

14th February, 1934

THE  
**LEGISLATIVE ASSEMBLY DEBATES**  
**(Official Report)**

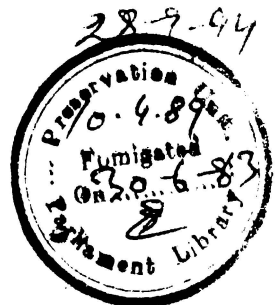
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Volume I, 1934

*(24th January to 16th February, 1934)*

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**SEVENTH SESSION**  
OF THE  
**FOURTH LEGISLATIVE ASSEMBLY,**  
**1934**



NEW DELHI  
GOVERNMENT OF INDIA PRESS  
1934

# Legislative Assembly.

## *President :*

THE HONOURABLE SIR SHANMUKHAM CHETTY, K.C.I.E.

## *Deputy President :*

MR. ABDUL MATIN CHAUDHURY, M.L.A.

## *Panel of Chairmen :*

SIR ABDUR RAHIM, K.C.S.I., KT., M.L.A.

MR. K. C. NEOGY, M.L.A.

SIR LESLIE HUDSON, KT., M.L.A.

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

## *Secretary :*

MIAN MUHAMMAD RAFI, BAR.-AT-LAW.

## *Assistant of the Secretary :*

RAI BAHADUR D. DUTT.

## *Marshal :*

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

## *Committee on Public Petitions :*

MR. ABDUL MATIN CHAUDHURY, M.L.A., *Chairman.*

MR. K. C. NEOGY, M.L.A.

SIR HARI SINGH GOUR, KT., M.L.A.

MR. T. R. PHOOKUN, M.L.A.

MR. MUHAMMAD YAMIN KHAN, C.I.E., M.L.A.

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# LEGISLATIVE ASSEMBLY,

Wednesday, 14th February, 1934.

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

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## MEMBER SWORN.

Mr. Herbert Aubrey Francis Metcalfe, C.S.I., C.I.E., M.V.O., M.L.A.  
(Foreign Secretary).

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## QUESTIONS AND ANSWERS.

### ABSENTEE MEMBERS OF THE LEGISLATIVE ASSEMBLY.

126. \*Mr. S. C. Mitra: Will Government be pleased to state the names of the Members of this House who were absent:

- (i) during the whole of the last Special Session held in November-December, 1933;
- (ii) during both the Special Session at New Delhi and the Autumn Session at Simla, 1933;
- (iii) during the budget, Autumn and Special Sessions in 1933; and
- (iv) during all the Sessions in 1933, and the Autumn Session at Simla, in 1932?

**The Honourable Sir Brojendra Mitter:** A statement containing the information, as far as available, is laid on the table.

Statements showing the names of Members of the Legislative Assembly who were absent from the meetings of the Legislative Assembly held in Autumn Session 1932 and all the Sessions in 1933.

During the Special Session held in November-December, 1933.

During both the Special Sessions at New Delhi and the Autumn Session at Simla, 1933.

During all the Sessions in 1933, and the Autumn Session at Simla in 1932.

1. Rao Bahadur Mothay Narasimha Rao.
2. Diwan Bahadur T. Rangaachariar.
3. Mr. B. Rajaram Pandian.
4. Sir Ibrahim Rahimtoola.
5. Mr. N. R. Gungul.
6. Seth Haji Abdooli Haroon.
7. Mr. C. C. Biswas.
8. Mr. Nabakumar Sing Dudhoria.
9. Sir Abdur Rahim.
10. Mr. K. Ahmed.
11. Khan Bahadur Makhdum Sayed Rejan Baksh Shah.
12. Rai Bahadur Sukhraj Roy.
13. Thakur Mahendra Nath Shah Deo.
14. Sir Hari Singh Gour.
15. Mr. Jehangir K. Munshi.
16. U Kyaw Myint.

1. Rao Bahadur Mothay Narasimha Rao.
2. Diwan Bahadur T. Rangaachariar.
3. Mr. B. Rajaram Pandian.
4. Sir Ibrahim Rahimtoola.
5. Mr. C. C. Biswas.
6. Sir Abdur Rahim.
7. Khan Bahadur Makhdum Sayed Rejan Baksh Shah.
8. Thakur Mahendra Nath Shah Deo.
9. Sir Hari Singh Gour.
10. U Kyaw Myint.

1. Diwan Bahadur T. Rangaachariar.

2. Thakur Mahendra Nath Shah Deo.

\*3. Sir Ibrahim Rahimtoola.

\*He was President of the Legislative Assembly up to the 13th March, 1933.

**Mr. S. C. Mitra:** Are Government aware of any case in which Section 93(2) of the Government of India Act was applied?

**The Honourable Sir Brojendra Mitter:** I should like to have notice of the question. I will have to search the records.

**Dr. Ziauddin Ahmad:** May I know if the names of persons, who, although present in Delhi, do not attend the Session, are included in the list of absentees just now presented to the House?

**The Honourable Sir Brojendra Mitter:** They are not in the list.

**Mr. Gaya Prasad Singh:** This question is a starred question. Will Government be pleased to read out the names from the list?

**The Honourable Sir Brojendra Mitter:** I have given the names in the list.

**Mr. Gaya Prasad Singh:** This is a starred question and the House would like to have the answer read out. Is it not the rule that the answer should be read out?

**Mr. President** (The Honourable Sir Shanmukham Chetty): Not necessarily. The Honourable Member, as a very old stager, ought to know that very frequently the statements given in answer to a starred question are laid on the table.

**Mr. S. C. Mitra:** Will Government please state what steps they take in case of Official Members and Nominated Members, because of their continued absence?

**The Honourable Sir Brojendra Mitter:** Government have nothing to do in the matter. As the Honourable Member will find on referring to the Section in the Government of India Act, it is a matter for the Governor General.

**Mr. S. C. Mitra:** Are Government aware that in the case of Official Members not a single day is allowed to pass when they are absent?

**The Honourable Sir Brojendra Mitter:** We try to fill up the vacancies as soon as we can. Certainly we do fill up the vacancies almost immediately. (Laughter.)

**Mr. S. C. Mitra:** Do Government take similar steps in case of Non-Official Nominated Members asking them to resign if they are continuously absent, and replace them by other Members?

**The Honourable Sir Brojendra Mitter:** I am not aware of any vacancy occurring in the case of Non-Official Nominated Members nor of steps taken by the Government in any such case. I should like to have notice.

**Mr. N. M. Joshi:** Are Government aware that it is the business of the constituencies to see that their representatives are present in the House and that it is not the business of the Government. (Hear, hear.)

**The Honourable Sir Brojendra Mitter:** Precisely. .

**Mr. S. C. Mitra:** Is there any provision in the Government of India Act enabling a constituency to take steps to get an absentee Member replaced when he is continuously absent for a long time?

**The Honourable Sir Brojendra Mitter:** No express provision is necessary. If a constituency is dissatisfied with its Member, it can force that Member to resign his seat.

**Mr. S. C. Mitra:** May I take it that the constituency can force its opinion on the Member only at the next election, and that it cannot do anything during the interval between one election and another?

**Mr. President** (The Honourable Sir Shanmukham Chetty): As this is a matter that concerns the House, the Chair would suggest that, in such cases, though the constituency has not got any direct power to enforce its will on the Member, the experiment might be tried of the representatives from the constituency of an absentee Member making representations to His Excellency the Governor General asking him to exercise his power under that Section of the Government of India Act.

**Mr. K. P. Thampan:** May I know whether the Government have till now got any representation from any constituency regarding the conduct of such absentee Members?

**The Honourable Sir Brojendra Mitter:** Never, Sir.

**Mr. Gaya Prasad Singh:** Are Government aware that the continued absence of Non-Official Members facilitates the transaction of official business in the House. (Laughter.)

**Sardar Sant Singh:** May I know why no reply has been given to me to my letter to the Leader of the House calling his attention to take action under the provisions of the Government of India Act just now quoted by Mr. Mitra?

**Mr. President** (The Honourable Sir Shanmukham Chetty): The Leader of the House has nothing to do with that.

**Sardar Sant Singh:** Is it or is it not a fact that my Honourable friend, Mr. S. C. Mitra, who has put this question, was himself debarred under this very rule without any representations from any constituency and that he was unseated?

**The Honourable Sir Brojendra Mitter:** I do not know what happened. I have been seeing him ever since I have been a Member of this Assembly.

**Mr. S. C. Mitra:** While I was a Member of the Bengal Legislative Council and was arrested under Regulation III of 1818, after two months absence, the Local Government, without getting any representation from my constituency or anybody else, declared my seat vacant and then my constituency re-elected me unopposed and that showed that they were not anxious to keep my seat vacant.

**The Honourable Sir Brojendra Mitter:** That is very interesting information.



COMPETITION OF RAILWAY-OWNED COLLIERIES WITH TRADE INTERESTS.

127. \*Mr. G. Morgan: (a) Are Government aware that the Madras and Southern Mahratta Railway have invited tenders for the purchase of approximately 7,000 tons of surplus slack coal from the Railway's Talcher Colliery?

(b) Is it a fact that Lord Crewe in 1913 declared it a wrong principle that Railway-owned collieries should compete with the trade interests?

(c) Is it a fact that Sir George Rainy in 1929 gave an assurance that the Railway-owned collieries would not do so?

(d) Do Government propose to take any action in this matter?

(e) Are Government prepared to issue instructions to the effect that Railway-owned collieries should reduce their production, if current production is tending to give an excess of slack coal, which would have to be sold?

(f) Are Government prepared to repeat the assurance given by Sir George Rainy in 1929?

(g) Are Government prepared to see that the principle that Railway-owned collieries should not compete with the trade is adhered to?

**The Honourable Sir Joseph Blore:** (a) Yes, this was done with the approval of Government.

(b) In answer to a deputation from the East India Section of the London Chamber of Commerce which waited on the Secretary of State for India on the 2nd June, 1913, Lord Crewe replied: "I do not think, if a railway company desires to acquire a colliery, that it is possible to impose a veto upon a transaction of that kind, provided of course it is understood that the railway merely uses the coal for its own transport purposes and that it does not act as a vendor of coal in the open market. That last consideration arises of course from the *quasi* governmental character of the railways which might produce an unfair amount of competition if they were allowed to act as rivals to colliery companies in the production of coal".

(c) Yes. I may add that the position of the Government of India was very clearly defined in a letter to the Indian Mining Association, dated the 2nd September 1929, which was published at the time. I lay a copy of the relevant paragraph from that letter on the table of the House.

(d) As I have said already, this action was taken with the approval of Government. The reason for permission being granted to the Madras and Southern Mahratta Railway to sell was that the retention of the slack coal at the colliery was considered to be dangerous.

(e), (f) and (g). Every endeavour is being made by railways to avoid accumulations of slack coal by utilizing slack coal wherever possible in place of steam coal but in spite of such efforts slack may accumulate and be a source of danger to the colliery. Though Government will do their best to see that railways do not place slack coal on the market they cannot commit themselves never to make a sale if circumstances should arise such as have arisen at Talcher.

*Extract from Railway Board's letter No. 313-S. I., dated 2nd September 1929, to the Secretary Indian Mining Association.*

"5. On the general question of principle, I am to say that the Government of India are clearly of opinion that the sale of slack coal by the State Railway Collieries, as part of their ordinary operations, is open to objection and should not be allowed. It follows of course that the output of the collieries and the consumption of slack by the railways must be so adjusted that in normal circumstances accumulations will not occur. They have instructed the Railway Board accordingly and have expressed the desire that the matter should be reviewed annually at the time that the output of the collieries for the year is decided. It may prove impossible to increase the consumption of slack with sufficient rapidity to obviate altogether the necessity for selling a certain quantity next year, though no effort will be spared to prevent this, and it is impossible to guarantee that exceptional circumstances may not necessitate occasional sales in the future. The Government of India recognise, however, that it is incumbent on the Railway Board to take all reasonable precautions to prevent accumulations of slack, and also, if sales unfortunately become necessary, to arrange the time and manner of disposal so that the inconvenience to the trade is minimised."

**Mr. G. Morgan:** Why is it necessary that the tenders for the purchase of this coal should appear over the signature of the Chief Mining Engineer to the Railway Board?

**The Honourable Sir Joseph Bhoré:** He is acting on behalf of the Railway, I understand.

#### TRAVELLING ALLOWANCES TO VAN-GOODS AND PICK-UP SERVICE STAFF AT HOWRAH.

128. **\*Pandit Satyendra Nath Sen:** With reference to the article "Grievances at Howrah" regarding travelling allowances to van-goods and pick-up service, which appeared on page 3 of the *Railwaymen's Times*, dated the 1st December, 1933, will Government be pleased to furnish the remarks of the East Indian Railway administration in regard to the complaints made therein?

**Mr. P. B. Rau:** Government have not felt it necessary to ask for the remarks of the East Indian Railway Administration on the allegation made. As the writer of the article himself recognises, there are other means of remedying such grievances than a question by my Honourable friend in this Assembly.

#### SHORT NOTICE QUESTION AND ANSWER.

##### COMMISSION FOR MONEY ORDERS SENT TO BIHAR EARTHQUAKE RELIEF FUNDS.

**Mr. President** (The Honourable Sir Shanmukham Chetty): The Honourable Member, Mr. B. Das, has a short notice question today, but, before calling upon the Honourable Member to ask his question, the Chair would just like to make one observation. It has been brought to the notice of the Chair that the fact that notice of this question has been given by the Honourable Member has been published in a local newspaper before the question actually came before the President for admission. In this connection it is rather interesting to see that it was in 1925 that the Honourable Member, Mr. B. Das, himself drew the attention of the Chair

to the practice of Honourable Members publishing their questions in newspapers before they were admitted by the President. This matter elicited an observation from my colleague in the other House also. The House will agree that, in the interest of the privilege of the House, it is very undesirable that publications of this nature should take place in newspapers before these matters are officially published by the office of the Legislative Assembly. As a matter of fact, the Chair's attention has been drawn to even greater breaches of such privileges when reports of Select Committees and minutes of dissent of certain Honourable Members have been published in newspapers. If such a thing took place in the House of Commons, the Editor of the offending newspaper would be summoned before the bar of the House, and suitable punishment would be meted out. But, under our present Constitution, this House has not got such a right. Whether this House has such a right or not, the Chair thinks it is up to Honourable Members themselves to develop a convention which will be a prelude to the establishment and the acquisition of the right by this House and the Legislatures of the country. (Applause.) After all, this unauthorised publication is a breach of the privilege of the whole House and every individual Member is supposed to be a zealous guardian of the privileges of the House. The Chair would most earnestly invite the attention of the Honourable Members to the fact that, before we establish a claim to acquire such privileges, it is up to Honourable Members themselves in their conduct to see that they do not violate these well established privileges of Parliaments in other parts of the world. (Applause).

**Kunwar Hajeer Ismail Ali Khan** (Meerut Division: Muhammadan Rural): Sir, on a point of information, I may say that the other day when I gave notice of a short notice question, I did not send it to the Press, but still I found it in the papers on the next day. So I do not know who was responsible for its publication.

**Mr. President** (The Honourable Sir Shanmukham Chetty): If Honourable Members will take care that the information does not leak out through them, then we shall see if there are any other sources through which the information comes out.

**Mr. K. C. Neogy** (Dacca Division: Non-Muhammadan Rural): Sir, may I also support what has just fallen from my Honourable friend there? I have a short notice question which may come up tomorrow. I find that that has also appeared in the papers and I for myself can give you my word that I had nothing to do with its publication.

**Mr. B. Das**: Sir, I understand the Chair is in some difficulty, because it cannot give a definite ruling that such and such step should be followed. But we, who represent the public, have certain obligations to the public. While I think we can establish a convention that questions or motions for adjournment should not be published, we have a duty to the public by whom we are elected here. I still think it is the duty of elected Members to intimate to the public that we intend to take such action, so that the public may know that we are zealous watch-dogs of their interests.

**Mr. President** (The Honourable Sir Shanmukham Chetty): The Chair does not think the Honourable Member will find support for his contention from any Parliament anywhere in the world. (Applause.)

**Dr. Ziauddin Ahmad** (United Provinces Southern Divisions: Muhammadan Rural): Sir, I should like to draw your attention to one difficulty that we on this side feel. If we have no information about these short notice questions, either from the office or from the newspapers, Members may not be present at the time of questions if they are interested in these questions. So if you debar the Press from publishing these questions, at least notice of these short notice questions should be sent to us a day before they are put, so that we may come in time and ask supplementary questions.

**Mr. President** (The Honourable Sir Shanmukham Chetty): Order, order.  
**Mr. B. Das.**

**Mr. B. Das:** (a) Is it a fact that Government have decided to give up commission on money orders sent to the Viceroy's Earthquake Relief Fund?

(b) If the reply to part (a) be in the affirmative, are Government prepared to consider the advisability of extending the same concession to Babu Rajendra Prasad's Fund and to such other funds as require similar encouragement?

**The Honourable Sir Frank Noyce:** (a) Yes.

(b) As will have been seen from the Press Communiqué issued on February 12th, Government have decided that the concession should be extended to the two other most important Relief Funds, Babu Rajendra Prasad's Fund and the Mayor of Calcutta's Fund, both of which are being administered in close co-operation with the Government of Bihar and Orissa.

**Mr. Gaya Prasad Singh:** Sir, I thank the Honourable Member for this concession.

## THE INDIAN STATES (PROTECTION) BILL.

### PRESENTATION OF THE REPORT OF THE SELECT COMMITTEE.

**The Honourable Sir Harry Haig** (Home Member): Sir, I beg to present the Report of the Select Committee on the Bill to protect the Administrations of States in India which are under the suzerainty of His Majesty from activities which tend to subvert, or to excite disaffection towards, or to interfere with such Administrations.

**Mr. President** (The Honourable Sir Shanmukham Chetty): In connection with the reports of Select Committee, the Chair would like to make one observation. Honourable Members, who are members of a Select Committee, sometimes authorise another member of the Select Committee to sign on their behalf. This creates rather serious complications and difficulties at times. If, for instance, the Honourable Member, to whom the authority has been given, himself writes a minute of dissent, then the question arises whether the other Honourable Member who has authorised this particular Member has also conveyed an authority to sign on his behalf the minute of dissent also. To avoid such difficulties what the Chair proposes to do in future is this. Any Honourable Member of a Select Committee, who is not able to sign the report himself,

must, if he desires so to sign, authorise either the Secretary of the Legislative Assembly Department or the Chairman of the Select Committee,—and authorise only one of these persons,—to sign the report. And if it is further the intention of a member of the Select Committee that his signature should be appended to any minute of dissent, he must also specifically mention in that letter of authority as to which minute of dissent he wishes to sign. The Chair hopes Honourable Members will observe this practice in future.

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### RESOLUTION *RE* EXCISE AND IMPORT DUTIES ON KEROSENE AND OTHER MINERAL OILS.

**Mr. President** (The Honourable Sir Shanmukham Chetty): The House will now resume discussion on the following Resolution moved by Mr. S. C. Mitra:

“That this Assembly recommends to the Governor General in Council that steps be immediately taken to equalise the rate of excise duty and the import duty on kerosene oil and also on other allied mineral oils on which the rates of excise and the import duties are different.”

**Mr. B. V. Jadhav** (Bombay Central Division: Non-Muhammadan Rural): Sir, I rise to support the Resolution. It recommends to Government to equalise the rate of excise duty and the import duty on kerosene oil. Sir, kerosene oil is an Indian produce. It is obtained principally from the wells of Burma, and there are also other wells in Assam and in the Punjab. It may appear strange that an Indian Member, eager for the prosperity of the industry of his own country, should ask for a higher duty to be levied from that industry. Nobody should be under the misapprehension that the Resolution is moved, because the petroleum industry is controlled by British financiers. The cause is that this industry is not going on right lines. The oil combine is a great profiteering body, and it has been consistently doing everything in its power to stifle competition from outside and thus to occupy the position of a monopolist; and, as monopolists, they have been taking every advantage of making huge profits and distributing huge dividends to their shareholders. In this respect they are enhancing the price of petroleum that is used by poor persons for their meagre lighting, and I may say that this is an unconscionable bargain. The industry, properly conducted, will be not only to the advantage of the shareholders of the Company, but also of the people of India who are the consumers of the product of the oil wells.

The difference between the import duty and the excise duty is a sort of protection given to the indigenous Indian companies. But a company deserves protection if it is either a losing concern or if it has to meet heavy competition from outside. But, in the case of the petroleum industry, it is making big profits and there is no serious competition from outside; and, therefore, this protection is not needed. Then, another question arises, whether the protection that is granted is deserved or not. I am very sorry to say that it is not deserved. We see from the figures that are available to us in the Tariff Board's Report—the figures are up to 1927 and recent figures are not available to us—in those years the dividends paid by this industry, the Burma oil combine, have always been above 10 per cent—sometimes 15, sometimes 30 per cent., 27 per cent., 32½ per cent., 30 per cent., and in one year it was 50 per cent.: it has been some-



[Mr. B. V. Jadhav.]

times 30 and 35 per cent; in addition, they have been giving bonuses; in 1910 they gave away in bonuses Rs. 6,35,000; then, in the year 1918, they gave away in bonuses Rs. 9,52,500; in the year 1920, they gave Rs. 22,86,000, and, in 1926, they gave Rs. 17,17,000. So it will be seen that the Company had been doing everything to earn as heavy profit as possible, fairly or unfairly, and giving large bonuses to their shareholders. Therefore, the protection that is given in the shape of a lower excise duty is neither deserved nor necessary, and, therefore, it is urged by Mr. Mitra that it should be equalised and no undue favour should be shown to this Company. As I have observed, this Company is in the position of a monopolist, and, when there is competition from outside, they do everything in their power, first of all to break down that opposition by lowering the rates; but, as soon as the supply of a rival company runs short, that very moment they raise their prices. Many of us have experienced this ourselves, when the prices of petrol go up and down. There is a rival company importing petrol, and whenever their supply in a particular place is sufficient, the price of petrol is at once lowered; but as soon as the supply runs short, the prices are raised and the benefit of lower price is obtained by people in places only where a rival company's supply is available. In other places, the rates of petrol are very very high—excessively high. So this Company is making every effort to fill its pockets at the expense of the poor consumer and, therefore, I do not think it deserves any sympathy from this House. Had the Company been conducting their affairs in the interests of the country, I do not think anybody would have come forward and tabled such a Resolution.

The doctrine of the excise duty was promulgated in order to preserve the principle of free trade in respect of the cotton industry. An import duty was levied upon cloth woven outside India and, in order to equalise the duty, an excise duty on cotton goods manufactured in India was levied. There was a hue and cry against this levy. India as a whole is at heart a protectionist country and did not like this excise duty. That excise was recently removed. But, in the case of the petroleum industry, a lower excise is levied. But as the petroleum companies are profiteering and looting the poor persons who are using their oil, I do not think they deserve any compassion or sympathy from this side of the House and hence this Resolution is moved. I know it might be argued that the oil wells in Assam and Attock are new concerns and they are not making as much profit as the other companies in Burma do. That is a fact. If the companies in Assam and in Attock are severely handicapped by the levy of a higher excise duty, then it will be proper for the Government of India to give them some monetary help, or subvention, or subsidy. I would not urge anything against that; and as the Government will be making something like a crore of rupees, if the excise duty is made equal to the import duty, then Government will be in a position to give a subsidy to the tottering industry in Attock or in Assam; and I think new oil wells are going to be sunk in Kathiawar or somewhere thereabouts in the Bombay Presidency and they too will deserve some help. But the principle of this Resolution is to bring to the notice of the House and the Government the profiteering that is carried on by the Burmese companies and, therefore, it is necessary in the interests of the ryots to put that down. Of course, by the raising of the excise duty, the prices in the market will not be lowered, but I think fair competition between outside oil and the

indigenous oil will be possible and, on account of that healthy competition, the prices of oil are likely to be lowered. At present the Burma Oil Companies are enjoying a monopoly and they are making excessive profits. So the intention of the Resolution is to divert those profits from the pockets of the shareholders to the treasury of the Government of India which is in need of greater money. Sir, I whole-heartedly support this Resolution.

**Mr. F. W. Hockenull** (Assam: European): Sir, the Honourable the Mover of this Resolution, in the course of his address, has singled out the Burma Oil Company in particular to give us a very comprehensive review of its operations. I think it should be made clear at once that it is on the basis of the prosperity of this one particular Company that the whole of this Resolution is based. His speech was a very convincing one, and I think that no doubt is left in the mind of any one of us that this is a very prosperous concern. Large dividends have been paid in the past; bonus shares have been liberally issued and the reserves have been invested with prudence and foresight, and I think we must admit that while there has been a good deal of fortune attending this company, there has been no little enterprise. The Honourable Member told us many things about the Company, but one thing he did not tell us, and that was what the Company now in present conditions is earning on its Indian business. I will repair the omission. In the dividend which was recently declared, only 7½ per cent was earned on the Indian business as it affects the Burma Oil Company here; the rest was derived from investments in other concerns. Now, here we have the one Company, which is the criterion of prosperity, engaged perhaps in one of the most speculative businesses in the world, paying a dividend of 7½ per cent. If the case for equalisation of duty and excise be based on this prosperity, and it is proposed to apply it only to B. O. C. products on the grounds of being able to derive some Government revenue, then I think there is something to be said for it, although why there should be additional legislation to deal with a successful enterprise when there is an income-tax department, is more than I can say. My view is that it is the past prosperity and the accumulated reserves of this Company which are the target of the present movement. But, Sir, the Burma Oil Company is by no means typical of the indigenous oil industry in India. There are other Companies, eight or nine of them, poor companies, struggling against great diversity. The picture that was left in our minds by the Honourable the Mover bears no relation to the whole of the indigenous oil industry in this country.

Now, Sir, I hold no brief for oil, neither have I any connection with it: but coming from Assam, that cinderella of the Provinces, whose assets are few, whose finances are deplorable, and whose needs are so great, the possession of an oil field makes the present proposals before us a matter of very great concern. In the midst of an unparalleled slump in agricultural prices,—and I would remind Honourable Members that the Province of Assam is almost wholly an agricultural Province,—the one bright spot is the indigenous oil industry. This industry is no new concern. It commenced operations some 35 years ago. Its beginnings were uneventful; its development was slow; it started on modest lines. After five years, its contribution to the provincial revenues was barely Rs. 10,000. I would explain here that Royalty is a small levy on actual oil won from the well, is a provincial contribution, and affords a convenient figure for comparison. After 25 years, this Royalty had expanded to a sum of about Rs. 50,000. From that time onwards, there was considerable development, and in 1923

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the contribution in the form of Royalty amounted to 4½ lakhs, and it is expected that in the current year that sum will be raised further to about six lakhs of rupees. This has its significance when I tell the House that that represents something like three per cent. of the provincial income. It can only be expected that this estimate is contingent on the field for the disposal of its products being left open; in other words, provided that Assam oil is not shut out of its present markets by foreign oil. Let us consider for a moment what the shareholders have derived from this development. During the whole of the 35 years of its operations, the average dividend paid has been 1·94 per cent. which is something under two per cent. per annum, and, during the last 12 years, it has disbursed nothing at all. If, in the present circumstances, this is all that the Company can do, how can we expect it to bear further burdens. My view, Sir, is that it will close down. As this is one of the only two companies operating in India proper, I am of the opinion that this would be a calamity, both provincial and national. Now, it will be contended that these companies will not close down, but that the indigenous oil companies will cease production only to the extent of the competition of the foreign importer. Sir, in the case of the Assam Oil Company, this is a fallacy for the reason that even at the present time the handicap of high freight, due to its eccentric geographical position absorbs the existing preference. Digboi, the centre of the oil fields, is situated on the frontier. A few miles in either direction will land us in Tibet, in China or in Burma. Its output exceeds very greatly the amount the Assam Province can absorb. It sells most of its products to other Provinces. Rail transport is its only outlet, and rail transport is expensive. There is actually no metalled road leading from the oil field, and as all, who have been to Assam, know that Assam roads would not stand up to heavy transport for a week in the rainy season.

Now, it will be a matter of interests to know that oil can be laid down in Calcutta transported by sea from even as far off as Russia, at a much cheaper cost than Digboi Oil can be transported by rail. If we assume for a moment that Assam products went out of the market and that foreign oils were distributed in the present sales markets from Calcutta the Railways would lose about 18 lakhs of rupees per annum by virtue of the fact that Calcutta is more centrally situated for distribution. In 1932, the Assam Oil Company contributed to freights to the tune of Rs. 51 lakhs. This was distributed amongst the railway and steamer companies. As a comparative figure, it may be of interest that the Assam Bengal Railway earned in that year Rs. 89½ lakhs in freights, and when we add to this contribution the amount of Rs. 30 lakhs spent on wages to Indians and Rs. 28 lakhs on Indian stores, I think Honourable Members will admit that this Company forms an appreciable interest in the economic life of that part of my Province.

I now come to the Central contributions. In 1932, the Government of India benefited to the extent of Rs. 127 lakhs. This, of course, is from all sources,—excise duty on oil and petrol, customs duties and income-tax. These are enormous figures, and they assume their real importance when it is remembered that in the current year the total estimated income for this Province is only about '200 lakhs, and resulted in Rs. 40 lakhs deficit on the year's working. These excise duties are held by all of us in some measure to belong to the Province. We believe that the principle which applies to jute in Bengal should be applied to oil from Assam. The

Government of India will not admit this principle, and we bow reluctantly to their decision. Our financial position is so acute that it urgently requires assistance and we believe that the Government of India are disposed to help us and to deal with us in some other way as liberally as their own finances will admit. But we feel that any falling off in the Assam oil contributions may prejudice the fullest and the most equitable settlement, and it was with this in mind that we view with the gravest apprehension any alteration in the protection at present afforded to our indigenous industry. Sir, I oppose the Resolution.

**Diwan Bahadur A. Ramaswami Mudaliar** (Madras City: Non-Muham-madan Urban): I may start by congratulating the Honourable Member who has just preceded me on his maiden speech which is a clear statement of the position of some of the smaller companies that have established themselves in regard to this trade. I at once admit that the motives of the Honourable the Mover of this Resolution are all laudable and that he wants, if possible, to protect the consumer and also to get revenue to the Government. But, I question whether the object that he has in view will be carried out by the adoption of this Resolution. The oil trade is a very peculiar and rather intricate trade, and I am sure the House will forgive me if I give my layman's experience of how this business is carried on.

My Honourable friend, Mr. Mitra, who has moved this Resolution, suggests that if the import duties and the excise duties are equalised, there will be no suffering involved to the consumer, but there will be a certain amount of profit to the State. I do not think he ventures to put forward the idea that the import duty should be lessened, because, at this time of day, with the budgetary problem that faces the Finance Member, I do not think such a suggestion is a practical one. It, therefore, comes to this that what my Honourable friend and those who supported him intend to do is that the excise duty should be raised, so that there will be some amount of profit to the State. My Honourable friend, Mr. Jadhav, in the course of his speech, suggested that at present the consumer was being penalised by the existence of this monopoly and that he would get what he termed fair treatment and help the competition if the two rates were equalised. I have got a fairly good idea of the conditions of the trade in Southern India, and I do not think it differs very much from the trade in other parts of the country. It is true that there are two indigenous oil companies, one in Assam and the other at Attock, and probably the conditions in Assam and conditions in the North-West Frontier and portions of the Punjab are slightly different. But, I think that, all over the rest of India, the two Companies that really come into competition are the Burma Oil Company, with its distributing agency, the Burma Shell Distributing Company, and the Standard Oil Company. If Honourable Members will realise the way in which business is carried on by these two companies, they will easily see that the result of the adoption of this Resolution will be to throw a further burden on the consumer, and that will be the main theme of my argument today in opposing this Resolution.

As I understand the business in India, the quantity that is consumed by Indians all over India is distributed mainly between the Burma Shell Distributing Company on the one hand, and the Standard Oil Company on the other. I do not think the proprietors of either of these concerns or those who are interested in it will admit the fact for a moment, but it is nevertheless a fact that there is no competition between these two

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companies at all. If there is ever a rate war, as undoubtedly there is at long intervals, the honest consumer comes by his own, but that is a very rare event, and normally speaking, these two companies have a very good notion of what they should do, and at what rates they should sell. Not only that, Mr. President, the House would be interested to know that the quantity that can be sold by each of these two companies is also come to by arrangement, and there is no competition, either healthy or fair. The area is distributed between them, the agencies are appointed by these two companies, and, if I know anything at all of the way in which the agencies are asked to show the returns of their sales, I know this for a fact that there is a general agreement between the Burma Shell Distributing Company and the Standard Oil Company, as to the quantity of oil that should be sold in each area. Under these circumstances, I ask the House to realise what will be the effect of the adoption of this Resolution. The immediate effect, if the Finance Member is disposed to give effect to it in his budget, will be that the Burma Oil Company—I am leaving out of account for the moment the minor companies—will increase their price, because they will have to bear the additional duty of one anna. The result will be that they will come to an agreement with the Standard Oil Company which will also increase the rate, and between these two companies the consumer will be much more hardly hit than he is at present. If we remember that this House has been consistently against any duty on kerosene as it affects the poor consumer, and if we realise that time after time on this side of the House we have tried our best to see that there is no duty levied and that the duty is not increased, I ask myself how consistently with our past we can vote for this Resolution asking for an enhancement of one anna on the excise duty with the firm conviction that the result of that will be a passing on to the consumer of a further burden of one anna per gallon. Let me take another aspect of the case. We are talking of the poor consumer, and, as everybody knows, the poor consumer consumes not the white oil, but the red oil which is a peculiar production of the Burma Oil Company. It is not imported into this country. If I know anything at all of the Standard Oil Company and its working, the Standard Oil Company imports white oil, the last class of which is called the Elephant Brand. So that, in effect, the Burma Oil Company or its distributing agency has got the monopoly of the red oil, and it is the red oil that is consumed by the villager. Whatever competition there may be in white oil, it will not prevent the Burma Oil from passing on the burden to the consumer again, that is to say, the poorest class of consumers of kerosene oil,—that class which this House on a previous occasion, when it was discussing the Bill regarding diesel oil, was very anxious to see that it was not hit hard. Therefore, if you take either the red oil, which is the main production of the Burma Oil Company and which is consumed by the poorest consumer, or if you take the whole list of oils that are produced by this Company and by rival companies, I say, the effect of the adoption of this Resolution, which can only be in the direction of increasing the excise duty and not decreasing the import duty, will be to pass a further burden on to the consumer which is certainly not what this House requires.

I do not know what the intention of the Honourable the Finance Member is, and I do not know whether my friend, Mr. Mitra, is serious in suggesting that by this Resolution he wants to come to the help of



the Finance Member to balance his Budget. I, sitting on the Opposition side, am very chary of offering any suggestions at all to the Honourable the Finance Member to balance his Budget or to increase his receipts. I think we should wait and see, in the hope, perhaps the vain hope, that on the 27th February, when the Honourable the Finance Member introduces his Budget, that the burdens are not more heavy than they are at present, but I refuse to be a party to a Resolution which will mean that the burdens that now exist on the oil consumer will be increased by the adoption of this Resolution. Therefore, having shown that the consumer is the man who is likely, in fact, who is bound to suffer by the adoption of this Resolution, let me turn to another aspect of the case.

Now, my Honourable friend, who has just preceded me, has spoken of the case for the small indigenous companies that have been started at Attock and in Assam. I venture to express the hope that the sympathy of the House will be with these small companies. They are able to get on, because they have come to some sort of agreement with the Burma Oil Company. They are able to get on because the Burma Oil Company has come to their relief to a certain extent, at least the Burma Shell distributing agencies in some cases, if I know my facts. Without that help, these oil companies would not be getting on well. There is no guarantee that the outside companies like the Standard Oil Company or the Texas Oil Company or the Russian National Petroleum Oil Company will be as soft towards these indigenous companies as the Burma Oil Company has been. If that fact is also taken into consideration, it will be realised that the effect of the adoption of these measures will be to further cripple the indigenous industries of this country. Take, again, another fact which loomed large in the discussions on this Resolution time after time. It was said that Burma Oil Company exists in Burma and that these two companies are in India. What have we got to do with the Burma Oil Company? Now, Sir, I thoroughly deprecate that idea, at least so long as India and Burma form parts of the same unitary Government. Yesterday, my Honourable friend from Burma suggested that the duties that have been proposed under the Tariff Bill should not affect Burma and that Burma should be excluded from it. If we start Province by Province, and for this purpose Burma should be treated only as a Province, where will we be landing ourselves? We in Madras can turn round and say "we are not affected by the steel industry and, therefore, exclude the Province of Madras from the operation of that duty". Take, again, the case of tea cups and porcelain ware. We can very well say: "these industries do not affect Madras and, therefore, exclude that Province". If these inter-provincial jealousies come in, then the tariff will be broken to pieces and there can be no question of applying the tariff properly at all. For shipping, customs and tariff purposes, India and Burma are one for the time being. What may happen when Federation comes is a different question. My friends from Burma seem to be under the impression that if Burma is separated, somehow free trade between India and Burma will continue and that they will go on as they have been going on now. Let me say, whatever powerful influence they may secure in Great Britain for that purpose, that that is not going to be done. Burma will be completely separated from India and must be completely separated as much for trade and

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commerce as for any other. I do not suggest that we will be unsympathetic towards Burma, but whatever can be done must be done by a Federal self-governing India of its own choice. In the same manner, as we have come to an Indo-Japanese arrangement, let us hope that we will arrive at an Indo-Burmese arrangement, but if there is any idea that like slaves we will be handed over from one master to another, and that, while Burma is being separated, some powerful influence outside India and outside Burma, sitting in Whitehall, will be able to protect the Burmese, whether they are Indian merchants, Burmese merchants or European merchants, and keep up the trade without any concern for the interests or the wishes of India, let me tell the Burmese, and I include among them both European merchants and Burmese merchants, my Indian friends sitting there and Mr. Harper who represents the European commercial community, that they are living in a fool's paradise. That cannot be so, and whatever clauses you may put in the Constitution Act, if you are able to do it, then I say for certain that those clauses will not be worth a day's purchase or a month's purchase, once the Federation comes into existence. Therefore, my position is this, that so long as India and Burma form parts of one unitary Government, we have to get along together. Yesterday my friend from Burma complained that the tariff affected him in spite of the fact that he had got nothing to do with it. Here is an obverse thing. We are supporting an industry in Burma, the Burma Oil Company, because Burma is part of India and for no other reason. Therefore, it seems to me that you cannot have it all your own way. This is a question of pros and cons on either side. Disadvantages there will be, but advantages there are and it is a curious irony of fate that within 24 hours my friend is able to realise the advantage of the policy of being connected with India, whereas yesterday he was fulminating against the disadvantage of Burmese connection with India. On all these grounds, I think that this Resolution should not be adopted as the effect of this Resolution will be to increase the burden on the consumer. I do not want to go into the question of the profits that have been derived by the Burma Oil Company or other companies. I think that is utterly irrelevant to this issue. My friend, Mr. Jadhav, made the curious suggestion that the Attock Company and the Assam Company may be given subventions. I do not at all see how it can be done. If you are going to give a subvention to an industry, it is to the industry as such, no matter by whom it is run and no matter where it is run in the Indian Empire. You cannot give subvention to one industry to compete against a better established industry in another part of the Empire. You can give a subvention to all the industries that have been established in this country, and, therefore, if any question of subvention arises, it must be given as much to the Burma Oil Company as to the Attock Oil Company or the Assam Oil Company. Therefore, there can be no question of subvention and differential subvention at that in regard to these matters. It seems to me, therefore, that considering all these facts, there is no alternative to this House but to reject this Resolution, and I think, before that stage comes, I would earnestly ask my friend, Mr. Mitra, not to press his Resolution to a division.

**U Ba Maung** (Burma: Non-European): Sir, I rise to say a few words with regard to the Resolution moved by my friend, Mr. S. C. Mitra. First and foremost, I must congratulate him for having

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taken so much pains in getting the statistics concerning the oil producing companies and on his thorough study of the subject. I really sympathise with him, but in my opinion the Resolution, as it is worded, does not help the interests or the welfare of the consumers in any way. As I understand it, this Resolution, if carried, will put a large majority of labourers, both Indians and Burmans, out of employment, and will result in the reduction of wages in the oil fields of Burma.

The next point that I wish to bring to the notice of the Mover is that, in Burma, besides these European limited oil companies, there are minor concerns, mostly in the hands of individual oil-well owners. These oil-well owners are chiefly Burmans and Indians. They will also be affected and hard hit if the Resolution is carried, because these owners have to sell their petroleum, that is, the raw product, to the limited companies who in turn produce kerosene oil, petrol, candles, and so on. I should like to draw the attention of the House with regard to the generosity of the Burma Oil Company, which has been mainly attacked by the Honourable the Mover, although such generosity has nothing to do with the merits of one's attitude either for or against the Resolution. Sir, very recently I came across a statement in the papers here that the Burma Oil Company has contributed Rs. 1½ lakhs to the Viceroy's Earthquake Relief Fund. Not only that, about three years ago, the same Company also contributed about a lakh of rupees to the Burma Earthquake Relief Fund, and, about seven years ago, a sum of Rs. 10 lakhs was subscribed by the Burma Oil Company to the Rangoon University for establishing a Mechanical Engineering College which has done a great deal of service both to Indian and Burman students in the University. (Hear, hear.) There are also numerous donations made by the same company towards our Buddhist *pagodas*. (Applause.) Well, strictly speaking, I will not dwell on this at length, because it does not bear strictly on the question whether one should be for or against the Resolution. The reason why I have said all this on the generosity of the Burma Oil Company is that we Burmese people as a race are philanthropic and generous by constitution.

Lastly, Sir, instead of receiving encouragement as producers of indigenous oil, if the little advantage due to the fact of there being some difference between the import duty and excise duty is now sought to be removed from their way, this would ultimately kill them. Of course I have heard patiently what the previous speaker has said and I am in entire agreement with him. In my humble opinion, as long as Burma forms part of British India, it is but right that the indigenous produce of the country should derive some sort of preferential treatment from the Government of India. Well, Sir, the position will be different when Burma is separated, and the whole question could be then tackled on its own merits. Therefore, I would request the Honourable the Mover to withdraw his Resolution and bring it again to the notice of the Trade Convention when Parliament announces the separation of Burma.

**The Honourable Sir George Schuster** (Finance Member): Sir, at the outset, I would like to make clear what Government's general attitude on Resolutions of this kind must be. I am sure, all Honourable Members will appreciate that if a Resolution of this kind, which really intimately concerns matters which would normally be dealt with in the Budget proposals, is brought before the House, only a very short period before the Budget proposals are put before it, Government might be put into an extremely awkward position. It would in fact be very easy for any Honourable Member

[Sir George Schuster.]

opposite to table a Resolution of this kind which would seek to force Government to disclose its hand as to some particular proposal in the Budget, and we feel we must take a very definite stand on this matter and make it clear that we cannot allow our hand to be forced in this way. I am not suggesting for a moment that the Honourable Member, who has moved this Resolution, has had any deliberate purpose of embarrassing us in such a manner, but I am sure he will appreciate that if Government were to allow themselves to be drawn into a discussion of this kind on the eve of the Budget, and indicate any attitude at all, short of disclosing what its actual proposals in the Budget were going to be, it might mislead many interests and do a great deal of harm. Therefore, I want to make it clear that whatever I have to say today on this matter, we have decided, as a matter of general policy, that we cannot show our hand—supposing that we have a hand to show about it. Now that being our general attitude, we had to consider how we should apply it in practice, and we came to the conclusion that the right line for a Government speaker to take on this Resolution would be to intervene to correct any misstatements, or to make clear what is the real situation, so that the House might not be in any way misled—supposing Government had a means of correcting that—and at the same time to make it clear that as the Resolution is inconsistent with the *status quo*, we must oppose it. That will be our attitude.

Now, there are certain things I want to say which I can say without, as I have said, disclosing Government's hand in this matter. In the first place, I want to put before the House a point which has already really been made, which is this. I do not see how the House can vote on a Resolution of this kind without knowing by what means the equalisation is to be effected. It would really be giving Government a blank cheque. We might equalise the duties by putting the excise duty up to the level of the import duty, we might equalise them by putting the import duty down, we might even equalise them by effecting a big increase on both sides and putting both the import and the excise duties up from three annas nine pies, say, to seven annas or ten annas. Sir, I really submit that it is not fair to ask the Legislature to vote on a Resolution of this kind. Now, the vagueness of the possible interpretations has, of course, helped my Honourable friend, the Mover, in making his speech. He has been able to represent his proposal as one which, on the one hand, will increase our revenues, which, on the other hand, can be adopted to benefit the consumer, and which will have that great benefit as certain Honourable Members seem to regard it of hitting the oil companies. Now, I do want to put it to the House that there is only one object and one object which would *certainly* be served by this Resolution, however it is interpreted, and that is that it would hit the Indian oil companies. That, if my Honourable friend, Dr. Ziauddin Ahmad, will allow me to use a mathematical term, is the "lowest common denominator" of all the speeches of the Opposition. Now, that is an object with which, for its own sake, if this Resolution is supported merely for the sake of that object, we could not possibly associate ourselves. That is really a question of mere injustice. I think this matter, if it is to be dealt with at all, must be dealt with on a higher plane. The policy which I should think every Member of this House would support would be a policy which combined the following objects: the maintenance of the Government's revenue, the securing of the lowest possible prices to the consumer, and the securing of conditions which will not damage the Indian oil industry. Now, Sir, this Resolution makes absolutely no contribution to the solution of the problem as to how those three objects could

be combined. I have said already that there are certain lines which we could not support. There are certain other points where, I think, our attitude will be quite definite. We regard this as essentially an Indian industry, an industry which employs Indian labour on a very large scale and which spends very large amounts of money for the purchase every year of materials in India, and which contributes very largely by way of royalties, income-tax and otherwise to the revenues, both of the Government of India and of the Provincial Governments. It is essentially an Indian industry and the arguments which have been used by some of the speakers that a large proportion of the shareholders in these companies are not Indians are arguments which we regard as entirely irrelevant. I would submit to those Honourable Members who use those arguments that they will be doing their country great harm if they allow essentially Indian industries to be damaged, because certain outside shareholders are interested in those companies.

Then, Sir, there is another argument which, I think, we should in all circumstances oppose and that is that the mere fact that a particular company engaged in this industry happens to have made very large profits affords a reason for attacking the whole of the industry. That point has already been dealt with very well by several speakers who have just spoken. But I do want to make this point, that the mere fact that a particular concern is able to operate at a satisfactory profit to itself is not a reason for attacking that concern. One can go about and find plenty of people who will work very inefficiently and at a loss, but to bring them in would not benefit the country. The country is definitely benefited by concerns which operate with enterprise and with sufficient efficiency to earn decent profits. We do not want inefficient people managing the industries of this country and running them at a loss. You can go out on the streets and find hundreds of people ready to manage the industries on that basis, but those are not the people that you want. I would put this case to the House: *prima facie* the people who really benefit a country are those who can develop industries and earn profits out of them. (Applause.)

Sir, having said that, I wish also to say something on the other side. One point which I particularly want to make is that whatever may be the right policy in this matter, it has not yet, at any rate, been adopted as a policy of the Government of India that the oil producing industry in this country should receive any measure of protection. We cannot allow the impression to be gained that the fact that there is a difference between the excise and the import duties represents a decision by the Government of India that the indigenous oil industry has made out a case for protection. It may possibly make out such a case, but at present no case of that kind has been made out, and the existence of that difference must not be taken to imply that Government have recognised that there is a case for protection. Another point that I wish to make to supplement what I said about the earning of profits is this, that, I think, the oil companies must recognise that they would be expected by the public and would be expected by every Member of this House to operate to use their efficiency not merely to make profits for themselves, but to secure fair prices and the lowest possible prices to the consumers. (Applause.) That, Sir, is a point which I feel sure they will appreciate and I feel sure that those who have spoken for the oil companies' interests in the House will recognise that there is among the general body of the public an uncomparable feeling that they are in the hands of very powerful combines. They do not



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know what are the agreements which exist between those combines or how they can be operated to maintain prices above what is a reasonable level. If the oil companies desire to receive fair treatment, then I would put it to them in their own interests that they should do as much as possible to enable the public to understand what are the facts of the position and if, in order to maintain their position, they have to demand certain prices, then they should let the public know why it is that those prices must be maintained and satisfy the public that they will not enter into agreements which will enable them to maintain prices at something which is above a fair level. (Applause.) These are, Sir, our views on the subject, and, as I have already said several times, we cannot, even if we had any definite policy, say anything which would throw a light upon that, but I would on general grounds put it to my Honourable friend, who has moved this Resolution, that, in view of its vagueness, it is an unfair question to put to the House, and that he will be well advised to withdraw it.

(Dr. Ziauddin Ahmad rose to speak.)

**Mr. President** (The Honourable Sir Shanmukham Chetty): The Chair thought that the debate was closed, and therefore, the Finance Member was called upon to reply. Mr. Mitra must reply now.

**Mr. S. C. Mitra** (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): Sir, at the very outset, I would like to make it clear that I have not the least intention to anticipate anything in the Budget. This is not the first time that we have raised this question. If the Honourable the Finance Member will go through the debates on the Finance Bills for the last few years, he will find how many times we have raised this question. As I said in the first debate, it is not I who have raised this question first. The Honourable the Finance Member has not a word to say about Sir George Bains's arguments on this whole issue and he met all the questions, raised by some of the speakers today, almost by anticipation. The Honourable the Finance Member has today played the role of a priest and has delivered a sermon. He tells me that it is an Indian industry and charged me as if my purpose here was only to hit the manufacturers of an indigenous industry. People who know me will judge for themselves with what spirit I have brought this Resolution. During the course of the Budget discussion, I shall try to show how the pious well-wisher of the country has acted during his régime. Whether it is fair or not for this House to vote on this question, the House will judge for itself. Twenty-three Honourable Members of this House, belonging to different Parties, gave notice of this Resolution; that shows the depth of public opinion on this question. I agree to a great extent with my friend, Diwan Bahadur Ramaswami Mudaliar. He has shown it clearly that there are two big combines who settle the price for kerosene in India and my friend is apprehensive that we are at the mercy of these pools. If the excise duty is raised, then perhaps they may raise the price of kerosene and penalise the consumers. Indeed, that is a great risk and I admit it. But I fail to understand why this Government, which seem to be all-powerful in all directions, becomes so weak-kneed in these matters when British industries are concerned. They know what monopolistic producers can do. They can raise their prices and exploit the consumers in India. Why are they so helpless on those occasions? Why the Government do not fix the price for these

articles? My Honourable friend, Diwan Bahadur Ramaswami Mudaliar, has made my position easy. I will show by quoting facts and figures that these two combines, one a so-called "indigenous industry", in the words of the Honourable the Finance Member who seems to be so anxious to help an indigenous industry, I can show that 90 per cent. of the shares really belong to non-Indians. I have no grudge against non-Indians, let them prosper in every way, even here in India. I am not so mean like many other people as to be jealous if other people flourish. What I want is that, in the distressed condition of Indian economic life, if the poor consumers could be helped by lowering the prices in any way, then my suggestion should be accepted. I really had no mind to press this Resolution to a division. These arguments were pressed by Sir George Rainy who had the real interest of India at heart and who did not have mere lip sympathy like many other Honourable Members. My duty ceases after I have brought forward this Resolution to the notice of the Government. I am not here to suggest ways and means of balancing the Budget. It is the duty of the Honourable the Finance Member to do so. When I tabled this Resolution, I thought it would be appreciated in the spirit in which it was offered. I know that the Honourable the Finance Member is merely an agent and he has no free hand. He is dictated to by Whitehall and he shall have to carry out the instructions. In this Resolution, I appeal to the Government at Home, where we have the Secretary of State who is a responsible Minister, and I should inform him that India should be ruled mainly in the interest of the Indians. I know that the Secretary of State, who is responsible to his people, will look to their interest first, but, if it is not inconsistent with that position, he may also look to the interest of India.

**The Honourable Sir George Schuster:** Does the Honourable Member imply that I am not expressing the views of the Government of India on this matter?

**Mr. S. C. Mitra:** The Government of India here have absolutely no power to act with a free hand. This is evident from the fact that when the Honourable the Finance Member at the time when England went off the gold standard acted in the interest of India, he was immediately forced to swallow his own plans and he was forced to follow the dictates of Whitehall. Such things happened more than once and my complaint is that we are helpless in the matter. The Government of India act merely as a post office and we have to appeal to the British Government at Home to rule India in the interest of India alone, and not in the interest of England. During my speech, when moving the Resolution, I pointed out that we had not exact figures for the Anglo-Persian Oil Company and the Honourable Member, Mr. Hockenull, who made his maiden speech today, did not give much information. I speak subject to correction, but my information is that, in the Anglo-Persian Oil Company, the British Government hold 56 per cent. of the shares. We are in a difficult position to find out the truth, because we have not been supplied with recent facts and figures. The Honourable Mr. Hockenull referred to the Assam Oil Company and I should like to say a few words about it. On page 5 of the Tariff Board Report, I find:

"The Burma Oil Company has advanced the Assam Oil Company £900,000 and holds 80 per cent. of the share capital of that Company."

[Mr. S. C. Mitra.]

I, therefore, submit that the Burma Oil Company is interested in the Assam Oil Company and, therefore, the interests of the two are identical.

**Mr. F. W. Hockenull:** May I point out that if it has not been for this advance made, the company would entirely have gone out of existence.

**Mr. S. C. Mitra:** I should like to quote more extensively from the Tariff Board Report to prove my contention that the two companies are identical in interest. On page 35, it is said:

"Since the Burmah Oil Company took over the management of this Company in 1921, expenditure on development has been on an ambitious scale and at present far beyond the means of a Company capitalized on so modest a scale. If the Assam Oil Company stood alone we have little doubt that even if no price war had arisen, it would not have been able to carry on operations on the present scale without extensive re-organization. The connection between the Assam Oil Company and the Burmah Oil Company is very close. In January, 1921, control of the Assam Oil Company passed to the Burmah Oil Company, shareholders being offered by the latter company £2 cash for each Assam share or one Burmah Oil Company's share for every 4½ Assam shares. The Burmah Oil Company at present hold 90 per cent. of the Assam Oil Company's issued share capital (£400,000)."

From this it is clear that the same shareholders are benefited in both the companies. My Honourable friend suggested that they declared a dividend of 7½ per cent. in the Burma Oil Company from their Indian interest. But he did not disclose the total dividend declared for the last two or three years by the Burma Oil Company. There has been a great deal of agitation against these combines, because the Burma Oil Company combined with the Royal Dutch Shell group and, subsequently, with the Standard Oil Company of America, and they all fixed their price without any reference to the cost of production. The conclusions of the Tariff Board are irresistible. If I had time, I would have read more extracts to show that the price is settled without any reference to the cost of production, and as was pointed out by my Honourable friend, Mr. Mudaliar, even in the case of inferior oil which is consumed by the poorer public; even in that case, India loses more than five crores a year, and it is not for the special advantage of Indians that the price of inferior kerosene has been lowered, but it is particularly and wholly in the interest of these combines, to exclude all competition. My Honourable friend, the Diwan Bahadur, also argued the question about separation of Burma. I should like to make the point quite clear that if Burma wants to separate from India, it is her look-out and we have to say nothing against that. But we shall never agree and Indian public opinion will not agree to accept the position that Burma should be separated from India and, at the same time, her economic interest should be intact and that she should not suffer economically. I fear that some assurance has been given to Burma that she will be permitted to continue her economic relation with India for at least the next ten years and that she will reap all the advantages of Indian connection and that all the demerits and difficulties and disadvantages would be borne by Indians. The European mercantile interest in Burma is working for separation on that impression. As I already said, we have no objection if Burma chooses to separate from India, but she should be disillusioned if she thinks that India will show any sympathy towards Burma after separation in the economic and commercial sphere which only mainly helps the European manufacturers.

In conclusion, I submit that my purpose has been served by moving this Resolution. I am the last person to hit any industry, whether Indian

or foreign. But if I think that the consumers are losing in any way, then I shall not hesitate to champion their cause in spite of opposition from any quarter. I think I shall get more opportunities in future to disprove the claim of the Finance Member that he is more anxious than the Opposition in this House in doing good to the country. From what the Honourable the Finance Member said, it looks as if we are not discharging our duties properly, and that it is only the Members of the Executive Council like himself who are anxious to help the people of India. Sir, my purpose having been served, I beg leave to withdraw my Resolution.

The Resolution was, by leave of the Assembly, withdrawn.

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### RESOLUTION RE LOAN FOR THE RECONSTRUCTION OF BIHAR AFTER THE EARTHQUAKE.

**Mr. President** (The Honourable Sir Shanmukham Chetty): The next Resolution stands in the name of Captain Sher Muhammad Khan Gakhar, but he has authorised Kumar Gupteshwar Prasad Singh to move it.

**Kumar Gupteshwar Prasad Singh** (Gaya cum Monghyr: Non-Muhamadan): Sir, with your permission, I beg to move the following Resolution:

"That this Assembly recommends to the Governor General in Council that he may be pleased to advance such loan without interest or at a very low rate of interest to the Government of Bihar and Orissa, as may be required to help the reconstruction of the economic structure of Bihar, devastated by the recent earthquake."

Not many words are needed to move a Resolution like this. The damage caused to my Province by the recent earthquake has been so vast and extensive that it is beyond the capacity and resources of a poor Province like mine to meet all the needs of the situation that has been created as a result of it. Not only has there been an appalling loss of life estimated at anything between over six thousand deaths according to the Local Government, and twenty thousand or so according to the non-officials, but also an alarming destruction of property and of the very sources of income on which several millions of our countrymen depended for their very subsistence. To quote the words of His Excellency the Governor of Bihar and Orissa:

"In the towns of North Bihar, there is probably not one masonry house which is altogether undamaged, while thousands of houses are completely destroyed with not a wall standing. In one congested bazar of Monghyr the ruin was so complete that for days it was not possible to see where the line of the street had been amid the acres of destroyed houses. Some thousands of lives have been lost and those thousands might well have been tens of thousands if the shock had occurred at night instead of at mid-day. The urban population affected is not less than half a million souls, some of the towns having a population of from 50 to 60 thousand, while altogether there were 12 towns with between 10,000 and 60,000 inhabitants which have been wrecked."

But it is not the towns in North Bihar alone that have been affected. Many towns in South Bihar also have suffered badly. For instance, several thousands of houses in Patna, including most of the Government buildings, have been damaged. The same is more or less true of Arrah, Gaya, and Bhagalpur, to mention only the important ones. Monghyr is, of course, practically totally destroyed. If the destruction has been great in the towns, the countryside has not escaped lightly. Although houses may not have collapsed to the same extent there, the loss has been equally

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great, if not indeed greater, in the rural areas. To quote His Excellency the Governor again:

"The disaster to the agriculturist takes a different form. Soldiers who have flown over Bihar liken it to a battlefield in the destruction of the land. Over a very large area the *raiya*s have had their lands spoiled by fountains of water which poured out from fissures and gushers and spread over the fields' sand to a depth varying from a few inches to three feet or even more. The full extent of this damage to some of the most fertile territory in India will not be known for a long time; but in a part which has been visited by the Director of Agriculture and the Director of Industries, their estimate is that over an area of two thousand square miles near Muzaffarpur and Darbhanga, one half of the land has been affected in this way and in one-sixth the deposit of sand is deep. Air reconnaissance has shown that this damage is also found in the fields of North Bhagalpur and in the Purnea district and is not confined to the part already inspected."

One may well take it, therefore, that the area so affected is much larger than two thousand square miles and may indeed be as large as four to five thousand square miles.

But this is not all. The level of the country has been changed in many places, embanked roads have been reduced to the level of the surrounding country, old waterways are not functioning and streams have changed their course. North Bihar is still in a deltaic condition and even a slight change of levels must completely alter the drainage of the country, bringing in its train widespread floods during the rains which might take an even larger toll of loss of life and destruction of property than what this terrible cataclysm has done, appalling as this latter in all conscience is. If, therefore, the present plight of the people in the affected parts is extremely miserable, the future prospect before them is inconceivably dreadful.

The condition of the people, whether urban or rural, is miserable beyond words. They are homeless and penniless. They have not even good water to drink, the wells being all choked with sand. What is worse, they have lost the very source of their employment and their means of earning a livelihood. The agriculturists cannot till their lands, the trader cannot ply his trade, the labourers and other employees have been deprived of their employment in the sugar mills about ten of which have been put out of action. Relief is being given both by official and non-official agencies for which I on behalf of my people must express gratitude both to the Government and to the hundreds and thousands of private donors who have responded and are responding to the call of suffering humanity. But the position is too vast to be tackled with the amounts that have been received either in the Viceroy's Earthquake Relief Fund or the Bihar Central Relief Committee's Fund or in one or other of the various other funds started by different relief organisations. The area affected is so large and the problems that have arisen are so gigantic and varied that charitable donations are not likely to give substantial help, specially in the task of reconstruction. The House can form some idea of the extent of the disaster and the magnitude of the task of reconstruction that lies ahead when it is told, in the words of His Excellency the Governor of Bihar, that:

"The area of the greatest destruction described above is as large as the whole of Scotland and supports five times the population of Scotland and does not include those parts of Bihar lying south of the Ganges where the loss of life and damage to property was on a lesser scale."

The earthquake, according to Dr. Dunn of the Geological Survey of India, was one of the biggest and most extensive earthquakes in history. But the problems created by it appear to me to be the most gigantic that the people and the Government concerned were ever called upon to face as a result of such upheavals, not only because of the extensive area over which it had its effect felt, but also because of the vast population, not less than 15 millions, that has been affected. The question that has arisen is not merely the rebuilding of towns, however prosperous, but of reclaiming thousands of square miles of fertile lands under cultivation,—some of the most fertile in the world,—and restoring to several millions of men, in good cultivable condition, the lands which have been their only source of livelihood, but now, alas, converted into a lake or a sandy desert! What if the lands prove irreclaimable? What if the level of the country be found to be so changed as to make existence with safety on the old sites of thousands of villages impossible? Where is this vast population to migrate? How is it to earn a living and sustain life? Such and similar other problems are not quite unlikely to arise. How are they to be solved?

It is apparent that a very large sum of money is needed to solve the many problems that have arisen and are likely to arise. A sum of the equivalent of nearly 80 crores of rupees was needed to rebuild the devastated portions of Japan after the earthquake of 1923. It is difficult at present to estimate the amount that Bihar will need. But there can be absolutely no doubt that it will be tens of crores. It is clearly beyond the capacity of the Local Government to provide even a substantial portion of the amount required.

Sir, it is no secret that Bihar is probably the poorest of all Provinces. Even in normal times its revenue used to be too small to meet properly the ordinary normal charges. As a result of the earthquake, the income of the Bihar Government is bound to shrink a good deal. The fairest portion of Bihar, bringing probably the largest proportion of revenue, has been destroyed and only Heaven knows when the people will be able to recoup or whether they will be at all able ever to regain their former position. The Government will have to make large remissions under one or other heads of revenue. What is worse, with those depleted resources they will have not only to run the whole administration, but also to supply funds to the local self-governing bodies, the district boards and municipalities, which have also been severely hit, to carry on their most necessary work. It needs no argument, therefore, to establish the fact that the Local Government will not be able to spare even a farthing out of their own resources, at least for a considerable length of time, to devote to the work of reconstruction. Indeed, the probabilities are that even for carrying out their normal work they may require a subsidy from the Government of India. In these circumstances, Sir, the justification for my Resolution is apparent and I need add no further words or arguments to support it. I hope the House will accept this Resolution and by so doing will demonstrate its sympathy for the suffering millions of my helpless Province who need all the sympathy, support and help that their brethren here and outside and the Government can show or give. We in Bihar are extremely grateful to His Excellency the Viceroy for the great interest he has been taking in the alleviation of distress. We have no doubt, therefore, that His Excellency and the Government of which he is the head will be pleased to extend to us and to our Local Government

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their helping hand of which we, struggling for very existence, stand in dire need. With these words, Sir, I place before the House the Resolution that stands in my name for its sympathetic and favourable consideration.

**Mr. President** (The Honourable Sir Shanmukham Chetty): Resolution moved :

"That this Assembly recommends to the Governor General in Council that he may be pleased to advance such loan without interest or at a very low rate of interest to the Government of Bihar and Orissa, as may be required to help the re-construction of the economic structure of Bihar, devastated by the recent earthquake."

**Maulvi Muhammad Shafee Daoodi** (Tirhut Division: Muhammadan): Sir, I was very much pleased to find on my arrival here at the end of January last that the House had very sympathetically considered the question of the disastrous consequences of the severe earthquake in Bihar on the first day of its opening; and it gratified me to see that from all corners of the House sincere sympathy was expressed and genuine efforts to alleviate the suffering of our people were made by all the Members. Soon after my arrival, I found that the funds for immediate relief had been swelling every day, but the question of permanent relief was one which was engaging the attention of the authorities in Bihar. On that question also, when an appeal was made, I found that every Honourable Member of this House was so sympathetic that the Resolution now before the Assembly had to be drafted and presented before them with the obvious result that all of them wholeheartedly supported it and gave it their signatures; and it so happened that it was balloted in the name of Captain Sher Muhammad Khan Gakhar; and I am glad he has given it to one of my Bihar friends who has been able to give this House a very detailed estimate of the destruction that the earthquake has produced in that part of the country. Therefore, I need not repeat the tragedies which have befallen us. His Excellency the Governor of Bihar and Orissa, in his communiqué, and the officials of Bihar and Orissa have also very clearly depicted the conditions of the people and of the agriculturists and the sugar cane growers in that unfortunate land. I must tell the House that the accounts given by the officials are sometimes said to be an under estimate. I also feel that they do not give all the details of the troubles which the people are suffering from. Really it is much more than what we find in the official accounts.

[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty) vacated the Chair which was then occupied by Mr. K. C. Neogy, one of the Panel of Chairmen].

I think even the death roll given in the official accounts is much less than the actual number of deaths that have taken place; but leaving those questions aside, I must be sincerely grateful for the immediate relief that is being given on a very liberal scale by almost all societies working in the affected areas. We are, however, confining ourselves today to the question of permanent relief for the purpose of reconstruction of the economic structure of Bihar. On that question, I may say a few words for the information of the House

Bihar, especially that part of Bihar, which has suffered most under this severe earthquake, was the fairest part of Bihar, the finest part. The whole country looked green when the time of harvest came and you will



not find any great areas lying fallow in that part of the country. Almost all available land had been brought under cultivation and, therefore, the population of the place is the densest as compared to the rest of India. So, that part of the country which was the fairest before this earthquake and which had the densest population in the whole of India, is now under the shadow of terrible suffering. The Government can very well realise what gigantic efforts would be required to restore it to its past position. It cannot be done, as my friend said, by the efforts of the Local Government alone: I know that the Local Government is also putting before the Local Council a Bill in which they have included other sufferers also, the sufferers by flood which recently took place in Bihar; but the efforts of the Local Government can in no case be enough. If it is meant that the Local Government should pass a Bill and the Government of India will supplement it by raising loans for the Local Government that is a different matter; and, in that case, our Resolution this day will only help the cause that the Local Government have at heart. I would submit that the loan would be required for many purposes. It is not only reconstruction of the houses for which loan is required: I believe the Municipalities and District Boards also will require large loans: I do not know whether the Local Government will ask for it or not, but I am sure they will be under the necessity of asking for loans, but the greater part of it would certainly be required by the people of Bihar. It is the middle class which has been hit, those who have been accustomed to earn and to live a decent life. But when this earthquake shook the foundations, all their possessions were buried under the debris, and they have now practically nothing left to re-start their life. It is a new life they have to start now. Sir, I am an eye-witness to the scene, and I say that hundreds of my friends who lived a prosperous life are now penniless, and soon after the earthquake, after the 15th of January, they were praying everybody to advance them some loan which, of course, the Relief Committees have been giving, but not to the extent required by these sufferers. Almost all the people who were living a decent life are now reduced to absolute poverty. They will not accept charity, they would certainly prefer to take loans, and, therefore, crores and crores of rupees would be required. Sir, it is beyond the capacity of the Local Government to give any loan at present.

I was very pleased the other day to hear the Honourable the Finance Member when he said that the Government were thinking of rendering substantial help to the earthquake sufferers by way of advancing them large loans. It was really a matter of great gratification to us to hear that statement. Sir, this is perhaps the first time in the history of British India that the Government of the country is so wholeheartedly supporting the people in every respect, and I believe a new era will dawn on the country when the people feel that their Government are not indifferent to their sufferings, that they have readily come forward with sufficient help in the shape of immediate relief, and that they now propose to give them permanent relief by advancing them loans. Sir, I feel that this is one of the best things that the Government could do in this hour of need, and I daresay they are doing it at the most opportune moment. It will have tremendous effect, I hope, if the Government will accept this Resolution and do all they can to help the poor sufferers in that part of the country, because a feeling will grow that the interests of the people and of the Government are identical, and that the people can rely on the Government to give them sufficient aid in time of need. A great thing that has come

[Maulvi Muhammad Shafi Daoodi.]

out of the present unfortunate calamity is that not only all differences between the Government and the people, but all distinctions between all classes of the people, between Hindus and Muslims, high caste and low caste, have disappeared for the time being. All people are now living in huts side by side, Hindus, Muslims, Ahirs, Chamars, high caste and low caste people and help one another to relieve their sufferings, and it must be said to the credit of the people that all distinctions, which they used to have before have been forgotten. That calamity brings its own reward is only too truly illustrated in North Bihar at this moment, and I hope that the feeling which has been roused at the present moment will continue for some time at least, so that the estrangement between the people and the Government, which had been existing for the last so many years, may diminish to a very great extent and bring about good relations between the two parties in that part of the country at least, and if that part of the country testifies to the sympathies of the officials in that way, I hope the rest of India would catch it no doubt, and the rest of India would also feel that the Government of the country are not so callous as this was depicted to be in the past, that they have hearts to feel for their fellow subjects who are undergoing sufferings. That is a great lesson which I find this calamity is teaching us everyday. I would in the end pray that the Government should not lose the present opportunity to express their sympathy with the people wholeheartedly. If Government really come to the aid of the sufferers in true spirit, I am sure, a new era will dawn on India. Sir, with these few words, I support this Resolution.

**Mr. E. Studd** (Bengal: European): Sir, I wholeheartedly support this Resolution. Indeed, I think there can hardly be any Member of this House who does not do so, and I feel that I can speak with perhaps some additional sympathy, in that I know certain districts of Bihar. I have had intimate connection with many people in Bihar,—my own family, in one way or other, for very nearly 100 years, has had, either some member in it or in some other way, intimate connection with some portions of Bihar, and, therefore, possibly I can claim to know a little bit from personal knowledge of the conditions there. It seems to me that the only possible objection that anyone could raise to this Resolution is that it is too general and too wide. Personally, I feel that in conditions such as these, it would be almost impossible to frame a Resolution which was too wide. It is absolutely impossible at present and will be impossible for quite a long time to come, to know exactly how great the need is, what the total extent of the damage done amounts to and what amount of money and labour will be required to repair that damage, but I do, Sir, greatly deplore and deprecate any effort to make political capital out of a situation such as this. It is not merely a local or provincial calamity,—it is a national calamity, and I venture to say that in some ways it is an unparalleled one, and, therefore, it behoves every one not to criticise what has or what has not been done, but to put their shoulders to the wheel, to put their heads together, and do everything they possibly can to help, firstly to alleviate the immediate sufferings and then to plan for the reconstruction of the devastated areas. It is one of those calamities in which all classes, all communities are involved. I hope that the Government of India will be able not only to advance generous loans to the Government of Bihar and Orissa, but that some portion of it at any rate will be given without any interest at all.

There are a number of Members in this House who are much better qualified than I am to speak of the plight of the different sections of the community, but I should like to give just two instances from my own experience. The first is a letter that I received a few days ago, describing the distress amongst the European planters. In the districts of Muzaffarpur and Darbhanga and South Champaran, there is practically not a bungalow left standing, nor a building of any sort. The planters and their wives and families are living in grass huts. Practically their only immediate source of income,—their sugar cane crop,—is unsaleable because the sugar mills are in many cases damaged and put out of action for a considerable period. Those are men who at the moment could give no security for, and pay no interest on a loan. I do not mention that as a special case, but I do think that it should be borne in mind that in addition to the Indian communities there is also the European community as well which is suffering just as great hardships as the others. And let it not be forgotten that that particular community is one which employs labour in running their estates, and, until they are able to get on their feet again, the labourers and all those others whom they employ will be out of work and in distress from not being able to obtain employment. The other case is one which I have no doubt is common to many people who come from Calcutta where so many servants come from these districts in Bihar. Two of my own servants came to me with tears in their eyes and told me that, from the accounts they had had, they had lost everything and that their families had barely escaped with their lives. Apart from that they had nothing left. Their houses and every belonging that they had, which they had made from the carefully hoarded savings of many years' hard work, were all swept away in a few moments. Those people too will have to be helped to start again. Their houses will have to be rebuilt. The land in many cases has been buried in silt or sand and made valueless. All those people will have to be helped to start again. I maintain that it is not merely in the interests of the Government of Bihar and Orissa that they should be put on their feet as quickly as possible, but it is just as much in the interest of the Government of India and the whole country, for one Province cannot suffer to that extent without the whole country suffering with it.

Sir, if there is one bright spot, it seems to me to be this. It has brought out co-operation between all the different classes. Differences of creed, caste and colour have been sunk and people have come forward unanimously to contribute to the best of their means to the relief of distress and help to get things going again. Donations, large and small, even down to such small amounts as four annas and eight annas, have come in from all over the place, but I think perhaps one of the most striking examples is the fund started by the Mayor of Calcutta. He was the first in the field and he has had and still has the unanimous support of the European commercial community in Calcutta. That, I hope, will be sufficient proof to my Indian friends that the community which I represent is anxious and eager to work with them, not only in the smaller things, but in the bigger things as well in this country.

Now, Sir, I do not think there is much else that I need say. The Calcutta Mayor's Fund was the first to be started, was the first to get to work, and it has been through that Fund that the Red Cross people have been able to get going, and, before I left Calcutta, they had a fully

[Mr. E. Studd.]

equipped hospital in Monghyr with a staff of forty, including four doctors, and every day there were supplies, blankets, food and other things, being sent up to be distributed. I think that this is a Resolution which commends itself to every one and really needs no supporting. Not only on my own behalf, but on behalf of the Group to which I belong, I strongly support this Resolution and urge Government to take the most liberal view in spite of stringent financial circumstances. I believe that a generous policy now will be a case of casting bread upon the waters which will come back a hundredfold in the days to come. (Applause.)

**Mr. B. Das** (Orissa Division: Non-Muhammadan): As an Oriya and as a junior partner of the Province of Bihar and Orissa, on behalf of the people of Orissa, I avail myself of this opportunity to express our deep solicitude and sincere sympathy with the great disaster that has fallen on my brethren in Bihar. Mention has already been made of the generosity of the people, not only throughout India, but all over the world, but the quake disaster is so great that for the reconstruction, not only of the towns, but of the villages, large funds are necessary. Public men in Bihar,—the Minister of Education and the Finance Member of Bihar—have both estimated that at least five crores of rupees would be needed for giving loans to the affected people. I find a statement made by the Secretary of State in the House of Commons also gave an idea that five crores of rupees would be . . . .

**Mr. Gaya Prasad Singh** (Muzaffarpur *cum* Champaran: Non-Muhammadan): At least five crores—that is what he said.

**Mr. B. Das:** I stand corrected by my Honourable friend, Mr. Gaya Prasad Singh. At least five crores of rupees would be needed by the people of Bihar. The Finance Member here sent Sir Alan Parsons the other day to Bihar to survey the situation and to have a discussion with the Government of Bihar. It boils down to this that at least five crores of rupees the Government of India would have to advance to the Government of Bihar, and this House ought to recommend to the Government of India at what rate of interest that money should be advanced. Some of my friends have suggested that some portion of this money should bear no interest. If I could make a suggestion, it is this, that the money that the Government of India would advance to the Government of Bihar—that portion of it which will be advanced for town planning and for financing small agriculturists should not bear any interest for at least two years. If any money is advanced towards financing industrial interests, that may bear interest in the first or second year. Otherwise, the money in small sums that will be advanced for house building or for development of land should not bear any interest for two years. If scientific experts are to be believed, and if the reports are to be believed, the topography of North Bihar has undergone such a change that one does not know whether cultivated lands will produce any crops next year in view of the whole topographic change that has come over the quake affected area. Therefore, any money that will be given to the cultivators or to the towns people for building their houses or to raise new crops on desolate lands will not bring any return in any shape to the inhabitants during the first year. My suggestion to the Honourable the Finance Member is that he will not charge any interest to the Government of Bihar for the

money that will be advanced for the first two years. I would suggest that the money be advanced for 15 years and not for ten years, as has been suggested in certain quarters in the press, and for the next 13 years, the interest should be on a rising scale from one per cent. upward to the market rate at which the Finance Member borrows in the market. It is a world calamity that has affected Bihar. We have had instances in which the Government of India have gone out of their way to finance landowners, princes and even giving remission of interest charges to princes which they need not have done. When the Government of India have done these things in the past out of their large hearted sympathy to certain princes, they ought now to show their large hearted sympathy. I know they are sympathetic. As residents of Bihar and Orissa, we are all grateful to His Excellency the Viceroy for having started his Earthquake Relief Fund. I do hope that the Finance Member will bear in mind my suggestion and will give loan without interest for two years, and then, for the next 13 years, will charge interest on a rising scale. One point more, and I have finished. It has been given out in the press that a maximum of Rs. 5,000 can be advanced to each house-holder or agriculturist. There may be big men or rich men who have lost all, who may not be able to build a house with Rs. 5,000 in a town like Muzaffarpur, where my friend, Mr. Gaya Prasad Singh, lives, and Rs. 5,000 will not be sufficient to him to re-build his old palatial house which I visited once. When the Bihar Government approach the Government of India, the Government of India should advise the Government of Bihar not to limit the amount of the loan to Rs. 5,000, but to advance according to the capacity and credit of the person who receives such loans.

**Mr. Chairman (Mr. K. C. Neogy):** The Chair would like to intimate to the House that the House will adjourn for the day at 4-30 p.m. today.

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

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The Assembly re-assembled after Lunch at a Quarter Past Two of the Clock, Mr. Chairman (Mr. K. C. Neogy) in the Chair.

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**Mr. Chairman (Mr. K. C. Neogy):** The House will now resume consideration of the Resolution moved by Kumar Gupteshwar Prasad Singh.

**Raja Bahadur G. Krishnamachariar (Tanjore cum Trichinopoly: Non-Muhammadan Rural):** Sir, I wholeheartedly support this Resolution moved on behalf of the sufferers of Bihar who were visited by a calamity unparalleled in recent historical knowledge. Sir, the Brahmin has come in for such a great deal of vituperation and criticism that it is a wonder that he still survives, but there is one qualification that the Brahmin has got that no other community has got. Sir, it has been my privilege to beg and to beg for the country, and that has been my ancestral profession, for as long as the memory of man runneth, not to the contrary, and today I assert that right and I extend the right hand of a Brahmin, a true Brahmin, an orthodox Brahmin with some, of course, aberrations here and there (Laughter), but all the same, the Brahminical element has

[Raja Bahadur G. Krishnamachariar.]

got the superior proportion in me, and I extend the right hand of a Brahmin to my Honourable friend, Sir George Schuster, as representing the Government of India, that he should not allow that Brahmin's hand to be withdrawn without its being completely filled in. Sir, whatever my Honourable friend, Mr. Joshi—who is himself a Brahmin, though he seems unfortunately to have forgotten that—may say, it has been my privilege not to beg for necessary comfort, for even in these days four annas would do to keep up a Brahmin. I want money to a very large extent, probably a very ambitious sum, and I request and hold up my Brahmin's hand for a dole of five crores of rupees at least. What more of it we require I do not know. If I can get this five crores of rupees at least, the immediate misery of these people could be tided over. There is one little thing. The genius of the Government of India has always been, not now, but for a period of 150 years, to calculate the result of whatever they do upon the pound-shilling-pence basis or rupees and annas basis, and in terms of how much percentage of interest and return they will get, and all that. I would very respectfully suggest to the Government of India not to think of returns—not to think how much of it will come back to them, but that following the example of the great kings of old, dip their hand deep into their pockets, and not think of anything else, but having done that, pull out this five crores of rupees and never think of interest. Sir, interest is not a good thing in these matters. The Muhammadan Law prohibits the taking of interest and, under the Hindu Law of *Damdapat*, the highest that you can take under exceptional circumstances as interest is that it shall not exceed the principal.

**Mr. N. M. Joshi** (Nominated Non-Official): How much do you charge?

**Raja Bahadur G. Krishnamachariar**: If you think I am neither a Hindu nor a Brahmin, I shall give you the answer. At present I am concerned with preaching a sermon to the Government of India as to what they should do, and there is no question now of what I should do. I have not got the money. The Government of India are the only people who have got the money, comparatively speaking. Of course my Honourable friend, the Finance Member, in trying to frame his Budget, may be passing sleepless nights thinking as to how he is going to balance the Budget; he may or may not be able to balance the Budget, but I want him to pay these five crores—not all at once—we only want it slowly and gradually, bit by bit as necessity arises.

Sir, I want that this proposal, which has been made on account of the stricken people of Bihar, should be met not in a niggardly fashion, but wholeheartedly, in the terms of the Resolution. All of us have had our sufferings at one time or other, and I have no doubt all of us must have witnessed the sufferings of other people in times gone by. I have not been there in Bihar fortunately or unfortunately, but I have been hearing of the troubles and sufferings of these people and we can appreciate the magnitude of the calamity which has been described by eyewitnesses, among others by my Honourable friend, Mr. Gaya Prasad Singh. Sir, it is a sheer calamity, and it is up to the Government of India to rise up to the occasion irrespective of all other considerations; and I do hope the alms that I have begged of the Government of India by extending the right hand of the Brahmin will not be shoved aside, but filled and filled so well that everybody will be satisfied including my

friend, the Honourable the Finance Member, in spite of all his worries about balancing the Budget.

**Mr. Nabakumar Sing Dudhoria** (Calcutta Suburbs: Non-Muhammadan Urban): Sir, the recent earthquake in North Bihar is more than a national calamity. Big and thickly-populated towns like Monghyr and Muzaffarpur, Motihari, Darbhanga, Jamalpur and Patna, have practically been devastated. Miles and miles of culturable lands have become thorough deposits of sand, quite useless. Huts and palaces have alike been turned into crumbling heaps. Thousands of men, women and children have perished. Hindus and non-Hindus, Biharis and non-Biharis, all have been reduced to a state of utter destitution. Those who have escaped death providentially have now taken shelter in the fields, in the improvised tents of sheets, blankets and durries, shivering in the chill or getting drenched in rain. It is really a pathetic and tragic sight all-round! The heart-rending catastrophe is Nature's challenge to humanity. It is now humanity's duty to accept that challenge and to pool together all the resources at its command for offering a brave and united front to her. If humanity is really endowed with the noble instincts of service and sacrifice, the present is the most appropriate time for manifesting them. So the time has now come both for the country and the Government to render immediate and generous help to our brothers and sisters of the devastated province of Bihar and thus save them from death and destitution that stare them in the face. Relief delayed is relief denied! We should not only afford them relief in food and covering, but also give them relief to put their heads under a roof. It is useless to emphasize that with the devastation and desolation the whole economic structure of the province has fallen to pieces. If a large mass of humanity is yet to be saved, they will require money, because without money no scheme for relief can operate. I, therefore, most strongly support this Resolution and recommend it heartily for the acceptance of the House. I have no doubt that the Government will also readily accept this Resolution, as we have already got an earnest of their desire in this respect from a recent speech of the Honourable the Finance Member in this House. Sir, I support this Resolution.

**Rao Bahadur B. L. Patil** (Bombay Southern Division: Non-Muhammadan Rural): Sir, while I support this Resolution, I do not wish to take up much time of the House. It has been our experience during the last 25 days to see expressions of sympathy in the press coming from all quarters and there is no doubt that in order to reconstruct the province and bring it to its former status, large amounts of money would be required. I hope Government will come forward to meet the demands ungrudgingly. At the same time, I cannot help remarking that the sympathy expressed in the press is not borne out by sufficient action. I know this is not the time to criticise Government. I know that Government are certainly sympathetic, but all that I complain is that the action taken by Government has not been prompt in the past. I hope in future Government will rise to the occasion and see that things are done at their proper time. As an instance, I can bring to the notice of Government that had they sent Sappers and Miners immediately after the disastrous news reached them, I am sure they would have been in a position to save a large number of lives. Even now I am told that the Sappers and Miners would be useful in city areas. The villagers need not require their assistance in removing the debris in villages, but in restoring the communications the help of the Sappers and

[Rao Bahadur B. L. Patil.]

Miners can best be availed of even for the rural areas. Then, I should also like to bring to the notice of Government that complaints against the railway authorities are not wanting and I hope these also will soon be removed.

Again, Sir, I have a suggestion to make to the Honourable the Home Member in this connection. I think I am not going too far if I suggest that the one great worker, Pandit Jawahar Lall Nehru, who has been arrested at this time, should be let off. Honourable Members may have read in the press that he denied the bail though it was offered to him in Calcutta. Sir, is it not most unimaginative on the part of Government to arrest him at this juncture of time and to deprive that stricken Province of a great help which would have been available to it had he been free? It is an occasion on which Government ought to act with some reasonableness and they should not inconvenience the people at a time when help is badly required.

Sir, it has been stated on the floor of this House that the Municipalities, which cannot derive any income now, require large amounts of money to carry on their day to day administration. The District Local Boards, who look after the communications, are also in need of money and Departments like Agriculture and Industry may also require money. For these reasons, the demand made in this Resolution is a modest one, and I hope Government will accede to the wishes of the House and will agree to advance a liberal loan with no interest or at a low rate of interest. With these words, I support the Resolution.

**Sir Cowasji Jehangir** (Bombay City: Non-Muhammadan Urban): Mr. Chairman, a Resolution of this kind, it goes without saying, meets with the sympathy of all sections of this House and to whatever school of thought we may belong. In a catastrophe of this sort, the country must unite and it is gratifying to find that they have united and the work of relief is being carried on by all classes in co-operation with Government. I need hardly say that any suggestions that the Honourable the Finance Member may place before this House for their acceptance, which will go to relieve the stricken province of Bihar, will meet with the cordial approval of the whole of the Non-Official Benches. (Applause.) When we are up against a catastrophe of this sort, the whole of India will have to contribute, and the best way for the whole of India to contribute would be through proposals from the Central Government. If a loan is to be granted to the Province and if Government come forward with proposals that the money should be lent at a rate of interest less than what they have to pay, I am sure this side of the House will consider such proposals with every sympathy. Even if the Finance Member suggests no interest, we shall certainly consider it. I do not think there is anything further to be said, Mr. Chairman. A good deal has already been said and, I am sure, the Province of Bihar and its representatives have had many tokens of sympathy and none more sincere than from the Members of this Honourable House.

**Mr. Gaya Prasad Singh**: Sir, I heartily support this Resolution. In doing so, I must express my sense of appreciation of the very sympathetic speeches made by my colleagues in this House. My Honourable friend, Mr. Studd, referred to the case of the European planters in Bihar who have also suffered as a result of this earthquake. I need hardly assure him that our sympathies are also with those stricken people who have suffered equally with the rest of the population. In a matter of this magnitude, all limitations of race, territory or creed must give place to the imperative call of humanity. Imagine, Sir, for a moment a tract of country, as large



as Scotland, and supporting a population five times that of Scotland, shattered to pieces within the twinkling of an eye on that fateful afternoon of the 15th January. As an eye-witness to the horror which I saw in Muzaffarpur on that occasion, it is impossible for me to convey even adequately any idea of the extent of the disaster and the loss either to human life or to property which it entailed.

Sir, I should like in this connection to read out one passage from the speech of His Excellency the Governor of Bihar and Orissa as I do not like to trust myself to speak on a subject on which my heart is full. His Excellency said:

"The toll taken in human life is very heavy. Even now nothing but an approximate estimate can be given of the number of deaths, but I hope it may be found not to have exceeded four thousand. It is wholly impossible to give any estimate at all of the number injured, for the numbers brought for treatment to hospitals in no way represent the total number of victims."

That was said on the 22nd January, and we read from the newspapers that the number of lives lost has already exceeded the number estimated by His Excellency. The popular estimate puts the number of deaths at about 20,000. It is not necessary for me or for anybody else to employ language of exaggeration, because a mere description of the state of things now prevailing in that part of the country would be sufficient to stagger humanity.

The Honourable Mr. Blunt, the Finance Member of the United Provinces Government, while presiding over a relief organisation meeting at Lucknow, said as follows:

"In the 33 years of my service, I can remember no more serious disaster. Even the great war, in India at all events, did infinitely less damage and from what I have heard and read there seems no doubt that the damage done by the earthquake in northern Behar is comparable to the damage done by the war in northern France."

Very flourishing towns like Monghyr, Muzaffarpur, north Bhagalpur, Samastipur, Darbhanga, Hajipur, Motihari, Sitamari and many other places are now in a heap of ruins. It is not merely a question of rebuilding the houses. The question boils down really to the reconstruction of about half the Province of Bihar. The problem is a vast one and it is beyond the capacity of the local bodies and of the Local Government. Municipalities have ceased to function, all the houses having collapsed, their source of revenue has naturally shrunk down. Wells have dried up in the villages and also in towns, and the necessity for providing adequate drinking water is very keen indeed, and unless these immediate requirements are promptly supplied, the danger of an epidemic looms large before the people of these stricken areas. The loss to Railways and to Government property has also been terrible: jails have gone down, Court buildings have collapsed, hospitals and dispensaries are no more, and other public buildings have also suffered terribly. The High Court Building at Patna has been materially damaged and so also other public institutions, and it will require a huge sum of money to rebuild them. The loss to private property is also immensely great. I will read out in this connection what His Excellency the Viceroy said with regards to the loss of life and property. His Excellency said:

"Countless homes have been destroyed and, over a wide area, property and possessions have been annihilated and have ceased to exist."

The immediate needs of the people at the present moment are blankets, cloths, canvas, tarpaulins, bamboos, corrugated iron sheets for erecting temporary huts against rainy season. Food, medical relief and other neces-

[Mr. Gaya Prasad Singh.]

sities for starting life again are also urgently necessary. The loss to traders, businessmen, shopkeepers, professional men and agriculture has been very great. Large tracts of country have been laid waste, the earth opened and vast quantities of sand and water erupted deluging the whole place and making the agricultural land almost uncultivable. Rivers and streams have changed their courses, high places have gone down and low lands have gone up interfering very seriously with the natural drainage of the country. I tremble to think what would happen in the rainy season, because there is an imminent danger of floods devastating all that part of the country and this problem should also seriously engage the attention of the engineers and other experts of Government. Huge areas of land which were under sugar cultivation have also suffered very terribly. Sugar Mills have ceased to function for a considerable time, and the question of how to dispose of the standing sugar cane crops should seriously engage the attention of the Government. The Central Relief Committee started with non-official agency has been doing splendid work at this juncture. I am glad to notice that official organisations and the non-official organisations have been working hand in hand sinking for the time being at least whatever differences that divided them before. The District Boards have also suffered terribly. Embankments, drains, roads, culverts, bridges, schools and dispensaries have been destroyed, and it will require huge sums of money to set the District Boards again on their legs. I had the advantage of having a talk with the Honourable Mr. Abdul Aziz, Minister in charge of the Department in Bihar when he came to Delhi some time back. I had also the advantage of a talk with Sir Alan Parsons before he paid his flying visit to Patna. I am glad to say that I found these gentlemen full of sympathy for the sufferings of my countrymen in Bihar. It has been stated that Sir Samuel Hoare, the Secretary of State for India, in reply to a question in the House of Commons said that at least five crores of rupees would be needed to reconstruct the economic structure of the Province. I take it that that is the official estimate. I hope that the estimate is subject to revision, because the non-official estimate puts the figure that will be actually required at a higher level. The resources of the Government of Bihar whose efforts I thankfully acknowledge, are absolutely unable to cope with a disaster of such magnitude. Long-term loans from the Government of India should be generously given to the Government of Bihar as also suitable donation. At a time when the financial resources both of the Local Government and the people in the affected areas have been very seriously affected, I submit it should be a matter for consideration whether any interest should be charged for the loans advanced. There are schemes which were floated under the auspices of Government like the Bombay Back Bay scheme and other schemes. I am not making any criticisms on this occasion; the occasion is too solemn for me to offer any criticism of Government in other spheres of life. But some of these schemes have failed, involving heavy financial losses. This is pre-eminently a case where generosity must flow out without stint or respite from Government and from the people of this country and outside. It is also necessary that at least a portion of the land revenue and other public demands in the affected areas should be remitted. In this connection I am sorry to read out to this House a news which has appeared in the papers. This is a report from Muzaffarpur, dated February 12th, and reads as follows:

'Reports are pouring into the local branch office of the Bihar Central Relief Committee from the interior about the alleged harassments of afflicted peasants for payment of *chauthidari* tax and *malguzari* rents due to the landlords.

The villagers under the Dharampur police station in Muzaffarpur sub-division are reported to have been notified by beat of drum that failing immediate payment of the *chaukidari* tax for 1933 their moveable properties would be auctioned.

A representative conference of the peasants of the Sitamarhi sub-division was held on Saturday last to protest against these activities."

Sir, I do not know whether the people have many moveable properties left, but whatever that may be, they too stand in immediate danger of being confiscated for non-payment of *chaukidari* taxes. That, however, is a matter to which I need not refer more specifically on this occasion. As I have already stated, the area badly affected is a wide one, it covers about 80,000 square miles and, as reports come, about 3,000 square miles of agricultural land have been ruined by sand and water. Sir, I quite realise the difficulties of my Honourable friend, the Finance Member, when he gets up to reply to this debate. Probably it might be embarrassing for him to unfold at the present moment the secrets of the Budget. But without going into specific items which might be connected with the Budget, this House expects that the Finance Member or the other Members of the Government of India will be in a position to give the most sympathetic consideration to the Resolution which has been moved. Sir, it is stated, and I am referring to the Bihar Governor's appeal for the Viceroy's Earthquake Relief Fund, that the epicentres of the disastrous Japanese and New Zealand earthquakes in recent years were not more than about 20 miles long. The nearest approach made to the size of the Bihar earthquake within the century was probably the great Californian earthquake of 1906. From the same statement it appears that "for the reconstruction of Tokio and Yokohama, ten years ago, an equivalent of 80 crores of rupees was spent, and the need of Bihar is not to be measured in lakhs". That, Sir, is the estimate of His Excellency the Governor of Bihar and Orissa.

Sir, I am also thankful to the Honourable the Railway Member for the concession which he has accorded with regard to the sending of goods and parcels to the earthquake area at half the tariff rate. I am here constrained to point out that sometimes the instructions issued by the Railway Board and the higher authorities here are not carried out by the subordinate officials in the spirit in which they are issued. I myself in this connection made a representation to the Honourable the Commerce Member as well as the Chief Commissioner of Railways, and to my Honourable friend, Mr. Rau. I am glad to say that they took up the question immediately and necessary instructions have been issued, but not without loss of time and after some delay which was due solely to the local officials. Sir, in this connection, while acknowledging the concession made by the Railways to carry parcels and goods at half tariff rates, I should have expected that they would go to the full extent and allow all parcels to go free to the earthquake area. I understand that in other countries like Japan and elsewhere at critical times like this the Railways gave full concession for articles and parcels being sent free to the affected areas concerned. Sir, the Railways exist for the people, the people do not exist for the Railways. If, at a time like this, the Railways are generous enough to extend their full quota of practical sympathy to the people of the affected area, they will be rewarded afterwards in various other ways. The population in North Bihar is suffering and stands in danger of extinction. The map of Bihar is to be prepared a new and it behoves all of us, Government and non-officials, this House and the country outside, to respond to this call. Sir, tens of thousands of people are living at the present moment under most miserable conditions. Dead bodies even now are being extracted

[Mr. Gaya Prasad Singh.]

from the debris of fallen houses. The drains in the Municipalities are choked up emitting horrible smell at many places.

Sir, I will not take further time of the House now, but conclude my observations with a fervent appeal to Government to make the most generous response to the call of suffering humanity. I am glad to acknowledge with gratitude that His Excellency the Viceroy has taken a personal interest in the matter. The Mayor of Calcutta, and various other individuals and organisations,—I will be failing in my duty if I do not refer to them,—are doing what they can to relieve the distress of the people. But I must say that their efforts,—however noble and strenuous they may be,—fall far short of the requirements of the situation unless supplemented in other ways.

In England too, I find that the Lord Mayor has opened his fund and many of the ex-Viceroy's of India have also spoken very generously on the need for assistance at this critical time.

North Bihar stands in danger of being wiped out. I am indulging in no exaggeration when I am making this statement. A mere recital of the fact would be enough to convey an idea of the state of things prevailing there. We have been reading in the newspapers harrowing accounts that come from that part of the country and we have been seeing pictures in some of these papers. But I venture to submit that they convey a very imperfect idea of the state of things prevailing there.

With regard to the financial assistance needed, I would submit that they may be divided into certain heads. Financial assistance will have to be given to the Government of Bihar and Orissa for the reconstruction of their own public buildings, like jails, hospitals, schools, Courts, and so on. What will be the exact amount needed for these purposes it is not for me to say: their engineering experts are better qualified to speak on this matter; but, as a layman, I think that nothing less than a crore and a half or even two crores may be needed for this purpose. Then there is the need for financial assistance to private people, not only to rebuild their houses and to start life again, but also to give them the means of supporting themselves and their families afterwards and putting them on their legs again. This also is a work in which a huge sum of money will be needed. It cannot be less than three crores or so. Then the Municipalities and the District Boards will need an immense sum of money, and that might come to a few crores. As a layman, I cannot give even an approximate idea of the exact requirements under the different heads. The agricultural population in the interior will require a substantial sum of money: wells that have dried up or choked up or filled with mud and sand will have to be rebuilt. The question of an adequate supply of drinking water should be tackled without loss of time. The amount of five crores, as stated by the Secretary of State for India, is, I think, an inadequate sum; but whatever that may be, I will appeal very fervently to the Government to come generously to the rescue of the people of Bihar. With these few words, I support the Resolution.

**Mr. N. M. Joshi:** Sir, after the moving speech of my Honourable friend,

3 P.M. Mr. Gaya Prasad Singh, it is not necessary to speak much in support of this Resolution. This is an occasion when the unity of our country could be demonstrated by the Government of India going to the help of stricken Bihar. I would like to make one suggestion to the Government of India when they advance money to the Government of Bihar. As

regards the terms of repayment and interest, I have nothing to say I leave the matter to the Government of India. But I would suggest to the Government of India that when they make loans to the Government of Bihar, they should make certain conditions as regards the reconstruction of towns: the Government of India should insist that towns should be re-built and planned on modern principles: the modern needs of sanitation, air and light should be borne in mind and not only that: but when the towns are replanned the needs of the future should also be remembered. I would also suggest one more thing. In reconstructing the towns modern principles of property should also be enforced. Municipalities and other town authorities have always found it difficult to carry out certain modern plans on account of what we call rights of property. I hope when Government will go to the assistance of the towns and Municipalities and other bodies, these other bodies should also remember the needs of modern times as regards town planning and as regards the difficulties created by rights of property.

**Rai Bahadur Kunwar Raghubir Singh** (Agra Division: Non-Muhamadan Rural): Sir, as nobody has yet taken part in the debate from my Province I think it my duty to support the Resolution, not only on behalf of my constituency, but on behalf of my Province also. The calamity which has fallen Bihar has found sympathisers not only in the nationals of India, but also of the outside world. I would suggest most respectfully to the Government to utilise the Famine Relief Fund in this connection. It was said—and I have read many causes of the earthquake, but I am speaking of the views of those Pandits who said that it was the congregation of seven stars which brought about this calamity. However that may be, this Resolution shows that we look to the other seven stars, the seven Members of the Government of India, to help the stricken people of Bihar. The framers of the Resolution, in my opinion, have done well not to put the amount of loan which may be required; we see in the papers that the earthquake tremors have not ceased altogether: Sitamarhi has received another tremor, and Darbhanga, and also the City of Delhi itself: Muzaffarpur is in ruins; and I think it was the duty of my friend, Mr. Gaya Prasad Singh, to have remained there to look after relief work instead of sitting here, because the earthquake is still causing harm and havoc. It is very necessary that the construction of houses should not be taken up very soon, until we see that the havoc has stopped altogether: the houses should not be constructed in a hurry. There was a manuscript in Persian which is now with the Right Honourable Sir Tej Bahadur Sapru which showed that there had been an earthquake in Delhi in 1033, and that earthquake havoc continued up to forty days; and so it is just possible that these tremors might go on still. The Government of India, as has been expressed by Members from Bihar itself, are alive to the necessities of Bihar. The measures taken by the Government to collect subscriptions are indeed very laudable, but, Sir, there is a fear in the minds of the public that red-tapism would lead to delay, and, therefore, some people are sending their subscriptions direct to the non-official agencies. There is another point on which attention should be concentrated, and to which attention has already been drawn by Pandit Madan Mohan Malaviya in his communication to Babu Rajendra Prasad, and that is that the digging of the debris is more necessary than any other thing. I don't mean to say that the Government of Bihar and Orissa is not looking after this side of the problem; they are doing all they can in the matter, and also the various non-official agencies, the Hindu Maha Sabha and the

[Rai Bahadur Kunwar Baghubir Singh.]

officers of the Boy Scout movement who have gone there from my part are all doing admirable work. Therefore, I hope, Sir, that the Government of India will be as quick as His Excellency the Viceroy has been in starting the Fund, and they will give the loan to the stricken Province without further delay and discussion.

**Rai Bahadur Lala Brij Kishore** (Lucknow Division: Non-Muhammadan Rural): Sir, the calamity which has fallen on the Province of Bihar and Orissa is probably unprecedented in recent years. We probably can imagine the havoc caused, but those who have actually seen the places affected tell us stories of woes and miseries of the people which will move even the most hard-hearted amongst men. The reconstruction of Bihar and Orissa will require crores of rupees, and now that the money market is cheap, Government should undertake to raise capital for the Provincial Government which is required for the reconstruction of the Province. I admit, Sir, that private funds are forthcoming for the purpose, but they will be a drop in the ocean. To reconstruct a whole Province with private funds is next to impossible. As has been said by many Honourable Members, many persons who were leading a prosperous life have now become penniless and homeless. It is the duty of the Government to look after the interests of the distressed people of the country they rule. Much has been said on the subject by the members from the Bihar Province, and so I shall not dwell on the subject any further. Sir, I support the motion.

**Mr. Badri Lal Ras'ogi** (Patna *cum* Shahabad: Non-Muhammadan): Sir, after the speeches to which we have just listened and the Government communiqués issued from time to time, very little remains for me to say on the unprecedented cataclysm which visited my Province on the fateful afternoon of the 15th January last. I am one of the sufferers myself. The great rumbling sound beneath the surface and the falling down of my houses and those of others were all witnessed by me in my town.

Sir, there is no gainsaying the fact that the calamity has been very great, and the reconstruction work and giving a fresh start in life to those who have lost their all will certainly cost crores of rupees. I am grateful to His Excellency the Viceroy for coming to our rescue at a time when we needed help very badly, and I am also thankful to you, Sir, (I mean the Honourable the President), for organizing a small Committee of this House to contribute to the Viceroy's Fund. With these few words, Sir, I commend the Resolution before the House for the acceptance of Government.

**The Honourable Sir George Schuster** (Finance Member): Sir, if this Resolution was designed as a whip to drive Government on to action, it was unnecessary, but if it is meant as a support to Government in any action which they may take and as an expression of sympathy for the people who have suffered in Bihar, then we wholeheartedly welcome it. As a matter of fact, we have been giving earnest thought to this question ever since the first telegrams about this disaster came to us over the wires. We immediately realised that this was a disaster of a magnitude which must exceed the resources of a Provincial Government, especially of a Provincial Government whose resources are, as we all know, strained at present as is the case with the Government of Bihar and Orissa. We waited for a few days, because we knew that the Local Government would

be so occupied with measures of immediate relief and in collecting information as to the situation, and we did not wish to worry them with issues that might delay their work in those first few days; but as soon as we felt that they had had time to look round the situation, we approached them and said that we were anxious to examine the situation in consultation with them in order to see what help would be required from Central Government funds, and we suggested sending down an experienced officer to discuss the position with them. Honourable Members know that at the first opportunity or I would say at the first date when the Government of Bihar and Orissa was ready to discuss the position, the Secretary in the Finance Department, Sir Alan Parsons, flew down to Patna in order to examine the position fully on the spot. I may say that we are working out a comprehensive plan in complete agreement with the Government of Bihar and Orissa. I am not in a position yet to announce the full details of that plan, but I can say this—that it will either be announced in the course of my Budget speech or possibly at an earlier date. We hope that the lines on which we propose to deal with the situation will be adequate to meet its needs and will commend themselves to this House.

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

If we had been framing the Resolution which is now before the House, we should perhaps have chosen slightly different words, but as we are in complete sympathy with the spirit in which that Resolution has been moved, I do not wish now to suggest any change in the words, and we on the Government side are quite prepared to accept the Resolution. (Applause.) I think that Honourable Members will realise when they have our plan before them that it is a plan which is in accord with the spirit of that Resolution.

Now, Sir, there are only a few things which I wish to say in addition. It is, of course, very easy to talk in terms of generosity, especially when one is dealing with public money, but on the other hand, we are the guardians of the public funds, and there is some danger in speaking too loosely of what can be done and the way in which public money should be handled. I am sure that no one in this House would wish us to adopt an attitude of saying: "Here is all the money that you ask for, we do not care how you spend it, just go about the work as quickly as possible". That obviously would lead to abuses. We must see that whatever public money is applied, either by way of loan funds or grants for dealing with the situation, is applied in the most economical manner, and for that we shall have to rely upon the Local Government. The whole administration of whatever money is available will have to be in their hands. There are other dangers, I think, in being too free with promises at the present moment. The scheme is one which will require careful working out. There are various types of need to be met. My friend, Mr. Gaya Prasad Singh, has pointed out that there are the needs of the Government to replace its buildings, there are the needs of the local authorities to rebuild schools, dispensaries and that sort of thing, there are the needs of private individuals, some of them comparatively well-to-do people, but who still will be in considerable difficulty in the present crisis, others very poor who will have no means of helping themselves.

Then, again, there is the effect on local agriculture and particularly the effect on the sugar industry. Each main class of need will require separate action. Some of the needs obviously can only be met by Government and Government help on a large scale will be necessary. Other parts are

[Sir George Schuster.]

suitably met by private charity, and one point which I want particularly to make is this, that however generous we in the Government may be and however much support we may receive from this Assembly in generous action, there will still be a need, greater than any need that can possibly be satisfied, for subscriptions to those private funds which have been opened and which have been spoken about with so much appreciation by Honourable Members. That is an important point to bear in mind, because I am sure Honourable Members will recognise that there is a certain kind of assistance which ought to be met out of that type of fund. Then one other point that I want to make is this. There will, of course, be a great deal of reconstruction of buildings, bridges, roads, etc., to be carried out. A great deal of work will be placed with contractors, a great deal of material will have to be supplied partly in the nature of iron and steel work, galvanised sheets, bricks, cement, and so on. I would like to appeal specially to those Honourable Members who come from the districts, where the work will be done or from which the materials will be supplied, to create a public opinion, to which I am sure the big manufacturers and contractors would respond, that this is not an occasion from which they should seek to profit unduly. (Hear, hear.) It is most important that those who will get the benefit—and one is only too glad that they should get some benefit—from the supply of materials and undertaking contracts in connection with this disaster should act in a public spirit and should not, as I have already said, seek to make this an occasion for profiteering. The Government of Bihar and Orissa are alive to that point, and I am sure that one has only got to create an adequate public opinion in order to make the desire to avoid that sort of profiteering effective in practice. Perhaps Honourable Members can help in that. That, Sir, is all I need say on this subject. I hope that it will not be long before we can announce our full plans, and I hope that those plans will be regarded as adequate by Honourable Members. There is only one final word, and that is, we shall of course have to devise our plans on the estimates that are already before us, but we fully recognise that in certain respects it is impossible yet to form any final estimate and, therefore, I appreciate the point made by my Honourable friend, Mr. Gaya Prasad Singh, and other speakers. We cannot tell yet what the full need will be and we must be ready to meet the whole need in the same spirit as we meet that part of it which we can now accurately measure. I need only repeat in conclusion that on behalf of Government we support this Resolution.

**Mr. President** (The Honourable Sir Shanmukham Chetty): The question is:

“That this Assembly recommends to the Governor General in Council that he may be pleased to advance such loan without interest or at a very low rate of interest to the Government of Behar and Orissa, as may be required to help the reconstruction of the economic structure of Behar, devastated by the recent earthquake.”

The motion was adopted.

#### RESOLUTION *RE* ABOLITION OF THE DUTY ON RAW FILMS.

**Mr. B. V. Jadhav** (Bombay Central Division: Non-Muhammadian Rural): Sir, I move:

“That this Assembly recommends to the Governor General in Council that the present duty on raw (unexposed) films should be abolished for a period of 15 years, in order that the indigenous film industry may derive substantial benefit and encouragement.”



To this I want also to move an amendment. . . .

**Mr. President** (The Honourable Sir Shanmukham Chetty): The Mover of a Resolution cannot move an amendment to his own Resolution.

**Mr. B. V. Jadhav:** The subject of the film industry has been engaging the attention of this House for the last twelve months. On two previous occasions, this question was debated in this House. On the first occasion, the history of the film industry and its importance was laid before this House and, on the second occasion, a Resolution was moved by my Honourable friend, Mr. Lalchand Navalrai, to which a very sympathetic reply was given by the Honourable the Commerce Member. On that occasion, Sir, he said:

"If we find on looking into the question of drawback, that we could recoup ourselves to some extent, we are prepared to give the industry the benefit to that extent. I should like to make that perfectly clear. We are prepared to reduce the import duty *pro tanto* to anything we get from the reduction or abolition of the rebate on exposed films re-exported."

My intention in moving this Resolution is not to embarrass the Government or to ask them to unfold their budget plans, but my intention is to place before the House the difficulties of the film industry and to pray to Government to take the necessary action. On the first occasion, I pointed out that the importers of foreign films were treated with some consideration while those persons who were engaged in the indigenous industry here in this country were not so much cared for. On that occasion, I pointed out that the price of exposed films per foot was not exactly the right price and, therefore, it was open to Government to revise that price. I am very glad that Government have come to a decision on that point, and I congratulate Government on the distinctions they are making with regard to topical films and feature films. A topical film gives news and such other things, more or less of an educational value, and, therefore, Government are right in lowering the price per foot of such films. In the case of the feature films, that is the main films, which persons generally go to see, it requires a good deal of money to produce them and, therefore, they are more valuable, and the Government are right in proposing of raising the price to seven annas per foot. In this way Government will make some money. At the same time, Government have come to realise that the re-exportation of films which have been shown all over the country do not require rebates and with that object they have introduced a Bill in this Assembly which will be taken into consideration when the time comes. In this way Government are also going to save some amount of money. In this respect there is no question of tariffs. It is generally taken for granted that the increase in the tariffs on foreign articles is an indirect encouragement and help to the national industry concerned in the manufacture of similar commodities. But in the case of the film industry this proposition is not wholly true. The composition of the Indian population is such that a particular class of cultured and Westernised persons prefer to see foreign films. On the other hand, those who do not understand the English language flock to Indian pictures. Theatres are set apart for the exhibition of foreign and Indian pictures in every town in India, and so the customers are quite different, and, therefore, the encouragement to one does not mean a hardship on the other, or higher taxation on the imported films does not mean that the indigenous films are to that extent encouraged,

[Mr. B. V. Jadhav.]

Thus it should be clear that the proposed abolition of the rebate system or the increase of the import duties on exposed films will not in any way give direct help to the indigenous industry, but there are indirect advantages. No doubt the proposed measure would help the development of an important branch of the industry to a limited extent. For instance, it will now be advantageous to the distributors to import negatives and process them in India. This would necessitate the setting up of laboratories for processing purposes and the employment of Indian labourers, and incidentally the Government will also get more revenue by the larger import of machinery and also in the shape of income-tax from the studios.

I shall now take the different parts of the Resolution in turn. My first point is to ask Government to do away with the import duty on raw films. Raw films are the raw materials of the industry and no elaborate argument is required to impress the fact that the raw materials of any industry ought to be made available to the industry at a cheap rate and they, therefore, ought to be imported duty free. This principle has been laid down by the Indian Fiscal Commission. They say that the raw materials required for Indian industry should ordinarily be admitted free of duty and they further say that this is an obvious principle of general acceptance in protectionist countries. I need not take up the time of the House in detailing why the industry deserves encouragement. This has been sufficiently dealt with on previous occasions. To sum up, I may say that it is an important national industry. It has an educative influence. It gives employment to a large number of persons and it employs Indian capital. In this respect I may point out that since the advent of the talkies, the capital required for starting a film company as well as to produce a film is much higher than it was when there were silent films only, and, therefore, more capital is now required to be invested, but, at the same time, I may point out that the income has not increased, because the houses are the same and they bring in on an average the same income. Therefore, the industry is required now to be financed to a larger extent, while the income from that industry is almost stationary and, therefore, it will be seen that the industry is making less profits than it did previously. Therefore, the industry deserves some consideration at the hands of the Government.

The rapid conversion of the Indian film industry from silent pictures to talkies has taken place within a very short period of something like 2½ years only, while in America and England it took a longer period. There are even at the present time many theatres which show only silent films there while in India the number is being reduced very rapidly. Formerly only Rs. 10,000 was necessary to produce an ordinary silent picture, but a sound picture requires at least an investment of from Rs. 50,000 to Rs. 60,000. The machinery that is required for the production of talkies is more costly and more delicate and it, therefore, requires higher paid staff to manage the machinery. This large addition to the capital of the industry does not yield an adequate or proportionate benefit. As I pointed out, this is due to many handicaps under which the industry is labouring and which retards its quicker expansion and development in all its branches. The cost of raw films required for the picture comes to about Rs. 15 to 20 thousand, a portion of which is accounted for by the import duty. The biggest raw material is the raw film and, of course, a good amount of

money is invested in the production of a film picture. The time required for the production of a talkie is longer and consequently the capital remains locked up for a longer period. As I have already pointed out, this requires the importation of costly machinery, such as the recording machines which cost something between Rs. 20,000 and one lakh and sometimes even more. The import duty on such instruments, which are exclusively used in the film industry, should also be remitted. These recorders cost a good deal of money and they are also required to be imported from foreign countries and these recording machines are not used for any other business. They are not required for photography or for any other thing. They are required for the film industry exclusively and, therefore, Government should also take note that the duty on the recording machinery should also be reduced considerably. The prosperity of the talkies depends mainly on the number of theatres at which they are presented, and, as the number of theatres, at which talkies will be exhibited, increases, the profits of that industry will increase in that proportion. But all the theatres that are here in India are not wired for talkies because the producers, as they are called, also cost a great deal and, therefore, if they are made cheaper by remitting the import duty on them, then in that case there will be a good deal of impetus given to the owners of theatres to wire their theatres with that machinery, and more and more talkies will be shown there.

Sir, I may point out that, in the United States of America, there are about 14,000 cinemas wired for talkies and there the proportion is one theatre for about 8,574 persons; in Germany it is about one theatre for about 18,000 persons; in England the proportion comes to roughly 11,000; in France it is 19,000, but in India, with her vast population of over 350 million, there is one wired theatre for about 3½ millions, so that every encouragement should be given to owners of theatres to wire their theatres for the show of talkies. In this way the indigenous talkies will be encouraged and more and more people will take advantage of them. In spite of her biggest population, India has the smallest number of wired cinema houses, whereas other countries have about 75 per cent of their theatres wired. This is mainly due to the heavy cost of the materials necessary for the wiring apparatus which has to pay a very heavy import duty. Therefore, the industry, suffering as it does on account of heavy import duties on its raw materials and machinery, the diversity of languages and scanty places of exhibitions, should be given some sort of relief in order to allow it to develop quickly.

Sir, I need not say what the other nations are doing for the encouragement of this industry. Suffice it to say that all other countries—France, Italy, Germany and even England—are encouraging this industry in every possible manner by special legislative measures, by the introduction of the quota system, by insisting on printing the positives done in the country and by a direct subsidy and financial help to the producers of films. With the same idea, Germany started a Film Credit Bank in August, 1933, to stimulate the production of German films, and she has prohibited the appearance of foreign actors on the German screen. Italy helps the industry by direct subsidy. About two million lire were given to two film producing companies in April, 1933, and, under the paternal care of Signor Mussolini, the industry is making very rapid progress. Nor does France lag behind. She has laws to stop the importation of foreign films at any

[Mr. B. V. Jadhav.]

time, and any film that enters has to be dubbed in France itself. The quota system is insisted upon by Czechoslovakia and direct financial aid is given to the industry. A separate department has been created, called the State Film Central, for the development of the industry. Even England has the quota system to protect her own industry. Too obvious are the objects of such safeguards, and they show the amount of attention which every Government is paying to this industry. One really wonders what exactly prevents the Indian Government from helping, encouraging and fostering the film industry, while even the minor industries, to say nothing of the major ones, are receiving protection. But, then, although the Government of India are not prepared to give help directly, still I am very glad to observe that the Honourable the Industries Member is very sympathetic towards this industry and has assured the delegation of the Film Society, that waited upon him the other day, that he would give a very sympathetic consideration to their prayer. I need not repeat, Sir, that in this Resolution I have requested the Government that the present duty on raw film should be abolished, and I pray further that the import duty on the recording machines and on the producers should also be materially reduced, so that the industry may thrive and may be a source of profit directly to the Government of India by increasing the profits of the film magnates and thus giving additional revenue to the Government in the shape of income-tax. With these words, I move.

**Mr. President** (The Honourable Sir Shanmukham Chetty): Resolution moved:

"That this Assembly recommends to the Governor General in Council that the present duty on raw (unexposed) films should be abolished for a period of 15 years, in order that the indigenous film industry may derive substantial benefit and encouragement."

**Mr. D. K. Lahiri Chaudhury** (Bengal: Landholders): Sir, I wholeheartedly support the Resolution which has been moved by my Honourable friend, Mr. Jadhav. I think it will not be an exaggeration to say that the film industry is still in its infancy in India, and my Honourable friend has exhaustively dealt with the facts and figures in support of his Resolution. Sir, this industry, I submit, ought to be supported from many points of view. From one point of view, it can be supported as being a very good business, and, from another point of view, it can be supported for its constituting a very substantial instrument of instruction supplementing the ordinary education, and even sometimes as a substitute for the ordinary education. Sir, it is through the operations of the film industry that we can see many things and many wonders of the world, and many things in connection with education and health are clearly illustrated and brought vividly before our minds. The film also is capable of inspiring a man to such a height that men are enabled to show their ability through the film of good acting and good representation of human characters. (*An Honourable Member*: "And of good singing.") Yes, thank you very much, of good singing also. Take, for instance, this havoc in Bihar. It can be shown vividly in other parts of the world through the film, so that they may appreciate its devastating effects. You cannot otherwise imagine it adequately. People are not satisfied simply by the verbal descriptions appearing in the papers unless they

actually see it through the films. Sir, I can tell you of one particular instance in Calcutta. A film came out which showed a critical operation, and, I dare say, every medical practitioner was benefited by that particular film, because there are some serious operations which, when magnified on the screen, bring out the processes so vividly that one can almost minutely see the operation performed, and thus people cannot fail to educate themselves in the light of the profession. Furthermore, there is another aspect. This film industry, if it is really started as a business line in this country, if it gets the encouragement of the State, will also help in the general social uplift and in political propaganda. By political propaganda I do not mean any subversive propaganda, but I mean that real progress can be shown in this country through the film. At the same time, one must remember that if this film industry does not get support, especially from the State, it may be misused in other directions. In support of this Resolution, I would like to quote the remarks made by the Indian Fiscal Commission in the year 1921-22. They recommended:

"Raw materials required for Indian Industry should ordinarily be admitted free of duty. This is an obvious principle of general acceptance in protectionist countries."

Further on, they say:

"We have recommended for instance that there should be as a rule no duties on raw materials similar considerations apply to the case of semi-manufactured articles which do not get straight into consumption, but are used in the process of manufacture of any industry in India. Any taxation imposed on such articles react on the industries which use them, and consequently will either injure those industries or will necessitate the imposition of some compensatory duty."

Also allow me, Mr. President, to quote another recommendation of the Cinematograph Committee. In paragraph 156, they say:

"There is however one tariff concession which we consider the producing industry can legitimately claim. Raw or virgin film is the raw material of the industry. It has been made clear to us that the production of finished films, especially of good films, inevitably involves a very considerable wastage of raw films. Raw film is not made in India, nor is it likely to be so made for many years."

This point is to be considered very seriously. Whenever we impose any taxation, the underlying principle should be to give impetus to the national indigenous industry. It has been recommended by this Committee that there is no possibility in the near future to manufacture raw films. At the same time, one can realise how important it is to encourage the film industry. The report then goes on:

"That the raw material of an industry should be free of duty is almost axiomatic. Imports of raw films into British India in the eleven months ending 29th February 1923 as reported by the Director-General of Commercial Intelligence and Statistics were valued at Rs. 4,95,238. The annual value may thus be taken as Rs. 5,38,000 on which the duty at the rate of 15 per cent. would be Rs. 80,700. We feel that the Government should be prepared to sacrifice this relatively small revenue. For the sake of administrative convenience and also for the reason that imports of non-standard cinematograph film cannot be considerable, we recommend that all classes of raw cinematograph films should be put on the free list of the tariff."

Then, Sir, the Honourable Member for Industries and Labour himself assured this House on a Resolution of Mr. Lalchand Navalrai which was moved on the 1st March, 1933, in the following terms:

"We are, in short, prepared to treat the Film Industry as a whole much as we have the broadcasting industry."

[Mr. D. K. Lahiri Chaudhury.]

I again earnestly appeal to the Honourable Member for Industries and Labour to extend towards this industry a little more sympathy. Sir, it can easily be said that this film industry plays a very important part for nation-building purposes. If this industry gets a little support from the State, I am sure, it will play an important part in the field of politics and economics and also in the field of society. I hope that the Honourable Member will deal with this Resolution very sympathetically and will help us to import raw films in this country free of duty. Sir, I support the Resolution.

**Mr. B. Das:** (Orissa Division: Non-Muhammadan): Sir, may I draw your attention to the noise caused by the aeroplanes. I am getting heart trouble and I am thinking as though the earthquake is coming. May I suggest that the Chair should ask the Government to instruct the Air Display people not to fly in aeroplanes over this House?

**Mr. Nabakumar Sing Dudhuria** (Calcutta Suburbs: Non-Muhammadan Urban): Sir, I am thankful to you for giving me this opportunity of speaking after a long time. Sir, I beg to support the Resolution of my Honourable friend, Mr. Jadhav. 25 years ago, before the advent of cinemas into this country, magic lantern shows were considered powerful factors for the spread of knowledge and information. The film productions, taking their inception from the old magic lantern slides, have come to fulfil in a better and larger way the purpose served by the magic lantern. It is undeniable that with the rapid advance of cinematograph, the film industry is also making rapid strides. It has been found that as a mode of relaxation, as a means of recreation, as a source of information and as a medium for dissemination of knowledge, culture and art, film productions have come to stay with us. Our present civilization cannot do without them. If such be the state of things, it behoves the Government of the country that the film industry does not get any sort of discouragement at their hands. Raw films are essential for the production and development of indigenous film industry. If this point is conceded, the demand of my friend, that the present duty on raw (unexposed) films should be abolished for a period of 15 years, is quite reasonable and ought to receive whole-hearted support in this House. If the Government think that by accepting the proposal they will prejudice the public revenues, let them get that loss compensated by impositions on exposed films and re-export of exposed films. With these words, Sir, I accord my whole-hearted support to this Resolution.

**The Honourable Sir Frank Noyce** (Member for Industries and Labour): Sir, I think the film industry in this country is much to be congratulated on the interest shown in its affairs by this Assembly. It was with distinctly mixed feelings that I received a week or two ago an invitation to be present at a Tea Party held within the sacred precincts of this House to inaugurate the establishment of a "Film Group". Sir, I rather shudder to think what is going to be the fate of the Members of the Treasury Benches if similar groups are established to look after the interests of other industries, and if we are attacked, for instance, by a "sugar-candy group" organised by my Honourable friend, the learned Doctor, by a

"hosiery group" organised by my Honourable friend, Mr. Ghuznavi, or by an "oil group" which, whoever leads it, will certainly not be led by my Honourable friend, Mr. Mitra.

Now, Sir, much of what we have heard in the course of the discussion this afternoon was said here almost exactly a year ago and I may, therefore, be pardoned if I repeat a good deal of what I myself said then. We have had again quoted against us this afternoon the recommendations or rather the views of the Fiscal Commission and of the Cinema Inquiry Committee that the raw materials of industries should be admitted free of duty. I pointed out on the first March last, that we accepted that view in the case of the cinema industry and that it has for a considerable time past been scheduled as one which is entitled to early relief in regard to its import duty on its raw materials. I said that we had it down for a long time past for consideration in that respect as soon as financial considerations permitted. I asked the House then whether, in its view, financial considerations did permit. I was speaking on that occasion a day after the Finance Member had painted the picture for last year. Today I am speaking a week or two before the Finance Member will be painting the picture for the present year. But I think the House knows as well as I do that I am not giving away any secrets when I say that the outlook for any reduction of the import duty on raw materials is not exactly hopeful. I said last year that the cinema industry was only one of many which had claimed relief in respect of its raw material, and that, although the amount involved in this instance might be small, when it came to giving equal treatment to all the industries which had made similar claims, the total amount involved would be very considerable. In those circumstances, I was unable to give the House any assurance that the cinema industry could expect any immediate relief. I am afraid, that is also my position today. I did, however, go on to offer what I hoped would be regarded as a small crumb of consolation and I said that we were prepared to consider the question of relieving the industry to the extent that we could recoup ourselves in respect of the drawback on films which are re-exported. I said that we would do our best, by going into the question of drawback, to see whether we could give relief to the industry. I attempted to make it clear that, if we found on looking into the drawback question, that we could recoup ourselves to some extent, we were prepared to pass on to the industry the benefit to that extent.

**Mr. S. G. Jog** (Berar Representative): A Bill has already been introduced.

**The Honourable Sir Frank Noyce**: That, Sir, is the point to which I am just coming. I gave the House an undertaking which I think has been fulfilled. We have gone into the question of drawback and a Bill is at present before the House in respect of it. I must honestly admit that I said last year that I thought relief might come within a few months, but it has, I fear, taken rather longer than I then anticipated. The House knows what our legislative programme has been, and will, I am sure, be prepared to agree that there has been some excuse for the delay. The extent to which we can honour the undertaking which I gave last year depends, I need hardly explain, on the fate of the Bill which is at present before the House. Of that, I am hardly competent to speak. On this side, we naturally trust that it will commend itself to the House and that its passage will not be delayed. As soon as it gets through, I and my Department, in

[Sir Frank Noyce.]

consultation with my Honourable colleague, the Finance Member, and his Department, will go into the question of the extent to which we can give relief to the cinema industry. I did, however, point out last year and I should like to reiterate the point today that there is not going to be a gold mine in this drawback. It must not be overlooked that, whatever rules are framed under the new Act, the question of the drawback on censored films will have to be considered. It does not appear equitable *prima facie* that censored films, which have to be re-exported and which have never been used in this country, should not receive a drawback of the duty which has been paid on them. My Honourable friend, Mr. Jadhav, who is a far greater expert in these matters than I am, can probably tell the House how great a proportion of the films which are re-exported consists of censored films. I do not think we have any particulars on that subject and it will not be until the rules have been framed and until we have had some experience of their working that we shall know exactly what the proportion is and the amount of revenue involved. All I can, therefore, say in reply to my Honourable friend is that we do propose to honour our undertaking of last year, that as soon as the Bill at present before this House goes through, the rules have been framed and some experience of their working has been obtained, we shall then see to what extent it is possible to do so. I trust that when this Resolution comes up again next year, as I have no doubt, in view of the activities of the Film Group, it will come up, even if we have been able to do for them something in the interval, for the Group will certainly ask for something more, I shall be able to say we have actually got a move on in the direction they desire.

**Mr. D. K. Lahiri Chaudhury:** Some times repetition makes a case stronger.

**The Honourable Sir Frank Noyce:** There is just one more point. My Honourable friend, Mr. Jadhav, although you, Sir, ruled his amendment on the subject out of order, said something about the question of remitting the duty on recording and projecting machinery. This is the first time that I have heard the contention put forward that machinery must be considered the raw material of industry. I think it would be a very dangerous argument to admit. In any case, I fail to understand how the import of projecting machinery free of duty would help the indigenous film industry in its competition with the foreign film as obviously both will have to be treated alike since projecting machinery can be utilised both for indigenous and foreign films. My Honourable friend has also, it seems to me, overlooked the question, in bringing forward this motion, of private films. There is no reason whatever why private films which are certainly a luxury should be admitted into this country free of duty. However that is not a point on which I need enlarge as I have dealt with the subject generally. I have shown that it is quite impossible for us in the present financial circumstances to accept the Resolution as it stands. I have endeavoured to explain to the House exactly what we are doing in regard to it. I rather gather from my Honourable friend, Mr. Jadhav, that he has really brought forward this motion in order to keep the subject alive in order to see that we do not go to sleep about it and I trust that, in these circumstances, he will be content with the assurance that I have given and will not press the motion to a division.



**Mr. B. V. Jadhav:** I regret that the statement I made here just now that the Indian films do not come into competition with foreign films was not explicit enough and, therefore, has left some misunderstanding in the mind of the Honourable Sir Frank Noyce. I have to repeat again that the clientele of the two films are quite different, the theatres are quite different and, therefore, the foreign film does not come in competition with the indigenous film and, therefore, any tax levied on the foreign film is no direct or indirect encouragement to the indigenous film industry. The question of the difference in languages has made it quite clear that the clientele of the foreign film which is mostly in English is the educated portion of the society; and, therefore, I again place before you that, in fact, there is no competition. The indigenous film industry ought to be encouraged, and I am very glad that the Honourable Member has again given expression to that idea. I am also encouraged by his assurance that he stands by the statement he made on the last occasion, but what chills my heart is procrastination. He will consider the thing when the Bill is passed and then the rules will be framed. We know how slowly or how diligently the rules are framed; they sometimes take a year or two to be framed and passed. So when the rules are framed, he will consider what relief should be given. It means that almost another year may pass before the film industry gets any relief. Although I say that this is not a very satisfactory state of affairs, I still welcome the assurance of the Honourable Member that he stands by the statement made on the last occasion and that he will try to give relief to the extent of the savings in rebates. I may also point out, Sir, that on the last occasion he said that the film industry would be treated on a par with the broadcasting industry, and, as in the broadcasting industry the Customs revenue is taken into account and taken as an income from the industry, so also I may bring to his notice that he should show the same consideration to this industry, and the Customs revenue derived from the articles that are used in the industry should also be given credit for when the question of relief to the industry is taken into consideration by him. With these words, I ask the House to give me leave to withdraw the Resolution.

The Resolution was, by leave of the Assembly, withdrawn.

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#### RESOLUTION RE COMMITTEE OF ENQUIRY ON AGRICULTURAL DISTRESS.

**Rai Bahadur Lala Brij Kishore** (Lucknow Division: Non-Muhammadan Rural): Sir, I beg to move the Resolution which runs thus:

"That this Assembly recommends to the Governor General in Council to appoint a committee of enquiry consisting of officials, experts and Members of the Assembly to enquire into the causes of the present agricultural distress and to devise means for improving the condition of landholders and peasants."

My Resolution is very simple and innocent. I want a careful investigation into the causes of the present agricultural distress and as to what are the means of improving the condition of the agriculturists and landholders. The Government, as they are responsible for looking after the interest of the masses of the country, should now tell us honestly and frankly that they do want to help the poor classes in this country. There is no reason why they should not accept the proposal we are putting before them, and,

[Rai Bahadur Lala Brij Kishore.]

if that is not done, the world would draw the conclusion that the Government are afraid that the facts brought out by this inquiry would be so bad and would so astonish the world that they would be afraid to face the world. Sir, if you think that it is a question of expense, what expense is there? It is a flea bite compared with the benefit that you will confer upon the country. I sincerely and honestly request Government to look upon this question with the eye of a humanitarian and not with the eye of a hide-bound official with his regulations, with the eye of a man who wants to do good to this country, to do good not only to the educated classes, but to the masses of the workers in this country. There is a great future for any man who takes up this question, and I appeal to Government not to forget their duty to their subjects. Sir, I beg to invite the attention of the Government to the great economic depression which has overtaken the country due to the fall in prices of agricultural products and the hopelessly low purchasing power of the agricultural masses. Sir, the purchasing power of the agriculturist is the real barometer which measures the rise and fall of the trade and industry of the country. Never in the history of India was the agricultural population so distressed, nor did it suffer so much as it has been suffering during the last few years, and they are quite incapable of paying their rents to their landlords. There is no doubt that Government have done a great deal to relieve them by giving them substantial remissions, but, in order to give them permanent relief, I am suggesting the appointment of a committee which may devise means to better their condition. Thus they shall become prosperous and, as a result, the financial condition of both the landholders and the Government will be better. So a little expense in this will be a sort of investment.

Sir, I move.

**Mr. President** (The Honourable Sir Shanmukham Chetty): Resolution moved:

"That this Assembly recommends to the Governor General in Council to appoint a committee of enquiry consisting of officials, experts and Members of the Assembly to enquire into the causes of the present agricultural distress and to devise means for improving the condition of landholders and peasants."

**Raja Bahadur G. Krishnamachariar** (Tanjore *cum* Trichinopoly: Non-Muhammadan Rural): Sir, I am asked by my friend, Diwan Bahadur Sarda, not to speak for more than five minutes, and I hope I shall not exceed his time limit. I most heartily support this Resolution. Only I am not sure that these gentlemen, officials, experts and Members of the Assembly, are the correct lot in order to inquire into the causes of the present agricultural distress and to devise means for improving the condition of the landholders and peasants. Most of these gentlemen do not know anything about agriculture, and that is the trouble. The cause of the present agricultural distress does not merely mean the decrease of the prices of agricultural products. The distress starts from the time you begin to prepare your field after the harvest. Then, slowly, step by step, the sowing and the transplanting starts. The wages that you have got to pay increase at every step, and when all these troubles are over and we have done our weeding, we look up to the sky and we also look up to the flood in places like mine where we live, and when all that is escaped, you come to the harvest time. And then there is the thief who begins his operations from the threshing floor. And when all that is escaped and we gather in something, what is the result? We do not get any prices. And there are

pious hopes and Resolutions and many things said about helping us with a marketing board, and, in the meanwhile, the railway companies go on merrily charging rates which are ruinous, and, by the time we settle with the middleman, the actual purchaser and the producer, there come the Government, the 10th of January is the last day, and if the money is not paid by the 20th, there comes the distress warrant. Things are really becoming very hard and, therefore, what I submit is this: I wholeheartedly support this Resolution and I do hope that the Government, in the interests of the country, will also support it and accept it and that they will include men who are connected with the land who do the actual work by their own exertions and not living elsewhere and merely getting the reports of their agents. If they include such men, I submit, the Government will not only be discharging their duty towards a large class of people—I believe it is 90 per cent.—but they will also ensure the easy coming in of their money. Within the next fortnight, immediately after the Budget is introduced, we will probably be treated to a lot of grievances on behalf of these agriculturists, and I assure the Government that if they only accept this Resolution in any modified form they like, the idea being that the cause of the agricultural distress must be found, and, when the cause is found, the remedy also must be found and applied: if they make up their minds to do that, they will help us a lot: it is no good flinging in our faces a lot of figures, pages after pages of printed statistics and averages and all that sort of thing: please do not treat us to any averages at all—I have already told the story of the man who got himself washed away in the stream by reckoning the average depth of the stream—we do not want statistics and we do not want averages and we do not want any pre-conceived notions. Let the committee go to the place where we are: let them take typical places, find out what the trouble is; we are prepared to place before them every information they want—not like what the Tariff Board complained about that when they wanted to investigate the textile industry, except a few mills the others declined to give any information—it is not like that: our information is open and the sun beats down upon it, and if you want any figures, we are quite prepared to give it; only I want a respectable number of people—I do not mean officials—to be associated in the inquiry. These officials merely sit in the corner of their pials—I am not drawing upon my imagination—and send up reports that at such and such a place the crop is fairly good or it is eight annas—it is never below eight annas although we know it is only four annas or less: you know how these reports are prepared: the village assistant sits on his pial—he had gone to the village once when the ploughing operations were on and it does not pay him to go and inspect the place every day in order to send in his report: as I say, he sits in the corner of his pial, takes hold of that form—the village accountant can beat hollow very many Finance Members here, because he is fully acquainted with every detail of the village, number and sub-division, holder and all that sort of thing—and proceeds to fill up “Survey No. 432-C.—two acres and eight cents—paddy two acres, cholam four cents, and another thing three cents., and so on; and it goes to the taluk office where it is tabulated and goes to the district office and then to the Board of Revenue and then to the Government of India; and a huge book is printed by the Government of India, and then comes the Report of the Moral and Material Prosperity of India with a tremendous array of figures. Do not believe in all these things and figures: I respectfully appeal to my Honourable friend, Mr. Bajpai, not to trouble himself with these figures, but to give us a sympathetic reply that he will try his very best to constitute this committee as early as possible and give us some relief before the life of this Assembly expires.

[Raja Bahadur G. Krishnamachariar.]

One thing more: I have often said that committees are only round about ways of knowing exactly what everybody already knows. That is true; but then there are some things which, I find, in spite of our attempts, have not been brought to the notice of the Government and I should very much like that there should be a thorough inquiry into every detail to find out the real cause of the depression, for really we are in our last moments: a few years like this and there would be no more trouble: there would be no land revenue legislation in so far as this Assembly is concerned, and the Department of Land in the Government of India might just as well cease to exist. Therefore, Sir, I wholeheartedly support the Resolution.

**Mr. Goswami M. B. Puri** (Central Provinces: Landholders): Sir, I have great pleasure in supporting the Resolution of my friend, Rai Bahadur Lala Brij Kishore. I do not think there will be any dispute regarding the facts he has stated. It is a well known fact that the condition of the agriculturists is pitiable throughout the length and breadth of the country. As far as my Province is concerned, I can say without any hesitation that their condition is more than worse. If we go to any village, we do not find a single soul who is happy. As the time is short now, I think the Resolution should be put to vote as early as possible: therefore, I only support the Resolution wholeheartedly.

**Diwan Bahadur A. Ramaswami Mudaliar** (Madras City: Non-Muhammadan Urban): Mr. President, I understand, the nervousness of the House is owing to the fact that this is perhaps the last non-official day for Resolutions and that if this Resolution is not finished today, there will be no other opportunity for discussing this motion. Notwithstanding that I have ventured to get upon my feet, because I do not think Mr. Bajpai is going to place before this House any ready made solution of the very vast problem that has been raised by this Resolution. It is because I know that such a solution will not be forthcoming—and I hope that some consideration will be paid to this problem and some ideas relating to the difficulties will be placed before the Government—that I venture to rise in my seat and speak at this very late hour. I believe that this is the most important Resolution that has so far been tabled by the Non-Official Members and that has come up for consideration. It is a pity and it is in line with the tragedy of our circumstance that this Resolution should have been reached at this late hour and this House should be asked to disperse almost within five or six minutes before any adequate discussion of this Resolution can have taken place. But for the fact that the Chairman has already announced that the House will adjourn at 4-30 p.m., I would have begged of you to continue this till 5-30 p.m., so that we might have a more adequate discussion; and, if, by any chance, that announcement of the Chairman can be varied by you, Mr. President, I am sure that all the Members of this House will welcome it. . . .

**Mr. President** (The Honourable Sir Shanmukham Chetty): The Chair may inform the Honourable Member that it has been already announced that one more non-official Resolution day will be allotted in March or April, so that, if the Honourable Members are keen on discussing the Resolution in detail, they can carry over the discussion.

**Diwan Bahadur A. Ramaswami Mudaliar**: Then I am very glad that I have had this opportunity, because I hope to carry over my speech

to the next non-official day when this Resolution will be continued. As I was saying, this is about the most important Resolution that has so far come up for discussion in this Assembly, and I do not want that the subject matter of this Resolution should in any way be complicated by considerations such as the world depression and all that it means. I think for the time being we may leave out of consideration the world depression and the general economic effect of that depression and consider the subject from the point of view of what can be done by this Government and by Provincial Governments, and of how relief can be given to the agriculturist, so that the prices of these food stuffs might go up. I hope also that the spokesman of the Government will not take their plea that this is purely a provincial subject and that it is for the Provincial Governments to come forward with suggestions regarding this matter. I see that latterly the Department, of which my friend, Mr. Bajpai, is the Secretary, has adopted the idea that in many of these matters a centralised agency is essential if co-ordinated effort should ensue for the benefit of the whole country. We have had the announcement, or at any rate, the proposal that a centralised health organization should be built up. A central co-operative credit organisation is also under consideration, and, I hope, from that point of view also, he will realise that with reference to this matter a central organization like the Government of India is in a better position to deal with this subject. Sir, before I proceed to deal with the Resolution proper, I should like to ask my friend, Mr. Bajpai, at what stage the informal Rice Conference which was convened last December is, and whether a meeting of that Conference will be held at an early date, so that the whole question may be considered with reference to that particular commodity. . .

**Mr. G. S. Bajpai** (Secretary, Department of Education, Health and Lands): Sir, the position as regards the Rice Conference is that, I circulated certain information which Honourable Members required, as soon as it became available, and I am now awaiting an expression of their convenience as to when they would like to meet in a conference.

**Diwan Bahadur A. Ramaswami Mudallar:** Sir, I am very glad that the Honourable Member will avail himself of an early opportunity for convening that conference. I have been talking to some of the Members who attended the last conference, and I am in a position to state that the sooner the conference is held the better would it suit their convenience.

Now, Sir, with reference to the question that we are discussing, as I said, we should like to examine the question, not from the point of view of the world economic depression or from the point of view of the causes that have contributed to the fall in commodity prices all over the world, but from the point of view of the specific question which has arisen in this country. Take paddy, for instance. The yield of paddy has not increased enormously during the last say, ten years, and yet the price of paddy has fallen down to such an extent that agriculturists find it impossible to cultivate their land at any profitable rate at all; and they are finding it difficult even to pay their land revenue. I am afraid that by this Resolution we are thinking of other methods than the one hackneyed method which has been so much agitated, particularly in my Province, I mean the method of land revenue remissions. I have nothing to say against the agitation of land revenue remissions which has been carried on, and the Government of Madras have given remissions,

[Diwan Bahadur A. Ramaswami Mudaliar.]

though not to the extent that the people desired, but I venture to think that there is no use of stressing on that aspect of the case. I do not think that permanent relief can come to agriculturists if it is only given in the shape of land revenue remissions. Again, there is no meaning in merely agitating for salary cuts. To my mind, I think it is moving in a vicious circle. The more the purchasing power of the community will be reduced, the more will be the fall in the commodity prices. . . . .

**Mr. N. M. Joshi** (Nominated Non-Official): Hear, hear.

**Diwan Bahadur A. Ramaswami Mudaliar:** My friend, Mr. Joshi, says "Hear, hear". I do not know whether his cheers are ironical or genuine . . . . .

**Mr. N. M. Joshi:** They are genuine.

**Diwan Bahadur A. Ramaswami Mudaliar:** I am glad that they are genuine, because I do venture to put forward as a sound economic proposition that mere salary cuts in themselves will be no panacea for this evil at all; on the other hand, it may easily aggravate the evil, whether it is in industries, in the wages paid to the labourers, or to the small paid Government servants. It will mean that there is less purchasing power, and the fall in commodity prices will be greater than. . . . .

**Sardar Sant Singh** (West Punjab: Sikh): What is the proportion of the salaried people to the general people living in India?

**Diwan Bahadur A. Ramaswami Mudaliar:** It is not a question of proportion between the two at all. It is a question of circulation of money, it is a question of infusion of purchasing power into the community, and my friends will realise that in other countries a situation like this has been met in some cases at least by increase in the salaries, while, in other cases, certainly, by putting forward what are called programmes of re-construction and large capital programmes. What is the meaning of a capital programme being taken up? Because of the fall in commodity prices, the idea is to pay more salaries to the people, to employ a larger number of workmen, to infuse greater purchasing power into the community, to pay salaries all round, not to the old servants only, but also to new servants, to get into existence a larger number of salaried people who, in their turn, will put that purchasing power into the economic life of the country and thereby, to a certain extent, enable the commodity prices to go up.

**Mr. Gaya Prasad Singh** (Muzaffarpur *cum* Champaran: Non-Muhamadan): But at the cost of the masses.

**Diwan Bahadur A. Ramaswami Mudaliar:** I do not know whether you will allow me to proceed now. . . . .

**Mr. President** (The Honourable Sir Shanmukham Chetty): The House now stands adjourned till tomorrow morning at Eleven O'clock.

The Assembly then adjourned till Eleven of the Clock on Thursday, the 16th February, 1984.