is the subject of a separate agreement with the firm. The period of contract is indefinite, but each agreement is terminable on three months' notice on either side.

(b) Government understand that information is not available at this distant date

(c) No. As stated in the reply to part (a), each refreshment room is governed by a separate agreement.

(d) Government understand that the number of refreshment rooms is fixed to serve adequately the main and branch lines. The fact that, in certain cases, they are at short distances one from another is due to the number of branch lines on the different gauges and the position of the junction stations.

Mr. K. Santhanam: If the Honourable Member will look at the statement which he has supplied, one of the reasons for the low rent taken from these people is that they have to maintain so many uneconomic refreshment rooms but according to his reply they enter into a separate contract for each refreshment room. Then why should not each refreshment room be charged accordingly?

The Honourable Sir Thomas Stewart: I personally see nothing inconsistent in the two statements.

Mr. T. S. Avinashilingam Chettiar: May I know whether Government will examine the question of the rents of all these European refreshment rooms?

The Honourable Sir Thomas Stewart: The Honourable Member knows, as I told him more than once, that the question of rents for these refreshment rooms is now under consideration.

REFRESHMENT ROOMS ON RAILWAYS.

1255. *Mr. K. Santhanam: Will the Honourable Member for Railways please state with respect to the statement laid by him on the table on 7th February, 1939:

- (a) whether the Railway Board is taking any steps to rationalise the procedure adopted by the various Railway Administrations in regard to the refreshment rooms; and
- (b) whether Government propose to adopt the principle of division of net profit?

The Honourable Sir Thomas Stewart: (a) and (b). I would refer the Honourable Member to the reply given to part (d) of Mr. T. S. Avinashilingam Chettiar's starred question No. 901 of the 9th March, 1939.

Mr. K. Santhanam: So far as I remember, it could not have covered the reply to part (b)—whether they are actively considering this particular method of dealing with it?

The Honourable Sir Thomas Stewart: Well, Sir, that impresses me as one of the issues that will come under review.

CONFIRMATION OF ASSISTANT STATION MASTERS ON THE NORTH WESTERN RAILWAY.

1256. *Mian Ghulam Kadir Muhammad Shahban: (a) Will the Honourable Member for Railways be pleased to state the number of grade II Assistant Station Masters' posts in each of the seven divisions of the North Western Railway?

(b) How many Assistant Station Masters, grade II, in each division, have been confirmed and how many are still temporary, and why they have not yet been confirmed?

(c) What is the maximum period for which any one of these Assistant Station Masters has remained as temporary, and why? What are the rules regarding confirmation of temporary staff?

(d) Is it a fact that several Assistant Station Masters had received letters of confirmation in this grade which were subsequently cancelled?

(e) If the reply to part (d) above be in the affirmative, will the Honourable Member please state who countermanded their confirmation?

(f) Was such countermanding of confirmation covered by the Railway rules? If so, will the Honourable Member please quote the relevant rule?

The Honourable Sir Thomas Stewart: (a) Multan 9; Rawalpindi 12; Quetta 8; Lahore 6; Karachi 14; Delhi and Ferozepore none.

(b) None has been confirmed. These men are borne on the seniority list of station masters and assistant station masters, Grade I, from which they have been selected and cannot be confirmed until men senior to them have been confirmed as station masters, Grade II.

(c) Twelve years and eight months, for the reason given in my reply to part (b). Confirmation of temporary staff is dependent on the occurrence of a permanent vacancy for which no other employee has a prior claim for consideration.

(d) Yes.

(e) The Divisional Personnel Officer, Multan.

(f) At the time there was no rule prohibiting orders of confirmation being cancelled.

Mr. Lalchand Navalrai: With reference to clauses (c) and (d), may I know whether there is any time limit fixed for their confirmation or it is left to the officer to confirm them at any time, even after a long time?

The Honourable Sir Thomas Stewart: Confirmation depends on the occurrence of a permanent vacancy in the grade.

Mr. Lalchand Navalrai: May I know from the Honourable Member if a vacancy does not happen he has to be confirmed in the grade in which he has been acting temporarily?

The Honourable Sir Thomas Stewart: Only when a vacancy occurs in the grade.

Dr. Sir Ziauddin Ahmad: Is it a fact that several station masters were confirmed in their appointments and afterwards their confirmation was withdrawn.

The Honourable Sir Thomas Stewart: That is the substance of my answer.

Prof. N. G. Ranga: Was this confirmation withdrawn for any specific reason?

The Honourable Sir Thomas Stewart: I presume the confirmation was made in error.

Dr. Sir Ziauddin Ahmad: Who was the officer who issued the orders in error?

The Honourable Sir Thomas Stewart: Presumably the officer referred to in part (e) of the question.

Mr. S. Satyamurti: Has he been punished?

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

DISCHARGE OF STAFF CONTROLLED BY THE GENERAL MANAGER BY THE DIVISIONAL SUPERINTENDENT ON THE NORTH WESTERN RAILWAY.

1257. *Mian Ghulam Kadir Muhammad Shahban: (a) Will the Honourable Member for Railways be pleased to state whether a Divisional Officer on the North Western Railway can discharge an employee whose post is controlled by the General Manager, such as a Permanent Way Inspector?

(b) If the reply to part (a) above be in the affirmative, how does the Honourable Member reconcile this with Rule 5 (c) of the rules regulating discipline and rights of appeal by non-gazetted employees issued under Railway Board's letter No. E./34/R. G./6, dated the 22nd June, 1935?

(c) Is it a fact that under item 105 (viii) of the Schedule of Powers of Divisional Superintendents, under Chapter XII of the North Western Railway Organization Manual, all Divisional Officers are vested with powers of removal of any member in non-gazetted subordinate service, irrespective of the fact whether that officer or even the Divisional Superintendent had power to make the subordinate's appointment?

(d) If the reply to part (c) above be in the affirmative, how does the Honourable Member reconcile this with Railway Board's rules referred to in part (b) above?

The Honourable Sir Thomas Stewart: I have called for certain information and will place a reply on the table of the House when it is received.

RECRUITMENT OF JOURNEYMEN ON THE NORTH WESTERN RAILWAY.

1258. *Mian Ghulam Kadir Muhammad Shahban: (a) Will the Honourable Member for Railways be pleased to state if it is a fact that journeymen on the North Western Railway are recruited from Maclagan College Apprentices?

(b) Has the Honourable Member got any information as to what scales of pay such apprentices get in other industrial concerns in the Punjab, Sind and adjacent Provinces?

(c) If the reply to part (b) be in the negative, is the Honourable Member prepared to obtain such information?

(d) If the reply to part (b) above be in the affirmative, will the Honourable Member be pleased to lay on the table of the House a statement containing the said information?

The Honourable Sir Thomas Stewart: (a) Yes, generally.

(b) No.

(c) No: a comparison with other industrial concerns would not serve any useful purpose.

(d) Does not arise.

HOUSING ACCOMMODATION FOR THE STAFF EMPLOYED IN THE DIVISIONAL OFFICE AT DELHI.

1259. *Mian Ghulam Kadir Muhammad Shahban: (a) Will the Honourable Member for Railways be pleased to state whether it is a fact that the staff employed in the Divisional Office at Delhi have made representations for construction of staff quarters to accommodate Railway staff by charging them rent at the authorized rate of ten per cent. of pay? If so, what action has been taken in the matter?

(b) Is it a fact that there is a dearth of good, well-ventilated and cheap private accommodation at Delhi for residence of Railway clerical staff?

(c) Is it a fact that the Government of India provide housing accommodation for their clerical staff on recovery of usual rent?

(d) Is it a fact that the Indian Railway Conference Association have also built quarters for their staff?

(e) Is the Honourable Member prepared to direct that housing accommodation is provided at Delhi by the North Western Railway Administration, for clerical staff on recovery of usual rents? If not, why not?

The Honourable Sir Thomas Stewart: (a) Yes, but it was not recommended by the authorities immediately concerned.

(b) I am aware that there is some difficulty in securing suitable cheap housing accommodation in Delhi.

(c) and (d). In conformity with my reply given to starred question No. 478 by Prof. Ranga on 24th February last year, a certain number of quarters have been built and will be occupied partly by staff of the Railway Clearing Accounts Office and partly by staff of the Indian Railway Conference Association.

(e) No. It is not the policy of Railway Administrations to provide accommodation for their clerical staff.

Mr. Lalchand Navalrai: May I know whether it is intended to build any more quarters?

The Honourable Sir Thomas Stewart: Not to my knowledge.

WORKING OF THE TELEPRINTERS SYSTEM.

1260. ***Mr. S. Satyamurti:** Will the Honourable Member for Communications please state:

- (a) in how many places and in how many offices the new teleprinters system is working;
- (b) the financial results of the working of that system to the Posts and Telegraphs Department; and
- (c) whether Government have satisfied themselves that the privilege of having a private teleprinter is not being abused?

The Honourable Sir Thomas Stewart: Teleprinters have been used by the Posts and Telegraphs Department for many years in a number of telegraph offices all over the country but on the assumption that the Honourable Member refers to the use of such machines owned and worked by Messrs. Reuters for the transmission of press messages on telegraph circuits rented to them by the Posts and Telegraphs Department, the reply is as follows :

- (a) One telegraph circuit each has been rented to Messrs. Reuters between Bombay and Calcutta, Bombay and Delhi, Bombay and Madras, Delhi and Lahore and Delhi and Simla. In addition, several local lines have been rented to them for the local distribution of press messages and commercial prices to their subscribers in the towns of Bombay, Calcutta, Delhi, Lahore and Madras.

(b) The total charges for the circuits rented between the main centres are Rs. 88,500 per annum. The rental and royalty charges for the local lines realised from Reuters during the year 1938 amounted to Rs. 7,120.

(c) Yes.

Mr. S. Satyamurti: With reference to part (a) of the question, (I am asking out of mere curiosity), may I know, besides Reuters, whether there are any other offices where these teleprinters are being used?

The Honourable Sir Thomas Stewart: Is the Honourable Member referring to departmental teleprinters or those working in the offices of private concerns?

Mr. S. Satyamurti: Outside the department?

The Honourable Sir Thomas Stewart: So far as I am aware, Reuters are the only people at present.

Mr. S. Satyamurti: Is there any in the Viceregal Lodge?

The Honourable Sir Thomas Stewart: I know of no such instrument.

Mr. S. Satyamurti: With reference to clause (b) of the question, may I know whether Government have made any calculation of the money they would have received if these teleprinters had not been working, and may I know if they have come to any conclusion as regards the financial results to the exchequer of the installation of these teleprinters by Reuters?

The Honourable Sir Thomas Stewart: The rents charged for these circuits are based on the buying cost and maintenance charges and depreciation. On top of that we have the additional advantage that our own circuits are relieved from the very great pressure of press messages.

Mr. S. Satyamurti: Having regard to the financial results resulting from the relief to the telegraph lines and to the fact that these teleprinters are now working without paying the press telegraph rates, are the Government satisfied that they are making a good bargain out of this, or at least that they are not losing over this?

The Honourable Sir Thomas Stewart: It is very difficult to put into rupees and annas a matter of convenience but so far as the actual money received is concerned, it is more advantageous to Government to hire out a circuit.

Mr. K. Santhanam: What is the rate per 80 words, which this arrangement works out for Reuter's messages?

The Honourable Sir Thomas Stewart: I could not possibly give an answer to a conundrum of that sort.

Mr. K. Santhanam: Is it a fact that for Reuters it works out at less than half the rates at which other press messages have to be sent?

The Honourable Sir Thomas Stewart: I could not answer a question of that sort without notice being given and without an opportunity of making the calculation.

Mr. K. Santhanam: May I know whether the Department are taking any steps to calculate the rate per word which they are getting from Reuters and from others?

The Honourable Sir Thomas Stewart: No, Sir.

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

CONSULTATION OF GOVERNMENT ABOUT THE RECOGNITION OF GENERAL FRANCO'S GOVERNMENT IN SPAIN.

1261. ***Mr. S. Satyamurti:** Will the Secretary for External Affairs please state:

- (a) whether the Government of India were consulted about the recognition of General Franco's Government in Spain by the Government of Great Britain;
- (b) whether the Government of India sent any reply to any such consultation; and
- (c) if so, what that reply was; whether in sending that reply they took into account the public opinion in this country?

Sir Aubrey Metcalfe: (a) No.

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

Mr. S. Satyamurti: May I know whether the answer "no" to part (a) of the question connotes the normal state of affairs, that is, that the Government of India are not consulted about any major questions of foreign policy by His Majesty's Government, or whether it is an exception?

Sir Aubrey Metcalfe: The Government of India are not ordinarily consulted about larger questions connected with European foreign policy.

Mr. S. Satyamurti: May I, therefore, take it that the Government of India do not get any opportunity of influencing the judgment of His Majesty's Government, with regard to major questions of foreign policy?

Sir Aubrey Metcalfe: Not with regard to European policy, regarding which the Government of India are necessarily not in as good a position as His Majesty's Government to judge of the merits of an individual case.

Mr. S. Satyamurti: May I know the reason why the Government of India are not consulted and why the Government of India acquiesce in this position, while Australia, which is further from England than India is, is consulted but India is not consulted?

Sir Aubrey Metcalfe: That is clear: Australia has dominion status and India has not.

ENQUIRY INTO THE HAZARIBAGH TRAIN DISASTER.

1262. ***Mr. S. Satyamurti:** Will the Honourable Member for Railways please state:

- (a) whether Government have made up their mind regarding the committee or the court of enquiry into the Hazaribagh train disaster;

- (b) what the personnel and the terms of reference are; and
 (c) when the committee or the tribunal is expected to report?

The Honourable Sir Thomas Stewart: (a) and (b). I would refer the Honourable Member to the Press communiqué issued by the Railway Department (Railway Board) on the 16th March, 1939.

(c) Government are unable to forecast when the Tribunal will conclude its labours.

Mr. S. Satyamurti: May I ask for some light on the terms of reference? I read the communiqué, but, as far as I can see, the terms of reference are not very clear. May I know specifically whether the terms of reference include an investigation into the general question of preventing such disasters in the future to the extent to which human brain and human ingenuity can?

The Honourable Sir Thomas Stewart: Sir, I do not think that would have been appropriate in the terms of reference.

Mr. S. Satyamurti: May I take it that this court of inquiry is confined by its terms of reference to merely investigating and reporting upon the causes of this accident alone?

The Honourable Sir Thomas Stewart: No, Sir, it has to deal with at least five occurrences.

Mr. S. Satyamurti: With regard to these five occurrences, may I know whether this court of inquiry will be called upon to report on the general causes, in order to give some information to Government and this House and the public as to the possibility of minimising such accidents in the future?

The Honourable Sir Thomas Stewart: I think the terms of reference are perfectly clear.

Mr. Mohan Lal Saksena: May I know if any facilities will be given to the non-official witnesses who may desire to appear before this court of inquiry?

The Honourable Sir Thomas Stewart: I understand that a general invitation to the public has already issued.

Mr. Mohan Lal Saksena: Will they be given any facilities regarding travelling expenses such as a free railway pass,—just as facilities are given to other witnesses appearing before any court?

The Honourable Sir Thomas Stewart: I am not prepared to offer free travel facilities.

HARMONIOUS DEVELOPMENT OF BROADCASTING IN INDIA ON ALL-INDIA LINES.

1263. ***Mr. S. Satyamurti:** Will the Honourable Member for Communications please state:

- (a) whether Government have considered the implications of section 129 of the Government of India Act, 1935, especially the provision that "it shall not be lawful for the Federal Government so to impose any conditions regulating the matter broadcast by, or by authority of the Government, or Ruler";

- (b) whether Government propose to take any steps to bring about co-operation between the Central Government on the one hand and the Provincial Governments and the States on the other so as to provide for the harmonious development of broadcasting in India on all-India lines; and
- (c) whether Government have considered the question of conditions on which the Government of any Province or Ruler of any State may be enabled to construct and use transmitters and regulate and impose fees in respect of the construction and use of transmitters and the use of receiving apparatus in the Province or the State; if so, what they are?

The Honourable Sir Thomas Stewart: (a) Yes.

(b) Steps have already been taken to acquaint Provincial Governments and the States with the desirability of co-ordinated development in the interests of broadcasting in India as a whole and Provincial Governments and those States who are actively interested in broadcasting have generally co-operated or have shown their willingness to co-operate with the Central Government to achieve co-ordinated development.

(c) Government do not consider it necessary at present formally to lay down any conditions under section 129 of the Government of India Act, 1935.

Mr. S. Satyamurti: With reference to the answer to clause (b) of the question, may I know whether the Government of India have addressed the Provincial Governments and the States who are interested in broadcasting or have heard from them, with regard not only to the co-ordination of receiving sets, but have they heard from them with regard to the possibility about the construction of broadcasting stations, which is also contemplated in this section of the Government of India Act?

The Honourable Sir Thomas Stewart: Sir, so far as Provincial Governments are concerned, I am not aware that any Provincial Government has proceeded very far with the consideration of maintaining its own station. I am informed, however, that in some of the States there are projects for the construction of broadcasting stations.

Mr. S. Satyamurti: In view of that possibility, and in view also of the desirability of having at all events broadcasting stations under one common control, have Government explored, or will they explore the possibility of bringing about co-operation between the Government of India on the one hand and the Provincial Governments and the States on the other hand so as to prevent the doubling, trebling or quadrupling of broadcasting stations, which may ruin the prospects of the harmonious development of broadcasting in this country?

The Honourable Sir Thomas Stewart: Our experience so far has been that there is the utmost desire on all sides to co-operate, and I should be reluctant to raise what might be an unpleasant issue if the Honourable Member's suggestion were adopted.

Mr. S. Satyamurti: Have Government satisfied themselves of this? I merely want to know the grounds of my Honourable friend's optimism. Have Government been assured by Provincial Governments and the States that they have no intention of constructing their own broadcasting stations?

The Honourable Sir Thomas Stewart: That is my deduction from our experience.

Mr. S. Satyamurti: Congratulations!

Mr. K. Santhanam: May I know if Government have an agreement with the States in regard to the wave-lengths?

The Honourable Sir Thomas Stewart: That is a matter in regard to which we have control,—if broadcasting stations other than our own were set up, they would have to conform to our plans in regard to wave-lengths.

Mr. K. Santhanam: Have you got that control in regard to the Indian States—not the Provinces? Have you got control in regard to Indian States by virtue of your paramount power or by agreement?

The Honourable Sir Thomas Stewart: That is my understanding of the case.

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

AMENITIES TO THIRD CLASS PASSENGERS AND REDRESS OF THEIR GRIEVANCES.

1264. ***Mr. S. Satyamurti:** Will the Honourable Member for Railways please state:

- (a) whether Government have considered the cut motion to the Railway Budget regarding the increased amenities to third class passengers and the redress of their grievances;
- (b) whether Government have taken or propose to take any specific steps apart from the construction of new type of third class carriages for increasing accommodation to third class passengers in other carriages and in other lines;
- (c) whether Government have taken or propose to take any steps to see that no overcrowding takes place in third class compartments; and
- (d) whether Government have taken or propose to take any steps to see that third class compartments and carriages are cleaned every three or four hours and passengers educated to keep them clean?

The Honourable Sir Thomas Stewart: (a) to (d). All suggestions made in connection with the 'cut motion' regarding amenities for third class passengers are under consideration.

Mr. S. Satyamurti: May I know whether the third class passenger—the long-suffering man—can expect some relief in the course of this year by way of increased and more comfortable accommodation for him on the Railways in this country?

The Honourable Sir Thomas Stewart: Yes, Sir, but I would hesitate to say that he will be afforded relief in the measure that I think the Honourable Member has in mind.

Seth Govind Das: May I know by what time the Honourable Member hopes to finish their consideration and to take steps in this direction?

The Honourable Sir Thomas Stewart: The Honourable Member is aware that plans have already been drawn up for the construction of improved types of third class carriages.

Seth Govind Das: May I know when those plans will be executed?

The Honourable Sir Thomas Stewart: In the course of the coming year.

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

CONTRACTS TO SELL ICE AND AERATED WATERS ON THE NORTH WESTERN RAILWAY.

1265. ***Mr. Sham Lal:** (a) Will the Honourable the Railway Member be pleased to state whether it is a fact that during the hot weather the North Western Railway grants licences to certain mineral water contractors to sell ice and aerated waters in running trains and at station platforms at the rates fixed by the Railway?

(b) If the answer to part (a) be in the affirmative, will the Honourable Member further state who those contractors are who have been working for the last six years or more?

(c) Is it a fact that such contracts are granted every year as per letter of the General Manager, North Western Railway, No. 18-AC/O/11P.-111, dated the 13th September, 1938, to the address of the Indo-American Engineering Company, Lahore, and vacancies are advertised in the press?

(d) If the answer to part (c) be in the affirmative, will the Honourable Member state through which of the papers such applications were invited every year, and if not, why not?

(e) Is it within the knowledge of Government that there is monopoly of certain contractors for the last many years, and if so, what is the cause of this? Why are chances to others not given?

The Honourable Sir Thomas Stewart: (a) Yes.

(b) From 1931—1933:

The Ganga Ice Factory.

Messrs. Manohar Lal & Bros.

Messrs. Bliss & Company.

The Central Aerated Gas Company.

From 1934—1938:

Captain Kanwar Deep Chand, Delhi.

Messrs. Bliss & Company.

The Central Aerated Gas Company (now known as the Teplitz Aerated Water Company).

(c) No. With effect from this year, the contracts are being granted for three years instead of one year as previously.

(d) and (e). As the working of the contractors in the past had been satisfactory, the contracts were renewed each year and there was no necessity to invite applications.

Prof. N. G. Ranga: Are tenders called for each year?

The Honourable Sir Thomas Stewart: No, Sir, they are not called for each year.

Prof. N. G. Ranga: May I know why tenders are not called for even after the previous experience?

The Honourable Sir Thomas Stewart: Because the General Manager was satisfied with the contractors who held the contracts in the past.

Prof. N. G. Ranga: Is the Honourable Member satisfied that that service cannot be done at a cheaper rate?

The Honourable Sir Thomas Stewart: The Honourable Member will hear about that from the next question.

Mr. S. Satyamurti: Will the Railway Board consider the adoption of the general principle of letting out contracts only by open tender, and will they find out and inform the House of the reasons why in this particular case that well-known method of guaranteeing to the exchequer and to the public the best and the cheapest service has been departed from, and the same man has been continued?

The Honourable Sir Thomas Stewart: The practice has not been departed from. I understand that it has always been the practice on the North Western Railway to grant contracts without tenders.

Mr. S. Satyamurti: I am not asking about the general practice. What I want to know is whether the Railway Board will correspond with this Railway and impress upon it the need in the interests of all concerned for inviting tenders and not to give any contract without inviting tenders.

The Honourable Sir Thomas Stewart: I am prepared to ask the Railway Board to discuss the matter with the General Manager of this Railway.

CONTRACTS TO SELL ICE AND AERATED WATERS ON THE NORTH WESTERN RAILWAY.

1266. ***Mr. Sham Lal:** (a) Will the Honourable the Railway Member be pleased to state whether applications were invited in January, 1939, from the mineral water contractors to apply for the licence to be granted for the years 1939, 1940, 1941 on the North Western Railway and obtain forms against payment of Rs. 5 each?

(b) Under what circumstances did the General Manager, North Western Railway, invite the applications this year for three years?

(c) How many applications from contractors were received in response to this public notice calling for them?

(d) Will the Honourable Member state whether amongst these applications, there was also an application from one firm the Icre and General Mills, Meerut, who suggested and volunteered to sell the minerals at a reduction of three pies per bottle and ice at a reduction of four annas per maund? If so, will the Honourable Member state if it was rejected, and on what grounds?

(e) Were the licences granted again to the old three contractors, adding one new one?

(f) What were the circumstances which led the General Manager to grant licences to the old contractors?

(g) Will the Honourable the Railway Member be pleased to state whether it is within the knowledge of the Honourable Member and the Government that a reduction of three pies per bottle sold in mineral and four annas per maund in ice makes a total of approximately Rs. 10,000 every year which could be saved to the public?

The Honourable Sir Thomas Stewart: (a) Yes.

(b) The North Western Railway Administration considered the three-year contract more suitable.

(c) Fifty.

(d) The answer to the first part is in the affirmative. As regards the second part, the Administration considered the contractor selected for the section was more suitable.

(e) Yes.

(f) I would refer the Honourable Member to the reply just given to parts (d) and (e) of his question No. 1265.

(g) Government have no information.

Mr. S. Satyamurti: Will my Honourable friend also have this matter examined by the Railway Board in consultation with this Railway on the same point, namely, not to renew contracts without inviting tenders?

The Honourable Sir Thomas Stewart: That, I think, would be covered by the guarantee I gave to the Honourable Member just now.

FIXATION OF SENIORITY OF STAFF GOING TO WALTON TRAINING SCHOOL ON THE NORTH WESTERN RAILWAY.

1267. ***Mr. Sham Lal:** (a) Will the Honourable the Railway Member be pleased to state whether it is a fact that the seniority of the North Western Railway staff who go to the Walton Training School, Lahore Cantonment, is fixed according to the school merit, i.e., marks obtained in the said school?

(b) If so, why is this practice not followed in the case of relief clerks promoted from number-takers under Divisional Superintendent, North Western Railway, Lahore?

(c) Is the General Manager, North Western Railway, Lahore, aware of this fact? If so, what action has been taken by him to redress the grievances of the sufferers?

(d) Has the General Manager, North Western Railway, Lahore, taken any action in this matter? If not, why not?

(e) Has the attention of Government been drawn to the grievances published in the *Tribune*, dated the 1st February, 1939? If so, what action has the General Manager, North Western Railway, Lahore, taken on it?

(f) Is it a fact that the recognised North Western Railway Union, Lahore, informed the General Manager, *vide* his letter No. 189/19, dated the 6th February, 1939, to issue instructions to the Divisional Superintendent, North Western Railway, Lahore, to act according to the policy in force? If so, what action has been taken by the General Manager?

(g) Will the Honourable the Railway Member throw light in details in this case?

The Honourable Sir Thomas Stewart: (a) The seniority on appointment of students, including those recruited for relief clerk posts in each batch joining a division on the same date, is regulated by their respective order of merit in the school examination.

The order of promotion of staff qualified in the duties of a guard is regulated by the order of merit obtained by each batch in the qualifying examination. In regard to other staff, sent to the school for promotion courses, the order of merit in the school examination does not affect their seniority.

(b), (c) and (d). Under instructions from the General Manager the permanent posting of relief clerks, who had been promoted from the category of number-takers, as ticket collectors and train clerks, was arranged in the order of their seniority as number-takers.

(e) and (f). I have not seen the newspaper referred to and have no information in regard to the other points.

(g) The matter is one within the competence of the General Manager to deal with and I do not consider that any interference on my part is called for.

Mr. Lalchand Navalrai: With reference to the answer to part (d) of the question, may I know what is the basis on which these relief clerks are promoted from the grade of number-takers? Are they promoted on merit or because of seniority?

The Honourable Sir Thomas Stewart: Under instructions from the General Manager the permanent posting of relief clerks, who had been promoted from the category of number-takers, as ticket collectors and train clerks, was arranged in the order of their seniority as number-takers.

Mr. Sham Lal: May I ask whether the General Manager passed an order on the 22nd February, 1939, that the seniority should be determined by merit and that after the receipt of these questions he set aside that order?

The Honourable Sir Thomas Stewart: I have endeavoured in the course of this somewhat long reply to give all the information I have regarding the orders passed by the General Manager.

Mr. Sham Lal: Will the Honourable Member make an inquiry whether the order was passed on the 22nd February, 1939, and was subsequently set aside by Government?

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

DEPARTMENTAL WORKING OF REFRESHMENT ROOMS ON CERTAIN RAILWAYS.

1268. *Prof. N. G. Ranga: Will the Honourable the Railway Member be pleased to state:

- (a) whether the Bengal Nagpur Railway works the European refreshment rooms and the Madras and Southern Mahratta Railway works the Indian refreshment rooms only departmentally, and the latter attempt has proved very profitable;
- (b) whether Government are prepared to direct the Bengal Nagpur Railway to work its Indian refreshment rooms departmentally;
- (c) whether Government have finished their consideration of the advisability and profitability of taking up the Indian refreshment rooms for departmental working; if so, what is their conclusion;
- (d) whether the Central Advisory Council for Railways was consulted about this matter, and if so, whether before or after coming to their decision; and
- (e) if not, whether Government are prepared to place their estimates of the business position of departmental working and contractors working before the Council, along with an account of the experience of the Madras and Southern Mahratta and South Indian Railways?

The Honourable Sir Thomas Stewart: (a) Yes. The Madras and Southern Mahratta Railway has 35 Indian refreshment rooms, of which 29 are worked departmentally, the remaining six by contractors. Government have no information regarding the profits from departmental working of Indian refreshment rooms. It is a fact that the catering as a whole, which includes refreshment cars, platform contracts, Indian refreshment room contracts, etc., shows a profit.

(b) No. This is a matter for the Railway Administration to decide for itself.

(c), (d) and (e). The matter is under consideration and will be discussed with the Central Advisory Council for Railways before which all available information will be placed.

Prof. N. G. Ranga: Is it not a fact that this matter has been under consideration for more than a year?

The Honourable Sir Thomas Stewart: I am prepared to take the Honourable Member's word for it.

Prof. N. G. Ranga: What is the reason for this delay, because an assurance was given to this House, either by the predecessor of the Honourable Member or the Honourable Member himself, during the last Budget Session, that this question was under their active consideration and that they were going to come to a final conclusion very soon?

The Honourable Sir Thomas Stewart: As the Honourable Member could himself deduce from the statement that I laid on the table a few days ago, the inquiry has been a very elaborate one.

Seth Govind Das: Will Government come to some decision on this question within this year?

The Honourable Sir Thomas Stewart: I have already informed the House that the matter is under immediate consideration.

TAKING OF POSTAL INSURANCE POLICIES BY RAILWAY EMPLOYEES.

1269. *Prof. N. G. Ranga: Will the Honourable Member for Communications please state:

- (a) whether the Railway employees (gazetted and non-gazetted) are entitled to take up policies in the postal insurance scheme;
- (b) if not, whether the advisability of permitting them to do so was considered, and if so, when;
- (c) whether it is proposed to be considered again;
- (d) whether Government are prepared to consider the advisability of extending the scope of the postal insurance to the employees of all Local Boards and Provincial Governments;
- (e) what steps are being taken to bring prominently to the notice of all Government employees and those of Local Boards the existence and advantages of insuring themselves in the postal insurance; and
- (f) if none have so far been taken, whether suitable steps are proposed to be taken in future?

The Honourable Sir Thomas Stewart: (a) and (d). I would invite the attention of the Honourable Member to Rule 2 of the Rules relating to Postal Life Insurance and Endowment Assurance.

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

(e) and (f). No special steps are necessary as the Fund is already popular and well-known to all Government and quasi-Government servants.

Prof. N. G. Ranga: Does that mean that the fund is open to the employees of the State Railways?

The Honourable Sir Thomas Stewart: Yes.

Mr. M. Thirumala Rao: Will Government permit the use of the provident fund for the railway employees to be utilised for their insurance premiums?

The Honourable Sir Thomas Stewart: I submit that question does not arise.

Prof. N. G. Ranga: With reference to part (e) of the question, are the employees of the Local Boards entitled to insure themselves?

The Honourable Sir Thomas Stewart: That is the substance of my reply.

PROVISION OF RADIO SETS IN VILLAGES.

1270. *Prof. N. G. Ranga: Will the Honourable Member for Communications be pleased to state:

- (a) whether any attempt is being made to see how many radio sets are being taken by people in rural parts as compared to those taken for urban areas, in view of the fact that the presence of a radio set in a village is a greater civilising element than in a town;
- (b) if so, how many radio sets are to be found till now in villages (if possible please give figures Province by Province);
- (c) if not, whether Government propose to collect such statistics and at least keep separate lists of licences granted to people of rural and urban areas, respectively, for the future;
- (d) how many rural community sets are today functioning and how many in each Province;
- (e) whether Government are giving or propose to give, any subvention for the establishment, maintenance or reducing licence fees, in addition to the financial assistance given by Provincial Governments in order to encourage more and more villages to go in for such sets; and
- (f) whether any systematic effort is sought to be made to provide adult educational talks in local languages, specially needed by rural folk at times of day when they can be expected to listen to them?

The Honourable Sir Thomas Stewart: (a) No statistics of this nature have so far been kept.

(b) Does not arise.

(c) Government do not consider that the advantages to be derived from the collection of such statistics would justify the labour and expense which would be involved.

(d) The exact number functioning is not known, but 20 rural community receiving sets have so far been installed in Delhi Province and 165 applications to instal such sets have been sanctioned in other provinces, *vis.*, 114 in Madras, 28 in the United Provinces, 17 in Bengal, three in the Punjab and one each in Bombay, Sind and the Central Provinces.

(e) No. I would, however, invite the attention of the Honourable Member to the reply given by me to part (d) of Mr. Mohan Lal Saksena's starred question No. 918 on 9th March, 1939.

(f) Yes.

Prof. N. G. Ranga: What is the objection on the part of Government for keeping these statistics at least for the future? I am asking this with reference to part (c) of the question.

The Honourable Sir Thomas Stewart: I gave a very straight answer in reply to part (c).

Prof. N. G. Ranga: In view of the fact that the Honourable Member's statistics themselves show that only very few sets are being given to the rural parts, is it not a fact that it will not involve the Government in any undue labour or cost?

The Honourable Sir Thomas Stewart: I suggest that the Honourable Member should make his representation to the Provincial Governments and not to the Central Government.

Prof. N. G. Ranga: How do the Government of India expect to have the spread of this broadcasting in rural areas if they do not maintain the statistics?

The Honourable Sir Thomas Stewart: I think the Honourable Member refers to the increase of broadcast receivers for rural organisation purposes; that is primarily the concern of the Provincial Governments.

Prof. N. G. Ranga: Is it not the policy of the Government of India to see that more and more of these sets are spread out in the rural areas?

The Honourable Sir Thomas Stewart: Yes, Sir. The Government of India would welcome such a development.

MEASURES FOR SAFETY OF WOMEN TRAVELLING IN THIRD CLASS COMPARTMENTS.

1271. ***Prof. N. G. Ranga:** Will the Honourable Member for Railways be pleased to state:

- (a) the number of cases during the last three years in which women travelling in third class women's compartments were either assaulted or insulted or robbed by men who entered their compartments either stealthily or forcibly;
- (b) whether Government are investigating carefully every one of those cases and taking suitable action against the miscreants who are involved in them, if any;
- (c) whether his attention has been drawn to the suggestion made by the North Western Railway Advisory Committee which met on the 21st April, 1938, that grills or fixed venetian frames should be set up in the upper part of partitions separating women's compartments from adjacent compartments in lower class carriages, which would assist in the prevention of crimes against female passengers and the opinion expressed by the committee in favour of an opening close to the roof fitted with an expanded metal grill;
- (d) if so, whether he has considered the advisability of adopting that suggestion for incorporation in the designs now being approved of for the construction of new third class carriages;
- (e) if the North Western Railway are introducing this alteration in their carriages containing women's reserved compartments; and
- (f) if Government propose to bring to the notice of all other railways the need for making this change in all their carriages containing women's reserved compartments within the shortest possible time?

The Honourable Sir Thomas Stewart: (a) to (f). I would refer the Honourable Member to the reply given to Mr. B. N. Chaudhury's starred question No. 159 of the 12th August, 1938, and, in regard to part (a), I am obtaining from Railways the number of such cases which occurred in 1938 and will lay a statement on the table of this House.

Prof. N. G. Ranga: Part (c) was not covered in that answer. I want to know what conclusion the Government of India have come to in regard to the suggestion made by the North Western Railway Advisory Committee "that grills or fixed venetian frames should be set up in the upper part of the partitions separating women's compartments from adjacent compartments in lower class carriages" ?

The Honourable Sir Thomas Stewart: My memory is that the proposal was considered in the railway conference and the general view of the experts was that it was not a practical proposition. But I believe that experiments are still going on.

Prof. N. G. Ranga: Will this suggestion be placed before the next meeting of the Central Railway Advisory Committee?

The Honourable Sir Thomas Stewart: I cannot off-hand anticipate the agenda of that meeting.

MENTION OF CERTAIN INFORMATION IN RAILWAY TIME TABLES.

1272. ***Prof. N. G. Ranga:** Will the Honourable the Railway Member be pleased to state:

- (a) if his attention has been drawn to the suggestion made and accepted by the South Indian Railway Advisory Committee that a foot-note be added under the timings on each page in the time-tables to mention the page of the time-table in which the timings of the trains on the reverse section appear;
- (b) whether the suggestion has been brought to the notice of other Railway authorities in any special manner; and
- (c) if so, whether Government propose to see that the suggestion is carried out in all Railway time-tables?

The Honourable Sir Thomas Stewart: (a) Yes.

(b) All Railways are supplied quarterly with particulars of meetings of Local Advisory Committees.

(c) I am prepared to call the attention of Railway Administrations to the minutes of the 59th meeting of the South Indian Railway Local Advisory Committee held on the 6th May, 1938, for any such action as they may desire to take.

FIRST DELIVERY OF MAILS IN NEW DELHI.

†1273. ***Pandit Krishna Kant Malaviya:** (a) Is the Honourable the Communications Member aware that the first delivery of mails in New Delhi does not take place before 9 A.M. daily?

(b) Is the Honourable Member aware that in most other towns in India the delivery is at 7 A.M.?

(c) Does the Honourable Member propose to arrange that deliveries are made at 7 A.M. in New Delhi?

The Honourable Sir Thomas Stewart: (a) The first delivery of mails is issued from the New Delhi Post Office at 8 A.M. daily excepting Sundays and not at 9 A.M.

(b) It is a fact that in some towns the first delivery issues at 7 A.M.

(c) No.

PROVISION OF UNIFORMS TO POSTMEN IN DELHI AND NEW DELHI.

†1274. ***Pandit Krishna Kant Malaviya:** (a) Will the Honourable Member for Communications please state whether postmen are given uniforms to wear, while on duty, and whether they do so in New Delhi?

(b) Is it a fact that most of the postmen of Delhi and New Delhi wear no uniform?

(c) Is the Honourable Member prepared to issue orders that the postmen of Delhi and New Delhi wear uniforms while on their rounds?

The Honourable Sir Thomas Stewart: (a) Yes.

(b) No.

(c) Does not arise.

EFFECTING OF ECONOMIES IN THE RAILWAY CLEARING ACCOUNTS OFFICE.

1275. ***Dr. P. N. Banerjee:** Will the Honourable Member for Railways please state:

(a) whether it is a fact that the apportionment by machines in the Railway Clearing Accounts Office was substituted with a Grand Summary Scheme of apportionment in February, 1938, and, as a result of this, certain economies, including the abolition of the Deputy Director's post, were promised;

(b) whether it is a fact that the required economies were only partially effected for a few months;

(c) whether it is a fact that Government have recently issued orders for effecting economies in the Railway Department;

(d) whether it is also a fact that, despite the orders, an additional post of an Assistant Accounts Officer has been sanctioned for the Railway Clearing Accounts Office; and

(e) if the answers to parts (a) to (d) above be in the affirmative, the justification for this extra expenditure?

The Honourable Sir Thomas Stewart: (a) The reply is in the affirmative, except that the abolition of the post of Deputy Director was in no way connected with the introduction of the grand summary method.

(b) No.

(c) Yes, certain instructions were issued in September, 1938, and afterwards.

(d) When the post of Deputy Director which was of administrative rank was abolished, it was anticipated that a junior officer instead might, at least for some time, be necessary, and subsequent experience has shown the need of such a post. A junior officer's post has accordingly been sanctioned temporarily, and the need for its continuance is being watched.

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

(e) The question of any extra cost does not arise. The savings anticipated from the introduction of the grand summary method, the downgrading of the post of Director and the abolition of the post of Deputy Director of administrative rank have all been realised.

NON-ACCEPTANCE OF CIRCULARS OF BROKERS, ETC., AT BOOK POST RATES.

1276. *Mr. Manu Subedar: (a) Will the Honourable Member for Communications please state whether Government have received representations complaining that circulars of brokers and others reporting rates are not accepted at book post rates, if the rates are written in hand in blank spaces of a circular otherwise printed or cyclostyled?

(b) What are the reasons preventing Government from complying with such representations on the subject?

(c) In what manner do Government expect that such a practice would affect the revenues of the Postal Department, or would lead to the abuse of the privilege asked for?

(d) Have Government any information as to the practice on this subject in the United Kingdom?

The Honourable Sir Thomas Stewart: (a) Yes.

(b) The circulars in question do not comply with the provisions of Rules 17 and 19 of the Indian Post Office Rules.

(c) The Postal Department suffers loss of revenue because, correctly, these documents should pay the letter postage rate.

(d) No.

Mr. Manu Subedar: Will the Honourable Member make an enquiry whether in the United Kingdom circulars from brokers in which rates are put down in manuscript are allowed at book post rates?

The Honourable Sir Thomas Stewart: Certainly.

Mr. Manu Subedar: Will the Honourable Member tell us what is the nature and volume of loss which he anticipates and which is attempted to be saved by Rules 17 and 19 of the Indian Post Office Rules?

The Honourable Sir Thomas Stewart: Without carrying out a census of the circulars which have been placed under objection I could not possibly estimate.

Mr. Manu Subedar: Has the Department considered whether they would not have a certain number of well-known brokers who are well established and *bona fide* persons and where in their case this rule may be relaxed?

The Honourable Sir Thomas Stewart: I do not understand the Honourable Member's plea *ad misericordiam*.

Mr. Manu Subedar: Difficulty is experienced by brokers who are dealing in stock exchange of wheat and various other markets who have got to send out to hundreds and thousands of their clients circulars. . . .

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member need not make a speech. The Honourable Member wants to persuade the Government to take a certain course of action. He is not asking for information. Next question.

COUNTRIES HAVING RECIPROCAL ARRANGEMENT FOR THE ENFORCEMENT OF CIVIL DECREES.

1277. ***Mr. Manu Subedar:** (a) Will the Secretary for External Affairs please state with which countries India has got reciprocal arrangement for the enforcement of civil decrees? Is France one of them?

(b) Are Government aware that serious difficulties arise through the claims of Indians against foreign companies or individuals trading in India, leaving debts behind, which cannot be enforced through the absence of the acceptance of reciprocal obligations to enforce decrees?

(c) Have Government made a representation to His Majesty's Government for securing this arrangement with France?

(d) Are Government examining the proposal for pushing this part of international relationship so far as India is concerned with the United States, France and other countries?

Sir Aubrey Metcalfe: (a) Reciprocal arrangements for the enforcement of decrees are restricted to cases arising between British India and other parts of the British Empire. There are therefore no reciprocal arrangements with France.

(b) Government are aware that difficulties may arise.

(c) and (d). No. I may explain that the Code of Civil Procedure (Amendment) Bill as originally introduced by the Government of India in this House provided for reciprocal enforcement of decrees between India and foreign countries. The Act as finally passed however excluded foreign countries from such reciprocal arrangements and foreign countries cannot be expected to afford India any special treatment when this country is not in a position to reciprocate.

Mr. Manu Subedar: With reference to part (d) which mentions the United States of America, may I know whether Government will bear this subject in mind at the time of negotiating a treaty for commerce and navigation?

Sir Aubrey Metcalfe: They can certainly bear that in mind. But they cannot obviously expect the United States to give them something which India cannot give them in return.

PROPOSAL FOR ENTERTAINING THE PRESIDENT OF FRANCE BY THE INDIA OFFICE.

1278. ***Mr. Manu Subedar:** (a) Will the Secretary for External Affairs please state whether it is a fact that there is a proposal for entertaining the President of France when he is in London by the India Office?

(b) On how many previous occasions had the India Office incurred such expenditure on behalf of India in entertaining heads of foreign States visiting London?

(c) Was the arrangement with regard to the French President made in consultation with the Government of India or independently?

(d) What is the object and occasion for the India Office in doing this?

Sir Aubrey Metcalfe: (a), (b) and (d). The Government of India have no information.

(c) No communication was made to the Government of India in the matter.

Mr. Manu Subedar: May I know whether Government have read in the Press, from which I derived the information in asking this question, of the announcement that the India Office was organising a reception in honour of the President of the French Republic.

Sir Aubrey Metcalfe: That was not the announcement I saw. What I saw was that His Majesty's Government was organising a reception at the India Office. It merely refers to the use of the building.

NEGOTIATIONS ON SUBJECTS OF RELATIONSHIP BETWEEN FRANCE AND INDIA.

1279. *Mr. Manu Subedar: (a) Will the Foreign Secretary please state whether the Government of India have opened through His Majesty's Government any negotiations on any important subjects of relationship between France and India either in the matter of the execution of legal decrees, or defence, or trade?

(b) Have Government represented through His Majesty's Government to France about the opposition to the poll-tax which is proposed to be levied on every Indian who resides in the French possessions in India?

Sir Aubrey Metcalfe: (a) No.

(b) The attention of the Honourable Member is invited to the reply given by me in this House on 3rd February, 1939, to part (c) of Mr. K. Santhanam's question No. 33A.

Mr. S. Satyamurti: My Honourable friend, I remember, informed the House last time that this proposal to levy a poll-tax has been adjourned. May I know whether the Government of India have got any information since then that it has been adjourned *sine die* or only adjourned and it may be brought up again?

Sir Aubrey Metcalfe: Government have no further information. All I can say is that the day for revival has not yet arrived.

STATEMENTS LAID ON THE TABLE.

Information promised in reply to parts (b) to (h) of starred question No. 1204 asked by Mr. Brojendra Narayan Chaudhury on the 10th November, 1938.

ACCIDENTS IN SYLHET AND CACHAR ON THE ASSAM BENGAL RAILWAY.

(b) Yes, two seriously injured and seven killed.

(c) Four seriously injured and 15 killed, including the figures in (b) above.

(d) No, the unfenced line in Sylhet and Cachar districts are 94½ and 117½ miles, respectively; these sections carry light traffic and fencing is not considered necessary.

(e) Yes, by mixed, goods and engineering trains.

(f) Yes.

(g) Assam Bengal Railway—

	Rs.
Highest old scale	200
Lowest old scale	30*
Highest new scale	190
Lowest new scale	32.8*
Average of all drivers	55*

(*An addition of Rs. 10 is allowed for English speaking and Rs. 5 for Line Clear reading to drivers drawing pay up to Rs. 90 on old scales and Rs. 80 on new scales of pay.)

Eastern Bengal Railway—

		Highest substan- tive pay.	Lowest substan- tive pay.	Average based on substan- tive pay.
		Rs.	Rs.	Rs.
Old scale	Drivers, Class III	220	140	180
	Drivers, Class II	170	90	130
	Drivers, Class I	62	34	48
Revised scale	Drivers Class III	180	160	170
	Drivers, Class II	(fixed). 140	(fixed). 100	120
	Drivers, Class I	(fixed). 60	30	45

NOTE.—In addition to pay overtime and mileage allowances are given on both railways.

(h) The service and salaries of the drivers of trains, which were involved in the accidents referred to in parts (b) to (f) of starred question No. 511 of 26th August, 1938, were :

Date of accident.	Years of experience.	Pay in- cluding allowances.		
		Rs.	A.	P.
1. 11th July, 1938	21	74	6	0
2. 9th July, 1938	21	74	6	0
3. 3rd July, 1938	14	140	0	0
4. 6th June, 1938	9	59	8	0
5. 6th May, 1938	19	65	8	0

Information promised in reply to starred question No. 197 asked by Mr. Brojendra Narayan Chaudhury on the 8th February, 1939.

PRICE OF PETROL IN CERTAIN PLACES.

Statement showing the prices of petrol (ex pump) in Calcutta, Bombay and Delhi from January, 1937, to January, 1939.

	Calcutta.			Bombay.			Delhi.		
	Rs.	A.	P.	Rs.	A.	P.	Rs.	A.	P.
	(per gallon).			(per gallon).			(per gallon).		
1937.									
January	1	5	0	0	15	0	1	5	6
February	1	5	0	0	15	0	1	5	6
March	1	5	0	0	15	0	1	5	6
April	1	5	0	0	15	0	1	6	6
May	1	5	0	1	0	6	1	6	6
June	1	5	0	1	0	6	1	6	6
July	1	5	0	1	0	6	1	6	6
August	1	5	0	1	2	0	1	8	0
September	1	5	0	1	2	0	1	9	0
October	1	5	0	1	2	0	1	9	0
November	1	5	0	1	2	0	1	9	0
December	1	2	0	1	2	0	1	9	0

Calcutta. Bombay. Delhi.
Rs. A. P. Rs. A. P. Rs. A. P.
(per gallon). (per gallon). (per gallon).

1938.

January	1 2 0	1 2 0	1 9 0
February	1 2 0	1 2 0	1 9 0
March	1 2 0	1 2 0	1 9 0
April	1 2 0	1 2 0	1 9 0
May	1 2 0	1 2 0	1 9 0
June	1 2 0	1 2 0	1 8 0
July	1 2 0	1 2 0	1 8 0
August	1 2 0	1 2 0	1 7 0
September	1 2 0	1 2 0	1 6 0
October	1 2 0	1 2 0	1 6 0
November	1 2 0	1 2 0	1 6 0
December	1 2 0	1 2 0	1 6 0

1939.

January	1 2 0	1 2 0	1 6 0
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Information promised in reply to starred question No. 364 asked by Mr. Manu Subedar on the 14th February, 1939.

TENDERS FOR THE R. I. N. PROJECT AT MANORA, KARACHI.

(a) Notice of tender was issued on the 26th July, 1938, and tenders were opened on the 27th August, 1938.

(b) Messrs. Herman and Mohatta Ltd., Karachi, to whom the contract was given were the lowest tenderers.

(c) After acceptance of the tender, changes were made in the specifications, but not in the conditions of work.

(d) Certain modifications in the detailed financial arrangements with the contractor were necessary but they did not involve any change in the total value of the contract.

Information promised in reply to part (d) of starred question No. 389 asked by Prof. N. G. Ranga, on the 14th February, 1939.

RELEASE OF MR. DHANWANTRI SENTENCED IN THE DELHI CONSPIRACY CASE.

(d) After taking into account remissions earned the prisoner's release will fall due on the 13th May, 1939.

Information promised in reply to starred question No. 574 asked by Mr. Sham Lal on the 21st February, 1939.

DENIAL OF THE RIGHT OF PURCHASING LANDS BY DEPRESSED CLASSES IN RURAL AREAS OF DELHI PROVINCE.

No.

Information promised in reply to starred question No. 746 asked by Mr. K. S. Gupta on the 27th February, 1939.

RESOLUTION PASSED BY THE EXCISE ADVISORY BOARD OF DELHI REQUESTING FOR A REVISION IN ITS CONSTITUTION, ETC.

Government are informed that no such resolution was passed.

Information promised in reply to starred question No. 881 asked by Mr. K. S. Gupta on the 8th March, 1939.

GRANT OF ARMS LICENCES TO SPECIAL POLICE OFFICERS IN DELHI.

(a) All persons requiring arms licences in Delhi (including persons who happen to be Special Police Officers) apply to the District Magistrate. Except in the case of persons whose standing is well known, applications are sent to the Police for enquiry, and licences are granted to persons who require arms and are not likely to make careless or improper use of them.

(b) None.

(c) As explained in reply to part (a) of the question an enquiry is made in the case of persons—official and non-official—whose standing is not well known.

(d) No fresh enquiry is made when an arms licence is renewed, unless there is some special reason for an enquiry.

(e) No separate registers are maintained of the licences issued in these areas, and the information is therefore not readily available.

(f) and (g). No.

Information promised in reply to starred question No. 935 asked by Prof. N. G. Ranga on the 9th March, 1939.

EDUCATIONAL FACILITIES IN THE TRIBAL AREAS.

(a) 22,50,000. This figure is only roughly approximate.

(b) 2,70,000 calculated as 12 per cent. of the figures given at (a) above.

(c) 1.5 per cent. This does not include the tribal students in schools and colleges in British India.

(d) 57 in addition to a few schools of higher standards with primary sections.

(e) 99.

(f) Senior certified teachers . . . Rs. 40—2—60 plus Rs. 20 per cent. Frontier Allowance.

Junior certified teachers . . . Rs 25—1—35 plus Rs. 20 per cent. Frontier Allowance.

Untrained and uncertificated teachers. Rs. 20 fixed plus Rs. 20 per cent. Frontier Allowance.

(g) and (h) No.

MOTIONS FOR ADJOURNMENT.

ALLEGED CRIMINAL ASSAULT ON A RESPECTABLE INDIAN LADY BY BRITISH SOLDIERS AT THE FEROREPORE CANTONMENT.

Mr. President (The Honourable Sir Abdur Rahim): The Chair has received a motion for adjournment of the House from Sardar Mangal Singh. He wants that the business of the House be adjourned for the purpose of discussing a definite matter of urgent public importance, namely, the criminal assault on a respectable Indian lady by British soldiers at the Ferozepore Cantonment. The Chair understands that this case has gone before a Magistrate.

The Honourable Sir Nripendra Sircar (Leader of the House): We sent for information, and this is what we have got. The Staff Captain, Ferozepore Brigade Area, reports that two men of the Green Howards were brought before a Magistrate at 14-30 hours on Wednesday, the 22nd March, and charged under the Indian Penal Code section 354, molesting, and section 325, grievous hurt.

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

REPORTED APPOINTMENT OF MR. BIRD AS THE SPECIAL INCOME-TAX COMMISSIONER.

Mr. President (The Honourable Sir Abdur Rahim): The next motion for adjournment is in the name of Mr. Avinashilingam Chettiar. He wants to discuss a definite matter of urgent public importance, namely, the policy involved in the reported appointment of Mr. Bird, as the Special Income-tax Commissioner on a special pay of Rs. 300 more than his present salary ignoring the claims of senior and qualified Indians.

The Chair wants to know when this was done.

Mr. T. S. Avinashilingam Chettiar (Salem and Coimbatore *cum* North Arcot: Non-Muhammadan Rural): I understand that a decision has been taken a few days ago and the appointment is going to be made shortly.

Mr. President (The Honourable Sir Abdur Rahim): The Chair wants to know this. Is any Honourable Member entitled to ask the business of the House to be adjourned because a certain appointment has been made which may be in alleged supersession of the claims of others?

Mr. T. S. Avinashilingam Chettiar: May I point out that this new appointment was created by the passing of the new Income-tax (Amendment) Bill.

Mr. President (The Honourable Sir Abdur Rahim): Therefore, this is not a matter of ordinary promotion?

Mr. T. S. Avinashilingam Chettiar: The point is that a European has been appointed.

Mr. President (The Honourable Sir Abdur Rahim): There is no policy involved. The Chair disallows the motion.

The Honourable Sir James Grigg (Finance Member): Sir, may I with your permission state the facts with regard to this matter? I think it is important that the facts should be stated. An announcement appeared in the Gazette of 29th October last to this effect:

"Mr. J. B. Bird, I.C.S., is appointed Special Investigating Officer for Income-tax in the Central Board of Revenue at Bombay with effect from the 10th October, 1938."

In the newspapers of the 24th January, 1939, there appeared an article announcing this appointment with the heading,—I am not responsible for the heading,—

"Catching the Dodger. Sleuth for Income-tax Investigation. Special Branch in Bombay."

And, in view of these facts and the bringing of this particular motion, I should like to inform the House that some of the people in Bombay interested in income-tax announced their intention, as soon as Mr. Bird was appointed, of having him out within six months.

Mr. President (The Honourable Sir Abdur Rahim): That is not the concern of this House.

Mr. T. S. Avinashilingam Chettiar: May I know whether this appointment of Mr Bird as Special Commissioner has been made or not?

The Honourable Sir James Grigg: On the 10th October, 1938, he was appointed Special Investigation Officer and that was gazetted.

Mr. S. Satyamurti (Madras City: Non-Muhammadan Urban): Sir, you have disallowed the motion, and so I will not raise that point. But the question is, has he been appointed Special Income-tax Commissioner? The allegation is that he has been appointed one of the three Special Commissioners, which the Act has authorised Government to create. I want to know whether he has been appointed as one of those three Commissioners.

The Honourable Sir James Grigg: The Act does not operate till the 1st April, and even if he is appointed as one of these three Commissioners it will be a change of designation without any change of remuneration or duties whatever. And the Honourable Member knows from the discussions in the Select Committee on the Income-tax Bill that the Select Committee and the House had full notice of our intention to appoint under that section officers for this kind of duty.

Mr. S. Satyamurti: We hoped they would be Indians.

ELECTION OF MEMBERS TO THE STANDING COMMITTEE FOR ROADS.

Mr. President (The Honourable Sir Abdur Rahim): I have to inform the Assembly that upto 12 noon on Monday, the 20th March, 1939, the time fixed for receiving nominations for the Standing Committee for Roads seven nominations were received. Subsequently one Member has withdrawn his candidature. As the number of remaining candidates is equal to the number of vacancies I declare the following Members to be duly elected, namely:

- (1) Khan Bahadur Shaikh Fazl-i-Haq Piracha,
- (2) Sardar Bahadur Captain Dalpat Singh,
- (3) Mr. Sham Lal,
- (4) Dr. P. N. Banerjea,
- (5) Babu Kailash Behari Lal, and
- (6) Mr. J. Ramsay Scott.

ELECTION OF MEMBERS TO THE STANDING FINANCE COMMITTEE FOR RAILWAYS.

Mr. President (The Honourable Sir Abdur Rahim): I have also to inform the Assembly that upto 12 noon on Monday, the 20th March, 1939, the time fixed for receiving nominations for the Standing Finance Committee for Railways eighteen nominations were received. Subsequently the candidature of one Member has been withdrawn by the proposer and six Members have withdrawn their candidature. As the number of

remaining candidates is equal to the number of vacancies, I declare the following Members to be duly elected, namely:

- (1) Haji Chaudhury Muhammad Ismail Khan,
- (2) Mian Ghulam Kadir Muhammad Shabban,
- (3) Lieutenant-Colonel M. A. Rahman,
- (4) Rao Sahib N. Sivaraj,
- (5) Mr. M. S. Aney,
- (6) Mr. Satya Narayan Sinha,
- (7) Mr. K. Santhanam,
- (8) Pandit Nilakantha Das,
- (9) Mr. M. Thirumala Rao,
- (10) Mr. Muhammad Nauman, and
- (11) Mr. F. E. James.

MESSAGE FROM THE COUNCIL OF STATE.

Secretary of the Assembly: Sir, the following Message has been received from the Council of State:

"I am directed to inform you that the Council of State at its meeting held on the 22nd March 1939, agreed without any amendment to the following Bills, which were passed by the Legislative Assembly at its meetings held on the 27th February and the 8th March, 1939, namely:

- (1) A Bill to establish standards of weight throughout British India;
- (2) A Bill further to amend the Indian Merchant Shipping Act, 1923 for a certain purpose;
- (3) A Bill to amend the Insurance Act, 1938;
- (4) A Bill further to amend the law relating to the protection of Inventions and Designs;
- (5) A Bill further to amend the Workmen's Compensation Act, 1923 for a certain purpose; and
- (6) A Bill to amend the Cotton Ginning and Pressing Factories Act, 1925 for certain purposes."

THE INDIAN FINANCE BILL—contd.

Mr. President (The Honourable Sir Abdur Rahim): The House will now resume consideration of the following amendment to clause 4 of the Indian Finance Bill:

"That clause 4 of the Bill be omitted, and the subsequent clauses be re-numbered accordingly."

Mr. Manu Subedar (Indian Merchants' Chamber and Bureau: Indian Commerce): Sir, I was speaking when we broke up yesterday with regard to the effect on cotton prices of the change intended to be put in by the Finance Member in the duty. As I said, there are many factors leading to variations in cotton prices and the speculative factors predominate in this market, which is operated upon not only by people in this country but by people from Liverpool and from New York. And a small speculative rise at the moment ought not to mislead any Honourable Members of this House as regards the permanent effect on the prices of cotton. As I explain-

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ed, Sir, in my opinion the permanent effects on cotton prices in this country will be disastrous because by favouring competitors to the cotton textile industry, who will be enabled to send in more stuff manufactured from foreign cotton purchased outside and by weakening the Indian textile industry itself, the general demand for cotton in this country will go down. Sir, the Indian textile industry are the best friends and supporters of the Indian cotton grower in this country as the figures of their offtake will show. The prosperous year as 1937-38 was enabled them to take several hundred thousand bales more and this was the offtake with regard to that quality of short staple cotton which is giving the greatest anxiety, whose price is particularly low, and in which India has a definite surplus. Sir, at the last sitting of the Indian Central Cotton Committee all members, including the cotton growers' representatives, were unanimously of the opinion that import duty may be levied only if there are countervailing duties on cloth and yarn, that without such countervailing duties on cloth and yarn no direct benefit can be expected either on the price of cotton or on the growth of long-staple cotton in this country which is a desideratum to which everybody agrees. Sir, the effect on yarn prices have also to be examined from another point of view. There is a handloom production in this country and if cotton of the grade which is imported in this country will be taxed, such spinning of yarn in this connection as takes place must necessarily become costly. This extra cost is going to fall, in the first instance, on the handloom weavers. And, Sir, in connection with the production of textile goods in this country we always have this problem, and I will mention, where we have our sympathies, *viz.*, that the handloom worker has got to be protected. Measures have already been taken in several directions to help handlooms and there is no doubt we shall take other measures, but, in the meanwhile, I do not like that by the action of the Finance Member the handloom worker should be penalised.

Sir, with regard to the cotton growers' representatives and all who sympathise with him in this country may I mention that it is
 12 Noon. for them to choose who their real friends are? The idea that the Honourable the Finance Member and the people on the Government Benches can be friends of the cotton grower and that any Members who are elected in this House could not be friends and would be inimical to the cotton growers is one which is too absurd for words and I am sure it will not appeal to any Honourable Members in this House.

Sir, I go on to the next point which I want to make very briefly and that is with regard to the sanctity of estimates. The Finance Member, as Sir Homi Mody mentioned in his speech, had already played on the soft pedal with regard to the possible benefit to the cotton growers. In his reply to the deputation of the millowners, which waited on him, he made it clear that his concern really was merely with the amount of revenue. Sir, I do not know whether he will get the amount of revenue from this particular head which he budgeted, but as he has made much noise with regard to the estimating and under-estimating of revenue, I will say this that there is no sanctity with regard to these estimates. All human error has got to be allowed for and the Finance Member will be the last man to claim that his budget estimates have invariably come to be correct. I could show at very great length as I have got the entire estimates and the entire realisation with regard to all heads during his five years of stewardship; but I do not wish to take up the time of this House on this point. All

I say is this, that the Honourable the Finance Member himself has made large errors in his estimates. Having done so, he cannot claim that he alone and his opinion alone is the sound one and everybody else is not entitled to put in an opinion. At best every budget estimate is a guess and though it is a guess on his part, with such equipment as he has got and it is likely to be more correct than the guess of a layman in the street, still he cannot claim that his estimates are so correct that he must be allowed to make up what he considers a deficit. I will illustrate this by only two points. In 1937-38, with regard to customs as a whole, he budgeted for Rs. 42,60 lakhs and he realised Rs. 43,93 lakhs—an excess of Rs. 138 lakhs. In the matter of excises, during the same year, he budgeted for Rs. 716 lakhs while his revised estimate was Rs. 774 lakhs which is an excess of about 48 lakhs. Similarly, in the next budget, we find him in the matter of excise giving us a budget figure of 776 lakhs and actually realising Rs. 825 lakhs, roughly again a matter of Rs. 50 lakhs more than he had budgeted. This emphasis he has laid in the course of a speech, which I must say is in very unhealthy contrast to the great courtesy which this House has known to expect from his predecessor, a speech in which he has spouted a singular amount of abuse and vituperation on everybody who cared to differ from him—may I say that the striking part of the rebuttal in his reply relating to figures is due to the modest Indian in turban who is sitting behind him, but as for the vituperation and the abuse, I must give the credit entirely to the Finance Member. I do not think that it is his attempt to make up the deficit in the budget as he has presented which is prompting him to impose this cotton duty. I fear that it is his attempt to make up for the preference which he intends to provide, whether this House agrees to it or not, in the case of the Indo-British Trade Agreement. These preferences at the expense of India, are a free gift from the Indian treasury to the British commercial community, these preferences have to be provided and, incidentally, in passing, he has given a hit to the Indian textile industry because it was these people who, in his opinion, were very obstinately refusing to accept the compromise, i.e., to accept the dictatorial terms which were put forward on the other side of the waters.

As the Finance Member is very fond of picking out the weaknesses and the loopholes of individual interests and individual pride of people in order to set them one against the other, I want to make it quite clear that I am not interested in any textile industry whatsoever, that I do not possess a single share of any textile company and that I am speaking here as the representative of business in India

The Honourable Sir James Grigg (Finance Member): Not of the masses, but of business.

Mr. Manu Subedar: He is still indulging in his perpetual game of dividing and setting one section against the other. He is an incorrigible man. The constituency that I represent is not a constituency of big business or small business. I represent two hundred odd kinds of trade and industry, most of them small, most of them affecting the masses as he calls them; but he loves to create difficulties; he thinks that big business is opposed to small business, that small business is opposed to still smaller business, and that the masses are opposed to still smaller sections of the masses. He loves to break up our country. He loves to divide us into warring sections like this, urban and rural, industry and agriculture, masses and classes,

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big business and small business, one community and another community, one province and another province. He even tried to divide the front bench and the back bench. If a microscope was given to him, he would try to divide my right hand from my left hand

The Honourable Sir James Grigg: Not necessary.

Mr. Manu Subedar: As a matter of fact, he tried to quote me against my Chamber and my Chamber against me, that Chamber in building up which I have given solid contribution for 22 years and which has returned me here as an unopposed Member

Mr. Sri Prakasa (Allahabad and Jhansi Divisions: Non-Muhammadan Rural): What about his Chambers?

Mr. Manu Subedar: I want most respectfully to say that while His Excellency the Viceroy is making an appeal for unity—and I entirely believe in the depth and sincerity of that appeal—there is his disloyal councillor here, who has for five years not done anything else except seek to divide on all previous occasions, as he has sought to divide on this occasion, one section of the House against another, one set of people against another. He hates to see India in a united form; he belongs to that Churchillian die-hard section, dyed in the wool, who can never change and whose idea of this country is that it must be perpetually disrupted in warring and conflicting economic groups

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member can get on with the motion: the House has had enough of this digression: it is time he got on with his subject.

Mr. Manu Subedar: I will come back to cotton. Take the textile industry which is affected by this cotton duty. When the textile industry approaches Government it is usual from the front treasury Benches to be told that they must learn to be self-reliant and they must not run up to Government every time they want a little assistance; and when the textile industry becomes self-reliant and when it makes an appeal to its own countrymen to purchase Indian goods, to patronise Indian concerns, and otherwise to support the efforts of Indians in one field or the other—and what is true of the textile industry is doubtless true of all other industries—when they thus go to their own countrymen with this appeal, the Finance Member charges them with having created racial hatred and kept it up. This double standard of judgment which has been formed in this country by foreign rule must be ended. This has become intolerable. The Finance Member objects to the Federation of Indian Commerce and Industry, but he kisses the rod and he grovels before business when it is the Associated Chambers of Commerce. We know what the truth is. He grovels on the ground when he is dealing with the white section of those who are engaged in industry.

I do not want to detain the House but I will only end by referring to one or two small matters. Sir, I would like to know from the Honourable the Finance Member whether he has ever come across a rebuke given to industrialists in the United Kingdom, when they approached the Board of Trade with any proposals that they are exploiters, that they were doing something dirty on the rest of the people and that they must be suppressed? Sir, this standard with regard to the United Kingdom and with regard to

English business interests in this country and quite a different standard when they have to deal with Indian business cannot be tolerated.

An Honourable Member: Give him more garden parties.

Mr. Manu Subedar: It is suggested that the undue vehemence and abuse in the speech, which the Honourable Member delivered two days ago, was due to the excessive number of garden parties which were given to him. If that is so, it may be forgivable, but I have no doubt he will explain that it was so.

Then, Sir, in conclusion, I say this, that though the Finance Member may be very fond of putting us on the horns of a dilemma, of setting one section against the other, of dividing out India into various disunited and conflicting interests which would destroy each other, though he may profess,—and I have still to wait for a single sign that he has carried out the welfare of the masses,—though he may profess all this, I think he will be disappointed. This country is going to march from one stage of unity to another in spite of people like him. The Honourable the Finance Member had the opportunity and the privilege given to him to do good to millions of people in this country. He has wasted that opportunity and he has attempted to divide the country. There is a soul of things, and he will discover when he goes to his home that the same disunity which he has tried in vain to plant here will probably rise up in his own country in his own sphere.

Lastly, Sir, he has tried to placate this side of the House by paying a belated visit to Mahatma Gandhi. This is a very significant thing. Sir, we have a proverb in Gujrathi,—doubtless to this proverb there are counterparts in other languages,—that a mule can go to the Ganges and have his bath, but that will not change him into a horse. I hope the Honourable the Finance Member will reflect on his sins in due course when he is away from this country and realise that he has wasted the chance which Providence had given him to do good to millions of people and which he has failed to do.

Mr. M. Ghiasuddin (Punjab: Landholders): Sir, I would like to place the point of view of a layman before this House. Of course, there has been a good deal of talk on high finance and various figures have been quoted, but I shall not dabble with figures. I will merely place before this House a few facts as a layman sees them. Sir, the Honourable the Finance Member's Budget has been called as insipid, featureless and so on. I do not know what a Budget with features is. I only know that if there is a deficit, either they should borrow or tax any of the industries, and if an industry is to be taxed, they have to consider whether it can bear the burden of taxation that will be imposed on it. For this purpose, I shall quote before this House figures of the profits which the textile industry has made, and for that purpose I shall take the Index number. Base 1928 equal to 100.

1933.	...	33.9.
1934.	...	90.1.
1935	...	89.1.
1936.	...	98.4.
1937.	...	117.7.

[Mr. M. Ghiasuddin.]

These figures are only averages. They conceal the true position. The excellent profits made by the majority of the mills are covered by the losses suffered by a few inefficient mills or mills having heavy liabilities incurred in the past, so that the average looks small. But, throughout this period, the majority of mills were making substantial profits. The Textile Labour Committee of Bombay found that in 1936, out of 55 mills examined, while 35 made profits of 72 crores, 18 had a loss of 15 crores, but of this loss of 15

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): Who made 72 crores?

Mr. M. Ghiasuddin: The Bombay mill industry.

Sir Cowasji Jehangir: 72 crores of profits. Who made it?

Mr. M. Ghiasuddin: Yes, they made 72 crores.

As I was saying, Sir, the Textile Labour Committee of Bombay found that in 1936, out of 55 mills examined, while 35 made profits of 72 crores, 18 had a loss of 15 crores, but of this loss of 15, 11 crores was due to the working of ten mills. If these ten are excluded, the number of losing mills falls to eight and their loss to 4 crores as against the profit of 72 crores made by 37 mills. As the number of mills making profits are in great majority and the average is influenced by the losses of a few mills to an extent which is out of all proportion to their number, the actual profits made by reasonably efficient (that is, representative) mills is very much greater than the average figures would indicate. In 1938, the profits continued to be high in spite of the wage increase granted in Bombay. The fall in the price of cotton and the decline in the imports from Japan are the major causes which have contributed to the profits of the mill industry. The price of Broach cotton has fallen by 31 per cent. and that of East African cotton by 27 per cent. as compared to the average prices which prevailed in 1936. This led to a substantial widening of the profit margin in the year 1937. The profit index showed a rise from 98 in 1936 to 117 in 1937. In 1937 the composite weighed index number of cloth prices (based on the prices of long cloth, shirtings, *dhoties*, and drills) compiled by the Textile Labour Inquiry Committee showed an upward tendency, when cotton was declining precipitously. This is what the Bombay Textile Labour Inquiry Committee says in para. 106:

"On *a priori* grounds, the cloth market should have received a set back in August last on receipt of the news of the fall in the price of cotton. Ordinarily, a pronounced fall in the price of raw materials should lead to expectations of a fall in the prices of the manufactured goods, and the immediate reaction of the traders would be to hold back, waiting to take advantage of the reduced prices. Such a movement, however, did not take place in the Indian cloth market either immediately or after an interval. This indicates that demand for piecegoods has been active and that informed opinion in the piecegoods market does not expect cloth prices to follow the trend in the price of cotton. The maintenance of the low level of stocks referred to in a previous chapter strengthens the same conclusion. We are, therefore, justified in holding that mills do not find any difficulty today in disposing of their increased production at existing prices and it is unlikely that they will experience such difficulty in the near future."

In paragraph 107, it says:

"In its evidence, the Bombay Millowners' Association laid considerable stress on the likely effects on cloth prices of the heavy importations from Japan during the last quarter of 1937. The Association also placed us in possession of certain reports regarding special efforts planned in Japan to stimulate these imports. It is not possible for us to enter at any length into this question. We shall content ourselves with only two observations. Firstly, a country exporting goods under a quota restriction has ordinarily no incentive to depress prices unduly. Secondly, though the imports from Japan reached an unusually high level in October, 1937, they do not yet seem to have had any depressing effect on the prices of cloth in India."

Now, Sir, in 1938, cloth prices have no doubt fallen to some extent, but the price fall must not be exaggerated. The conclusion is that even after allowing for the burdens imposed on the industry by the Provincial Government in 1938, the industry is still earning a sufficiently handsome profit to enable it to absorb this additional increase. I will now give a few figures as to the imports of cotton into India. In 1933-34, it was 240.3 thousand bales, 1934-35, 339.2 thousand bales, and 1937-38, 750.4 thousand bales. The imports of cotton are not due entirely to the needs of production. Between 1936-37 and 1937-38 the production of yarn above 21 counts increased by less than 19 per cent. while the imports of cotton increased by about 100 per cent. This point is made clear by the Bombay Textile Labour Enquiry Committee. I am not going to read it as that was quoted by the Honourable the Finance Member in his speech day before yesterday; but I will say this, that this will show that the increase of the imports is not because Indian cotton could not be used, but because it does not help in profiteering to the same extent as the foreign cotton does. Now, Sir, I think I have proved to the satisfaction of the House two points, one, the appalling quantity of foreign cotton that has been bought in this country, and, secondly, that the mills are well able to bear this burden of taxation. So much for the mill industry.

Now, let us look at the position of the cotton growing industry. The conditions there are really very, very bad. People with small holdings cannot afford to pay their taxes and a good many people are even selling their lands in order to pay the taxes, while the profits of the millowners are increasing to a very large extent. I have often heard from the Benches on my right as the cry of self-sufficiency for this country. Self-sufficiency, as I understand it, means, raw material of the country wherever it is possible, and turning that raw material into finished products in the country. My point is that the country is able to produce the raw material, but because certain interests are making more money they are importing the raw material from outside India to the detriment of the cotton growers in this country. So, in the name of patriotism I would appeal to this House that this is very detrimental to the interests of the cotton growers in this country. I can say that this duty is welcomed by all cotton growing people in this country. Professor Roberts, in his speech at Lahore—*he* belongs to the British Cotton Growing Association,—welcomed this duty, and so many other people. I should have very much wished to vote against this amendment, but on considerations of broad policy I am unable to do so, but I will ask the Honourable the Finance Member to go ahead with this policy.

Mr. Lalchand Navalrai (Sind: Non-Muhammadan Rural): My excuse for speaking on this amendment is because my province Sind grows long staple cotton. I must say that the growth of that cotton, in Sind, is in its infancy, and, therefore, it requires as much support as it can get from

[Mr. Lalchand Navalrai.]

what quarter whatsoever. It is necessary for the millowners to give their attention to the province of Sind in support of this cotton and to purchase more than they have been doing at present. I am myself not a grower of cotton.

An Honourable Member: What a pity!

Mr. Lalchand Navalrai: I am not a millowner also. If it is a pity at all, there are so many curses upon the millowners we have been hearing in this House at present. I am not against the richer millowners, because, they also contribute to the welfare of India to an extent. But it is necessary that they should give more of their attention to the poor people, for their better welfare. I am confounded on this question, confounded by the Finance Member by his usual way of not giving us his opinion conclusively and in an unqualified manner on the question that has been raised in regard to this matter in this House. The question clearly is whether it is really the intention of the Government, especially of the Honourable the Finance Member, to help this growth of long staple cotton, or it is simply only to balance the budget. If a direct reply is given, I hope there will be many in this House who will be influenced by what he says.

The Honourable Sir James Grigg: Only one.

Mr. Lalchand Navalrai: If you want my vote, you will give me a very straight reply, without mincing matters or giving the sort of address which he made on the budget the other day.

An Honourable Member: Consider your constituency.

Mr. Lalchand Navalrai: I am considering my constituency.

The two points that have been raised are whether this is a contrivance to give a subsidy to Lancashire, or it is really a *bona fide* attempt to help the growth of long staple cotton in India. That is the main question before the House and I submit that on that point there is no direct reply from the Treasury Benches. When the Budget was presented, I received a telegram from the Secretary of the Buyers and Shippers Association, who are not so cursed as the Federation is in the view of the Finance Member. They say: 'I must strongly urge proceeds of the import duty on foreign cotton earmarked for grant to Imperial Council of Agricultural Research for improving and increasing the production of long staple cotton' In my former speech I said there ought to be some guarantee or promise by the Finance Member that what he is getting from this additional duty should be devoted to the development of the growth of long staple cotton. Besides Sind, Punjab also claims to grow long staple cotton. These two provinces are progressing in this and the millowners should, even at some little sacrifice, try to purchase the long staple cotton grown in these two provinces and stimulate its growth rather than buy American or any other cotton which may be even finer. When I got this telegram, I decided that the duty should be supported if its proceeds are earmarked for the development of long staple cotton. Since then I have heard the opinions of many responsible people and also studied the opinion of the Federation of the Indian Chambers of Commerce which clarifies the issue. One view is

that this is going to promote the growth of long staple cotton. Another view is that it is only a pretext. If the Honourable Member gives me an assurance that this duty is intended to promote the growth of long staple cotton, I shall vote for him but if he does not, then I think he is only throwing dust into the eyes of the millowners on one side and the growers of cotton on the other. This is what the Federation says:

"In justification of this tax proposal, it was implied by the Finance Member" (*I shall read his speech also and show what his bona fides are in this matter*) "that the tax will be in the interest of the Indian agriculturist, in so far that it will tend to encourage the production of long staple cotton in this country."

They say, after a very careful consideration—and they are, after all, a very responsible body—that this argument about stimulating the growth of long staple cotton in this country is "merely an attempt to raise a smoke screen and sidetrack the real implications of this proposal which virtually amount to a subsidy to Lancashire and foreign textile interests". There are thus two points of view and how are you going to vote? The Finance Member ought to tell us which view is correct. I am not satisfied from what he said in his budget speech about his *bona fides*. He says:

"I propose that the duty should be doubled. I shall no doubt be told that by this measure I am indulging in my usual vendetta against indigenous industry."

I say, holding a responsible position as he does, he should not even think of these enmities and vendettas. Then he says:—

"I might with a good deal more justice retort that perhaps the increased duty would do something to promote the growing of the longer staples of cotton in India."

He is saying something which has no meaning. Further on he says:

"My design is simply to balance the budget by the least burdensome means open to me."

May I ask if this duty is only to balance the budget or help the growth of long staple cotton. If it is for the promotion of the growth of long staple cotton

An Honourable Member: Certainly not.

Mr. Lalchand Navalrai: then we ought to get a straight reply from the Finance Member. He must show us his *bona fides* even before he leaves India.

An Honourable Member: He is leaving in four days.

Mr. Lalchand Navalrai: He may be going in four days but by his jugglery he can do many things. He has been said to be a Conservative, a prodigal and also a socialist at the same time and I submit that his qualities of jugglery will be used in this case also.

I would tell him seriously that in the interest of India this growth of long staple cotton in this country should be able to meet outside competition. If that is his real intention then he should tell us plainly and thus prove his *bona fides*. I hope he will give us a clearer idea of what was in his mind when he made his budget speech.

Mr. Brojendra Narayan Chaudhury (Surma Valley *cum* Shillong: Non-Muhammadian): Sir, I am a comparatively new Member to this House having been here for less than two years, but what strikes me strange is this. We are simply given the impressions and opinions of one side.

[Mr. Brojendra Narayan Chaudhury.]

against the impressions and opinions of the other, instead of facts and figures. I may pardon the Opposition Members but not the Government who have elaborate and costly machinery to collect facts. They should come forward before us with much more definite figures about the profits that the mill industry is making,—not the profits of this year or that, chosen at a convenient random or the mere mention which my Honourable friend, Sir Homi Mody, did yesterday that they have made profits in two years after several lean years of little or no profit. This is not sufficient. What I want the Honourable the Finance Member to do, in order to be able to convince me, is to produce figures of the average profits of the cotton mill industry in India over a large number of years which could be taken as the normal condition of the industry. I would also ask him not only to produce figures for Bombay but also figures for the infant and the growing mill industry in Bengal also, because this cotton duty will press more upon Bengal than Bombay as I have told this House that the finer cotton Bengal supply comes mainly from foreign countries. Sir, by reading extracts from Sir P. C. Ray's statement, during budget discussions, the Honourable the Finance Member was arguing the other day about the profits of the Bombay mill industry only, in order to convince us that the cotton industry in India can bear the burden well. Well, he was arguing what in logic would be called "from the particular to the general", and that is fallacious logic: I have got the impression that the additional duty on cotton will hit hard Bengal Mills. I hope I shall be pardoned if I am proved to be wrong because I belong to the Opposition and have not efficient machinery to collect the full information—but I would tell him from the experience of one individual, from as much information as one individual could gather and from my general impression of what I have heard, that so far as the Bengal mill industry is concerned, it is in a struggling stage and that most of the mills there,—although just a few may be making a little profit,—are making no profits or are even working at a loss. If he can show to this House by convincing figures that the duty proposed to be laid on raw cotton will not raise the cost of production so much as to take away from the profits such a big sum as would be appreciably felt, I might agree to vote with him. But he merely said that the Bombay mills are making 'substantial' profits; a matter of opinion not of facts. He also showed us that this duty would increase the cost of production by only four per cent. He has not told us what the percentage decrease by the increase by four per cent. of the total cost would be to the profits. Certainly it would be a much higher percentage in loss, because we all know that the profits do not coincide with the cost of production in this world. Sir, if Honourable Members who come from the cotton-growing districts and who sponsor the cause of the cotton grower want to have the long-staple cotton protected, this is not the forum. The object of this Bill is said to be to balance the Budget, assuming that the Budget is really a deficit budget and requires to be balanced. On this side we do not admit it but for the purposes of argument I will assume that this is a deficit Budget and it has got to be balanced. I say that this is not the forum for discussing a protective duty. We might more appropriately ask the Honourable Member for Commerce for a thorough inquiry into the conditions of cotton protection.

We have here statistics exhibited from the report of the Cotton Committee by Members on both sides but I must say that I have been left in the

same ignorance as I was in regarding this matter three days before, more especially as regards the cost of production of the long-staple cotton and the price it now fetches in the market. In order to vote for protective duty I have to find out whether the cost of production is higher than the market price and that alone is responsible for loss to the cultivator or deters him from growing it in abundance. Figures have been arrayed for us to show that the total amount of long staple cotton produced cannot be large. What is the cause? To find out the exact cause or causes, is the thing. We would like to know, not now, but when any question of imposing an additional protective duty on cotton will be discussed in this House after adequate inquiry, just as this House did in regard to the additional protective salt duty Bill,—then we would like to be convinced by an inquiry that if the price of long staple cotton could be raised we are sure that in India a large quantity of long staple cotton could be raised. Sir, I am not connected with either the management of a cotton mill or as shareholder or as a grower of cotton except that I once grew successfully a cotton tree at little or no cost. But, unfortunately, my villagers did not take kindly to that, as you know our villagers are conservative and very shy. May I ask whether anything has been done to find out why the long staple cotton production in India is not popular? It may be the same reason of conservatism of the cultivator or other scientific reasons or financial reasons? My Honourable friend, Mr. Ghiasuddin, has drawn the attention of the House to the fact that the import of foreign cotton is falling, and that ought to be some assurance to the cotton growers of India. Recently the weekly cotton market review from Delhi has issued certain figures which will show that the import of cotton in January last has been much less in comparison with the corresponding month of the previous year. The Honourable the Finance Member has often said that the mill industry is very wayward or stupid in preferring foreign cotton to Indian cotton. Now, what is the reason? The only reason for this is that foreign cotton is cheaper than what the country could produce of the same quality or that a sufficient quantity of the same quality is not available at the mill door at that price. Not apathy or partiality but price and quantity and quality are the businessman's concern. He said that the Punjab-American cotton, though very good and the price is also lower than that of the corresponding imported cotton, does not find a sale. I assure him that whatever be the price in the cultivator's field, it will not find a sale in Calcutta unless his colleague, the Honourable Member for Railways, reduces the freight. The price of cotton to the mill industry has only one meaning: it is the price at the mill door. Ocean freights on foreign cotton are generally lower than the Railway freights on Indian cotton which prevail in India. Sir, this duty is going to hit appreciably the mill industry. The propriety of this duty will be proved only if it was not going to hurt appreciably the cotton mill industry. But I have a paper in my hand, the share market report, which shows that even the very proposal of this duty has already hurt the Calcutta market cotton shares. It is reported that the price of cotton mill shares has gone down and the share market, as the Honourable the Finance Member knows, is a very correct barometer. I do not mean to say that so far as the Bombay mill industry is concerned, this duty will hurt them or will not hurt them. I keep an open mind on that subject and expect the Honourable the Finance Member to produce definite figures. But so far as Calcutta is concerned, my general impression is that it will hurt it. If the Honourable the Finance Member can still convince me that this duty will not appreciably affect

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either Bombay or Calcutta, I am quite ready to vote with him, otherwise not. I again protest against confusion of issues. We have nothing to do with protective duty now. The sole object of the Bill is to balance budget. With these words, Sir, I support the amendment for the deletion of the clause imposing the additional duty on cotton imports.

The Honourable Sir James Grigg: Sir, I think perhaps it would be for the convenience of the House if I intervene at this stage in the debate and state the attitude of the Government. First of all, I will make a remark or two about Mr. Manu Subedar's speech. One of his remarks gives me an opportunity of performing a duty which I should have had to perform anyhow before I leave India. He said that the whole of the operative part of my speech was that of my Honourable colleague behind me and that all the vituperation was mine. It is not necessary to go into the exact degree of truth or relevancy of that remark. I admit that most of the controversy was mine. Be that as it may, I would like here and now to pay a tribute to Mr. Sanjiva Row for his devoted and efficient collaboration throughout my time as the Finance Member of this country and I am very glad that the Honourable Mr. Manu Subedar has given me this opportunity, instead of my having to manufacture one, for paying a tribute which not only myself but everybody who has worked with Mr. Sanjiva Row would be glad to pay.

Then, Sir, the only other remark that I would like to pass about Mr. Manu Subedar's speech—the House will see that I am in a studiously moderate mood this morning—is to point out a certain inconsistency between his remarks last night and his remarks this morning. It is sometimes said to be the case that in the morning cometh wisdom, but I think his wisdom was overnight. He referred last night to the fact that this little duty—he talked about it contemptuously—will not do any good to raw cotton. This morning he said that this little duty will ruin the mills and ruin the handloom weavers too. So, he is also an adept in having it both ways.

Now, Sir, I come to the debate. I propose to be very brief because I have already made my position clear in the matter and I have not heard anything during the debate which would make me alter that. It is true that I have not yet heard the speech of the Leader of the Opposition, who, I understand, is going to speak on this amendment. So, the full force of the artillery has not yet been brought to bear upon me. Here I might permit myself to make another death-bed observation and to point out that it is extremely unfair that on amendments the Government does not get the last word. In the House of Commons the practice is that the Government always gets the last word.

An Honourable Member: They are responsible: you are not.

The Honourable Sir James Grigg: The Leader of the Opposition has to get the last word today and I do not grumble at that. I do not want to try and tire out his patience as to who should have the last word and I gracefully concede it to him. I know we are all doing in this debate a certain amount of tight-rope-dancing. Sir Homi Mody is quite right in thinking that it is a good principle not to tax raw material and it is also true that to some extent I am departing from the rigour of my own fiscal principles.

Sardar Sant Singh (West Punjab: Sikh): May I ask the Honourable Member whether it is a good principle that the raw material should not be taxed in the case of countries which do not produce the raw material or in the case of countries which entirely produce it?

The Honourable Sir James Grigg: That would take me too far and I will have some further observations to make on the principle in a minute. But I do not think even with the best will in the world I am prepared to prolong the debate for the two or three days which would be necessary if I were to follow that question. My inconsistency in this matter is nothing like that of some of the Honourable Members who have spoken of great breaches of principle. A great inconsistency of principle has been expressed in this matter by those Members who are opposed to the raw cotton duty and they cannot escape from this dilemma that whereas they think it outrageous to buy foreign cloth they think it the height of patriotism to buy foreign cotton. I want to point out another inconsistency. Quite a number of Members in this House have in these very Budget debates advocated a duty on rice, so that we get again two contradicting principles, namely, that it is right to tax the food of the poor but it is wrong to tax the raw material of the millowners.

Mr. S. Satyamurti (Madras City: Non-Muhammadan Urban): Why did you allow the wheat duty?

The Honourable Sir James Grigg: Moreover, I would, in any case, admit two qualifications to my own principle against taxing raw materials. The first is, that the principle should not be applicable or fully applicable when the industry is already heavily protected and the second is, when it is ousted by another very important principle. I do not want to pursue the first of these qualifications any further because I dealt with it fully the other day. As regards the second, Mr. Mortimer-Chapman was quite right when he said that I do regard the balancing of the budget as a much bigger principle and one which should, if necessary, oust the other. Now, the Party opposite, Sir Homi Mody and Sir Cowasji Jehangir, attach no importance to a balanced budget and I do not agree with them. They think that a balanced budget is of minor importance and that being the case, nothing that I can say will affect them.

But I should like to say a few words to my Honourable friend, Mr. James. Mr. James agrees that the principle of balancing the budget is vital, he also agrees with me in thinking that the revenues have not been under-estimated. But he says there are better alternatives and that the Honourable the Finance Member knows quite well what they are. I take exception to this. It is to be presumed that before presenting the Budget to the House, I had a duty to perform which I performed, *viz.*, before deciding upon the proposed increased tax on raw cotton, that I should consider all possible alternatives. If Honourable Members will remember I set out in general terms some of the considerations which were relevant in this connection and which governed the consideration of possible alternatives. Incidentally, my Honourable friend, Mr. Chapman-Mortimer, had suggested one possible alternative which I did not mention in the budget speech, but I can prove to him that that is not really practicable. He suggested a federal surcharge on income-tax was a possible alternative.

1 P.M.

Mr. T. Chapman-Mortimer (Bengal: European): I did not make myself quite clear on that. What I meant to convey was that instead of removing, as in effect he has done, the existing surcharge on the lower incomes, — that is to say incomes of less than Rs. 2,000 a year, my Honourable friend might have retained the position as it was prior to the new scale of rates of income-tax and super-tax now to be brought in. That was my point, not that there should be any surcharge.

The Honourable Sir James Grigg: I may as well read to the House the section of the Government of India Act which governs the question of a federal surcharge because, in case any other Member thought that was a possible alternative, he may know the real position. Section 141 (2) of the Government of India Act says:

“The Governor General shall not give his sanction to the introduction of any Bill or the moving of any amendment imposing in any year any such Federal surcharge as aforesaid unless he is satisfied that all practicable economies and all practicable measures for otherwise increasing the proceeds of Federal taxation or the portion thereof retainable by the Federation would not result in the balancing of Federal receipts and expenditure on revenue account in that year.”

So that the Government of India specifically prescribes that federal surcharges are the last resort of all. Then, the other suggestion which Mr. Chapman-Mortimer made falls into the general argument which I now propose to use or the general assertion. I maintain to Mr. James that I did consider all practicable alternatives, and, obviously, the increase of income-tax or the non-reduction of income-tax on lower ranges was one of these. I do not want to go into them in detail but I will say that I will undertake to demonstrate to Mr. James that no suggestion he can produce is as little open to objection to the one which has in fact been adopted. In fact in this controversy my last word is the same as my first and I will read it out again:

“My design is simply to balance the budget by the least burdensome means open to me and that I claim to be doing.”

Mr. Bhulabhai J. Desai (Bombay Northern Division: Non-Muhammadan Rural): Sir, after the somewhat long speech that I made on the occasion of the discussion on the second reading of the Finance Bill I almost thought that I had better retire from the contest. But considering the line of argument which has been pursued on this question of additional duty on imported cotton, I think it is my duty to explain to the House the reasons which have prompted me and those who think with me in taking the stand which we do, and, in doing so, I am fully conscious that it is always possible to level general charges which it is rather difficult to refute. I am glad my Honourable friend paid a deserving compliment to his colleagues and, particularly, to Mr. Sanjiva Row in supplying the materials for the purpose of his speech. It will probably remind him that if to the extent to which he has used them he has laid himself open to the charge of being even worse than a gramophone record, but I at least claim this, and I always claimed that if my Honourable friend had taken the trouble to read my speech that if you bring a trained mind to apply itself to information and figures partly compiled by yourself and partly composed, undoubtedly, by persons interested in the trade, I plead guilty to the charge of being less of a gramophone record than he has himself admitted. Perhaps he forgot during the course of a forensic reply of inventing a few more epithets which he will not be able to use once he leaves this country except to his subordinates in his place, perhaps he forgot that I represent in this

House, apart from my general Group to which I belong, a constituency which perhaps he is aware of, and that is Guzarat. I suppose he is also aware that on a modest estimate, the textile mills in Ahmedabad produce a third of the cloth produced in this country. Therefore, if my Honourable friend's charge against me was that I look after the points of view of my constituency, have regard to their views and the information supplied to me and that to the extent which is necessary even advance their interests, I can make a present of the compliment which my Honourable friend gave me, that I am, if he likes to think so, the supporter of every part of the interest of my constituency. But they have never played that prominent part in my way of thinking in so far as my judgment in this matter is concerned as other interests which my Honourable friend was not allowed to forget and, therefore, we at least even in so far as this exchange of compliments are concerned.

Coming back to the points at issue, which I wish to put forward as briefly as I can, the two lines which have been pursued in this House, and I have, fortunately, the advantage which my Honourable friend has too frequently enjoyed that he does not wish to make any speech requiring an answer which he does not wish to give. He always used to get up and say "that A cancels B and that C cancels D and, therefore, I alone remain, the dominant factor of this great place". That is not the line which one ought to pursue. I think it is just as well to examine the arguments which have been put forward by way of any justification of this source of taxation and the line pursued by my Honourable friends of the European Group is one of those lines, where they agree with the Government to purport to quarrel among themselves over matters which do not affect us except to the extent to which we have got to pay for it. Because, when you analyse the dispute between my Honourable friend, Mr. James, and my Honourable friends of the European Group, so far as they are concerned, they make a present of the first argument to the Honourable the Finance Member. "Oh, yes, you are right; the budget must be balanced". And what they did venture to examine is that it cannot be balanced without a further 50 lakhs being produced. But they assumed and said that the budget must be balanced, one of them saying, "You tax A" and another man saying "You tax B"; and that is the only dispute as between them. And, therefore, it really does not touch the true issue in this case. Only they forget what their Leader himself said,—and I will ask him to correct me if I am wrong. He said in some bated breath that the budget may possibly balance itself with about 30 lakhs left over.

Mr. A. Aikman (Bengal: European): No.

Mr. Bhulabhai J. Desai: My friend may re-read his speech if he likes. I have taken the trouble to read it and I cannot put any other meaning upon it except the one that I am submitting to the House.

Mr. A. Aikman: Sir, on a point of personal explanation, I tried to induce my Honourable friend to support his opinion that there will be a four crore surplus, and I allowed myself a surplus margin and said that the budget would be nearer breaking even than having a surplus of 25 lakhs. But he maintained that there would be a four crore surplus.

Mr. Bhulabhai J. Desai: If the dispute only is whether there would be a four crore surplus or not, that is an issue which does not arise; it might

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arise on the amendments. I am only dealing with a narrow point for the moment whether, without the 50 lakhs which are to be produced by this source of taxation, the budget can be balanced and it is from that vantage point that I wish to proceed before this House to make the point that I have got to make. I think my Honourable friend will also remember, notwithstanding his explanation, that what he said, undoubtedly, was this. He disagreed with me that the additional amount which I calculated from the source of sugar excise *plus* sugar import was in the neighbourhood of 150 lakhs; but he did say that he did not quite agree with the Honourable the Finance Member that the estimate was really not a little low. I am quite certain he said that in any case. All that they say then is, "Oh, yes, we do differ from each other but after all he is the Bible and we must accept it." That is not the spirit in which any person doing his duty can afford to work in this House. Undoubtedly up to a point I may surrender my judgment to a man whom I have employed or who happens to be opposed to me. But when it comes to a vital matter like an additional source of taxation it is not possible for one to surrender his judgment quite so easily to an expert. That brings me to the next point, which my Honourable friend emphasised, quite cynically and quite rightly, as a matter of forensic reply. After giving certain figures he said, "I quite agree that my Honourable friend" (referring to me) "is no financier". That admission I hope my Honourable friend will understand, that if one gives a generous compliment to an expert, if this is all that one can get out of that generous compliment, he would probably find if he had remained longer that he would not have got it. The fact is that I employ quite a large number of experts and I admit them to be experts, but my Honourable friend equally knows, during the course of the Bill which has now passed into law and with which we are both familiar, that the experts are in their own place and those who with a trained mind examine what the experts state have a higher place. And, therefore, even if my Honourable friend lays to himself the flattering function that he remains a financier and a financier and nothing but a financier, I give him his proper place; but so far as we are concerned, we retain the right to judge him as much as any other expert by whatever name he is called. Therefore, I do not surrender my judgment in the way in which my Honourable friends of the European Group appear to do. I suppose they are concerned either with the stability of the investments of their prices or the possibility of leaving a certain amount of concealed surplus, as it is not uncommon to do in the balance-sheets of many companies including banks of which I am aware.

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

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

THE CRIMINAL LAW AMENDMENT BILL.

PRESENTATION OF THE REPORT OF THE SELECT COMMITTEE.

The Honourable Sir Reginald Maxwell (Home Member): Sir, I present the report of the Select Committee on the Bill further to amend the Indian Penal Code and the Code of Criminal Procedure, 1898, for a certain purpose.

Mr. Bhulabhai J. Desai: Mr. Deputy President. Before the House rose, the point which I was trying to make was the effort made by the European Group, notwithstanding the difference between them, as to the source from which the 50 lakhs should be provided, and I was submitting to the House that it is a difference which is immaterial so far as we are concerned as to which of the two sources, as to which my Honourable friend has been taken into confidence either by Mr. Chapman-Mortimer or Mr. James, is a matter of little consequence as to the efficacy of that advice. The issue with which the House is now concerned—and on which I venture to differ from my Honourable friend, the Finance Member—is whether there is such a deficit that it requires to be made up by source of taxation he has chosen: and, lastly, an issue which has been joined somewhat irrelevantly but has undoubtedly suited the Honourable the Finance Member, whether incidentally, though the main purpose of the duty is a revenue purpose and a revenue objective, whether it does not, incidentally, also afford a certain amount of material advantage to the cotton growers, particularly in the Punjab. That is the turn that the debate has taken and it is those three points which I must attempt to meet and explain them to the best of my ability.

As regards the first point, whether there is any deficit at all, I do not wish to keep the House long. It is neither fair to the House nor even perhaps to my Honourable friend. I have pointed out where our difference lies and my Honourable friend can still maintain his opinion, as he is well able to do in the present state of affairs; and I may remind him of this: supposing he had reverted to the high position that he enjoyed before he came here or even a higher one in the same department, he would still have had to take orders from a non-expert, to wit, Sir John Simon: so that my friend may well satisfy himself by this that he may well take the advice of every interest concerned, every coalescing and cooperating interest, and yet attempt to come to a dispassionate conclusion in the interests of the taxpayer. For, after all, it is a point of view of some importance, however little it may appeal to my Honourable friend opposite. He says "I am not concerned: I must have the money and I must preserve the credit of the Government of India whose salary I am drawing." That is the short premise of his argument. Therefore, I do not wish to weary the House as to the differences between us as to the likely yield from the sources of taxation which we discussed already. At all events I will say this: that in his very long and exhaustive reply my Honourable friend has not given us any figures as to why he thinks that the imports of Java sugar, yielding, naturally, about four and a half times the revenue that the excise duty on local sugar of equal quantity would yield, would not be in the neighbourhood of the quantities which I suggested. He says "Yes, it may be 50, it may be 70, it may be 100 lakhs". I think if he had gone on in that mood for the moment he might easily have reached the 150 lakhs which I took. But there is one other point of real finance to which I wish to call the attention of my Honourable friend's technical advisers of the Finance Member of the Government of India. They say the budget must be balanced. As a general proposition of substantial application nobody here at all events, whatever I may be, I do not question it. But there is one thing that I do question and that is where the expert gives place and

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must go away to the lay better-trained mind. The expert is generally inclined to apply it literally without estimating the true result in particular cases. You go to an expert even in a matter like a toe, and I am quite certain if you went to him, in all human probability he will say that if you have a stomach ache, the ache is the result of something in your toe. That is always the unfortunate strength and the weakness of the expert.

Now, let us examine what is this deficit and whether it is a deficit of such a character so definitely ascertained that we must assume it in company with my Honourable friends of the European Group and the Finance Member. It is 50 lakhs out of a budget of 87 crores: so that with even bad arithmetic it is 1/174th of the total amount of revenue that he proposes to raise. Now, I do seriously ask Honourable Members of this House whether it is even decent to treat us to this kind of joke that you cannot possibly have erred to the extent of 1/174 in your estimate in getting 87 crores from the country. Really, in almost any department where even if science were exact I do not think a man would pledge himself to the kind of certainty and emphasis that my Honourable friends have applied to it. After all is said and done he must realise that there is a latitude in his estimate, as there must be. But to be told seriously by my Honourable friends in support of the taxation of what they otherwise think is not proper. At all events one of them thinks

An Honourable Member: Who said?

Mr. Bhulabhai J. Desai: One of them does say it. (Interruption from the European Group Benches.) But it does not matter. One of them is good enough for me. One of them at all events says it is a commodity which we must not tax; but what is the process of the logic? The logic is that we are so sore driven to the necessity, to the last point, that without it the whole credit of the Government of India would break down. Let us be a little more serious about it if we are to support it on its merits. There is a limit to that kind of support to be extended by commercial interests in this country, irrespective of the race to which they belong. They must recognise that after all said and done an error of 1/174 is one for which they may easily give the benefit of the doubt to an industry which has been pleading not to be further burdened, rather than to the Finance Member who, undoubtedly, comes to their aid time and again. They have put forward amendments in a persuasive and courteous if not a courtly way only to be generally convinced and withdraw their amendments. That is the method of their attack and their opposition . . .

An Honourable Member: Question.

Mr. Bhulabhai J. Desai: It is a fact. I have seen it for five years now and I cannot allow the question to have any other answer than that. The fact remains, however, that there is such a narrow margin of that supposed deficit that it cannot possibly even from the point of view of the science of finance ever admit of the kind of stress that is applied to it. It is admitted that there is neither mathematics nor instruments to measure it: it is entirely a question of finding out by means of estimates as to how much we may expect and in such an inexact science and with a mind, however superior, it still can be inexact in certain particulars, partly on account of

its own infirmity which I believe every one will acknowledge and partly by reason of the additional infirmity of the bias with which he proceeds—all these are apt to make calculations err more than 1/174th legitimately. I think I may even appeal to him even now it is not too late for him—legitimately to allow that even in his exact, trained, highly-skilled and highly paid mind there is room for a mistake of 1/174th. If that is so, to my mind not even a fanatic financier will go to the extent that he is going in insisting upon this particular source of taxation being tapped at this moment to meet this supposed deficit. Therefore, my first submission to the House is that, if I am right, as I hope I am, at all events to the extent where you need not agree with me, whether the excess amount that I anticipate would be as large as I have presented, no more or no less than you need agree with him that it does not exist at all, but the fact remains that we are only concerned with the question of the present vote with that item of Rs. 50 lakhs only, and to that extent I think it is quite obvious that by now the House has been persuaded that neither the demands of science nor the demands of credit of my Honourable friends' investments in this country, are so strong and so correct that they should insist on this not merely a pound of flesh but the last drop of blood. That is not the process by which a Finance Minister should try to deal, as I said at all events, with a Budget. He is bidding farewell as he feels he does under some happy atmosphere, and he might at least recognise,—and it is not a recognition of a grave error,—it is a recognition of a calculation which is so small in itself that at any moment right from any source of income or all of them put together, he might be out by 50 lakhs. Therefore, I appeal to him again without being a financier and yet having a right to judge a financier and all that he stands for by way of experience and even by way of replies here, he stands to command. In any other place his proper place would have been probably to advise, and I ask the House to rule it out.

Then, the next point I take up in this matter is the ground which is taken by my friend, Mr. Ghiasuddin. When he was reading out some passages I was wondering where he got them from, because he read them with a certain amount of faltering understanding of the exposition. Anyway I give him the credit of a close study of the subject, but a close study of the subject is one thing and its application to the facts so far as this particular issue is concerned is quite a different thing, and it makes all the difference in this particular case. His arguments ran in two directions somewhat not quite consistent. One line of argument was that this duty was going to in some mysterious manner produce two results, first, that it was going to grow longer staple cotton as soon as the duty was levied. That is a scientific argument, and on that I have not yet heard anything, and I do not think anybody exists in this country who has the temerity to understand or subscribe to what my friend called utter nonsense. But you come to the second argument, and he says Punjab will be assisted. I have been thinking over in my mind, being at least an economist which I claim to be, having taught it for many years and having studied it for many more,—I began to ask myself how, except as a matter of speculative measure, which I don't deny, a small margin would be found in the pockets of those who pay and receive differences, except for that the fact that a certain class of longer staple cotton would, when sold in India, have a further surcharge of prices.

There are two factors which my friend may well remember. I am very much in touch with the greatest speculative market which exists in my

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home town of Bombay, and many people from the Punjab and the Frontier make occasional incursions into that market through Commission agents. I am fully aware of the nobility of their professions and the utility of their operations, but let me point out what is it that my friend has been pleading for? I don't deny that perhaps a particular class of higher quality of commodity, if it is a little more costly, may, to a certain extent, affect what is called the moral, which is really immoral,—the immoral effect on the market of another lower type of commodity. In other words, supposing the better class of cotton was sold at Rs. 210 and became Rs. 212, my friend's cotton, if it is Rs. 150, he might expect, 4, 6 or 8 annas more for a time, whereas the man who really wants to make something out of it, will say, "Oh, yes"

But allow me to tell him that when the cultivator gathers his cotton and sells it actually in the market, this additional duty is not going to help him economically at all. He may be quite certain about that, so that, as far as the argument of growing cotton is concerned, it is a matter of chemistry which yet has got to be invented. I make him a rich offer of a reasonable amount of money and quite a large amount at that by which we shall be able to buy a certain amount of land and grow cotton. If my Honourable friend can agree, then we can grow cotton, because after all what we want is to grow cotton, and not pay the money. Therefore, I deny that it is going to help the growth of longer staple cotton. I am not denying, therefore, that it is the obvious duty of the Agricultural Department of the Government of India to see to it that experiments are continued with great energy and great care and make its results available so far as the people are concerned in order that the public may grow better and better cotton. For one thing is certain that the market is assured, and if it is so easy as my friend thinks,—that if an additional duty, to what there is already, is imposed, the cotton will be there tomorrow morning, I have never heard.

Mr. M. Ghasuddin: They are both in demand.

Mr. Bhulabhai J. Desai: That an additional duty equivalent to what it is going to be levied would produce cotton? All right, if that is the demand, I absolutely understand the demand. I may easily understand this that there may be a certain amount of understanding, if you do something for me, if you scratch my back I will scratch yours,—that is possible. But I will not go into that line of argument because I do not like it. The fact, however, remains that in so far as I can see, the plea that this duty is going to remain for only one year, cannot hold good, for, after all, there may be no deficit next year. And do my friends seriously contend before this House that because the duty will be levied for one year that next year that cotton is going to grow longer by a millionth of an inch? It is really a delusion. I am very sorry they do not understand what they do in extending their support to this duty. But, at the same time, I cannot allow an argument of this kind to delude the House by saying that a duty which must necessarily be temporary because next year there may be no deficit and if there is,—I do not know whether this

Mr. M. Ghasuddin: I hope this additional tax is there next year as well.

Mr. Bhulabhai J. Desai: This is no friend of India, I can tell you,—a gentleman who sits in this House seriously and says and wishes for a deficit in the Budget of this country in order that a duty, a paltry levy, may be imposed on cotton to benefit the Punjab? I think it is the limit

The Honourable Sir Muhammad Zafrullah Khan (Member for Commerce and Labour): If it is such a paltry levy, why talk about it?

Mr. Bhulabhai J. Desai: Is it a paltry levy from the point of view of the gain he makes? I am sure Sir Muhammad Zafrullah Khan will seriously follow what I say. I have told him that he is getting nothing, neither a millionth of an excess in the size of his cotton supply nor is he getting more than perhaps an anna speculatively in the price of cotton that he actually grows. The point really is this, that the grounds on which my friends claim that it is in the interests of this country, irrespective of revenue purposes, to levy this duty,—it is that which I am contesting, and I say, and I repeat it again, and I hope and trust that my friend's hopes would be frustrated,—that this country will not be faced with a deficit budget next year, and at all events, my friend will not have the pleasure and satisfaction of seeing that there will be a deficit in order only that this duty may be increased. That I think is as bad an argument as could be urged before this House. But what we are now talking of is what human affairs ordinarily require and ordinarily expect of a man to do. The ordinary affairs of human requirements are that it is a duty for a year in order to meet an emergency deficit this year. That is the basic argument on which the whole foundation is based. Therefore, I am entitled to argue and not to consider the fact that this may be continued for all time: order that cotton may continue to grow in size and size. It is an absurd argument, absurd on the face of it. Therefore, I say that in a year's time it cannot possibly assist in increasing the price or increasing the staple. That is the argument of my Honourable friends.

Then, there was another argument which was suggested during the course, though not properly developed. The argument was it is quite likely that American cotton, particularly, could be purchased and to an extent displace the Indian cotton with which it might compete. I have got here the figures of the import of foreign cotton into this country. I will eliminate those from 1928 to 1932, because the point of the moral that I am trying to draw before the House can be easily understood from the figures for 1932 to 1938, of the purchases in pounds of the finer counts of cloth above forties. If they are carefully studied, it shows this, that not a single bale of Indian cotton could ever have been displaced by the imported cotton. A man has only got to study the figures as to what is the actual production in pounds above 40s into which this cotton has gone, to see, whereas the whole of that cotton that came in did not go into the finer counts which were produced by this country—true there is jealousy that we should in less than five years produce, and I have got the verified figures from the Bombay Millowners' Association. In 1934-35, it was 101 million pounds, in 1935-36, it was 126 millions, 1936-37, 132 millions, 1937-38, 174 millions, and 1938-39, 201 millions. I quite realise that those who are our competitors in this must naturally wake up, must recognise—I see where the shoe pinches, where or how the background of these fumes come. Yes, he says, a few years ago it

[Mr. Bhulabhai J. Desai.]

was an import of 2,500 million yards of cloth, now there are only 200 million yards, and why are you grudging this? I see the point. I see the point to this extent that I have destroyed your market and captured it and you are re-capturing it which I am rather jealous about, it is perfectly human nature to do so. I do not deny for a moment that during the years 1884 to 1889 we have produced finer yarn from 101 millions pounds to 201 million pounds. Therefore, I fully understand the situation in which our competitors are placed. The two arguments with which we are concerned are, first, that the additional imports of cotton, in so far as they grew from time to time, have gone into the production of the yarn for which they are fitted and, therefore, have not displaced the Indian cotton; in fact, you have had it from Sir Cowasji Jehangir, and he gave you figures to show that in fact six lakhs of bales in excess were used so far as the Indian cotton was concerned. Therefore, let us examine this in the light of the information that we possess. I submit that having regard to the fact that it is intended to meet this deficit, this House must treat it as of an entirely temporary character and, therefore, it cannot possibly do anything of an enduring benefit by way of growth of better cotton. Then we come to the next one, whether it will add to the price of cotton that he grows. I have submitted to the House that it does not. Thirdly, I have shown that there is an entire misapprehension, if there any exists, that the imported cotton has been substituting what would otherwise have been got from the Indian cotton. Those are the points which had been made, though I submit with great respect that they were hardly relevant. They merely grew by accident but for different reasons we come to the same conclusion. The Honourable Sir James Grigg wants money. He thinks the mill industry is a good one to hit at; others think that if we find that our cotton may have some advantage let us support it. That is the way in which the logic goes. There are two inconsistencies, which if I had not felt it my duty to examine, both the sets of arguments might have destroyed each other. But my Honourable friend must stand or fall entirely by the one claim that he made, because I take it, and you cannot read his speech otherwise, but for the deficit as to which there is a dead, mathematical, scientific certainty,—but for that deficit he would not have thought of this duty. That is the short argument in the nutshell of the whole point of this debate in so far as this issue is concerned. I, therefore, respectfully submit to the House that it is an impost of a character which is entirely uncalled for, and the reason of emergency does not in fact exist, and if it does, in the sense that my Honourable friend places it,—I take he does,—we are not obliged to agree with him, having regard to the tiniest, narrowest margin of the possibility of that emergency. I have great pleasure in supporting the amendment before the House.

Mr. M. S. Aney (Berar: Non-Muhammadan): The motion before the House is for the elimination of the clause which seeks to double the duty on the import of cotton. We have listened to the arguments in support of as well as those against the motion. A debate of a very high level has taken place, initiated by my Honourable friend, Sir Homi Mody. Two very distinguished Members of the European Group cancel each other, one supporting it and the other opposing it. The points which strike me most in connection with a matter of this kind are these. We have listened in this debate to two points being frequently, emphasised.

One of these was, the balancing of the budget, and the other was the justification of the imposition of a duty on raw materials. Those two points have been made points of principle, and each party has been emphasising the point as it suits it. But I, as a nationalist, who have been brought up from my studenthood in the traditions of the boycott of British cloth, can only take one view of the question, and that is this. The position of the Indian industry has now reached a stage where it is a matter of sore grief for Lancashire. But no nationalist will feel sorry for that established position, and if any duty has got the remotest bearing of disturbing that position and creating a position which is likely to affect adversely Indian industry, no nationalist can take any other view except that that duty must go. That is the only consideration which a nationalist mind has instinctively to take.

I had taken a vow for the boycott of British cloth in the year 1895 when the countervailing duties were first started, and when the first swadeshi agitation was begun. That was repeated by us in 1905, when the anti-partition agitation was started and swadeshi and boycott became the watchwords of political agitation in the country. We have been carrying on that boycott agitation against Lancashire since then for so many years. As a matter of fact, in the year 1930 myself, and a number of the members of the then Nationalist Party, had resigned our seats in this House because a law was passed which gave certain preferences to Lancashire textile industry. So far as my instinctive tendencies are concerned, I am naturally inclined to oppose any duty which is likely to give a concession in favour of Lancashire. Having said this, it is also necessary, in my opinion, to bring out certain points which I thought would have been cleared by those who were interested either on that side or on this side. I expected the champions of the Indian industry—and, fortunately, we have got the best advocates of that industry here—to clearly demonstrate before this House as to how this imposition of duty was likely to affect the prices of the Indian textiles produced by them and make their position worse in competing against the same things imported from Lancashire and Japan. I thought the argument as regards the effect on the prices on account of this duty and the adverse position in which they will be placed should have been made more intelligent than what mere frequent repetition of some general principles here was able to achieve.

Mr. Bhulabhai J. Desai: Sir James Grigg himself admitted at least 3 P.M. three per cent. difference in cost.

Mr. M. S. Aney: I know. I wanted it to be made clear by those who represent the Industry here as to how this duty is going to affect them and to say whether it will mean a mere reduction in the percentage of their profits or a state of helplessness to compete with their rivals *viz.*, the British and the Japanese manufacturers.

Sir H. P. Mody (Bombay Millowners' Association: Indian Commerce): That is obvious. 55 lakhs is 55 lakhs.

Mr. M. S. Aney: Anyhow, what I find is this. Sir James Grigg stated that this duty is likely to affect the prices by enhancing them to the extent of three or four per cent. Now is this additional rise of three or four per cent. going to put the Indian industry in such a way as

[Mr. M. S. Aney.]

to make it impossible for them to compete against British or Japanese manufacturers? That could have been made perfectly clear by them in their arguments but they took it for granted and the matter stopped there. It may be that in my absence Mr. Manu Subedar said something on this point and I was not present in the House. There was another important business which called me away. Anyhow, it strikes me that an addition of three or four per cent. to the existing price of the Indian textile manufacturers is a factor which is likely to give a considerable advantage to the foreign competitors. That is what strikes me, though I am not in possession of all the necessary details which I expected to get from my Honourable friends. Another point is whether this rise in price will be reflected on all varieties of cloth and not merely on the finer counts, although the duty is on the import of cotton of long staple. I want to know how the disadvantage will be distributed.

Mr. Manu Subedar: On a point of explanation. The Finance Member in his reply to the deputation from the millowners said that it would merely mean a rise in cloth prices of one pie per yard but, in doing so, the Finance Member had, unfortunately, calculated on all sorts of production which was not fair. I said that the rise in the price of cloth should be calculated only for the fine counts and that would be four per cent. and for that four per cent. we had all this bother of the Indo-British negotiations for three years.

Mr. M. S. Aney: I have listened to that argument but I have not been able to see that the manufacturers will not try to distribute this rise over the prices of all the varieties so as to minimise it in the case of the finer count cloths. That has not been made clear.

Mr. Manu Subedar: It cannot be done in this way.

Mr. M. S. Aney: Another point that strikes me is this. It seems to me that turning out finer cloth is more profitable and leaves a larger margin of profit than turning out the coarse cloth out of the mills. If I am wrong, I should like to be corrected. If I am right, it is only natural that the cloth which is likely to give a larger margin of profit should be manufactured more and more. That will be the natural tendency.

Mr. Bhulabhai J. Desai: The demand cannot be infinite.

Mr. M. S. Aney: That is a matter of calculation. If the tendency is there, it will result in a displacement of the quantity of Indian cotton that is being consumed by the Indian mills. You cannot increase the manufacture of a particular variety without cutting into the quantity of cloth of other varieties in the same mill, unless you find consumers or buyers outside the country. Therefore, the impression one gets is that it is bound to result in reducing the demand for the short staple cotton so far as the Indian mills is concerned.

Mr. Bhulabhai J. Desai: We have not displaced the foreigner yet.

Mr. M. S. Aney: I have read the figures. I find that there is an increase in the consumption of Indian cotton by a few lakhs of bales. But I would also remind my friend of the figures of 1936-37. I find there some reduction in the consumption of Indian cotton in mills in Bombay and Ahmedabad. The increase was due to greater consumption of Indian cotton in the up-country mills and those in other parts of India. In subsequent years the position is not like that and a little bit improved. I am putting the points that occur to me before the House. After all is said and done, I am not sure whether this duty is going to help the growth of Indian cotton and that being the position I do not see the propriety of running to the help of my Honourable friend, Sir James Grigg, to balance his budget and oblige him by sanctioning the duty which he seeks to impose now.

Then, Sir, I do not understand the fetish that is being made of the injustice of imposing duty on raw materials. If we find that certain kinds of raw materials grow in this country but importing of similar materials from other countries is going to affect the market for the raw materials of this country itself or the producing capacity of the Indian cultivator in regard to that matter, certainly we ought not to be guided by the fetish of any economic principles but we must be guided by the realities which we have to face. I do not want to subscribe to this principle that raw materials should not be taxed at all in this country. It might be a good proposition enunciated by economists at one time. If I really find that adherence to this principle is likely to affect the indigenous agricultural industry which gives livelihood to millions and millions of people in this country, then I maintain that it would be proper for the Government not to make a fetish of that principle enunciated by the Fiscal Commission report several years ago, a report which is, in my opinion, now entirely out of date, but they should study the question purely from the point of view of the requirements of the Indian people and from the point of view of the requirements Indian agricultural industry itself. If that requires that raw materials at times should be taxed, then they should have no hesitation in doing that in spite of this orthodox principle of the school of economics so often repeated today in the course of the arguments here. So that is the third point on which I want to make my position clear. Now having said all this, I feel anyhow, taking the advantages and disadvantages of the situation at present, I do not find that this duty is going to help either the cultivators or anybody else in this country. Of course, it might serve to oblige the Finance Member by balancing his Budget in case the deficit of which he is making so much is a real deficit. But whether it is real or not, I feel that anyhow, being in a dubious position, it is better for us to stick up to what our patriotism instinctively tells us that this is a concession in favour of Lancashire at the cost of the indigenous industry on which we must make up our mind once and for all. We must not be generous today on the plea put forward but must throw out this proposal for the imposition of this double duty on the import of cotton.

Several Honourable Members: The question may now be put.

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

"That the question be now put."

The Assembly divided:

AYES—44.

Abdul Hamid, Khan Bahadur Sir.
 Ahmad Nawaz Khan, Major Nawab Sir.
 Aikman, Mr. A.
 Aiyar, Mr. T. S. Sankara.
 Ayyar, Mr. N. M.
 Bajpai, Sir Girja Shankar.
 Bewoor, Mr. G. V.
 Boyle, Mr. J. D.
 Buss, Mr. L. C.
 Chambers, Mr. S. P.
 Chanda, Mr. A. K.
 Chapman-Mortimer, Mr. T.
 Christie, Mr. W. H. J.
 Dalal, Dr. R. D.
 Dalpat Singh, Sardar Bahadur Captain.
 Gidney, Lieut.-Colonel Sir Henry.
 Greer, Mr. B. R. T.
 Grigg, The Honourable Sir James.
 Hardman, Mr. J. S.
 James, Mr. F. E.
 Jawahar Singh, Sardar Bahadur Sardar Sir.
 Kamaluddin Ahmed, Shams-ul-Ulema.
 Kushalpal Singh, Raja Bahadur.

Lillie, Mr. C. J. W.
 Mackeown, Mr. J. A.
 Maxwell, The Honourable Sir Reginald.
 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.
 Rahman, Lieut.-Col. M. A.
 Row, Mr. K. Sanjiva.
 Sher Muhammad Khan, Captain Sardar Sir.
 Sircar, The Honourable Sir Nripendra.
 Sivaraj, Rao Sahib N.
 Slade, Mr. M.
 Spence, Mr. G. H.
 Stewart, The Honourable Sir Thomas.
 Sukthakar, Mr. Y. N.
 Sundaram, Mr. V. S.
 Zafarullah Khan, The Honourable Sir Muhammad.

NOES—56.

Abdul Qaiyum, Mr.
 Abdur Rasheed Chaudhury, Maulvi.
 Aney, Mr. M. S.
 Ayyangar, Mr. M. Ananthasayanam.
 Bajoria, Babu Baijnath.
 Banerjea, Dr. P. N.
 Basu, Mr. R. N.
 Chaliha, Mr. Kuladhar.
 Chaudhury, Mr. Brojendra Narayan.
 Chettiar, Mr. T. S. Avinashilingam.
 Chetty, Mr. Sami Vencatachelam.
 Das, Mr. B.
 Das, Pandit Nilakantha.
 Desai, Mr. Bhulabhai J.
 Deshmukh, Dr. G. V.
 Deshmukh, Mr. Govind V.
 Gadgil, Mr. N. V.
 Govind Das, Seth.
 Gupta, Mr. K. S.
 Hans Rai, Raizada.
 Hegde, Sri K. B. Jinaraja.
 Hosmani, Mr. S. K.
 Jedhe, Mr. K. M.
 Jehancir, Sir Cowasji.
 Joendra Singh, Sirdar.
 Joshi, Mr. N. M.
 Kailash Behari Lal, Babu.
 Lahiri Chaudhury, Mr. D. K.

Lalchand Navalrai, Mr.
 Maitra, Pandit Lakshmi Kanta.
 Malaviya, Pandit Krishna Kant.
 Mangal Singh, Sardar.
 Mazu Subedar, Mr.
 Misra, Pandit Shambhu Dayal.
 Mody, Sir H. P.
 Mudaliar, Mr. C. N. Muthuranga.
 Muhammad Ahmad Kazmi, Qazi.
 Paliwal, Pandit Sri Krishna Dutta.
 Pande, Mr. Badri Dutt.
 Raghubir Narayan Singh, Choudhri.
 Ramayan Prasad, Mr.
 Ranga, Prof. N. G.
 Rao, Mr. M. Thirumala.
 Saksena, Mr. Mohan Lal.
 Sant Singh, Sardar.
 Santhanam, Mr. K.
 Satyamurti, Mr. S.
 Sham Lal, Mr.
 Sheodass Daga, Seth.
 Singh, Mr. Gauri Shankar.
 Singh, Mr. Ram Narayan.
 Sinha, Mr. Satya Narayan.
 Som, Mr. Suryya Kumar.
 Sri Prakasa, Mr.
 Subbarayan, Shrimati K. Radha Bai.
 Varma, Mr. B. B.

The motion was negatived.

Dr. P. N. Banerjea (Calcutta Suburbs: Non-Muhammadan Urban): Sir, the speech made by the Honourable the Finance Member day before yesterday in reply to the general debate on the Finance Bill was a rather

poor performance. He was unable to meet the argument with argument, and naturally he indulged in abuse and vituperation. We have been familiar with his language and his manners in this House for the last five years, and this is not a matter for surprise. But I take very strong exception to two of his statements of fact. The other day he said that I had observed in the course of the debate on the railway disaster which had taken place near Hazaribagh that the driver was drunk. I made no statement of that sort. What I said was that there were several possible causes of the disaster and these various causes should be investigated, and one of these possible causes was, I said, that the driver was drunk.

The Honourable Sir James Grigg: On a point of personal explanation. I did not say that the Honourable Member had stated that the driver was drunk. I said that he suggested that he might have been drunk. If after what he has said he still thinks my statement was not completely accurate, I ask the House to judge between me and the Honourable Member.

Dr. P. N. Banerjea: I have seen the official report of his speech and I say that he did not say what he is saying now.

The Honourable Sir James Grigg: I say I did.

Dr. P. N. Banerjea: Then, bring out the official report. I maintain that what you are saying now is not correct.

The Honourable Sir James Grigg: It is correct.

Dr. P. N. Banerjea: However, that is one point. In the second place, he stated that I was fomenting racial hatred. That is another statement which is incorrect—I will not use a stronger word although a stronger word would have been more appropriate. I have been in public life now for 38 years and during all these years I have never indulged in anything which may incite racial or communal hatred. Only the other day, I made it clear that I would be an advocate of co-operation if co-operation could be secured on the basis of fair-play and justice. It is surprising that Sir James Grigg, who occupies a very important position as a Member of the Government of India, did not say things which he ought to have said. He ought to have had a better sense of the responsibility which attaches to a Member of the Government of India. Happily, the Finance Membership as an institution is disappearing soon. I wish that in the interests of good relations between India and Britain this institution had disappeared earlier.

Not only did Sir James Grigg indulge in abuse but he also indulged in half-truths. Referring to the report of the Fiscal Commission, he said that the Commission had laid down that where there was no raw material available, there should be no protection given. But the language of the Fiscal Commission report is quite clear. On page 54 of the report they say:

"The industries which possess natural advantages, such as, an abundant supply of raw material, cheap power, a sufficient supply of labour and a large home market."

Abundant supply of raw material is only one of the things and India has an abundant supply of raw material. Again, on page 63 of the Report we find the following words:

"Raw materials required for Indian industries should ordinarily be admitted free of duty."

[Dr. P. N. Banerjee.]

Thus, that statement of Sir James Grigg was perhaps worse than a half-truth.

I also find that Sir James Grigg referred to Mr. Aney's statement to the press, but he forgot to refer to his statement in this House in which he made it clear that the cotton grower would not get any substantial advantage from the enhanced duty.

Now, coming to the Finance Member's diatribe against "big business", I do not know whom he had in mind when he used the words 'big business'. If he had in mind the big Bombay business, I will not argue with him, for the big millowners of Bombay are strong enough to defend themselves. But if he had in mind the cotton industry as a whole, I must say that he was entirely mistaken. The cotton industry as a whole is not big business. In Northern India there are cotton mills—the mills which are, as a rule, small, very small in size. This is specially true of Bengal.

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

Sir, Bengal has had her grievances against Bombay, but that is a matter to which I shall not refer at present. But I must make it clear that Bengal will be hard hit by this additional duty. It is well-known that the climate of Bengal is hot and moist, and people use preferably thin wearing apparel. Therefore, there is a demand for cloth which is made of long staple, and it is because of this demand that Bengal mills have been specialising in thin sorts of apparel. This is a very important point. There is another factor which is also to be borne in mind. It is often said that the people of Bengal are more sentimental than the hard-headed people of Bombay. Anyhow, they took to this business at a much later date than Bombay did. Naturally, they have not been able to stand competition with Lancashire to the same extent as the Bombay millowners have. There is also another fact to be taken into consideration, and that is that the margin of profit which the Bengal millowners earn is, as a rule, very small; in some cases, there is no profit at all, and in other cases they even work at a loss. The Finance Member said that it was only a difference of three per cent. This is a matter of great importance so far as Bengal mills are concerned. The Honourable the Leader of the Opposition gave a somewhat higher figure, namely, four per cent. Mr. Manu Subedar put it at five per cent. Even if we take the lowest figure which is the figure of the Honourable the Finance Member, I say that the Bengal millowners would be hard hit.

Then, apart from the millowners, we know there is a handloom industry in Bengal. This handloom industry uses only thread of finer qualities. This industry was at one time in a very flourishing condition. Even now there is a handloom industry at Dacca, at Shantipur and various other places. The handloom industry of Bengal is decadent because it could not stand the competition of the mills of Lancashire and the Indian mills as also competition of *khaddar* cloth. Naturally they are in a very bad way at the present moment. The additional duty which they will have to bear now will prove exceedingly burdensome to them and many of the weavers will have to starve. It is on account of these factors that I urge that this additional import duty should not be levied.

My Honourable friend suggests that it may encourage long staple cotton. The reply has been given by experts who ought to know that this is not likely to be the case. If we read the annual reports which are published by the Cotton Committee, we find that experiments are being made for the growth of long staple cotton but it will take a long time before they are fully successful. In one passage they say that it will take 15 to 20 years to grow long staple cotton in a sufficient quantity for the needs of the country. Even if you put it at a shorter period, say, ten years, no immediate advantage will be gained by the cotton grower. Therefore, the imposition of this duty will not help the cotton grower. On the other hand, it will greatly harm the cotton mill industry as well as the handloom weaving industry in the country.

The Honourable the Finance Member said something about raw materials. When we look at the great manufacturing countries of the world, what do we find? We find that they do not hesitate to import raw materials. Britain never hesitates, Germany never hesitates, Japan never hesitates. Therefore, I do not see why India should hesitate to import raw materials. If we can grow long staple cotton in this country, let us not import it. I am a protectionist, but I am not a blind protectionist. The doctrine of self-sufficiency will be carried too far when it is laid down that no country should import any raw materials. International trade will then come to an absolute standstill. It is clear from what has already been said that the grower of Indian long staple cotton will not be benefited, the price will not be enhanced. On the other hand, great impediments will be placed in the way of the Indian cotton industry,—both the cotton mill industry and handloom weaving industry.

If the Honourable the Finance Member thinks that he cannot do without this duty then what prevents him from levying a countervailing duty? This would not be opposed to the policy of free trade. He is a free trader and his free-trade conscience ought to permit him to levy a countervailing duty when he seeks to levy an import duty on cotton. But he is a very convenient free-trader. He becomes a free-trader when it suits his purpose and he becomes a protectionist when that policy suits him better.

Sir, I support the amendment and I hope the House will carry this amendment by an overwhelming majority.

Dr. Sir Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): Sir, I do not propose to discuss whether the present budget is under-estimated or over-estimated. We said a lot during the general discussion of the Finance Bill and the general discussion of the budget. The next thing that I do not also like to discuss is whether the Honourable the Finance Member can afford to forgo a small sum of 50 lakhs without seriously affecting his budgetary position. Had this been the only demand, it might have held some consideration. But the House has cut 168 lakhs on salt duty, 50 lakhs on cotton duty and about 65 lakhs are to be cut on postcards, and then the total of all these cuts will not be an insignificant figure.

As regards the question whether India can grow long staple cotton, I may remind my Honourable friend from Bengal that they should remember the long staple cotton in Dacca from which they made the Dacca Muslin, and that was a finer count than Manchester or the mills can weave now.

Dr. P. N. Banerjee: But it does not stand competition; that is the trouble.

Dr. Sir Ziauddin Ahmad: I think on this analogy I can maintain that long-staple cotton can be grown in India if there is a demand for it. Of course, it cannot be grown all at once. If my Honourable friend, Sir Cowasji Jehangir, writes out a cheque for a crore of rupees, my Honourable friend, Mian Ghiasuddin, cannot produce it by magic from out of his desk. But the Chairman of the Bombay Millowners' Orphanage can place an order with Mian Ghiasuddin today, and, I am sure, he will be able to supply the entire amount of cotton by the end of this year. That is really the position.

Sir Cowasji Jehangir: There is an order of 700,000 bales of cotton ready for Mian Ghiasuddin to supply.

Dr. Sir Ziauddin Ahmad: Bring a cheque tomorrow and Mian Ghiasuddin will supply it by January, 1940.

There is one point I do not understand, *i.e.*, on whom will this tax of half an anna fall? Will it fall on the grower of foreign cotton or on the manufacturers or on the consumers? I was told by my Honourable friend, Mr. Manu Subedar, that since we began to discuss this duty, the price of cotton in Kenya had gone down, so much so, that Japan had placed large orders for Kenya cotton. That shows that the incidence will fall on the cotton growers alone, and not on the Bombay manufacturer. I am, of course, not clear about it, but I was told so.

Sir Cowasji Jehangir: We also said that that cotton had gone up in price in India. It had gone down in Africa, but it had gone up by the same margin in India.

Dr. Sir Ziauddin Ahmad: I will come to this question just now. If prices have gone down so much in Kenya, it means that the incidence of taxation has fallen on the growers. Now, my complaint is this,—and I say it with all emphasis,—that when we give protection to the sugar or textile industry, we do not give it for the benefit of the capitalists, but for the benefit of the cane growers and the cotton growers. My other complaint is that Government have not done what they ought to have done to raise the price level of cotton. From the printed report, I find that the price of cotton in 1914 was 817, it is now 168. That is to say, it has gone down to 51 per cent. In the case of mill cloth, it was Re. 0-10-3 and it has gone down to Re. 0-9-7, *i.e.*, from 100 to 98. So cotton has gone down to 51, and manufactured cloth to 98, which means that Government have not done enough for the protection of cotton.

As regards cotton piece-goods coming from abroad, we find that British cloth from Re. 0-10-6 has gone up to Re. 0-12-6, *i.e.*, it has gone up to 118 and the Japanese from Re. 0-5-12 to Re. 0-9-13, *i.e.*, to 171. Therefore, we find that the price of all the imported piece-goods have gone up from 100 to 118 and 171, and our prices have gone down to 98. So, even if they charge higher prices and put the entire incidence of the tax on the consumers, by a comparison of the prices, it is evident that they can do so.

Then, turning to "The Review of the Trade of India", I find that it is not an unnecessary taxation as is made out by my Honourable friends from Bombay, and I say that the import of this foreign cloth has enormously diminished, and if we compare it with "The Review of the Trade of India" and the report of the Textile Labour Inquiry Committee on page 14, we will find that the import of British cloth has gone down. For instance in 1924-25, it used to be 1509 million yards, and now it has gone down to 267 million.

Mr. Suryya Kumar Som (Dacca Division: Non-Muhammadan Rural): Are you sorry for that?

Dr. Sir Ziauddin Ahmad: No, I am glad.

Now, Japanese has come down from 434 to 306, while, at the same time, the cloth manufactured in this country has been gradually going up, and it has gone up to over four billion yards, so much so, that they are now beginning to export the cloth; that is, the export of Indian piece-goods increased in quantity from 50.8 million yards to 241 million yards, and its value from 126 lakhs to 650 lakhs. Therefore, the position of Indian piece-goods is not so bad; and the one thing which I want to make out particularly is that this protected industry is in a very flourishing condition. It has been giving very fat dividends, and it is not unfair to ask them to pay something for the benefit of the cotton growers in this country. In this connection I would like to quote some figures from page 45 of the Labour Inquiry Committee's report. They say that the Bombay group have put in a capital of 11 crores and 76 lakhs. Out of this capital they have got their depreciation fund of 11.92; they have got buildings and lands amounting to 30 crores and 3 lakhs; they have got a reserve amounting to 4.25 crores,—the total being 47 crores and 10 lakhs. So a capital of 11 crores and 76 lakhs has already accumulated for them a sum of 47 crores and 10 lakhs at the expense of the poor consumers on account of the specially high tariff which they have put: and, at the same time, their profit was 10 per cent. even in the year 1936. This is the condition of this poor industry which is said to be on the verge of ruin that they have accumulated four times the amount of their capital and, at the same time, given a dividend of 10 per cent., while the rate of interest in the country is only 3 per cent.

Now, Sir, I come to one or two individual factories, and we find their position is very good. First, I will take the factory of Sir Cowasji Jehangir himself. I am reading from page 143 of the Investor's Year Book of 1937-38 in which the accounts of companies have been given.

Sir Cowasji Jehangir: I was reading 1939—you are reading 1937-38.

Dr. Sir Ziauddin Ahmad: That is the latest book that is available.

Sir Cowasji Jehangir: I am giving you the latest figures that are available.

Dr. Sir Ziauddin Ahmad: Unfortunately the millowners never reveal their figures to any person: they keep them to themselves. It is only from printed books that we can find something out. This mill started

[Dr. Sir Ziauddin Ahmad.]

with a capital of Rs. 15 lakhs only. Now, it has a depreciation fund amounting to Rs. 19,15,000: its reserve fund now is six lakhs: profit and loss account six lakhs: block expenditure 28 lakhs: and it has been paying 5 per cent. dividend. But some other mills are even better. Take the Purshotamdas Mill. It started with a capital of 39 lakhs, and it has got a depreciation fund of 33 lakhs already

Mr. Manu Subedar: Sir Purshutamdas has got no mill !

Dr. Sir Ziauddin Ahmad: It has a reserve fund of six lakhs and block expenditure on buildings and lands about 65 lakhs; and it has been giving a dividend of 13 per cent., 15 per cent., 7½ per cent. and never less than 7 per cent.

Mr. Manu Subedar: Which is that mill?

Dr. Sir Ziauddin Ahmad: It is called the Gokak Mills, Ltd.

Mr. Manu Subedar: It is a European concern: ask those friends over there.

Dr. Sir Ziauddin Ahmad: Another mill is the Indore Malwa United Mills: they have been giving a dividend of 26¼ per cent., 26 2/3rd per cent., 30 per cent., 25 per cent., 25 per cent. and 19 per cent. in the previous years. I come now to the Lakshmi Cotton Mill: they started with a capital of 16 lakhs, and their reserve fund is now 24 lakhs.

An Honourable Member: In how many years?

Dr. Sir Ziauddin Ahmad: It may be any number of years, but the depreciation fund exceeds the capital. The dividends of this mill are 45 per cent., 36 per cent., 36 per cent., 12 per cent. and 16 per cent. These are the dividends which have been paid all this time. If you look into the financial position of these mills, can you say that this half anna extra duty will bring them to the verge of ruin? It would only mean that their enormous profit would be slightly reduced. I doubt very much whether it will be reduced at all, because I am told that the incidence will fall entirely on the producers of foreign cotton, and not on either the manufacturers or the consumers.

Sir Cowasji Jehangir: You have given us the dividends of the Bombay mills: how much dividend do you pay?

Dr. Sir Ziauddin Ahmad: My friend asks me how much I pay. Unfortunately I put some money in one of these mills. I was really taken in by one of these reports, and I invested some thousands of rupees in one of these factories: I will not mention the name of the managing agents—it is known to everybody coming from Cawnpore: they started another

company, and then this other company, in which I did not have any share, but those other gentlemen had shares, have taken my company for 120 years without any profit. Ask Mr. Scott. This is the way in which managing agents treat their poor shareholders.

An Honourable Member: Poor shareholders!

Dr. Sir Ziauddin Ahmad: Compared with Sir Cowasji Jehangir, I am a poor shareholder. This textile industry has been making enormous profits at the expense of the poor consumers. They are enjoying very high protection, and they ought not to grudge if a little portion of this is given to the poor cultivators of the Punjab, Guzarat, Sind and Berar.

Some Honourable Members: The question may now be put.

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

"That the question be now put."

The motion was adopted.

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

"That clause 4 of the Bill be omitted, and the subsequent clauses be re-numbered accordingly."

The Assembly divided:

AYES—59.

Abdul Qaiyum, Mr.
Abdur Rasheed Chaudhury, Maulvi.
Aney, Mr. M. S.
Ayyangar, Mr. M. Ananthasaynam.
Bajoria, Babu Baijnath.
Banerjee, Dr. P. N.
Basu, Mr. R. N.
Bhagchand Soni, Rai Bahadur Seth.
Chaliha, Mr. Kuladhar.
Chaudhury, Mr. Brojendra Narayan.
Chettiar, Mr. T. S. Avinashilingam.
Chetty, Mr. Sani Venkateshalem.
Das, Mr. B.
Das, Pandit Nilakantha.
Datta, Mr. Akhil Chandra.
Dessai, Mr. Bhulabhai J.
Deshmukh, Dr. G. V.
Deshmukh, Mr. Govind V.
Gadgil, Mr. N. V.
Govind Das, Seth.
Gupta, Mr. K. S.
Hans Raj, Raisada.
Hegde, Sri K. B. Jinaraja.
Hosmani, Mr. S. K.
James, Mr. F. E.
Jodhe, Mr. K. M.
Jehangir, Sir Cowasji.
Jogendra Singh, Sirdar.
Joshi, Mr. N. M.
Kailash Behari Lal, Bhai.

Lahiri Chaudhury, Mr. D. K.
Lalchand Navalrai, Mr.
Maitra, Pandit Lakshmi Kanta.
Malaviya, Pandit Krishna Kant.
Mangal Singh, Sardar.
Manu Subedar, Mr.
Misra, Pandit Shambhu Dayal.
Mody, Sir H. P.
Mudaliar, Mr. C. N. Muthuranga.
Muhammad Ahmad Kazmi, Qazi.
Paliwal, Pandit Sri Krishna Dutta.
Pande, Mr. Badri Dutt.
Parma Nand, Bhai.
Raghunbir Narayan Singh, Choudhri.
Ramayan Prasad, Mr.
Ranga, Prof. N. G.
Rao, Mr. M. Thirumala.
Sakeena, Mr. Mohan Lal.
Santhanam, Mr. K.
Satyavarti, Mr. S.
Sham Lal, Mr.
Sheodass Daga, Seth.
Singh, Mr. Gauri Shankar.
Singh, Mr. Ram Narayan.
Sinha, Mr. Satya Narayan.
Som, Mr. Suryya Kumar.
Sri Prakasa, Mr.
Subbarayati, Shrimati K. Radha Bai.
Varma, Mr. B. B.

NOES—44.

Abdul Hamid, Khan Bahadur Sir.
Ahmad Nawaz Khan, Major Nawab Sir.

Aikman, Mr. A.
Aiyar, Mr. T. S. Sankara.
Ayyar, Mr. N. M.
Bajpai, Sir Girja Shankar.
Bewoor, Mr. G. V.
Boyle, Mr. J. D.
Buss, Mr. L. C.
Chambers, Mr. S. P.
Chanda, Mr. A. K.
Chapman-Mortimer, Mr. T.
Christie, Mr. W. H. J.
Dalal, Dr. R. D.
Dalpat Singh, Sardar Bahadur Captain.
Gidney, Lieut.-Colonel Sir Henry.
Greer, Mr. B. R. T.
Grigg, The Honourable Sir James.
Hardman, Mr. J. S.
Jawahar Singh, Sardar Bahadur Sardar Sir.
Kamaluddin Ahmed, Shams-ul-Ulema.
Kushalpal Singh, Raja Bahadur.
Lillie, Mr. C. J. W.

The motion was adopted.

Mackeown, Mr. J. A.
Maxwell, The Honourable Sir Reginald.
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.
Rahman, Lieut.-Col. M. A.
Row, Mr. K. Sanjiva.
Scott, Mr. J. Ramsay.
Sher Muhammad Khan, Captain Sardar Sir.
Sircar, The Honourable Sir Nripendra.
Sivaraj, Rao Sahib N.
Slade, Mr. M.
Spence, Mr. G. H.
Stewart, The Honourable Sir Thomas.
Sukthankar, Mr. Y. N.
Sundaram, Mr. V. S.
Zafrullah Khan, The Honourable Sir Muhammad.

Mr. President (The Honourable Sir Abdur Rahim): That disposes of clause 4. Clause 5 relates to postal rates. The Chair thinks there are quite a large number of amendments to the First Schedule to that clause, and it will perhaps be more convenient if the Chair takes up the amendments to Schedule I first. The Chair will take up the clause afterwards.

The question is:

"That Schedule I stand part of the Bill."

Mr. Lalchand Navalrai: Sir, I move:

"That in Schedule I to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, against the second entry under the head *Letters*, for the words 'Half an anna' the words 'Quarter of an anna' be substituted."

Sir, it will be observed that in the First Schedule, under the heading "Letters", it is stated, for a weight not exceeding one tola, the rate is one anna. My amendment is not with regard to that at all. My amendment relates to the second line under it, that for every tola or fraction thereof exceeding one tola, the rate should be one pice only instead of half an anna as at present. We have been paying one anna per tola on letters, and for every additional tola or fraction thereof we are now paying half anna, whereas my amendment seeks that for every additional tola or fraction thereof the rate should be only one pice and not half an anna. It will be easy for poor people to send letters because when sending letters they have to pay one and half annas for letters exceeding one tola, and so if my amendment is adopted, they will pay for all letters under two tolas one anna and one pice instead of one and half annas as at present. Formerly we used to pay one anna and three pies, but then it was raised to one anna and six pies. The only reason that will be

given against this amendment will be the usual one, that it will cause a loss in the income of the department. But that should not prevent this being done. There are many ways of meeting it. Decrease the salaries, decrease the other undue expenditure of the department, and from that help the poor as well as the rich.....

Mr. N. M. Joshi (Nominated Non-Official): This will help the rich only.

Mr. Lalchand Navalrai: Do not labourers send letters?

An Honourable Member: Very long letters.

Mr. Lalchand Navalrai: and very long letters too. I shall come to postcards later. On the question of letters I submit that this concession should be given. Under the present rate, even if there be an addition of a quarter tola or half a tola, we have to pay one anna and six pies. I want it to be one anna and three pies. It cannot be denied that there is no scale balance in the hands of each and everybody to weigh out the exact weight of the letter and then apply the stamp. Many a time the post offices for very little extra weight are charging us the penalty too. Therefore, it would be only reasonable that the amount should be lessened and it should be one pice instead of two pice. Sir, I move.

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

"That in Schedule I to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, against the second entry under the head *Letters*, for the words 'Half an anna' the words 'Quarter of an anna' be substituted."

Mr. G. V. Bewoor (Director General, Posts and Telegraphs): Sir, the amendment moved by my Honourable friend, Mr. Lalchand Navalrai, seeks to reduce the rate of charge for the subsequent stages of the letter postage rate. As he stated, there is no doubt that if you reduce the charge from half an anna to one quarter of an anna, you will be benefiting the people who use the letter class of traffic, but when he said that it is going to benefit the poor man, I was surprised.

Mr. Lalchand Navalrai: I said, also benefit the poor man.

Mr. G. V. Bewoor: I do not think the poor man writes letters of more than one tola weight. Actual statistics show that in the letter traffic nearly 75 per cent. of the letters are in the one tola category and the remainder are in various other different categories of weight. I do not think that it is worth-while arguing on this question until the House is aware of the loss that is involved in the acceptance of this amendment. The loss is estimated to be Rs. 52 lakhs in a year, and it is clear from the budget of the Postal Department as well as of the Central Government as a whole, that we cannot possibly accept a loss of Rs. 52 lakhs. Sir, I oppose the amendment.

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

"That in Schedule I to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, against the second entry under the head *Letters*, for the words 'Half an anna' the words 'Quarter of an anna' be substituted."

The motion was negatived.

Prof. N. G. Ranga (Guntur *cum* Nellore; Non-Muhammadian Rural):
Sir, I move.

"That in Schedule I to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1938, for the entries under the head *Postcards*, the following be substituted :

Single	six pies.
Reply	one anna."

I do not think that much need be said in support of this amendment, because, for a number of years, we have been pressing this particular demand on the attention of the Government of India. Although the Government did not accept it, they could not very well advance any relevant reasons for which they could not accept it except that they could not afford to lose this amount. I wish to place before the House just one consideration, namely, that the people who use the postcards are mostly poor people in this country. If Government at all wish to pretend to care for them, they ought to accept this demand and agree to this reduction of the postcard rate. It is not very much and it may not cost the Indian Exchequer any considerable sum. What is more, the Posts and Telegraphs Department is on the whole doing very well, and that is why the emergency cuts were restored and they are even thinking of increasing the salaries, allowances, and so on. They are even making very costly experiments in regard to teleprinter, and so on....

The Honourable Sir James Grigg: Not costing anything.

Prof. N. G. Ranga: It does not cost? You would like to pretend that you are not losing, in order to give some sort of preference to the Reuter. Coming to the air mails, why is it that you have reduced the rates to such a scandalous extent? Why is it that on an ordinary letter to England, I should be charged two annas, whereas, on the air mail, two annas and six pies only? This sort of thing does not exist even in England. There they charge.....

Mr. G. V. Bewoor: There is no two anna charge.

Prof. N. G. Ranga: Then, there is no distinction whatever, I suggest, between the air mail and the ordinary mail. If that is so, then certainly it is an invisible subsidy to England, and I do not know why Mr. Bewoor, who wants to claim all the privileges of an Indian here in this House, should agree to the particular proposal of the Government and has agreed to lose the money that they have been losing. Not being satisfied with this, they are giving, I learn, a subsidy of as much as six lakhs of rupees per annum. Why should they continue this particular practice? This is a utility service whose primary purpose ought to be to serve the people of this country, then secondarily only to think of paying their own way. I do not mean to say that they should not pay their own way and that they should always be a losing concern. But there is no reason why they should make a fetish of paying their own way, without asking for a subvention or whatever it is from the general revenues and refusing the ordinary facilities for the public in this country. We wanted rural facilities, and we are given only some sort of a small concession, and not very much is being done even in that direction. Of course, I need not say very much in that connection, because what the Government have been doing is not

enough. This particular reform is very badly needed and we want that it should be considered by the Government. We shall continue to press this demand on the Government until the Government come into our own hands and we are able to pass it, and what is more, to implement it. It may be possible for Sir James Grigg simply to take it to His Excellency the Viceroy and get a rubber stamp on it and insist on collecting the same amount of money again and again from year to year.

The Honourable Sir James Grigg: Nine pies stamp.

Prof. N. G. Ranga: He wants nine pies stamp. It is in this frivolous way that he has been dealing with all our requests. He only cares for his money. He has got his own share, and he wants to give Mr. Bewoor his share. We have been standing in this House for Indianisation. What for? Not for providing these people with scandalously high salaries which the Englishman is enjoying. I do not see any reason why Indians should not come forward voluntarily with a salary cut. They should say: "Here we are prepared to undergo a sacrifice for the sake of the poor people of this country and agree to a cheaper postcard". That will demonstrate their patriotism in concrete terms. They do not do that. They want to live like Englishmen in house, dress, privileges and everything. The Postal Department spends large sums of money in producing beautiful photographs of people who have got slavish titles conferred by His Majesty the King-Emperor or His Excellency the Viceroy. We are not interested in these titles. Let them earn the title of "Friends of the poor" and forego some of their allowances and privileges in order to give a cheap postcard to the poor man. We want a spring cleaning of this Postal Department by making this particular demand and making it incumbent upon them to make their own salary cut and, if necessary, to effect retrenchment and give us this satisfaction.

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

"That in Schedule I to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, for the entries under the head *Postcards*, the following be substituted:

Single	.	.	.	six pies,
Reply	.	.	.	one anna."

Dr. P. N. Banerjee: For many years, the price of the postcard was three pies, or one pice; seventeen years ago, owing to a succession of deficit budgets, the price of the postcard was raised to two pice, or six pies; and then nine years afterwards the price was raised to three pice or nine pies. Thus in the course of the last seventeen years, the price of the postcard has been increased by 200 per cent. Now, is that not a very great increase? And on whom does this increase fall? As the previous speaker rightly said, the burden of this increase fell mainly on the masses of the population,—the poorest classes of the people. There was a time when the income and expenditure of the Postal Department was shown separately from the income and expenditure of the Telegraph Department. It is a well-known fact that, while year after year there was a profit in the Postal Department, there was a deficit in the Telegraph Department. But now they have lumped up the two departments in order to show that there is not sufficient balance in the department as a whole. This is a jugglery of figures. The Telegraph Department and the recently started Air Mail Service are not

[Dr. P. N. Banerjea.]

paying concerns, but these departments are not taken advantage of by the poor people. It comes to this, that you sacrifice the interests of the poor in order to satisfy the interests of the richer classes of people. Is this fair, just and honourable? This demand has been put forward time and again in this House. When the price was raised in 1922 and again in 1931, the promise was given that at the earliest opportunity the price would be reduced. This has not been done. The great part of the surcharges that fell on the richer people has recently been taken off but this surcharge that falls on the poor has been continued in spite of the protests of the people throughout the length and breadth of India. I hope that Government will now take a more enlightened view of the matter and accede to the request that has been made.

Mr. N. M. Joshi: I rise to support this amendment as a protest against the wrong policy which the Government of India is pursuing in this matter of administering the Posts and Telegraphs Department. I do not believe that the Postal Department, although it is a public utility department, should be ordinarily run at a loss. If we consider postal charges as a tax I feel that it is not a very unfair and unjust tax. I am not, therefore, prepared to support ordinarily, as I said, running of this department at a loss, but, Sir, the policy, which the Government of India is following in administering this department is unfair and very wrong. I, therefore, feel it is necessary to enter our protest against that policy. The Government of India is unwilling to incur a loss by reducing the price of the postcard. I can understand it if they had not been incurring losses elsewhere but the Government of India is willing, I may say even enthusiastic, to making losses on the Air Mail. I have been protesting against that for the last two years. After all the people who send Air Mail letters are well-to-do people, such as merchants and officers of Government. The loss of ten lakhs on Air Mail is considered by the Government of India as a very reasonable thing. They make losses on the telegraph side also. Telegrams are not sent by poor people but by rich merchants. If this concession is not shown to them, how will they support the Government? The Government of India must be supported by some classes of people. They cannot please the masses and so they make friends with the mercantile community who can send telegrams. The Government make loss also on press telegrams to please the press. They make losses on press telegrams willingly and I feel it is a sort of bribe given to the press. I, therefore, feel that the Government of India should be prepared—if they are prepared to suffer a loss on the Air Mails, on the Telegraph Department and on bribing the Press—then the Government of India can very well afford to meet the loss—I do not know the exact amount, it may be Rs. 30 lakhs or 40 lakhs or 50 lakhs, but if, for the sake of pleasing twenty-five thousand people who make use of the Air Mail the Government of India make a loss of ten lakhs, why should they not make a loss of even fifty lakhs for the three hundred and fifty millions who use the postcard? Sir, the Government of India also follow a wrong policy in the treatment of their employees. They should properly adjust the salaries of the higher officers and those of the lower-paid people. Sir, the Government of India are exploiting the subordinate employees in various ways. I have recently stated in the House how they are exploiting them. They are not filling up vacancies, with the result that people have to work more and for longer hours. They have to

work more intensely, and then the poor people in Bombay, for instance, are deprived of their compensatory allowances. They are not giving the inferior servants even a pension. Sir, this rotten policy of the Government of India deserves a strong protest and I want to enter my strong protest.

Mr. Sri Prakasa: Sir, this battle over the postcard threatens to be as long as the Wars of the Roses.

An Honourable Member: Hundred years' war.

Mr. Sri Prakasa: The Honourable the Finance Member and the Director General of Posts and Telegraphs appear to have challengingly put on the symbolic red rose in their button-holes; but the white rose of our side is represented only by our white caps. Sir, the battle, whatever the fortunes may be, is bound to be as bitter, as long and in the end as successful as the battle across the ocean many centuries ago. My Honourable friend, the Finance Member, in his closing speech on the general discussion, was so taken up by his own brilliant satire against the various Leaders in the House that he almost seemed to treat with contempt the more solid arguments that were presented in the course of the speeches of us back-benchers; and I looked in vain for him to answer the very pertinent point I tried to make, *viz.*, that the income of Government should be first computed before the expenditure. With the various incursions we have already made in the Finance Bill, I fear this little postcard of mine stands very little chance; for when everything else is certified, this surely is also going to be certified. But I may say this, that if only Government had followed what I called the wholesome system of the ordinary householder and estimated their income before their expenditure, such a scene would not have been seen. They would probably have realized that it is, for instance, not necessary to spend a sum of 17 lakhs for maintaining the Viceregal Palace with a useless lot of secretaries, A.-D.-C.s and the rest of them. If the expenditure on heads like this were curtailed, then the poor man, with his postcard, his salt, his sugar and his raw cotton, would have some chance.

Sir, the Honourable the Defence Secretary, I think, laid down a very good law against entertaining any candidate for the naval services who had not seen the sea, who had not seen a ship, who had, perhaps, not been drowned and who has not received a bullet; but when we come to high offices, it seems that a man can be appointed there without any knowledge of the subjects with which he has to deal. I have here

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member had better confine himself to the amendment before the House. We have had quite enough of this sort of preface.

Mr. Sri Prakasa: I was going to say that persons who do not use postcards do not realize the value of the postcard.

Mr. President (The Honourable Sir Abdur Rahim): That is rather a long way to go round.

Mr. Sri Prakasa: Sir, the long way always proves the shortest way in the end if it happens to be the smoothest way also, for the motor car runs more swiftly on a good long road than on a short *kutchra* road. I have heard it said that when a gentleman of the name of Lord Goschen became the First Lord of the Admiralty, "he had no notion of the motion of the ocean",

[Mr. Sri Prakasa.]

and, therefore, it is no wonder that my Honourable friends opposite, who have no notion of a postcard, who perhaps never use one, do not realise its value to those who do use them. Sir, the postcard has a long and chequered history. It used to be a very small little bit of paper,—requiring just one pice of postage; it then became bigger and still bigger, and now we are allowed to use private postcards of a size even slightly bigger than that supplied by the post office. But the postage has gone up from one pice to three pice. If my Honourable friends did use postcards, they would know how important it is that the postage should be reduced. Even the big folks in the land are very careful when they have to pay out of their own pockets. I will give an illustration. I was in communication with the Governor of a Province and when he wrote a personal letter he used very thin paper so that the letter could be carried for one anna—those were the days when only half-a-tola could go for an anna—but when the same gentleman after a few days wrote an official letter to me, he used a very thick envelope, with an anna and a quarter of postage, with the word 'service' printed upon the stamp. That shows that even big folk are very careful when their own pockets are touched; and so, while interested parties have seen to it that letters are carried by air for two annas and a half because they send letters in that way; while they have reduced the five pice stamp on the envelope to four pice, how is it that the postcard goes on begging for a reduction of its rate in vain all these many years? I think the time has come when the rate of the postcard should be reduced.

One of my friends—I do not remember who he was—made some fun at the poor man who uses postcards. He said he uses only two postcards in the whole year. What did it matter to him if he used only one now? Mr. Anev very rightly pulled him up by asking: "why deprive that poor man of the pleasure that he gets of receiving at least two postcards in the course of the year giving news of his dear ones at home; and why reduce him to only one postcard a year?"

Of course, my Honourable friends opposite will say that the arguments are all right and they too are anxious to reduce the rate of the postcard. They also do not want that the rate should be so high; but where is the money to come from? This reduction in the price of the postcard will mean a loss of 50 or 60 lakhs of rupees. Well, the money should come from the sources whence money does come for these purposes which fit in with the notions of my Honourable friends opposite. The country seems to flow with milk and honey and there seems to be abundance of cash available all over the place when they have to carry on operations across the frontier; but, evidently, no money is available when we demand a little reduction of the burden on the shoulders of the poor man in the village. I hope, therefore, that no further arguments of this kind will be advanced and Government will realise the futility of opposing our demand and will concede us this. I understand that if the Government only took in hand, for instance, the acquiring of the Telephone Companies in Bombay, Calcutta and Madras, they would be able to get an additional revenue of 30 to 40 lakhs of rupees on trunk calls and long distance telephones. If there is a will, there is always a way. If the Government are really bent upon doing a thing, they can do it.

I want to put this argument before them. I want them to see the injustice of the whole thing. Justice has to be done even at great expense. After all, a Federal Court is being maintained at enormous expense in order

that justice may be done in problematical cases that may arise years hence. So that when there is a will there is a way; and if there is a desire to do justice, justice can and shall be done. I want my Honourable friends opposite to explain to me the justice of this phenomenon. In three pice you can only send 20 short lines; and by spending one pice more, that is, in one anna, you can send three full sheets of an ordinary note paper which can weigh up to one tola; and for 2½ annas you can send an ounce or a tola and a quarter of matter across the ocean. These postcards from the humble village people may contain important items of domestic news, they may give news of the weather and of the crops; whereas most of the letters that go by air only carry greetings, good wishes, kisses to the baby and things of that sort. I know these important domestic items have to be sent; I have no objection to them. But let those who send them pay for them, and the more they pay for the kiss the more valuable will that kiss be when it reaches the babies at the other end. Sir, to the village man, the postcard is a very important factor of life and I must press upon the Government the iniquity of the present position and the justice of accepting our demand. I hope they will relent and do the right thing at long last.

Mr. Lalchand Navarai: Sir, I have to say a very few words on this. I hope that my Honourable friend, Mr. Bewoor, the Director General, will not oppose me now in respect of this postcard duty on the ground that the postcard is not being used by poor men. He said that letters are not being used by poor men but he cannot possibly come forward and say that these postcards are not being used by poor men. The other day I heard an amazing statement from my Honourable friend, Sir Muhammad Yamin Khan,—he is not in the House now—that in the rural parts of the country no poor man writes any postcards or letters. This is a bewildering statement that comes from such a gentleman as Sir Muhammad Yamin Khan, who bewilders everybody. I submit that it is only to support the Government that one can make such a statement, otherwise we know and no Postal official will come forward and say that there are no post offices in the rural parts. In fact, more and more post offices are being opened in the rural parts. What are they for? Are they meant for these poor men or are they meant for very rich men or for millowners who live in those rural parts? Therefore, I submit that there is no reason, whatsoever, not to accept this amendment and reduce the burden on the poor. Then, Sir, it has been said that poor people write only a letter once a year. I cannot endorse that statement. They have been writing letters as anybody else does. Nowadays, when you are introducing in the rural areas radios and other means to educate the villagers, they have come to know fully what the post offices are meant for and they know that they can carry their news to their nearest and dearest ones. There is only one stereotyped reason that is being given every time by the Treasury Bench, namely, that there will be loss of income. Beyond that, they have no justification to reject this amendment. Sir, a motion like this has been coming before the House for a long time and so many reasons are placed before the Government year after year. And yet the Government is not moving. On the other hand if the Director General wants that he should have two more Deputy Directors General or that there should be two more Postal Superintendents, he will find money for them; but for the poor man he is unable to find the money. I submit, therefore, that there is no reason whatsoever not to help the poor and I whole-heartedly support this amendment.

Mr. G. V. Bewoor: Sir, I do not propose to undertake any elaborate review of the financial position of the department which used to be the practice in the past. In the annual report of the Department we take special care to bring to the notice of the public the exact financial position and its developments and copies of the report are supplied to those Honourable Members of the Assembly who ask for them. I only wish to deal with the points that have been raised in the debate today. It must be admitted that if the rate of the postcard is reduced, it will benefit the users of the postcards. The only question really is, what it is going to cost and whether in the present financial position of the Department we can undertake an experiment of reducing the charge which involves considerable loss?

Mr. Akhil Chandra Datta (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): What is the amount?

Mr. G. V. Bewoor: I am coming to that point. The number of postcards of which we make an estimate is estimated to be 378 millions in the course of one year. Now a reduction in the rate from three pice to two pice would bring a reduction of revenue to the extent of 59 lakhs. There must, of course, be an increase in the volume of postcard traffic as a result of the reduction of this rate. If we assume an increase of ten per cent. in the traffic, the loss would be reduced to 47 lakhs. A ten per cent. increase means an increase of 38 millions postcards in the course of one year. There is one important factor which must not be forgotten in making any estimate of the loss. At present the difference in the postage rate between a letter and a postcard is only one pice and when it becomes two pice there will be a diversion of traffic which now goes by the letter rate to the postcard rate. I may mention that 75 per cent. of our letters are in the first tola category and we assume that 15 per cent. of this will be diverted to the postcard category. This would add to our loss of 18 lakhs and, therefore, even assuming a ten per cent. increase the loss will be 65 lakhs.

Mr. M. S. Aney: This diversion from letter category to postcard category will further increase the traffic under the latter category.

Mr. G. V. Bewoor: Yes. Quite true. When I say 15 per cent. will be diverted, I have only taken the loss of half-anna only on it and not the complete loss of one anna.

Even if we assume an increase of 20 per cent. in the traffic, the loss will be 53 lakhs. I wish to submit to the House that it is no use making assumptions which are not justified by our experience in the past. When the postcard rate was doubled at the end of 1922, the postcard traffic fell only by 19 per cent. When it was increased by 50 per cent., that is from two pice to three pice in 1930-31, it fell altogether by 17 per cent. in two years. I would not like to make large assumptions in order to please the supporters of this amendment, but from the experience I have had in the Public Accounts Committee with my Honourable friend, Mr. Satyamurti, when our estimates were wrong by a few thousands, I should certainly not like to commit myself to any estimate which is likely to go wrong. I was saying that we lose 50 to 60 lakhs.

Mr. K. Santhanam (Tanjore *cum* Trichinopoly: Non-Muhammadan Rural): What was the peak figure for the postcard in any year?

Mr. G. V. Bewoor: The peak figure was in 1921-22 when the rate was quarter anna and it was 644 millions. That fell down to 520 millions when it was doubled. It then went up to 587 millions in the course of 1928-29 and it then began to fall for the next two years though the rate was the same. Since then it has continued to fall. I want Honourable Members to remember that the figures 644 and 587 millions which I have given include Burma and the figure 378 millions 1938-39 relates to India only.

Now, Sir, I wish to reply to one or two points that have been raised in the course of the debate. It has been said that there is great necessity for rural post offices. I claim that we have done a great deal in this direction, perhaps not as much as Honourable Members would like. We have, in the course of the last 3½ years, opened about 2,000 post offices and we have increased the number of village postmen and it is our strong desire that we should expand in the rural areas in order to benefit the population. We know great efforts are being made to create adult literacy and the spread of education generally in the Provinces. We want to help in this movement. We cannot do that if our revenues are cut down by such a large sum that we go back to the years of losses. As Honourable Members would have seen from the report, in the last few years we have repaid the accumulated loss of nearly three crores. We have just managed to reach a balanced state. At this time, if we are put into a period of recurring losses, it would follow that expansion would stop and there will be pressure brought upon us to cut down this or that facility which we have been giving to people.

Dr. P. N. Banerjæ: Which branch of this department is losing?

Mr. G. V. Bewoor: I would request the Honourable Member to ask me to supply him the Annual Report of the Departments and I would give him one. The loss occurs in different branches at different times. Recently the department as a whole has been working at a profit since 1934-35. Now, Sir, the total profit and loss of the department is made up of the profit and loss for the different branches for which accounts are separately maintained. The telegraph side loses while the post office and telephones give surplus. That is perfectly true. If the Honourable Member wishes to argue from this that the profit or the surplus of the post office side should be used for the reduction of postcard, that is on the post office side only, that the loss on the telegraph side should be left to look after itself, he is greatly mistaken. Why? Because some one has to bear the loss on the telegraph side. The basic fallacy in the Honourable Members' argument is in thinking that the post office is for the poor man and the telegraph is for the rich. Sir, the question of treating each branch as a separate unit was examined by a Committee and I should like to have quoted from their findings, but the quotation will be found in the speech which I made in this House in 1936 and I would not like to weary the House with it. On the telegraph side, I should like to point out that the reason why the telegraph side is working at a loss is not due to any extravagance in management. We have taken every step to cut down all wasteful expenditure by economy but

[Mr. G. V. Bewoor.]

in economy we must not go beyond a point where the telegraph service ceases to be a telegraph service and becomes as slow as the post office service. There must be efficiency, speed and accuracy—these are the soul of the telegraph service. On the telegraph side, we have by our efforts brought down the loss, which at one time used to be about 61 lakhs in a year, to about 16 lakhs. The fall in revenue has made it difficult for us to cover its expenditure. I should like to point out another thing. We have over 4,000 telegraph offices in this vast country. Twenty per cent. of the total traffic is, however, dealt with in five big telegraph offices, the remaining 80 per cent. is done in the rest of the offices. These small offices are as much for the benefit of the poor man as for the rich man.

Before I conclude, I would just like to say one word. It has been stated in the course of the discussion that the postcard is for the poor man. I do not deny that the poor man uses the postcard, but it is a fallacy to think that the poor man is the greater user of the postcard or that he does not use the letter category as much as the postcard. On this matter opinions differ but I should like to quote to the House certain statements made by various mercantile associations in India in connection with some correspondence I had with them about the postcard:

The Bombay Shroff Association says:

“My Committee submit that generally the commercial community makes a wider use of the postcard than of the cover for important business communications.”

The Karnatak Chamber of Commerce says:

“Moreover, the commercial community generally makes a wider use of the postcard than of the cover for important business communications. It is needless to say about lawyers.”

The Indian Chamber of Commerce, Calcutta, says:

“It is well-known that in a number of commercial transactions instructions to the other party are often conveyed by a postcard and are to be followed on the same day. The Committee also learn that in the business carried on by the indigenous bankers if a postcard containing the particulars of a *hundi* is sent to the drawee it is taken as a sufficient presentation of the *hundi*.”

The Seeds Traders' Association, Bombay, says:

“It is well-known that the Indian trader prefers to use the postcard for all ordinary purposes of communication. The envelope is used only when there is an enclosure such as a *hundi* or a contract known for its counterfoil. A vast majority of the orders of business to be transacted as also a majority of intimation of orders to be conveyed are being conveyed through the medium of the postcard.”

I may mention similar statements from the Grain Merchants' Association, Bombay, the Buyers' and Shippers' Chamber, Karachi, the United Provinces Chamber of Commerce, the Maharashtra Chamber of Commerce and the Andhra Chamber of Commerce; but I think this is sufficient.

Prof. N. G. Ranga: This only shows that they also use it; it does not show that they use more of it.

Mr. G. V. Bewoor: That shows that the postcard is used just as much by the rich man as by poor man.

By carrying this amendment, the House will be throwing away a good deal of revenue not for the purpose of benefiting the person it wants to benefit most but for benefiting the person whom it does not want to benefit. On the other hand I have pointed out that by keeping these rates we shall be in a position to give better and wider facilities to the public in the rural areas and our past history will show that we have carried out the promises we gave of giving better facilities such as more postmen and more post offices in rural areas. There is a demand on every side, both from the business people and from the rural population, for greater and cheaper facilities. We cannot do this if this amendment is forced upon us and we are made to lose a sum of 68 lakhs. The department has been able to balance its budget with great difficulty and I would ask the Mover not to press this amendment.

The Assembly then adjourned till Eleven of the Clock on Friday, the 24th March, 1939.