

LEGISLATIVE ASSEMBLY DEBATES

FRIDAY, 23rd MARCH, 1934

Vol. III—No. 11

OFFICIAL REPORT



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NEW DELHI: PRINTED BY THE MANAGER
GOVERNMENT OF INDIA PRESS: 1934

Price Five Annas.

LEGISLATIVE ASSEMBLY.

Friday, 23rd March, 1934.

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.

STATEMENTS LAID ON THE TABLE.

The Honourable Sir Frank Noyce (Member for Industries and Labour): Sir, I lay on the table the information promised in reply to unstarred question No. 103 asked by Mr. D. K. Lahiri Chaudhury on the 3rd March, 1934.

GRADUATES IN THE PRINTING AND STATIONERY DEPARTMENT.

103. (a) 15 (b) 14 (c) 78.

Mr. P. R. Rau (Financial Commissioner, Railways): Sir, I lay on the table:

- (i) the information promised in reply to starred question No. 1473, asked by Sardar Sant Singh on the 20th December, 1933;
- (ii) the information promised in reply to starred question No. 1344, asked by Pandit Satyendranath Sen on the 11th December, 1933; and
- (iii) the information promised in reply to starred question No. 142, asked by Mr. N. M. Joshi on the 16th February, 1934.

DEMOTION OF CERTAIN INSPECTORS OF CREWS EAST INDIAN RAILWAY.

*1473. (a) In regard to questions Nos. 1009 and 1010 asked by Mr. Muhammad Azhar Ali on the 18th September, 1933, I would refer the Honourable Member to the information laid by me on the table of the House on the 5th February, 1934. In regard to question No. 1011 asked by Mr. Muhammad Azhar Ali on the 18th September, 1933, it is understood that the memorials from the Inspectors of Crews were received and considered by the Agent, East Indian Railway who later on forwarded them to the Railway Board in June, 1933. The Railway Board considered these memorials and passed orders in December, 1933.

(b) and (c). The Agent, East Indian Railway reports that certain direct appointments as Inspectors were made in 1926, the selection being made by an officer deputed by the Railway Board to organise the Crew system on the East Indian Railway. No records are at present available which show the basis on which these appointments were made.

PROVISION OF RUNNING ROOMS FOR THE TRAVELLING TICKET EXAMINERS ON
THE EAST INDIAN RAILWAY.

*1344. The Agent, East Indian Railway reports as follows :

(a) Travelling Ticket Examiners are not allowed to use waiting rooms at stations which are intended for the use of passengers only.

(b) They are permitted to occupy Running Rooms at stations.

(c) and (g). No but it may happen very seldom, and in such cases, the Station Master endeavours to provide some temporary accommodation if necessary.

The normal beat of the Travelling Ticket Examiners is fixed between points where Running Room accommodation is available.

(d) Yes.

(e) Only one Travelling Ticket Examiner on the Moradabad division asked for Running Room allowance and he was told that the conditions of his service were different to those of Guards and as such, he was not entitled to Running Room allowance.

(f) Yes.

UTILIZATION OF THE RAILWAY STAFF BENEFIT FUND FOR RELIEVING THE
DISTRESS OF RAILWAY EMPLOYEES AND THEIR FAMILIES DUE TO
RETRENCHMENT.

*142. The Agent, Bengal Nagpur Railway has reported as follows :

The President of the Bengal Nagpur Railway Indian Labour Union in his letter No. RC-116/31/653, dated 30th April, 1933, submitted numerous suggestions and recommendations in connection with the retrenchment of staff in the Khargpur Workshops, and paragraph 10 of this letter reads as under :

"As regards the Staff Benefit Fund, in view of the extraordinary state of the present circumstances, I am to request you to impress upon the management of the Fund the desirability of diverting most of the monies at the disposal of the Fund, for arranging relief to those whose earnings have been greatly and unevenly affected by economy measures. If a contribution is also made by the Fund, it would greatly facilitate payment of full pay during leave by rotation."

In my letter No. B.-8087 dated 4th May, 1933, I informed the President of the Bengal Nagpur Railway Indian Labour Union as follows :

"The question of using money from the Staff Benefit Fund for the relief of staff under notice of retrenchment was placed before the Committee of Management of that Fund, and they came to the following decision :

'After very careful consideration the Managing Committee of the Staff Benefit Fund do not consider that the money in this Fund can be applied for the purposes suggested by the President of the Labour Union at the meeting held on the 29th April, 1933, and in his letter No. RC-116/31/653, of 30th April, 1933.'

The decision of the Committee of Management of the Staff Benefit Fund was influenced by the fact that the recommendation of the President of the Bengal Nagpur Railway Indian Labour Union did not concern a few individual cases of proved distress but referred generally to the whole of the retrenched staff and their families for an indefinite period.

THE INDIAN FINANCE BILL.

Mr. President (The Honourable Sir Shanmukham Chetty): The House will now resume consideration of the Finance Bill—clause 3.

Mr. M. Maswood Ahmad (Patna and Chota Nagpur *cum* Orissa: Muhammadan): Sir, I beg to move:

"That for sub-clause (2) of clause 3 of the Bill the following be substituted :

'(2) In the Third Schedule to the Indian Tariff Act, 1904, the heading 'Hides and Skins' and Item No. 3 thereunder shall be omitted.'

I want at the outset to point out that the result of this export duty has been that the prices of skins have gone down. It is the export of articles which brings real wealth into a country, and all countries nowadays are trying to increase their exports. Many agreements are made and the British Government and the Indian Government have also entered into several agreements with other countries with a view to increasing their exports. But, as regards this particular article, I find that the Government of India are trying to decrease its export and are doing nothing to increase it. The result of an export duty is that it affects the balance of trade also. In this matter the Fiscal Commission have also said that, apart from the question of incidence, there is a general objection to export duties which in the case of India deserves especial notice. Export duties tend to diminish exports and thus produce an adverse effect on the balance of trade. Further, if you will see, it has been said on several occasions, when the question of rice was raised, that there is no need of abolishing this, because other countries also have the same export duty and so it does not affect rice; but, in the case of skins, this is not the case. In the case of skins, you will find that the other countries which export skins do not have any export duty. Rather you will find that South Africa and some other countries give bounties to the exporters of skins. On previous occasions, it has been said that this is a duty really on foreigners, and, by means of this export duty, the Government of India get some money for their treasury from the foreigners, but that is not the case. Here, again, I want to quote the Fiscal Commission where they have definitely said:

"Now, this increased cost may raise the price of the commodity in the world's market, in which case it falls on the foreign consumer, or the world price may remain the same, in which case the increased cost simply reduces the profits of the home producer. Which of these two results is the more likely to occur depends on the extent to which the world price is fixed by the cost of production in the country which imposes the export duty, and this in turn depends on the proportion which the supply derived from this country bears to the total supply in the world market."

So, in this connection, I can say that skins are not our monopoly. Long, long ago, it was a sort of semi-monopoly; but that stage also has passed away, and now our export is dwindling year after year, and the result has been that the production of these skins also has gone down and is going down in this country. If you will see, you will find that the result of any export duty—and especially on skins—leaves only four alternatives: one is that the prices in the foreign markets go up, and it is not in our power and we cannot increase the prices in the foreign market, because there are many competitors nowadays, and, at the same time, the other countries are helping the exports from their countries. Turning to the figures, we find that the export of skins to all countries, in 1919-20, was 31,248 tons; in 1921-22, it dwindled to 21,689 tons; in 1922-23, it came down to 20,651 tons, and in 1925-26, it came down to 19,249 tons only. In 1927-28, again, it went down to 18,706 tons and in 1930-31, to 17,425 tons, while, in 1931-32, it was 15,613 tons only. I am sorry that the figures of seaborne trade for British India are not available for 1932-33, but, from the figures which I have quoted, it is quite clear that from 1920-21 to 1931-33, the figures have been going down steadily: I have received a memorandum in which the figure for ten months in 1932-33 was 9,299 tons only; while our pre-war exports of these skins was 22,700 tons in 1913-14. So we find that our exports are going down year by year, and that it is nothing but a shadow of our former trade.

Some one may say and the Government will say that the cause of this decrease is the economic depression, and that it is, as a result of this economic depression that our trade has gone down. But,

[Mr. M. Maswood Ahmad.]

Sir, this is not the case. The chief importer of Indian skins is the United States of America, and goat skins and kid skins imported in 1926-27 into the United States of America was 5,40,27,500 in number. out of which 2,03,11,750 or 38 per cent was imported from India, and in 1930 Indian skins were imported into the United States to the extent of 33 per cent, i.e., 1,83,87,000 out of 5,51,34,000; while Africa increased its export to 90 per cent in that year. In 1931, it further went down to 1,42,20,000 in number. It means that Indian skins were imported into the United States only to the extent of 29 per cent, while Brazil increased its export to 43 per cent of the average of 1926—29. In 1932, you will find that only 97,30,000 pieces were imported from India to the United States, which means that only 28 per cent was imported from India. So the total loss to India on the average of 1926-27 was on an average 52 per cent while other countries like Africa and Java have gained. From Africa skin was imported into the United States only to the extent of three per cent, but in 1932 it was nine per cent. If Indian skins have not been exported as a result of the economic depression, how is it then that South Africa has been able to export their skins to a much larger extent to the United States? The same has been the case with other countries too. Honourable Members will see that the import of raw skins from India into the United States of America has gone down very much, and if they look into the figures they will find that while they have reduced their import to 37 per cent only, the import from India has gone down by 52 per cent.

Sir, in this connection I would further like to quote certain figures of the import into the United Kingdom. I do not want to quote all the figures, but I shall only point out that the United Kingdom in 1921-22 imported 44,56,000 raw goat skins, while in those days the export of raw skins from India was 21,689 tons. Now, in 1931, the import into the United Kingdom from all countries has increased, and in 1932 the United Kingdom imported 76,79,000 goat skins, and our figure in that year has gone down to 15,613 tons. Therefore, it is not correct to say that the economic depression is the main cause of the decrease. The real cause is that in India we have got an export duty on skins, while other countries do not impose an export duty. They rather give bounties like Africa to their exporters. In this connection I want to say that the fall in the price of hides and skins in the foreign market and the burden of export duty on Indian exporters are the chief reasons as to why we cannot find a market there, and when a market is lost, it is very difficult to revive it. Further, if Honourable Members will read the Fiscal Commission's Report, they will see that the Commission agree with the view that once a market is lost, it is very difficult to get it back. This is what the Report says in para, 185, at page 104:

"Some of our witnesses have minimised the dangers of export duty and have suggested that if an export duty that has been imposed is found to be injuring an industry, it can then be taken off. In our opinion, this is a superficial view. The great danger of an export duty is that if once by means of it the market is lost the trade may be permanently ruined, and it may never be possible to repair the injury inflicted."

With regard to hides and skins, they have definitely said this:

"The main cause of the smaller supply of hides was that the hides were not collected from the cattle which died a natural death."

—and further in para. 193 they say—

"So far as the export duty on hides and skins is intended to be protective, it cannot be justified."

This is the final conclusion which the Fiscal Commission have reached, and I think the duties imposed on different articles are fixed in accordance with the principles laid down by the Fiscal Commission. Further on, they say about skins:

“But we received a certain amount of evidence to the effect that Indian goat skins formed a semi-monopoly. It is possible therefore, that a small revenue duty on skins could be justified in accordance with our general principles.”

They don't say that there must be a duty, but they only say that a duty should be justified, but I have proved that the time has not come yet for the imposition of such a duty. They have further said that this is a matter which might be inquired into by the Tariff Board, but the duty on hides must be abolished in any case. Their suggestion is that, while the duty on hides should be abolished, the question regarding the duty on skins should be referred to the Tariff Board. But my information is that this matter has never been referred to the Tariff Board. I have inquired from different Chambers of Commerce of what the exact position is, and I have received a telegram which reads thus:

“Reference telegram from March Commercial Intelligence and Statistical Department states question removal skin duty never been referred to Tariff Board; Calcutta Hide and Skin Shippers Association.”

My friends have quoted several authorities, and if you will see the telegrams,—I do not want to waste the time of the House by reading all these telegrams,—I have got a large number of telegrams—several of them want that the export duty on skins must go

Mr. B. Das (Orissa Division: Non-Muhammadan): Will the Honourable Member kindly give the names of all those Chambers of Commerce?

Mr. M. Maswood Ahmad: Yes, there is one from the Calcutta Hide and Skin Shippers' Association, and the other is from the Muslim Chamber of Commerce, Calcutta

Mr. B. Das: Only one?

Mr. M. Maswood Ahmad: No, no, there are two.

Mr. B. Das: The other is not a Chamber of Commerce.

Mr. M. Maswood Ahmad: Sir, I do not want to waste the time of the House in replying to these interruptions. There was some difference of opinion about hides between the representatives of Madras and the representatives of other Provinces, but, so far as the question of skins goes, I think the representatives from Madras will not differ from me

Diwan Bahadur A. Ramaswami Mudaliar (Madras City: Non-Muhammadan Urban): No, no.

Mr. M. Maswood Ahmad: At least one Honourable Member, my friend from Madras, does not agree with me, and so I shall give reasons later as to why he will not be affected by this question.

Several Honourable Members have already raised, and may still raise, the question of cattle preservation, and so on. I say that if the skin export business is not a paying concern, then the cattle will suffer the more. The

[Mr. M. Maswood Ahmad.]

upkeep of cattle is a sort of side show to our agriculturists. They keep cattle during summer and sell them. The effect of the export duty is that the price of the skin has gone down to a very great extent, and so the keeping of cattle is not a paying concern at all. In Bihar, cattle is sold at Rs. 1-8-0 or Rs. 2-8-0 each. The result is that the agriculturists now-a-days do not care to keep cattle, as they do not get anything out of them.

I urge upon the Government that when they have abolished the export duty on hides, they must as well abolish the export duty on skins, because the two are interlinked together. If the Government are not satisfied, they must at least, according to the recommendations of the Fiscal Commission, refer the matter to the Tariff Board, which has not been done so far.

There are two kinds of people interested in this question, those who use the skins in the factories here and tan them, and those who really produce the skins and keep the cattle. As regards the industrialists, the Fiscal Commission have definitely said that they are protected by the high import duty on dressed and tanned skins and that it is sufficient. I need not quote the recommendation of the Fiscal Commission. The poor people in the villages, who are suffering, deserve a certain amount of sympathy from the Government. I have said several times, and I do not want to repeat it, that the proportion of taxes which the Government are taking from the poorer people is greater than that which they take from the well-to-do people of the country, and this export duty also falls upon the poorer classes of people and not on the industrialists. The industrialists in the skin trade do not get any thing out of it and have not got fair competition in the foreign markets. Therefore, there is no justification for Government to have this export duty on skins. With these words, I move my amendment.

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

"That for sub-clause (2) of clause 3 of the Bill the following be substituted:

'(2) In the Third Schedule to the Indian Tariff Act, 1894, the heading 'Hides and Skins' and Item No. 3 thereunder shall be omitted.'

Mr. B. V. Jadhav (Bombay Central Division: Non-Muhammadan Rural): I rise to oppose the amendment so ably moved by my Honourable friend, Mr. Maswood Ahmad. Mr. Maswood Ahmad has marshalled facts and figures to show that our export trade in skins has been continually going down, but he has not shown whether the consumption of skins in this country in the tanning industry has also gone down or has gone up. There is a certain supply of skins available in this country. Some portion of it is exported outside, and some portion of it is sent to the tanneries where it is tanned and used in the country, or exported outside. If the whole supply thus available is used in two ways, that is, in export and for tanning in the tanneries, and if no surplus is left on hand, then I do not think that my Honourable friend, Mr. Maswood Ahmad, or anybody else has got anything to complain about. There is no evidence that a certain amount of unused portion remains in the country and is going to waste. If the exports are falling, it shows that larger and larger quantities of raw skins are taken up by the tanneries and they are cured and treated there. It is, then, a matter for congratulation and not a matter for regret, and I do not think that Government ought to help the exporter in this way at the cost of the

tanneries that have arisen. I am at a loss to know what the policy of the Government is in these days. On a former occasion, I have said that, first of all, the policy of the British Government was that India should be a country of exporter of raw materials and an importer of finished articles.

Mr. M. Maswood Ahmad: Do you support an export duty on cotton?

Mr. B. V. Jadhav: If it is necessary, I shall support it. If it is necessary for the development of the cotton industry in this country, then certainly I shall support it. As I said just now, the policy of the Government in those days was to encourage the export of raw materials and to discourage industries in this country, so that this country might afford a good market for the finished articles of foreign manufacturers. But on account of various reasons, that policy has been changed, and Government are showing some solicitude for the encouragement of Indian industries. But I am afraid, again, the policy of Government appears to be changing. Government do want revenue. Their fiscal policy is now for raising more and more revenue, and they appear to be rather careless whether Indian industries are encouraged or not. When the tariffs were first of all proposed, it was evidently the policy of Government to encourage Indian industries; but, nowadays, I have been noticing it for the last two or three years, Government are more solicitous about their revenue and they are not so very anxious to see that the Indian industries are encouraged. The imposition of various excises this year is an instance in point. I need not dilate on this subject more, because, when those Bills come up before this House, I shall have something to say about them, but I see that the policy of Government is to see how to secure larger revenue from whatever source it may be coming. They are not so very anxious about the encouragement or well being of Indian industries. The taking off of the hide cess yesterday may be taken as an instance in point. It was sufficiently discussed yesterday and I need not detain the House over it. This motion by Mr. Maswood Ahmad is of the same nature. The export trade in skins will be encouraged no doubt, because the foreigner will get our skins at a cheaper rate; but then it will injuriously affect the tanneries which are taking up these skins, and, therefore, I think it my duty to oppose this amendment.

Mr. G. Morgan (Bengal: European): I do not want to detain the House at length when supporting this amendment. My Honourable friend, Mr. Maswood Ahmad, has dealt very fully with the situation, and I am not going into a mass of figures to prove that the trade has been dwindling consistently. I think that was absolutely evident to the House during the debate yesterday and today, but I wish to put forward my support to this amendment because my constituents have definitely taken up that position and a resolution was passed by the Associated Chambers of Commerce on the 9th January, 1934, as follows, and, with your permission, I will read out the resolution:

"This Association is strongly of opinion that the export duty on hides and skins which has been in force since 1919 without fulfilling the object for which it was introduced and which has proved to be harmful to this country as a whole should be abolished at the very earliest opportunity."

In goat skins the United States have been our best customers, and the proportion of the total trade with that country during the last three years has dropped from 38 per cent. to 28 per cent. My Honourable friend, Mr. Jadhav, said that consumption was going down. That may

[Mr. G. Morgan.]

be quite true, but the proportion of India to that consumption has gone down rapidly from 38 per cent. to 28 per cent., and that is due to intense competition from foreign countries. The Fiscal Commission some time ago remarked that there were few indications that the export duty on raw hides and skins had brought to the Indian tanning industry the benefits that were anticipated. Well, Sir, I need not detain the House longer, but the fact remains that the export of goat skins has dwindled considerably during the last 15 years and now it is getting worse. The position of hides was dealt with very fully yesterday and my friend, Mr. Maswood Ahmad, has already given you the full figures. I do not think that there can be any two opinions in this House, with the exception of some tanneries in Madras, that this export duty on both hides and skins should be abolished. I, therefore, support the amendment.

Seth Haji Abdoola Haroon (Sind: Muhammadan Rural): I am supporting the amendment of my friend, Mr. Maswood Ahmad. I shall not quote figures, because my friend has already done so. I know very well that in 1927 the Government brought forward a proposal that hides and skins should be exempted from the export duty. I do not know how the circumstances have changed today that Government have come forward for removing the export duty only on hides, but not on skins as well. I want to know from the Government and I hope they will explain clearly as to why they are retaining the export duty on skins. Of course I have gone through the Budget speech of the Honourable the Finance Member wherein he has said that the skin trade has been a little bit improved. It might be so, but, according to my information, the prices are so low that skins in the interior of the country are not being collected by the people. Occasionally when I go into my constituency, people complain that on account of the low prices, small traders do not care to collect them and pay high freight charges and send them to Karachi for export. Therefore, they tell me that skins are rotting there. When my friend, Mr. Maswood Ahmad, was speaking, my friend, Mr. Das, questioned him as to what were the Chambers of Commerce that sent him telegrams. My friend, Mr. Maswood, read two telegrams. Then, Mr. Das said that there were many other Chambers. They are not interested and that is why they do not care whether the skin export duty should be removed or not. I want to tell my friend, Mr. Das, that other Chambers are not interested in the hide and skin trade, because in those Chambers the majority of the members are dealing in cotton, seed, jute, and so on, and the members of those Chambers are not dealing in hides and skins. Not only that, but, on account of some sentiment, they do not like that this trade should go on.

Mr. B. Das: What about the South India Chamber?

Seth Haji Abdoola Haroon: As regards the South India Chamber, there is one gentleman there, whom my friend, Mr. Das, knows. Mr. Jamal Mohamed is a powerful man in Madras and he probably introduced that resolution

Mr. Uppi Saheb Bahadur (West Coast and Nilgiris: Muhammadan). What about the All-India Federation? ;

Seth Haji Abdoola Haroon: I want to inform my friend, Mr. Uppi Saheb, that I am a member of those Chambers—and I may also inform my friend that these hide and skin traders are not members—and I have already stated that all the chambers are not interested in the hide and skin trade. Therefore, they might not be complaining about this export duty. They might have opposed it on some sentimental grounds—not on economic grounds.

Mr. Amar Nath Dutt (Burdwan Division: Non-Muhammadan Rural): Sentiment plays a great part in human affairs.

Seth Haji Abdoola Haroon: Certainly, I do not deny that.

Now, just now my friend, Mr. Jadhav, said that it was very necessary to protect the tanning industry in India, and, according to his views, the skins are not exported in large quantities to foreign countries, but are mostly consumed in India. There I do not agree with my friend, Mr. Jadhav, because, if that is so, the prices should not fall. There are many things in India which are not exported, but the prices in their case are not falling to such an extent as in the case of the prices for skins. With these remarks, I hope that the Government will give us some explanation as to why they should not come forward to exempt skins also from the duty.

The Honourable Sir George Schuster (Finance Member): Sir, I should like to say at the outset that we have a good deal of sympathy with those Honourable Members who have pressed upon us to remove the export duty on skins as well as the export duty on hides. On the other hand, we feel that there is a very definite ground for making a distinction between the two this year. For, whereas, in the case of hides, we felt, on the one hand, that the trade was in a very serious danger and, on the other hand, that the five lakhs of revenue which we expected to get from the duty was not of such financial importance as to justify us in withholding any change, in the case of skins we do not feel, on the one hand, that the danger is so serious, and we have to take into account the fact, on the other hand, that the amount of duty involved, namely, about fifteen lakhs, is really of serious significance to us. We have had a good many figures given and I should like to give to the House just a few figures which really formed the basis for our own conclusion.

Going back to the year 1927-28, which I think one may fairly regard as a normal year, before prices began to decline and before the world depression began to affect the demand, going back to that year, in tons, the exports of skins were 19,427. Then the next two years they slightly increased. Then came 1930-31 with a decrease, then came 1931-32 with a still further decrease and then came 1932-33 with a still more serious decrease—the figure got down to 13,322 tons—but now in the current year, in the ten months from April, 1933, to January, 1934, the figures of the export of skins have come up to 16,236 tons for ten months, and if one reckons on the export continuing on that basis, we shall, for the current year, 1933-34, be back to a figure slightly in excess of 1927-28. In fact I may put the position to the House in this way, that as regards quantities, it looks as if the exports for the current year will, as regards skins, be 100 per cent. of what the exports were in 1927-28, whereas as regards hides it looks as if the figures for the current year will be only:

[Sir George Schuster.]

46 per cent. of the exports for 1927-28. There is thus a very big difference. That is as regards quantities. Now, as regards values, using the same basis of calculation, that is to say, taking the ten months for the current year and assuming that the remaining two months will be on the same scale, we find that, as regards values, the values of skins exported this year will represent 66 per cent. of the values in 1927-28, whereas the values of hides exported will represent only 24 per cent. of the values in 1927-28. That, again, illustrates the big difference between the position as regards skins and hides.

Now, Honourable Members may say that the export of an article which only represents 66 per cent. of the value of what it was in 1927-28 is a very unsatisfactory position, but I would remind Honourable Members that taking the eleven most important Indian exports, I gave certain figures in my Budget speech on page 41 and showed that the values for 1933 represented only 46 per cent. of the average of the ten years ending 1930. I am not making quite the same basis of comparison here as regards skins, but still I may fairly compare that percentage of 46 for the value of our general exports with 66 per cent. in the case of skins. What I mean by that is that it looks as if our export trade in skins had really suffered considerably less than the average of our export trade as a whole. Therefore, Sir, on those grounds we did feel that a case had not been made out of such an urgency as to justify us in sacrificing fifteen lakhs of revenue. At the same time, I want to remind Honourable Members of what my Honourable colleague, the Commerce Member, said yesterday and that is that we do propose to take early steps to take action on the recommendations of the Hide Cess Enquiry Committee and we shall certainly watch the situation very carefully, because, if we could really be convinced that our export duty was having a decisive effect in holding up the export of skins and was really placing India in a danger of losing her market for skins, then I have no hesitation in saying that a matter of fifteen lakhs of revenue would not be a consideration which ought to deter us from taking action necessary to save the situation. (Hear, hear.) But we do not feel that that has been established yet. We propose to watch the situation, and for the present we feel that the right course, balancing all the considerations, is to retain this particular duty and the revenue from it.

Mr. M. Maswood Ahmad: May we know what is the view of the Government in connection with the Fiscal Commission's recommendations about sending this matter to a Tariff Board for inquiry?

The Honourable Sir George Schuster: Well, I am not very familiar with the exact passage to which my Honourable friend refers, but I think that what the Fiscal Commission had in mind then was a report on whether these duties were necessary for the development of the tanning industry in India, and, from that point of view, as my Honourable friend, Sir Joseph Bhowe, said yesterday, if the tanning industry wished to make out a case for a Tariff Board inquiry, their application would receive the most sympathetic consideration. That is our position on that matter. Sir, on the grounds that I have explained, we must oppose this amendment.

Mr. M. Maswood Ahmad: Sir, I do not want to press my motion. Before asking for leave to withdraw it I want to suggest only this to my Honourable friend, namely, to look up to the Fiscal Commission's recommendation in the last portion of para. 193 on that matter about a Tariff Board inquiry and to consider it favourably. Sir, I beg the leave of the House to withdraw my amendment.

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

Mr. M. Maswood Ahmad: Sir, first of all I beg to ask for the leave of the House to withdraw my amendment* which I moved yesterday and which was before the House under discussion.

The motion* was, by leave of the Assembly, withdrawn.

Mr. M. Maswood Ahmad: Sir, I beg to move:

"That for part (a) of sub-clause (1) of clause 3 of the Bill the following be substituted:

(a) for Item No. 37A the following item shall be substituted, namely:

'37A Cigarettes. *Ad valorem*. 25 per cent and in addition either Rs. 8-2-0 per thousand or Rs. 3-4-0 per pound whichever is higher'

Sir, there is no need to make any speech on this amendment, because the representatives of the different Parties were present at the time of the discussion; but I only wish to inform the other Members of the House the result of the proposed amendment which has been accepted by the Government. We had in our mind four objects yesterday. One was to protect the cigarettes which were made of Indian tobacco by Indian labour, and the second was to give preference to the cigarettes which were made in India of foreign tobacco. At the same time, we thought that the duty on cheaper and costly cigarettes should not be decreased and the duty on cigarettes which are commonly used should not be increased to a large extent. Further we tried to create some relation between the duties on the imported tobacco and cigarettes. Keeping this in mind, we have suggested that there must be a 25 per cent. *ad valorem* duty with the addition of Rs. 8-2-0 per thousand as a specific duty. In this way, to achieve the first object, we wanted to raise the duty on cigarettes and tobacco, so that the cigarettes made of Indian tobacco by Indian labour might successfully compete with the foreign cigarettes. To achieve the second object, Sir, you will find from the amendment which I will move later on, that though the duty on tobacco as well has been raised, we thought that, because of this 25 per cent. *ad valorem* duty, the result would be that the cigarettes which are manufactured in India from the imported tobacco will be in a better position than the cigarettes which come in India prepared by foreign labour. This 25 per cent. *ad valorem* duty will make it easy for them to compete with foreign cigarettes. This additional duty on cigarettes will vary according to the prices of the cigarettes. According to our proposal, you will find that we have not decreased the duty on cigarettes. Those cigarettes, which were of a value of Rs. 6 and on which there was so long a duty of Rs. 8-8-0 per thousand will now pay a duty of Rs. 9-10-0. because Rs. 1-8-0 will be the *ad valorem* duty and Rs. 8-2-0 will be the

* " That part (a) of sub-clause (1) of clause 3 of the Bill be omitted."

[Mr. M. Maswood Ahmad.]

specific duty, and the total will come up to Rs. 9-10-0. So we have not decreased the duty at all, and thus the cigarettes made of Indian tobacco will be in a better position. With regard to the other brands, the value of which is Rs. 10, we have practically retained the present duty. In that case Rs. 2-8-0 will be the *ad valorem* duty and Rs. 8-2-0 will be the specific duty, and the total will be Rs. 10-10-0 per thousand against Rs. 10-8-0. Similarly, we have not increased the duty in the case of cigarettes up to the value of Rs. 28. There is a certain increase in the case of certain brands which can really be called luxury brands, but the cigarettes which are commonly used like the Three Castle or the Gold Flake and similar other brands which are of a less value than Rs. 28 per thousand have not been affected, rather the duty on them has been decreased. Sir, this is the position to which we have all agreed. In arriving at this decision, we kept before our mind all the arguments which were placed before us yesterday.

Sir, I move:

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

"That for part (a) of sub-clause (1) of clause 3 of the Bill the following be substituted:

'(a) for Item No. 37A the following item shall be substituted, namely:

'37A Cigarettes. *Ad valorem*. 25 per cent and in addition either Rs. 8-2-0 per thousand or Rs. 3-4-0 per pound whichever is higher'."

The motion was adopted.

Mr. M. Maswood Ahmad: Sir, I move the other amendment of which I have given notice today. It runs thus:

"That for part (c) of sub-clause (1) of clause 3 of the Bill the following be substituted:

'(c) for Item No. 221 the following item shall be substituted, namely:

'221 Tobacco, unmanufactured . Pound Rs. 3-4-0 Rs. 2-12-0' . . ."

In this connection we have raised slightly the duty which was proposed in the Finance Bill in order to have some relation between this duty on tobacco and the duty on cigarettes and to achieve other objects which I have explained just now. We calculated that 2½ lbs. make 1,000 cigarettes and on that proportion we have fixed Rs. 3-4-0 and Rs. 2-12-0.

Sir, I move: .

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

"That for part (c) of sub-clause (1) of clause 3 of the Bill the following be substituted:

'(c) for Item No. 221 the following item shall be substituted, namely:

'221 Tobacco, unmanufactured . Pound Rs. 3-4-0 Rs. 2-12-0' . . ."

Mr. G. Morgan: Sir, I wanted to speak on the last amendment, but as you were standing up, I was not able to speak. With regard to the Rs. 5-4-0 to which tobacco has been raised to make it the equivalent of Rs. 8-2-0 per thousand cigarettes, weighing 2½ lbs. per thousand, I want to

be perfectly clear that if the surcharge is reduced at any time, the duty on the unmanufactured tobacco will be reduced in proportion. The amendment is accepted by me, because we have no objection to the duties being on the same level. If the surcharge was reduced on cigarettes, we should expect the same reduction on the raw material, so as to keep them on the same level as the Rs. 8-2-0 and the Rs. 3-4-0. I hope the Honourable the Finance Member will assure me on that point.

The Honourable Sir George Schuster: Sir, I think that possibly my Honourable friend is under a certain misapprehension. This is 12 Noon. one of the cases indeed where the surcharge becomes past history. We are imposing consolidated rates and are taking away the operation of the surcharge altogether. There is another clause in the bill which will make that clear. But, I think I can give my Honourable friend, so far as one can commit anybody for the future, the assurance that he wants. At any rate, our present intention is that the duty on raw tobacco and the duty on imported cigarettes shall be kept in a definite relation together. That is the whole basis of our proposals, namely, to establish a definite relation between the duties on raw tobacco and on cigarettes so as to give the people who make cigarettes in India fair competitive conditions which would give them the shelter of the ordinary revenue duty. If the ordinary revenue duty came down from 25 per cent to 15 per cent, then this case would have to be considered again on its merits. That, I think, represents the position. But no one can say now what the views on the merits of the case may be in those contingencies which may arise in the future. All I can say is that our present intention is to preserve a definite relation between the duties on raw tobacco and on cigarettes. As my Honourable friend has called upon me to make this explanation, I would just like to make two general observations. In the first place, I should like to express a certain amount of gratitude on this matter to Honourable Members on the opposite side who raised the question and who, I think, by raising the question have made us re-consider the position and arrive at a result which is more satisfactory than that which would have been produced by our original proposal. We consider that this is definitely an improvement on our original proposals,—certainly it is an improvement from the revenue point of view. We would not go so far as to increase our estimates beyond the 30 lakhs which I have already mentioned, but there is no doubt that our assurance for getting that 30 lakhs will be much greater with this proposal than under our original proposal. And that leads me to another observation and that is this, that if the raising of the duties on raw tobacco in this way leads to the encouragement of a greater use of Indian tobacco, which is a result which we should all see with great satisfaction, the effect on revenue will of course be a reduction and I would invite Honourable Members to consider the course of our duties on tobacco in recent years. What was an important head of receipt has been falling away rapidly as a result really of the development and use of Indian tobacco and the local manufacture of cigarettes. Now, I personally take the view that the consumption of tobacco, and I have already made this point, is a legitimate object of taxation and if the import duties on this level lead, as they probably will in future years, to a general reduction in the customs import duty receipts, then the country will certainly have to consider other means of getting a proper share of taxation from the consumption of tobacco in India, always, of course, preserving the advantage given to local manufacture and the local growth of tobacco, which, as

[Sir George Schuster.]

I say, everybody in this House must desire. I just wished to make that general observation, because it may possibly be referred to in the future. We, of course, support this amendment.

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

"That for part (c) of sub-clause (1) of clause 3 of the Bill the following be substituted:

'(c) for Item No. 221 the following item shall be substituted, namely:

'221 Tobacco, unmanufactured . . . Pound Rs. 3.4-0 Rs. 2-12-0.'"

The motion was adopted.

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

"That clause 3, as amended, stand part of the Bill."

The motion was adopted.

Clause 3, as amended, was added to the Bill.

Mr. President (The Honourable Sir Shanmukham Chetty): Before taking up clause 4, the Chair proposes to take Schedule I. The question is:

"That Schedule I stand part of the Bill."

Mr. M. Maswood Ahmad: Sir, I beg to move:

"That in Schedule I to the Bill in the proposed First Schedule to the Indian Post Office Act, 1896, for the entries under the head 'Letters' the following be substituted:

'For a weight not exceeding one tola One anna.

For a weight exceeding one tola but not exceeding two and a half tolas. One anna and three pies.

For every additional tola or fraction thereof Half an anna."

Mr. Amar Nath Dutt: Sir, may I point out that there are other amendments which reduce the postal rates still lower, and should we not take the lower ones first? I invite your attention to No. 21 in the list which imposes a lower rate of duty.

Mr. President (The Honourable Sir Shanmukham Chetty): The postal rates do not relate to one specific single item, but it is a scheme. It may be that though the amendment of one Member increases certain of those details, the net result may be on the whole a lower burden. It is very difficult to assess the exact result. Since all the amendments of which notices are given are on the Order Paper, the House will keep them in mind when they come to vote on the respective amendments. That is all that can be done.

Mr. Amar Nath Dutt: If this amendment is carried, then the other amendments *ipso facto* fall to the ground. If you impose a higher duty, the amendments imposing a lower duty fall to the ground.

Mr. President (The Honourable Sir Shanmukham Chetty): If an amendment to substitute particular items for an item of the Schedule is carried, then other amendments to that item necessarily fall to the ground. The House will, with that knowledge, take a deliberate decision on that point.

Mr. Amar Nath Dutt: If that be convenient, I have no objection.

Mr. M. Maswood Ahmad: My Honourable friend, Mr. Amar Nath Dutt, wants to have a sort of race in this question.

Mr. Amar Nath Dutt: I, of all men.

Mr. M. Maswood Ahmad: Last time when there was an amendment from me fixing four annas for salt, my Honourable friend gave an amendment fixing two annas per maund and thereby he wanted to get precedence over me.

Mr. Amar Nath Dutt: On a point of personal explanation. If my Honourable friend thinks that I only wanted to have precedence over him, I must say that that was not my intention. My sole intention was to give relief to the poor from this heavy burden of taxation and when I realised that two annas would be the most appropriate duty for salt, I put that down. My Honourable friend does me an injustice when he ascribes such mean motives to me that I did not have in view the benefit of the poor salt eaters, but rather the view to get precedence over him.

Mr. M. Maswood Ahmad: I did not mean to cast any reflection on my Honourable friend.

Mr. B. Das: I rise to a point of information whether these races for speeches, for which these amendments have been given notice of, are in the interest of the public finance or in the interest of speakers.

Mr. M. Maswood Ahmad: I leave that point. I am glad that my Honourable friend has got more sympathy this year for the poor and that is why he wanted a lower duty.

In this connection, I want to say that the Government proposal is that for envelopes weighing half a tola the charge should be one anna and for letters weighing more than half a tola up to two and half tolas it should be one anna and three pies, and for every additional two and half tolas or fraction thereof the Government have suggested one anna and three pies. My amendment is that for one tola, instead of half a tola, the rate should be one anna. I have also reduced the rate for additional $2\frac{1}{2}$ tolas after two and half tolas to half anna.

Now, I shall deal with the reasons for this. I think all Honourable Members will remember the time when the rate for letters was half anna only. From half anna the Government increased the rate up to one anna. Afterwards they raised the rate to one anna and three pies. It will be interesting to note what have been the results of these changes. If you go through the annual reports of the Posts and Telegraphs Department, in 1928-29, their income was Rs. 11,03,65,000. In 1929-30, their income was Rs. 11,29,49,000. Up to that time the rates for letters were only one anna for a letter. In 1930-31, their income went down to Rs. 10,77,87,000 when they proposed to increase the postal rates, but again, in 1931-32, it went down to Rs. 10,64,59,000 and it again went down in 1932-33 to Rs. 10,59,40,000. They may say that the reason for this decrease is not the enhancement of tariff. But luckily they have admitted this fact on page 3 of the same report and they say:

"The enhancement of the tariff led to a serious decrease in the total volume of traffic."

[Mr. M. Maswood Ahmad.]

So they have admitted it themselves that the decreased traffic is the result of the enhancement of the tariff.

The Honourable Sir Frank Noyce (Member for Industries and Labour): No, Sir, that is not quite true. We have admitted that enhanced rates have brought about a decrease in the traffic as they always do at first, but we do not admit that the decrease in traffic is entirely due to the enhanced rates. It is very far from being due to the enhancement of rates. My Honourable friend knows quite well that it is due for the most part to the world-wide depression.

Mr. M. Maswood Ahmad: I never said that it was entirely due to the enhanced rates. As a matter of fact, I did not use the word "entirely". I said,—and it cannot be denied as I am quoting from their own report,—that one of the causes of the decrease in income was the enhanced rates.

The Honourable Sir Frank Noyce: I should have been grateful if the Honourable Member had continued the quotation. Apparently he is not going to do so, and I will, therefore, continue it for him. The report goes on to say:

"In any case, the enhancement of the charges succeeded in retarding the drop in the revenues of the Department."

Mr. M. Maswood Ahmad: Yes, I was going to quote that portion as well, because I had it marked.

The Honourable Sir Frank Noyce: I am very glad to hear it.

Mr. M. Maswood Ahmad: My Honourable friend says that the enhancement of the charges succeeded in retarding the drop in the revenues. But I say that it is not correct. If you will turn to page 6, you will find the financial result of the working of the post offices. There you will find that their receipt in 1931-32 was Rs. 7,36,84,265, and in 1932-33 it was Rs. 7,32,43,835. And for this drop they put the responsibility on the shortage of money orders. Then, in page 9, they say:

"The number of embossed envelopes issued to treasuries from the Central Stamp Store fell from 38 million to 36 million."

So here also they have admitted that the number has fallen from 38 million to 36 million. Now, what do they say about postcards? They have admitted that the number of postcards issued fell from 351 to 282 millions. I have shown here that the number has gone down.

Mr. S. P. Varma (Government of India: Nominated Official): The number of postcards has gone down, but their revenue has increased.

Mr. M. Maswood Ahmad: Certainly when you have nine pies for a postcard, the income will go up a bit, but the number of postcards and envelopes has gone down. It means that people could not use your postcards and envelopes and they have, therefore, suffered. (Hear, hear.) You have raised the price and you have forced them not to utilise the benefits of the Postal Department in the same way as if they had used it. That is the trouble. My Honourable friend talks about the income, but I will

convince him that his income has also gone down. In paragraph 14, on page 8, they say about the sale of postage stamps:

"Postage stamps are held in stock by treasuries and are drawn as required for sale to the public. The aggregate value of postage stamps and stationery issued from treasuries for all purposes, that is, postage, telegraph charges and revenue, was :

Rs.	
Ordinary postage stamps and stationery	7,21,10,000
Service postage stamps	91,30,000 "

And if you will compare this with the figure of 1928-29, you will find that on the sixth page of that report, in para. 22, they say with regard to the magnitude of business that stamps worth 803.3 lakhs and 90.6 lakhs service stamps were issued from the treasuries for sale. And then they say on page 5 of the report for 1932-33 that the postal charges realised were Rs. 6,24,00,000, while in the year 1928-29 when the rate of letters was one anna they say, on page 1, that stamps worth 62.5 millions were sold. Is it not correct to say that the income as well as the number have fallen?

Mr. S. P. Varma: It is incorrect.

Mr. M. Maswood Ahmad: It is strange that you put in your reports incorrect figures. I am quoting from paragraph 4, page 1, of the Annual Report for 1928-29, where you say that stamps worth 62.5 millions were sold for postal purposes and here you say on page 5, in paragraph 9, that the postal charges realised amounted to six crores and 24 lakhs.

Mr. S. P. Varma: The sale proceeds of stamps are given on page 8 of the Administration Report for 1932-33 which shows that the sale proceeds of ordinary stamps and stationery amounted to seven crores as against the six crores and 24 lakhs that the Honourable Member quoted.

Mr. M. Maswood Ahmad: I am referring to paragraph 9 on page 5 of that report where you find that Rs. 6,24,00,000 was for postal charges realised. If you will read my speech in a calmer atmosphere, you will find that all the figures are correct. I have given reference also for your convenience.

Sir, then I want to say that the main cause of the deficit in their Budget is not the postal side, but it is the telegraph side where they always lose to a very great extent. On page 36 of this report, they have shown a loss of Rs. 6,07,345 on the postal side. But that is on account of some incorrect calculations. They have deducted, the share of cost of combined offices; but they have forgotten the share of post offices which they are maintaining at present for military purposes and I suggest in this connection that just as Government are paying, for the strategic railways, for military purposes, to the railways, in the same way the Government should pay a certain amount for these post offices which are maintained for military purposes only and which are not paying

Mr. K. P. Thampan (West Coast and Nilgiris: Non-Muhammadan Rural): Do Government pay now for the strategic railways?

Mr. M. Maswood Ahmad: Yes, in the Railway Budget there is a deduction made for the strategic railways, and in the same way I want to suggest that for those post offices which are maintained for a particular reason and for those which are not paying the particular Department concerned should pay for them

The Honourable Sir Frank Noyce: The particular Department concerned has to guarantee those post offices.

Mr. M. Maswood Ahmad: That is what I suggest, but I do not find in your income that you have ever got any amount from any such Department as contribution for those post offices which are run at a loss. I do not find in this report any such contribution from the Government and I shall be very glad if my Honourable friend will disclose the facts.

One other cause of the deficit on the postal side is that they have charged more than the proper amount on account of interest on capital outlay for the postal side. That is the other cause of the loss. The total capital outlay up to the year 1932-33 is Rs. 15,82,84,231. Out of this, only Rs. 2,59,66,235 is for the post office. What is the total interest they are paying? It is Rs. 81,08,372. If you divide this amount proportionately on the capital outlay for different Departments, you will find that the proportionate interest for the postal side should be less than Rs. 14 lakhs. But here I find that the interest charged for the postal side is Rs. 15,59,000. My point in saying this is that it is not the Postal Department which is really suffering. Rather sometimes the other Departments, which are maintained in India, are suffering, and hence the result. This is a commercial business. In a commercial department Government should consider that those people who use a particular portion should not be made to pay for those who use other portions of the Department. Those who use post-cards or use the Postal Department for carrying letters, should not suffer for those who are using the telegraph lines or using such post offices as are not paying. The interest should also be proportionately charged for all these sections of the Department.

Another trouble is that it is very difficult for villagers to weigh their letters to find out whether they are half tola or one tola: they are accustomed to weigh things on big scales—having a maund weight on one side and perhaps a bag of rice or some such thing on the other, and there is always a margin of half a seer or a seer in such weightment. How are these poor villagers to weigh their letters to find out whether they are half a tola or one tola? They cannot use bank paper, bond paper or bromo paper. Your suggestion will be useful to men sitting by their tables in office, using bank paper and a letter weighing machine. But what is going on in the villages? The poor cultivator and others use rough brown paper which they find at the *baniya's* place and ordinary envelopes: they use a peculiar sort of pen and ink with dots here and there, and write two words in a line and three lines to a page. The result is that their letters always weigh more than half a tola. You are not, therefore, giving any relief to the poor villagers. Rather this will be a small relief to the well-to-do persons who can afford to use bond paper and other qualities of light paper. The Department will also suffer to a very great extent. The margin is now for half a tola only; and it will be difficult for your men to judge whether a letter is half a tola or one tola, and they will have to weigh every letter on every occasion. The time of the Department will be taken up mostly with this work, and the poorest in the villages will suffer. Your income is going down year by year and still you are not considering these matters sympathetically.

Further, you have fixed 1a. 3p. for every additional half tola: I suggest that this is a very wrong policy; and, if you will examine it in that light.—that you have fixed two annas for parcels weighing not more than

20 tolas, any one who wants to send a letter weighing five or six tolas will not spend $2\frac{1}{2}$ annas on the letter, but will send it as a parcel up to 20 tolas. So your rates for letters must be reasonable as between different articles. What I have suggested, namely, one anna for one tola will really give some relief to certain people and $\frac{1}{2}$ anna for additional weight is to create a relation between different postal rates.

Further, when the letter is cheaper, people will use more envelopes than postcards and thus you will also increase your income from letters. Further, if you have an anna for half a tola plus three pies for additional two tolas then, again, 1a. 3p. for every other additional $2\frac{1}{2}$ tolas will mean that if we send a somewhat heavier letter of five tolas we will have to pay 2a. 6p. more. I cannot understand who will prefer to send his letter paying 2a. 6p. instead of spending a sum of two annas up to 20 tolas? These are the points which should be considered and kept in mind by the Department. Sir, I move.

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

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

For a weight not exceeding one tola	One anna.
For a weight exceeding one tola but not exceeding two and a half tolas.	One anna and three pies.
For every additional tola or fraction thereof	Half an anna'."

Mr. Sitakanta Mahapatra (Orissa Division: Non-Muhammadan): Sir, I whole-heartedly support the amendment moved by my Honourable friend, Mr. Maswood Ahmad. By reducing postal rates on letters by three pies, Government have thrown a temptation before poorer people to take advantage of this concession. Ignorant people will not know that it is simply a trap—that, with the reduction of rate by three pies, only the weight has been reduced by two tolas and to half a tola only. An ordinary cover and an ordinary piece of notepaper will, in 75 cases out of 100, weigh more than half a tola. Mercantile firms, and richer and educated people may be able to take advantage of this concession, because they will weigh their letters before posting and they will use thin bank paper, but poorer people, while trying to take advantage of the concession, will, in 75 per cent. of cases, be caught in the trap. Their letters will be surcharged as understamped. In this way, I am sure, Government will have a good income, but the income will come from a trade carried on on the ignorance of the people. Even after 150 years of British rule, people in this country are proverbially ignorant, and I think it will be a sin on the part of the Government to take advantage of that ignorance.

Sir, I have a shrewd suspicion that there is an Imperialistic motive underlying this measure, and that is to tempt Indian merchants and richer people to purchase British made bank paper. Sir, I strongly support the amendment of my friend, Mr. Maswood Ahmad.

Mr. B. Sitaramaraju (Ganjam cum Vizagapatam: Non-Muhammadan Rural): Sir, for several years past we have been discussing the postal services. The view points which weigh on this side of the House and the view points which the Government have are entirely different. We regard the postal services as public utility services, but Government have been looking at them purely from the point of revenue earning services. Therefore, Sir, the two points of view are diametrically opposed

The Honourable Sir Frank Noyce: How much revenue have we got from the Posts and Telegraphs Department for the last six or seven years?

Mr. B. Sitaramaraju: The Honourable Member knows how much he has got, but the manner in which these postal rates are manipulated shows that these rates are fixed not with a view to affording the service to the largest number of people that can use them, but with a view to securing the largest amount of revenue from this service. Sir, there was a time when there used to be half anna half tola envelopes and one anna one tola envelopes, and even that half tola half anna envelope used to be very useful, because the poor people who used that kind of envelopes used to make use of very thin paper for their correspondence. Government then abolished that half tola half anna envelopes, and introduced one tola one anna envelopes, and thereby those people who were able to have these postage envelopes at a cheaper rate were very much handicapped, because they were asked to pay double, though their correspondence did not increase. Then, again, the Government increased the one anna one tola envelopes to one anna and 2½ tolas weight. Sir, what was the idea in raising the weight from one anna one tola to 2½ tolas? It is not very difficult to understand the object. Those who write commercial correspondence, which is necessarily heavy, were very greatly benefited on the increase of the weight limit by the fact that they had not to pay more than what a poor man paid for a light weight correspondence when these mercantile classes were permitted to send letters weighing nearly 2½ tolas for one anna. We all know, Sir, to what class these commercial people belong, and, therefore, the increase in weight from one tola to 2½ tolas benefited only the richer classes, while the poorer classes of people to that extent suffered greatly. On the last occasion we said that the raising of the postal rates from one anna to one anna and three pies was a great hardship, that the Government should be so unmindful of the fact that this is a public utility service, that they should keep in view not merely revenue, but they should keep in view that the largest possible use was made by the public, and we repeat that argument today, otherwise it would be a negation of the benefits of a civilized administration. We were then told that the very good Government of this country depended upon that one anna and three pies. I am very glad that the stability of the Government is not in any way interfered with, because we have now come down from one anna and three pies to one anna. However that may be, one regretful feature is, even in going back, Government are not going back to the extent that they ought to go with the view that I have in mind. If they were to re-establish the half anna half tola and one anna one tola, it would greatly help the public, and if the collection of merely a larger revenue is not the sole object of the Honourable Member in charge, then it is all the more easy for him to lower the rate to what it was some years ago. If, however, the object is to secure a large amount of revenue, then my point is that this Department is anything but a public utility Department. With these few words, I support the motion made by my friend, Mr Maswood Ahmad.

Sir Darcy Lindsay (Bengal: European): Sir, the half tola letter is an old friend of mine, and I think it was in the year 1922 when there were such drastic revisions in postage that I pleaded very hard for the retention of the half tola half anna envelope, but we did not succeed in that, and I shall refer to it later.

Well, Sir, we are all out to help the post office. We regard the Postal Department as a commercial undertaking, we want to see it conducted on commercial lines and that it pays its way. Sir, I deprecate any attempt to reduce the revenue that is necessary for the Department to pay its way. It will suit the Members of my Group and those whom we represent here,—it would suit us very well,—to have the weight increased to one tola before this reduced postage of one anna is introduced. But, Sir, we put that on one side, in the general interests, and talking on behalf of the Group, I have to say that we will oppose this amendment.

My Honourable friend, Mr. Maswood Ahmad, told us rather a picturesque story of the poor villager being unable to distinguish between half tola and a tola. He has to weigh his letters on the very heavy beam scales which he uses for his rice and other produce. I ask him to really consider whether the difference of half a tola will enable that villager to weigh the correct weight of his letter . . .

Mr. M. Maswood Ahmad: There will be no necessity for it.

Sir Darcy Lindsay: In the old days,—perhaps my friend is aware of it,—villagers were allowed to send letters weighing quarter of a tola. In those days, they were apparently able to distinguish the difference in weight between half tola and quarter tola. They may have had different scales,—I do not know of that,—but I ask my friend seriously to consider the position. Was he making a joke or he was in earnest?

Mr. B. V. Jadhav: When was this quarter tola?

Sir Darcy Lindsay: In 1869, quarter tola was in force. Now, Sir, . . .

An Honourable Member: The Mover of the amendment was not born then!

Sir Darcy Lindsay: The reduction in revenue that this proposal would bring about is, I think, rather heavier than the Postal Department are inclined to admit. I am disposed to think that the view of the Postal Department that we would lose Rs. 27 lakhs in revenue by the reduction of three pies in postage for half a tola is somewhat exaggerated. I remember, in 1922, Sir Geoffrey Clarke, the then Director-General, estimated on my proposal that, to retain the half tola postage, the loss would be about Rs. 15 lakhs. But if we make the letter one tola, I am quite convinced that the loss would be very much heavier. I think that a certain additional recovery may be obtained in the reduction of the usage of the postcard by persons who prefer privacy. They are now paying nine pies for a postcard, and I think many of them will resort to this one anna letter for half a tola, and in that way the reduction of postcards by 20 per cent would bring us in Rs. 14 lakhs. I do not agree, again, with my Honourable friend, Mr. Maswood Ahmad, that the villager requires to write on such heavy paper or on such rough paper. I think that he is very well able to carry on all his correspondence on paper that will easily carry for half a tola. I wonder whether my friend knows what is half a tola envelope. With your permission, I should like to exhibit to the House.

Mr. Amar Nath Dutt: Envelopes like enamel wares are not allowed to be exhibited.

(At this stage, Sir Darcy Lindsay exhibited some envelopes to the House.)

Sir Darcy Lindsay: This is an envelope, and this paper is of fairly good quality, and the weight of the envelope and the paper is less than half a tola.

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): What is the weight of the envelope?

Sir Darcy Lindsay: I have not weighed it separately.

Mr. S. C. Mitra: I have weighed it. It is a quarter of a tola.

Sir Darcy Lindsay: Again, this envelope is larger than the Government used to supply us. Here is another envelope used by a firm in Calcutta. Here is a note paper

Mr. Amar Nath Dutt: By which firm?

Sir Darcy Lindsay: My own firm, the Royal Insurance Company. And this is under half a tola. I am perfectly certain that my Honourable friend, Mr. Varma, has come here with a whole sheaf of exhibits, and, now that I have got the permission of the Chair, he will doubtless show what he has with him.

Now, to refer once again to the effort I made at the retention of this half tola letter, which Sir Geoffrey Clarke called the poor man's letter, and to give privacy, I thought I had the House with me. I had explained the position to Mr. Rangachariar who was the Leader of the Opposition then. I had explained the position to Mr. Geoffrey Clarke, now, Sir Geoffrey Clarke, who thought it was a very ingenious idea and he was entirely in favour, as also was Sir Sydney Crookshank, who was then the head of the Department

Mr. President (The Honourable Sir Shanmukham Chetty): Order, order. Will the Honourable Member please say what time he wants to take, because it is Friday, and we have to adjourn now?

Sir Darcy Lindsay: About three minutes more.

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member may finish the rest of his speech after lunch.

THE INDIAN TARIFF (TEXTILE PROTECTION) AMENDMENT BILL.

EXTENSION OF THE TIME FOR THE PRESENTATION OF THE REPORT OF THE SELECT COMMITTEE.

The Honourable Sir Joseph Bhoré (Member for Commerce and Railways): Sir, I beg to move:

"That the time allowed to the Select Committee on the Indian Tariff (Textile Protection) Amendment Bill, 1934, for the submission of its report be extended by one week."

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

"That the time allowed to the Select Committee on the Indian Tariff (Textile Protection) Amendment Bill, 1934, for the submission of its report be extended by one week."

The motion was adopted.

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

The Assembly re-assembled after Lunch at Two of the Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair.

THE INDIAN FINANCE BILL.

Sir Darcy Lindsay: When the House adjourned, I was explaining what happened to my amendment in 1922. The Honourable the Finance Member was absolutely adamant and the Director-General of Posts and Telegraphs, who had been entirely in favour of my proposal, had to speak in opposition, and one of the strongest points he made was as follows:

"Now, it is an extraordinary thing that these low postal rates have proved a very great impediment to the development of rural postal facilities in India. In very few words I will explain the position. When we want to open a post office in rural areas, we open an experimental post office. The average cost of such an office some years ago was about Rs. 20, namely, Rs. 5 or 6 to the Branch postmaster, who was not a whole-time servant, Rs. 7 to the postman and Rs. 7 to the runner to carry the mails to and from the post office. For that Rs. 20, we asked for a revenue of Rs. 25, which represents roughly a traffic of about a thousand articles a month. If the revenue of Rs. 25 was obtained, that post office was established and it was made permanent. What is the position today. The position today is that we cannot open a rural post office under Rs. 40. A committee sat and fixed the pay of our staff recently and very properly increased it on account of the rise in prices, so that a post office cannot now be opened under at least Rs. 40. But the revenue is the same. We still get Rs. 25 and cannot get anything more. Therefore, the post office is not opened or else is closed very quickly. This means that there are not as many rural post offices as there ought to be; people living in villages are thereby greatly inconvenienced. Is it not more convenient for a man to post a postcard in a post office close to him for half an anna rather than to walk a distance of 15 or 16 miles in order to post it for quarter of an anna."

As we all know, Sir Geoffrey Clarke was a plausible Irishman and a very fine speaker, and this point that he made about the village post office carried the House with him. One of my good friends in the European Party, as it was then, Mr. Reginald Spence got up in the House and said that he had come down with the full intention of voting for my amendment, but, after he had heard Mr. Clarke, he had to vote against me. Mr. Rangachariar came over and asked me not to press this amendment of mine, and my case was lost. I wish Sir Geoffrey Clarke were in the House today to use that same eloquence which greatly moved the House in 1922.

Mr. Amar Nath Dutt: You are depending on eloquence and not on facts?

Sir Darcy Lindsay: We are always twitting our Honourable friend, Mr. Mody, and asking him to put his house in order. What we are asking for is that the post office will put their house in order. They have had the Retrenchment Committee, and are bringing into operation many of the

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recommendations of that Committee. I sincerely hope that this time next year we will see a very marked improvement and that the post office will once again be able to maintain itself and show a profit. That profit, I hope, may be devoted to the relief of the postcard, for, I am one of those who strongly support the cheapest possible postcard for the masses. I ask the House this year not to try to carry this amendment, as, in my opinion, it will mean a reduction of revenue. I hope, Sir, that I have made my point clear, and I sincerely trust that after hearing the Honourable Member the amendment may not be pressed.

The Honourable Sir Frank Noyce: I am much indebted to my Honourable friend, Mr. Amar Nath Dutt, for his interruption of a moment ago, for I do not lay claim to any eloquence, but I trust that I shall be able to convince the House by a plain statement of facts. I hope, Sir, that you will permit me in dealing with this, the first of the amendments to the Finance Bill relating to the postal charges, to adopt the procedure I followed last year and to review the position of the Posts and Telegraphs Department as a whole in an endeavour to show that the reductions in rates which we are proposing represent the utmost limit to which we are justified in going in the present financial condition of the Department. At the conclusion of my speech on this subject last year, I expressed the hope that this House would recognise that we were making every effort to restore the finances of the Posts and Telegraphs Department to a position of equilibrium. I assured the House that those efforts would not be relaxed during the current year and I ventured to give expression to the further hope that, when I came before this House this year, I should have a much more cheerful tale to tell than I had then. I concluded by repeating the assurance given by my predecessor in 1931 when he said:

“When we are sure that surpluses have to stay, we shall use them for the extension of postal facilities, for reorganisation which may be necessary in order to ensure the highest efficiency and also for revision of rates which may be possible and reasonable.”

Now, Sir, I have little doubt that this House will agree with me—I am quite sure that my Honourable friend, Mr. S. C. Mitra, will emphatically, though by no means cordially, agree with me—that our efforts at economy have not been relaxed during the year that has passed. It is true that our revised estimate for working expenses and interest for 1933-34 is 11 crores and 27 lakhs, which is 30 lakhs higher than the final figures for 1932-33, but it has to be remembered that we have restored half the cut in pay which cost about 27½ lakhs, that we have had to make heavy payments aggregating to about 15 lakhs on account of the concessions to retrenched personnel, that is about five lakhs more than we had to pay in 1931-32, and that we have had to meet increments which have cost us about 15 lakhs. That little fact of increments is very apt to be forgotten when we are comparing the Budget figures of one year with those of the previous year. Unfortunately, at the present time, increments go on year by year and we have not yet reached the end of them. Now, the total of these three items together amounts to about 47½ lakhs, so that, on the basis of strictly comparable figures, our working expenses are down this year by some 17½ lakhs on those for 1932-33. That may at first sight not seem a very large figure, but what I would impress upon the House is that in 1932-33 our working expenses were 61 lakhs lower than they were in the preceding year and that the figures for 1931-32 were again 53 lakhs lower than in the peak year

1930-31, when the working expenses and interest charges together amounted to 12 crores 11 lakhs. In spite of the fact that we have to go on paying increment charges at the rate of about 12 lakhs, we are budgeting for a further fall in working expenses and interest of 42 lakhs. This, however, I need hardly remind the House, includes the 27½ lakhs approximately which we estimate as the net cost of the reorganization in rates we are proposing, for, as the House knows, we are meeting this by a reduction in the depreciation fund. The further net saving in working expenses next year is, therefore, according to our estimates, in the neighbourhood of Rs. 14 lakhs. Sufficient, I trust, has been said to convince the House that there is no substance in the charge which was made last year and which has been repeated this year that we are not adopting all possible measures of retrenchment and other economies which are open to us. According to a statement recently prepared by the Department, the total saving in pay charges alone that has been effected or is likely to be effected up till March 31st, 1934, is estimated at 8½ lakhs a month, that is, about a crore and five lakhs per annum. The magnitude of the savings is also illustrated by the figures in paragraph 5 of Sir Thomas Ryan's Administration Report on the working of the Department for 1932-33, from which my Honourable friend, Mr. Maswood Ahmad, quoted so extensively this morning and which I hope has reached all the Members of this House by now. Those figures show that a salary bill which had been increasing from 1925-26 at over 28 lakhs a year actually decreased by 24 lakhs in 1932-33 as compared with 1931-32. Sir, no better testimony to the ability—and I would add, the humanity—of one whom we in this House and the Department of which he was the Head in a period of exceptional stress and strain so deeply mourn, could be found than the fact that retrenchment on so drastic a scale was carried through with a minimum of friction and dislocation. I have been deeply touched during the last ten days by the tributes to Sir Thomas which have reached me from all parts of India and from all branches of the Department and which show that what I have just said in regard to his fairness and humanity has been fully recognised by the Department. As the House was reminded in the last speech Sir Thomas Ryan made here, our retrenchment campaign is not at an end. The report of the Telegraph Establishment Enquiry Committee presided over by my Honourable friend, who sits immediately behind me and whose valuable assistance in this and other matters connected with the Posts and Telegraphs Department I am glad to have this opportunity gratefully to acknowledge (Hear, hear), contain recommendations which, if they are accepted, will lead to an ultimate saving of over 19 lakhs a year. Sir Thomas was careful to explain that the recommendations of that Committee have yet to reach Government and that, in his view—which, knowing as I do the soundness of his judgment, I have little doubt will also be the view of Government—those economies can only be reached by degrees.

Then, there is the Postal Enquiry Committee the objects of which I explained to this House the week before last. I endeavoured to show that it was an Efficiency, rather than a Retrenchment Committee and that its main object was to bring methods of work in the Postal Branch of the Department up-to-date. We do hope, however, that it will secure substantial economies. I hope, Sir, my Honourable friend, Sir Darcy Lindsay, will be convinced that we are doing our best to put our house in order, and that we really have achieved a great deal in that direction. Before I leave the subject of retrenchment, I should like to refer to a criticism which fell from my Honourable friend, Mr. Lalchand Navalrai, on Monday last. If I heard him correctly,—I owe him an apology for returning to the House

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half way through his remarks on the subject—he accused us of making retrenchments only in the lower ranks of the Department and of leaving the gazetted ranks untouched. In fact, I think he went as far as to contend that we actually created new gazetted appointments. This charge is without foundation or rather has such a slender substratum of foundation that it is negligible. No less than 85 gazetted officers, out of a total number of 570, will have been retrenched by the end of this month, and the highest percentage of retrenchment effected—14·9—will be only exceeded by that in the upper division time-scale where it will be fifteen. This latter figure is, however, a somewhat fictitious one, as lower division clerks have been appointed in the place of the upper division ones, so that the actual retrenchment of personnel has been considerably smaller than the figure I have given would lead one to suppose. The number of new gazetted appointments we have created is, in point of fact, exactly two and two only. One of these—that of a Deputy Director-General for Finance was an appointment the justification for which was accepted without question by the Standing Finance Committee, and one was that of Assistant Deputy Director-General, an appointment which merely replaced one of a higher grade and was necessitated by the expansion of work in the Wireless Branch including the Broadcasting Branch. The House knows, I think, that we are doing all we can to develop broadcasting at this moment and the justification, therefore, for the appointment of an officer to assist in that development need not be further enlarged upon.

Sir, I have dealt with the question of retrenchment at some length, because it brings me to my next point, which is that, in spite of all our efforts, we still have to budget for a deficit. In other words, so far from surpluses having come to stay, they have not yet come at all. It is true that the tale I have to tell this year is a more cheerful one than that I narrated last year, but it cannot be said that my hope that it would be a much more cheerful one has been fulfilled. It is also true that the deficit for which we are budgeting is only 14 lakhs—taking into consideration the important fact that the cost of the reorganisation in rates we are proposing is balanced by the raid we are making on our depreciation fund—and that this is the smallest deficit since 1927-28 when the Department first ceased to pay its way. But the true position—and this I wish to emphasise as strongly as I can—is that if I am to come before this House with a balanced Budget next year on the assumption that the five per cent cut in pay will be restored, that the cost of increments will be met and that the full amount will be paid into the depreciation fund, our receipts will have to increase by Rs. 27½ lakhs for the restoration of the cut in pay by 12 lakhs for the cost of increments, by 14 lakhs for the deficit for this year and that amounts to the very substantial total of 81 lakhs. Against this all that we can set with certainty is such further economies as we are able to secure and with hope is an improvement in revenue due to increased traffic.

What, Sir, I wish to make clear is that the figures I have now placed before the House would have justified me in coming before it today and explaining, as I was compelled to do last year, that we are not in a position to place before it any proposals at all for reductions in rates. That, Sir, would not have been at all a pleasant task but I need hardly tell the House that, if I had felt that it was really necessary, I should have had to face it. I do not think we on this side of the House can be accused of shirking. The reason I have not had to face is that it does

seem to us that there are some small rifts in the clouds of economic depression which have been hanging over us for the last three or four years. Our revised estimates for receipts for the current year is 21 lakhs better than it was last year and 11 lakhs better than the figures for 1931-32. Small as is this indication of better times ahead, so far as the Posts and Telegraphs Department is concerned, it seems to us that, combined as it is with the results of our drastic economy campaign, it justifies us in taking some risk and, as the Honourable the Finance Member said in his Budget speech, in making an experiment designed to test the responsiveness of traffic to rates. I cannot too strongly emphasise that it is an experiment and that at a time like the present and with the financial condition of the Department as I have depicted it, we are not justified in doing more than making an experiment. We are frequently told, we have been told already today and I have no doubt that we shall be told again in the course of the afternoon, that reductions in rates will either immediately or eventually be definitely beneficial to the revenues of the department. I dealt with this argument at length last year and endeavoured to show how impossible it was to accept it in the conditions which then prevailed. We hope, however, that it is more valid now than it was then and we are at any rate prepared to test its validity with prudence and with caution.

Before I proceed to discuss in more detail the specific changes we are proposing and to deal with the amendment moved by my Honourable friend, Mr. Maswood Ahmad, which is just now before the House, I should like to refer to one or two matters which were raised in the discussions on the Budget on the demands for grants and on this Bill. My Honourable friend, Mr. Mitra, contends, if I have understood him correctly, that our troubles would have been at an end and that we should be in a happy position if the recommendations of the Committee presided over by Sir Cowasji Jehangir—the Accounts Committee, not the Retrenchment Committee—in regard to the depreciation fund had been accepted as the Department would benefit to the extent of Rs. 70 lakhs per annum being the amount of interest on the depreciation fund balance. Now, Sir, I cannot juggle with figures in the way that my Honourable and learned friend, Dr. Ziauddin, does, nor have I the gift of expounding them in the lucid and interesting way that my Honourable colleague, the Finance Member, can or Sir Thomas Ryan could do. I have with difficulty mastered the difference between a depreciation fund calculated on the straight line plan and one calculated on the sinking fund plan. I should be very sorry to have to attempt to explain it to this House. All I would say on this point is that my Honourable friend, Mr. Mitra, omitted to read to the bottom of the page from which he was quoting and that on the Committee's own showing the difference between the plan they advocated and that actually adopted, far from being Rs. 70 lakhs, is only a matter of some Rs. 15 lakhs to Rs 18 lakhs which is certainly not enough to transform our Budget. The reason why Government were unable to accept the Committee's recommendations in their entirety was that, if it were assumed that a depreciation fund had been in existence from the beginning of the Department, it should also, in fairness, be assumed that the balances in that fund would have been utilised for avoiding debt and that consequently the rate of interest earned by those balances could not have been more than the rate of interest payable on the capital outlay of the Department. In their view, the reconstruction of the accounts as visualised by the Jehangir Committee involved something in the nature of a fictitious

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assumption, the adoption of which it would be difficult to justify. In any case, as I have said, the amount involved is far smaller than that mentioned by Mr. Mitra. If the House has still any doubts on this point and desires further enlightenment, I will ask my Honourable friend, Mr. Varma, to endeavour to clear it up.

My Honourable friend, Mr. Lahiri Chaudhury, who does not at present happen to be in his place but who I am sure will study the proceedings of today's discussions later on, in order to be able to hurl some criticisms at me if not this year at any rate next year, has also discovered another item in the budget of similar character though of less importance, the lump provision of some Rs. eight lakhs which has been made to meet a possible increase in the charges paid to Railways for the carriage of mails and other services rendered to the Posts and Telegraphs Department. The Railways have claimed that the rates at present paid to them are not adequate and have proposed certain increases. I need hardly say that those proposals have to be and are being carefully examined but it is obvious that provision has to be made to meet the claim in case it is admitted. I would only add that increases and decreases in the rates for carriage of mails are an everyday incident in the administration of the Department and depend upon negotiations with carriers, of whom the railways are the most important. If the Railway claim is not admitted or is abated in any way, we shall be so much better off.

Another item in the Budget which has been queried and to which I should perhaps refer is the provision of Rs. 5.44 lakhs under Civil (Departmental share of stamp revenue). This amount represents the estimated value of unified stamps used in Burma for revenue purposes. As the House is aware, unified stamps will cease to be issued in India with effect from April 1st, 1934. When the proposal for using separate stamps for postal and revenue purposes took shape, the Government of Burma asked us to allow the system of unified stamps to continue in Burma until the question of its separation from India had been settled. Their request was naturally acceded to and this amount of Rs. 5.44 lakhs represents the amount that has had to be provided in order that the claim of the Government of Burma to its share of the receipts for stamps used for revenue purposes may be met as in the past.

It would perhaps be convenient at this juncture if I referred to another criticism raised by my Honourable friend, Mr. Maswood Ahmad, this morning, in which he asked us why we got nothing from other Departments for unremunerative post offices. His question was a very natural one as I must admit that the item is not shown very clearly in our Budget, in fact it can hardly be said to be shown at all. But if he will turn to page 153 of the detailed statement in support of the demands for grants for the Posts and Telegraphs Department, he will find an item of 7 lakhs and 30 thousand as the estimate for receipts from fees and other receipts. I understand that about between Rs. 80 thousand and Rs. 90 thousand of that represents receipts for unremunerative post offices, which have been established for the benefit of other Departments including the Army Department.

I do not propose, Sir, to deal at any great length with that hoary annual, the distribution of revenue and expenditure between the various branches of the Department. It has cropped up this year, it has cropped up for many years in the past, and it will doubtless crop up again in the

future. As regards the distribution of revenue, all I would say is that our present methods have been elaborated over a number of years by the Accounts and Audit authorities and that they were also overhauled by an eminent firm of chartered accountants from London a few years back. However, in view of the importance which some Members of the House attach to this question, I am perfectly willing to have it looked into again. As regards the distribution of expenditure, the main point of criticism seems to be that the credit received by the Postal Branch for the work it does on behalf of the Telegraph Branch of the combined offices is inadequate. Here, again, the methods we adopt for determining the distribution are the best that the accounts and administrative authorities, working in the closest collaboration, have been able to devise. All items of cost such as supervision, both subordinate and superior, overhead expenditure such as pensions, and even stationery are included as part of the expenditure of the Telegraph Branch in one way or another. I need say no more about this for, as Sir Thomas Ryan explained, we are taking steps to place before the Public Accounts Committee a description of the various adjustments made in the accounts of the Department on account of mutual services with a request that they will favour Government with their verdict regarding the suitability of the methods we follow. If they can suggest any improvements, I need hardly say that we shall welcome their suggestions. I very much hope that the result of their examination will be to lay to its last rest this controversy which dates from the amalgamation of the two Departments and is, I am prepared to admit, the inevitable result of that amalgamation. But the two Departments have been combined so long that it is time that they and the general public regarded themselves as one and indivisible. In saying this, I am not denying for a moment that every effort should be made to discover the financial effects of the working of the different branches of the Department. That is obviously essential to its being carried on successfully. What I do wish to emphasise is that the distribution of the joint revenue and expenditure between the various branches does not affect the profit and loss on the working of the Posts and Telegraphs Department as a whole and that it is that with which Government, this House and the general public are concerned. My Honourable friend, Mr. Mitra, who is more interested in the postal side, complained the other day that postal surpluses have been used in the past to cover losses on telegrams. My Honourable and gallant friend, Sir Henry Gidney, who I am very sorry to say is not here today as I should have liked him to hear what I have to say on the point, in a speech which made me feel that I had for the time being been transported to the wonderland of Alice, for I had till then been led to believe that he was the champion of the interest of the telegraph staff, supported Mr. Mitra's view that it was wrong to make good losses on telegrams from postal surpluses, so wrong in fact that it would be better to close down the telegraph branch altogether and presumably to throw the staff on the street than to go on doing it. Except for the brief space of three years, there have in point of fact, since the system of commercialised accounts was introduced, been no postal surpluses to use in any direction.

In any case, Sir, in a Department the transactions of which are on so large a scale as those of the Posts and Telegraphs Department, it is impossible to balance expenditure and revenue each year with such nicety that each branch should be self-supporting and no more. It has happened

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in the past and is likely to happen again in the future that in some years it may be the Postal Branch which will yield a surplus. For the present it is the turn of the Telephone Branch, the surplus from which is at present small though there is every reason to believe that it will grow with considerable rapidity. It may even in time be the Telegraph Branch which will show a profit. This position follows naturally and essentially from the nature of the services rendered. We in the Department are only too familiar with the fact, which the members of the House do not seem always to realise in its full implications, that the services rendered by one branch compete with the services rendered by another. Trunk telephones for example compete with telegraphs, whilst telephones themselves compete with the local postal services, and finally the air mail services once they are fully developed will undoubtedly begin to compete with telegrams. As an instance of the necessity for dealing with the Department as a whole whilst observing the general principle that as far as possible each branch of it should be self-supporting, I would draw the very special attention of this House to the fact that the reduction in the postal rates which we have proposed has been rendered possible only by raiding the Depreciation Fund and that the bulk of the balances in that Fund relates to the Telegraph and Telephone Branches. If the results of the special inquiry that has been ordered bear out our present anticipations, the annual contribution to the Depreciation Fund will be reduced but the benefit from this reduction will be limited more or less entirely to the branches just mentioned and very little, if any, will be allocable to the Postal Branch. Here at least is an instance in which the position envisaged by my friend, Mr. Mitra, is being reversed and it is the Telegraph Branch that will lend the money required for the reductions in the postal rates. Lest my remarks should give rise to a new series of misapprehensions I should like to make it clear that we make an absolutely clear distinction in the accounts between the utilization of the surpluses of one branch or another. For instance, to the extent that postal surpluses are utilised to balance the loss on the Telegraph Branch when presenting the budget of the Department as a whole, the Telegraph Branch has to pay interest on the amount so utilised and, of course, that also holds good in the opposite direction.

Now, Sir, I come at last—the House may think at very long last—to the changes we are proposing and to the amendment moved by my Honourable friend, Mr. Maswood Ahmad. I need hardly remind the House that the changes we are proposing in the postal rates—the change in the rates for telegrams do not fall within the purview of the Finance Bill—are three in number, the lowering of the initial weight for inland letters from 2½ tolas to half a tola with a reduction in the charge from 1½ anna to 1 anna, the remission of the extra pie per five pice per embossed envelope and the raising of the initial charge on inland book packets not exceeding five tolas in weight from six to nine pies. I should like, in passing, to invite the special attention of the House to the word “initial” in that last sentence for it may save misapprehension if I explain that, though we should under the Schedule as it will now stand be able to put up the rate for the second and subsequent categories of five tolas for book packets to nine pies, we do not propose to do so and that the nine pies rate will apply only to the initial category, the cost of the subsequent categories remaining at six pies. The drafting of the entry

merely follows the practice followed in connection with that relating to parcels which has been in its present form for some years though the rates were only enforced in respect of parcels weighing more than forty tolas in June, 1931.

Now, Sir, I have heard and seen many criticisms that the reductions we are making in the postal rates are illusory. All I can say of such criticisms is that they remind me of a legend which I once heard was displayed in an American saloon in the Wild West "Money is the root of all evil. Give us a few roots". If these concessions are illusory, I would gladly suffer from a whole series of such illusions. I would ask, Sir, in all earnestness where is the illusory character of a concession which we estimate will cost us Rs. 27 lakhs even allowing for a ten per cent. increase in traffic? My Honourable friend, Sir Darcy Lindsay, has thrown some doubts on the accuracy of our estimates. All I can say is that they are the best we are able to frame and that even according to his own estimate our losses will be very considerable. We do not hold the view that the general public will regard the concession as illusory for we estimate that at least 80 per cent. of paid letters will fall within the half tola limit. Experience in this matter all the world over goes to show that however low the initial rate, if it is lowered still further, the fullest advantage is always taken of the fact. As Sir Darcy Lindsay mentioned this morning, there was formerly a quarter tola rate and a half tola rate. The quarter tola rate was actually in force from 1854 to 1869 and the half tola rate was in force in the department for no less than 35 years, from August 1869 to the 31st March, 1905. I can remember,—my Honourable friend, Mr. Mahapatra, evidently cannot,—when the half tola rate was in force and I never heard any complaints about it.

As regards the complaints regarding the character of the stationery which will have to be used to bring letters within the half tola limit, my Honourable friend, Sir Darcy Lindsay, has had something to say. He referred, Sir, to your recent ruling regarding the exhibition of samples in the House, and I do not propose to infringe that ruling this afternoon, except possibly later on, if you will permit me, in respect of one very small item. But I may say that I have here an extensive range of samples of the stationery which can be carried within the half tola limit and that I shall be very happy to show that range to Honourable Members afterwards.

Mr. President (The Honourable Sir Shanmukham Chetty): What about the stationery sold to Honourable Members here?

The Honourable Sir Frank Noyce: I am coming to that. I may say that the half-sheet notepaper I have myself used for many years past, called "Crown Bond",—I do not know who the makers are or indeed whether anybody has a proprietary right to the name; and I do not know whether I am giving a free advertisement or not, but if I am, the makers are quite welcome to it for it is excellent paper—a half-sheet of that notepaper, in its appropriate envelope falls within the half tola limit. I am fully aware of the fact mentioned by one Honourable Member, in the course of the general discussion on the Finance Bill, that the small half-sheet Assembly note paper when enclosed in its proper envelope is over the half tola limit. In that respect, as in regard to the provision of any other amenities to the Members of this House which it is within my

[Sir Frank Noyce.]

power to provide, I am anxious to do what I can and I took the matter up with the Contrroller of Stationery long before it was mentioned here. I hope that it will be possible to supply Honourable Members of this House in the near future with a paper that will meet with their requirements and also, I trust, with their approval. (Laughter.)

Mr. S. C. Mitra: May I know what is the weight of the ordinary envelope that is sold in the post offices?

Mr. S. P. Varma: I have not weighed it, but it is slightly below a quarter of a tola.

Mr. S. C. Mitra: Yes, it is just a quarter of a tola. I have also enquired of the Legislature post office in the Council House.

The Honourable Sir Frank Noyce: My Honourable friend is imparting information rather than seeking it, but I think he is probably quite right in saying that the embossed envelope weighs a quarter of a tola and the proper sheet of notepaper for it would also weigh a quarter of a tola; and I can assure him that he can get quite a lot of information on that half sheet of note paper.

Now, Sir, I come more specifically to my Honourable friend, Mr. Maswood Ahmad's amendment. Under this amendment, the initial weight to be carried for a minimum charge of one anna will be increased to one tola. Subject to the general remarks relating to estimates and assuming that 90 per cent. of the paid letters will be within one tola in weight, the loss on the initial weight category will be 32 lakhs or five lakhs in addition to that involved in the Government proposals. If it be assumed that 95 per cent. of the traffic will be within the initial weight, the additional loss is estimated at about seven lakhs instead of 5 lakhs.

The charge and weight for the second category are to remain undisturbed but the amendment also contemplates a reduction in the weight stages and in the charge for letters weighing more than $2\frac{1}{2}$ tolas. Instead of having to pay $1\frac{1}{2}$ annas for every fraction above $2\frac{1}{2}$ tolas, the rate proposed is half anna for every tola. The loss on a letter weighing more than $2\frac{1}{2}$ tolas may therefore be as large as nine pies but in some cases, as in that of letters weighing more than $4\frac{1}{2}$ tolas but less than five tolas, there will be an increase of revenue of three pies. It is impossible to estimate the effect on these heavier letters but there is no doubt that the loss will be appreciable. The net additional loss on this proposal as a whole may itself be estimated as between 5 and 8 lakhs and that, Sir, I maintain, in the light of considerations I have endeavoured to place before this House, is more than we can afford.

The point, Sir, that I wish to make in dealing with this and all other amendments relating to letters, book packets and parcels is that their acceptance by this House must inevitably delay the day when it would be safe to reduce the post card. I have been long enough in this House to know that there is no change in our postal rates which would be more welcome to Honourable Members opposite than a reduction in the rate of post cards; and, as my Honourable colleague, the Finance Member, said the day before yesterday, there is none which it would give us greater pleasure to make. But I do want the House to realise that it is

going to cost a very large sum of money when it comes, at any rate in the initial stages. I trust I have said enough to show that it would have been absolutely out of the question for us to propose a change this year. Apart from the fact that according to our estimates it would have cost us 56 lakhs against the 27 lakhs we are losing on the adoption of the lower letter rate, we should have been bound to make the two changes together at a total cost of 83 lakhs, for otherwise the diversion of traffic from a letter rate of $1\frac{1}{2}$ annas to a post card rate of half an anna would have been very serious indeed and would have entailed further large losses.

I would appeal to the House in conclusion to let us go ahead with our experiment and let us see how that works before embarking on a larger one. Let us see how near our estimates are to being correct. If they prove unduly pessimistic no one will be more pleased than myself. I should be only too glad to concede to Honourable Members opposite that all the additional revenue is due to increased traffic resulting from reduced rates and none to that revival of economic prosperity which we all devoutly hope will come about before we meet again here to discuss this subject.

Sir, I regret to have to interrupt my Honourable friend, Mr. Maswood Ahmad's triumphal career. He has placed two amendments to the Finance Bill before this House which have met with unanimous approval, but I am sorry to say that I have to oppose this one.

Mr. Lalchand Navalrai (Sind: Non-Muhammadan Rural): Sir, I rise to support this amendment. The issue involved in this amendment is whether the present weight of $2\frac{1}{2}$ tolas should be reduced to half tola. In considering it, I shall restrict myself to the point, because there is a similar amendment standing in my name—No. 22—which is exactly the same as the first part of the amendment we are discussing, except that I have put the words "one tola" while the words in the amendment are "not exceeding one tola". The question is whether there is a reduction at all in the proposal of the Government to change the postal rate. I would submit, it is not a reduction at all: rather I call it an increase in disguise. No doubt at present we pay $1\frac{1}{2}$ annas, and it is going to be reduced to one anna. But, on the other hand, the weight allowed at present is $2\frac{1}{2}$ tolas, while the proposed reduction would make it half a tola: so that, on the one hand, we get a reduction by one pice in the charge, while the weight is being reduced from $2\frac{1}{2}$ to half tola. The disparity is so much that it can be easily seen that the Government cannot profess that they are giving a concession to the people. This postage was increased at a time when there was a crisis in the finances; and as my Honourable friend, Sir Frank Noyce, read just now, the Member in charge then made a statement that this increase was not going to be made permanently, and that when circumstances changed, the rate would again be reduced. The question is, when they see the time has come to reduce the rates, are they reducing it really? It is no good giving with one hand and taking away with the other more than they give. The lowering of the rate, and the reduction in the weight allowed are disproportionate to each other. At present we can send in an envelope nine sheets of note paper: here is a note paper that we have been ordinarily using in the Assembly writing room—the thin paper—not the red embossed thick paper which has a correspondingly thick envelope: I have weighed this letter paper in the post office here in the Chamber and it weighs one-fourth of a tola, and the envelope weighs another one-fourth

[Mr. Lalchand Navalrai.]

of a tola, so that, under the proposed rate, I can put one sheet and nothing more in this envelope, and since one writes generally on one side, it does not come to much

The Honourable Sir Frank Noyce: Sir, we do not all write quite as long letters as my Honourable friend.

Mr. Lalchand Navalrai: It is no question of writing long letters. As I was saying, for the present $2\frac{1}{2}$ tolas weight being allowed, I can write nine sheets like this, and, if I write on both sides, I can write an enormous amount of matter. But if under the new rate one can write only one sheet—and cannot write on both sides—he can as well write on a postcard on both sides. There is also another difficulty. I am an educated man, but still I had to go before the post office to have it weighed and ascertained as to how much it was. In this manner, everybody will have to be carrying with him a pair of scales and weights. It will be absurd to expect the general masses to do this sort of thing every time they write a letter.

There is yet another difficulty. Supposing I use two sheets instead of one: the total weight would then come up to $\frac{3}{4}$ tola: and if I put stamps for one anna, then the post office will charge me double the difference or two pice more.

[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty) vacated the Chair which was then occupied by Mr. Deputy President (Mr. Abdul Matin Chaudhury).]

I have, therefore, to be very careful that I do not exceed half a tola: even a *bania* sitting in his shop cannot possibly weigh such a small weight as that. I do not know what my Honourable friend wants the people to do, but this is a very great difficulty to be considered.

It is said that certain kinds of thinner paper could be used: is all the paper at present in India going to be sent back to England and thinner paper obtained? And if I were to use thinner paper, people can easily read through the envelope, and there will be no secrecy: we could as well use a postcard then. All these difficulties have to be considered. If that is my difficulty, then the difficulty of poor and ignorant agriculturist and the like will be more. But apart from this, what is the view of the commercial people? The Delhi Piecegoods Association have passed a resolution and sent that resolution to the Honourable Member in charge, and a copy has also been sent to me which I will place before the House: they also express the same difficulty and the same inconvenience that I have laid before the House. The Secretary writes:

"My Committee has carefully considered the proposal contained in the budget speech of the Honourable Finance Member to reduce the rates of postage on inland letters weighing not more than half a tola to one anna. This reduction is of no practical benefit to the commercial community, in so far as commercial letters typed on ordinary letter paper and enclosed in an ordinary envelope invariably weigh more than half a tola."

—It means that the commercial people should also have thinner note paper—and I have already disclosed to the House the disadvantage of that thin paper—

"If in order to enjoy the benefit of these reduced rates of postage any very flimsy letter paper and envelopes are used the letters enclosed in such envelopes would be read through without opening and hence the secrecy of the letters cannot be maintained."

—This is a very serious point that the House should consider—

“I am, therefore, directed to request you to make the reduced rate of one anna applicable at least to letters weighing one tola, so as to enable the public to derive some real advantage by this reduction.”

If you merely want to show a reduction in name, to show to the outside people that you have been reducing taxes, then you cannot give credit to Government for a thing like this where you give with one hand and take away more with the other. Then, further on, they say this:

“This, we feel sure, will greatly help the commercial community and at the same time will not adversely affect the Government revenues as the reduced income on such letters will be compensated by a corresponding increase in the number of letters sent.”

Now, Sir, when you were charging one anna letter postage, what was the weight that could be carried for that sum? It was one tola.

3 P.M. Then when you were charging six pies, you permitted to carry half a tola, and then again you allowed one tola one anna, and then it was increased to 2½ tolas for one anna and three pies. Now, from this rate you at once come down to half tola. Sir, I submit there can be no justice or reason in such a drastic and sudden reduction in the weight of letters. Let me tell my friend, Sir Darcy Lindsay, that to my knowledge I never knew of a time when the post office allowed quarter of a tola. He mentioned the year 1869, that was only a year before I was born. In those days, may I tell my friends that the post office was not so popular as it is today, the post office facilities were not availed of to the extent that we do today

The Honourable Sir Frank Noyce: Is the Honourable Member speaking from personal knowledge?

Mr. Lalchand Navalrai: No, I am not speaking from personal knowledge. I have already said that. The point is that there are many in this House who cannot talk of many things from personal knowledge. I don't challenge the statement of my friend, Sir Darcy Lindsay. I say it might be that the post office allowed quarter tola. In those days people had not much voice in these matters. Why, for that matter even in these days we are not allowed to enforce our will on the Government, we have no voice in many matters. Why if you put this motion to a division, you will find a large majority going over to the Government side, and that is why, knowing our weakness, Government are bringing forward unreasonable proposals like the one they have made. Sir, I submit it is simply a preposterous proposal to reduce the weight to half tola as is suggested.

Now, Sir, with regard to the economies effected by the Department,—the Honourable Member in charge made a reference to me. In my speech on the Finance Bill, I think, I did refer to it, and I did give credit to the Postal Department for effecting economies. There is no doubt that the Postal Department have tried to make economies, but my point is, and it should be taken note of even now that much economy is not made by the Government in the top officers. The figures given were one Deputy Director General, and one Deputy Chief Engineer were retrenched. Where there were two officers

Mr. S. P. Varma: I submit, Sir, that the Honourable Member is misquoting the information that Sir Thomas Ryan gave in his last speech . . .

Mr. Lalchand Navalrai: The information that you gave

Mr. S. P. Varma: Even that information is misquoted.

Mr. Lalchand Navalrai: I am saying that only two officers of that grade have been retrenched

Mr. S. P. Varma: One Deputy Director-General, one Deputy Chief Engineer and a number of Assistant Directors-Generals

Mr. Lalchand Navalrai: I am coming to that. I am talking of the top-most officers, I am talking of the officers at the top

The Honourable Sir Frank Noyce: How can the Honourable Member expect us to carry on without officers at the top at all? Without officers at the top, the Department could not carry on.

Mr. Lalchand Navalrai: If the posts of one Deputy Director-General and one Deputy Chief Engineer have been curtailed, have you not on the other side increased two more officers, one is a Deputy Director-General and the other is a Financial Adviser? One Deputy Director-General and one other officer were removed from the top, and, in their place, again, two new men have been put in. This is the sort of economy you are making. Sir, I object to that kind of economy. Of course, it is very easy to reduce the salaries of Superintendents. You may on one side put the salaries of those Superintendents who have been retrenched, and, on the other side, take the salaries of the new officers who have been appointed and see if the reduction you are seeking to make is nothing when compared to the additional salaries you are going to pay to your new officers. Therefore, the economy which you say you have effected is no economy at all. Of course, some officers have been retrenched, but as against that retrenchment you are appointing more officers in disguise to the detriment of the public. Sir, I strongly deprecate this kind of retrenchment. They remove a few Superintendents or cut down their salaries, while at the same time they appoint a few more officers. Can this be called real retrenchment?

Apart from that, Sir, I feel that though the Department has effected certain economies, there is still considerable room for reduction of the postage rates, and, therefore, I pointed out in the beginning of my speech that while you have reduced the rate of an envelope to one anna, thus cutting out three pies, you have at the same time reduced the weight of the letters to a ridiculous extent, and I cannot understand this sort of concession.

Then, my friend, Sir Darcy Lindsay, said that we should wait until such time as the Department is able to make up its finances, and then we could ask for a reduction in the postal rates. The Honourable Member in charge also said that if, on further consideration and further test, Government found that the present proposals were affecting the public adversely, the matter would be reconsidered. May I point out, Sir, how many promises of that kind regarding taxes were made before which have not been fulfilled? My submission is that a tax once raised will never be brought down. Look at the income-tax. Promises were made that it would be reduced, but has it been reduced at all? I should be very glad to know which are the taxes which after being raised have been removed. Therefore, in this case also, we cannot rely upon the promises of Government, and in this matter I think Government would be doing bare justice if they maintain the 2½ tola weight for letters.

An Honourable Member: The amendment is for one tola.

Mr. Lalchand Navalrai: I know the amendment has been made like that, because we are asking the least now, and not that we do not like to have $2\frac{1}{2}$ tolas, because then we will not make many mistakes. Every time we have to get our letters weighed, and, if there is a mistake, there will be penalties. I submit that the amendment of my Honourable friend is very modest, and, as I have read out the resolution of an Association, they also request the Government to take a reasonable point of view. If there is going to be a test made, let it be with one tola and not with half a tola. It is not yet too late to give relief to the people. One tola will not make much difference for the Government. Why should Government go down suddenly from $2\frac{1}{2}$ tolas to half a tola, and why should they not go down to one tola? This is a reasonable amendment and I hope that Government will show their *bona fides* by at least accepting one or two amendments. Up till now no amendment has been accepted, and I have no hope that any amendment will be accepted, because the Finance Member began his speech the other day on salt with a statement which I thought was a thing that should not have come from a person like the Finance Member. He said that his reasons for opposing the amendment regarding the salt duty were the same as in 1929, 1930, 1931, 1932, and 1933. Is it a reason, because at one time certain reasons had been given for imposing or increasing the tax, that the tax should not be reduced and the same reasons should be repeated? This is a fallacy, and I hope the House will give full consideration to this amendment, this modest and reasonable amendment, and that it will accept it.

Diwan Bahadur Harbilas Sarda (Ajmer-Merwara: General): I think that the amendment which has been proposed to the effect that letters embossed with one anna stamp may weigh up to one tola and not half a tola only, is a very reasonable one. Half a tola is a very small weight, and used as we have been for a long time to writing letters on a much thicker paper than what we used 12 or 15 years ago, it is a little hard that people should be asked now to put an anna stamp and see at the same time that the paper plus the envelope does not weigh more than half a tola. It may not be hard on the people in the towns to see that their letters do not weigh more than half a tola, but people living in the villages and out of the way places and who have not got the same facilities for weighing letters or for getting thin writing paper as we have in the towns, will experience great hardship. The result will be that people would post their letters thinking that one anna stamp was sufficient on the envelope, but, as a matter of fact, those letters would become unpaid letters, and, instead of saving three pice on each letter which they thought they would be doing, the addressee would have to pay six pice. The Department would find that the number of unpaid letters had become double or treble of those which are not received unpaid. Such being the case, I think if the weight is raised to one tola, instead of keeping it at half a tola it will not work with hardship upon the people. It would be in the interests of those who live in villages and other out of the way places if this weight is raised to one tola. I personally think that people in those places would rather like that it may be kept at $2\frac{1}{2}$ tolas for five pice, than that it should be kept at half tola for four pice.

An Honourable Member: Let the question be now put.

Mr. S. C. Mitra: Sir, I wanted to say only a few words on this particular motion, but I am tempted to say a great deal on the very exhaustive and illuminating speech that the Honourable Member in charge of the

[Mr. S. C. Mitra.]

Department has made covering the whole subject. But as we have to complete the Finance Bill before the month is over, I resist the temptation and I shall take another opportunity to deal with those matters. Government may have no interest in settling their inter-departmental accounts, but we on this side are very anxious to see that the Department is managed with the strictest economy, and, from this standpoint, we always want that the accounts on the postal side and the telegraph side should be maintained separately on a proper basis, because, whenever we raise the question of lowering the postage, it is said that it is not a paying concern. I fully agree with the Honourable Member in charge of the Department that people in general are more anxious to lower the price of postcard than that of the envelope, and there are difficulties also. We maintain that this half a tola letter is illusory, because the poor villager cannot carry with him a fine scale to weigh his letter every time he writes a letter. He will be liable to fines frequently unless the weight of the letter for one anna stamp is raised to one tola. I took an envelope and a letter paper from the Secretary's table and had it weighed, and found that the weight was one tola. If you raise the weight to one tola for one anna, it will not mean so much loss as is apprehended. If Government have no idea of setting a premium on the sale of the scales, I think they will accept this very modest suggestion.

Some Honourable Members: Let the question be now put.

Mr. A. Hoon (Allahabad and Jhansi Divisions: Non-Muhammadan Rural): When I read the speech of the Finance Member I found that there was a proposal in it to reduce postal charges, and I thought at that time that the whole thing was entirely illusory. After hearing the speeches which the Honourable Members have made this morning and after seeing how much paper can be put into an envelope which can be covered by one anna stamp, I have come to the conclusion that the concession granted is not at all illusory. As such, I regret I cannot support the amendment of my Honourable friend, Mr. Maswood Ahmad. The reason is this that I look at the question from this one point of view that it is our duty to see that the Budget is generally balanced, and, particularly, that of the Postal Department, which I can, without fear of contradiction, state is the best Department worked under the Government of India.

An Honourable Member: Then do not complain of any taxation.

Mr. A. Hoon: I can safely say that this Department is free from almost any kind of corruption. Honourable Members who have spoken have said that the concession offered is illusory, and they have also laid great stress on the point that villagers are likely to suffer hardship and that even people in the towns are likely to make mistakes with regard to the question of the weight of letters and that when letters are posted in those circumstances extra fees will be charged by the Postal Department. I may be wrong, and if I am wrong, I shall be pleased if any Honourable Member corrects me when I state that it is within our living memory that we had a six pie envelope, and, at that time, all that could be sent in that envelope was not more than half a tola. The villager used to use that envelope, the man in the city was using that envelope, and I do not think there were many cases where letters had to be paid for extra on account of the additional amount of weight.

Sir Darcy Lindsay: May I say that for 35 years, from 1869 to 1905, there was a half an anna rate for half a tola?

(Interruption by Mr. Lalchand Navalrai.)

Mr. A Hoon: If Honourable Members think that the hardship is going to be abnormal now, how is it that at that time, when half a tola could be sent with a six-pie stamp, we had not had many complaints. With the advance of education in villages, why should the ordinary villager be put to that trouble which some of us in this House are anticipating? There is one other aspect, and that is that the illiterate villager generally gets his letters written by a scribe who takes his seat in the village post office and that man is supposed to know the rules with regard to the stamping of letters. I look at the question from one other point of view and that is that we should be thankful for whatever little concession we can get these days. There was a time when the stamp was only six pies for half a tola. Later on, it went up to one anna, and then it was raised to one anna and three pies. Now, we are going back to the stage when the stamp duty is reduced from one anna three pies to one anna, and we can send an ordinary letter in an envelope by paying only one anna. My learned friend, Mr. Navalrai, said that he shall not be able to send four or five sheets of paper in an envelope. I submit, certainly the advantage will not be much to a person who wants to send long speeches to the press, but it will certainly be a great concession to those who write letters to their friends and relations. (Interruption by Mr. Lalchand Navalrai.) Under these circumstances, my submission is that as it has been explained by the Honourable Member in charge of the Postal Department that further concessions on this point are not possible, there is no reason why we should not accept whatever is offered to us with good grace.

Sir Hari Singh Gour (Central Provinces Hindi Divisions: Non-Muhamadan): I did not want to intervene in this debate, but I am constrained to do so by the speech delivered by my friend, Mr. Hoon. I thought that there was an agreeable unanimity among the Members on this side of the House on the amendment moved by my Honourable friend, Mr. Maswood Ahmad, but a discordant note has been struck by my friend, Mr. Hoon, which compels me to correct a misconception which seems to have driven him to oppose this amendment. He has recalled the good old days of a half anna postage, so has my friend, Sir Darcy Lindsay. Will they once more throw their mind back to those days? Will they not remember that those were the days when letters were written on tissue paper? Will they not remember those days in the monsoon when letters were wet and the ink perforated the flimsy paper, and it was difficult to read either one side or the other? Will they not remember that complaints were made not only by the public, but by the departmental heads who said: "We cannot have reading glasses to read the letters which the public send them", and the filing Departments of Government complained that they could not even bore holes on those letters, because the moment they bore holes, the paper tore into two or three pieces? That was the reason why a thicker paper was encouraged, and I ask the Honourable Member in charge, if he is going to make an experiment, why not make a fair experiment. Does he expect my friend, Mr. Hoon, the apostle of the half tola postage, to come one fine morning into this House with a pair of scales dangling over his shoulders, and when my friend, the Honourable Member for Industries, asks

[Sir Hari Singh Gour.]

him: "What is this", Mr. Hoon will reply "posting a letter". That would be the situation that will be created. It would be a most unwelcome change in the existing rate of postage, and if the Honourable Member for Industries does wish to make any experiment at all, let it be a good and fair experiment, an experiment in which the people will co-operate and an experiment which will bring to the coffers of the post office the revenue which they expect from it. Let it not be a bait for a surcharge of half an anna, because I venture to submit that if the Government proposal goes through, within a very short time, the post offices, if they are conscientious, and they all are, will be weighing letters after letters to recover a surcharge, and the Honourable Member for Industries knows how difficult it is to trace the recipient of a bearing letter, for this would be a bearing letter. The postman goes to the person and the man says "come tomorrow". The man goes the next day, and the man says "Father is ill, come day after tomorrow". Look at the inconvenience that would be caused by a very large number of letters marked bearing, because due postage has not been paid. I ask in all fairness to the Honourable Member for Industries that he should really accede to the amendment which has been moved and which will support the very purpose he has in view. Whatever may be the fate of this amendment, let it go out that we on this side of the House are unanimous in asking the occupants of the Treasury Benches to accede to the amendment.

Diwan Bahadur Harbilas Sarda: In view of Sir Darcy Lindsay's reference to those days when for years letters weighing half a tola only bore a half anna stamp, I wish to ask the Honourable Member whether he proposes to issue embossed anna envelopes of the same size and weight as he used to do in the old days, without charging anything extra for these envelopes.

The Honourable Sir Frank Noyce: Sir, my Honourable friend could not have read the Honourable the Finance Member's Budget speech carefully. His suggestion is exactly what we are proposing to do, except that we are not proposing to issue embossed half anna envelopes: we are going to issue embossed anna envelopes free of charge.

Several Honourable Members: The question may now be put.

Mr. Deputy President (Mr. Abdul Matin Chaudhury): The question is that the question be now put.

The motion was adopted.

Mr. Deputy President (Mr. Abdul Matin Chaudhury): The question is:

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

For a weight not exceeding one tola	One anna.
For a weight exceeding one tola but not exceeding two and a half tolas.	One anna and three pies.
For every additional tola or fraction thereof	Half an anna'."

The Assembly divided :

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

AYES—37.

Abdul Matin Chaudhury, Mr.
Azhar Ali, Mr. Muhammad.
Bhuput Sing, Mr.
Das, Mr. A.
Das, Mr. B.
Dutt, Mr. Amar Nath.
Fazal Haq Piracha, Khan Sahib
Shaikh.
Gour. Sir Hari Singh.
Ibrahim Ali Khan, Lieut. Nawab
Muhammad.
Jadhav, Mr. B. V.
Jha. Pandit Ram Krishna.
Jog, Mr. S. G.
Joshi, Mr. N. M.
Lahiri Chaudhury, Mr. D. K.
Lalchand Navalrai, Mr.
Mahapatra, Mr. Sitakanta.
Maswood Ahmad, Mr. M.
Mitra, Mr. S. C.
Muazzam Sahib Bahadur, Mr.
Muhammad.

Mudaliar, Diwan Bahadur A.
Ramaswami.
Murtuza Saheb Bahadur, Maulvi
Sayyid.
Neogy, Mr. K. C.
Pandya, Mr. Vidya Sagar.
Parma Nand, Bhai.
Patil, Rao Bahadur R. L.
Rajah, Raja Sir Vasudeva.
Ranga Iyer, Mr. C. S.
Rao, Rao Bahadur M. N.
Sant Singh, Sardar.
Sarda, Diwan Bahadur Harbilas.
Sen. Pandit Satyendra Nath.
Shafee Paoodi, Maulvi Muhammad.
Singh, Mr. Gaya Prasad.
Sitaramaraju, Mr. B.
Thampan, Mr. K. P.
Uppi Saheb Bahadur, Mr.
Ziauddin Ahmad, Dr.

NOES—49

Abdul Aziz, Khan Bahadur Mian.
Ahmad Nawaz Khan, Major Nawab.
Allah Baksh Khan Tiwana, Khan
Bahadur Malik.
Anklesaria, Mr. N. N.
Bajpai, Mr. G. S.
Chatarji, Mr. J. M.
Cox, Mr. A. R.
Dalal, Dr. R. D.
Darwin, Mr. J. H.
DeSouza, Dr. F. X.
Dillon, Mr. W.
Ghuznavi, Mr. A. H.
Graham, Sir Lancelot.
Grantham, Mr. S. G.
Haig, The Honourable Sir Harry
Hardy, Mr. G. S.
Hezlett, Mr. J.
Hockenull, Mr. F. W.
Hoon, Mr. A.
Hudson, Sir Leslie.
Irwin, Mr. C. J.
Ismail Ali Khan, Kunwar Haico.
Ismail Khan, Haji Chaudhury
Muhammad.
James, Mr. F. E.
Jawahar Singh, Sardar Bahadur
Sardar Sir.

Lal Chand, Hony. Captain Rao
Bahadur Chaudhri.
Lindsay, Sir Darcy.
Macmillan, Mr. A. M.
Mecalf, Mr. H. A. F.
Millar, Mr. E. S.
Mitter, The Honourable Sir Brojendra.
Morgan, Mr. G.
Mukharji, Mr. D. N.
Mukherjee, Rai Bahadur S. C.
Noyce, The Honourable Sir Frank
Pauit, Rao Bahadur S. R.
Rafuddin Ahmad, Khan Bahadur
Maulvi.
Ramakrishna, Mr. V.
Rastogi, Mr. Badri Lal.
Rau, Mr. P. R.
Row, Mr. K. Sanjiva.
Sarma, Mr. R. S.
Schuster, The Honourable Sir George
Scott, Mr. J. Ramsay.
Sher Muhammad Khan Gakhar,
Captain.
Singh, Mr. Pradyumna Prashad.
Sloan, Mr. T.
Tottenham, Mr. G. R. F.
Varma, Mr. S. P.

The motion was negatived.

Mr. Amar Nath Dutt: May I be permitted to make one observation? I am told by those who know that the Parliamentary practice is that when a division is called, there should be no change in the personnel

[Mr. Amar Nath Dutt.]

occupying the Chair. That is the convention of the British Parliament. Of course, we always follow the conventions of the British Parliament, and I only hope that the change in the personnel will not vitiate the taking of these votes.

Mr. N. M. Joshi: It is very useful for us.

Mr. Amar Nath Dutt: But there should not have been any change in the personnel when the division was going on.

Mr. President (The Honourable Sir Shanmukham Chetty): Order, order: The Chair is a constant factor and it never changes. (Laughter.)

Mr. Amar Nath Dutt: My submission is that the convention of the British Parliament is like that.

Mr. President (The Honourable Sir Shanmukham Chetty): There is no difference between the person and the Chair. The Chair is the Chair.

Mr. M. Maswood Ahmad: Sir, I beg to move:

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

' For a weight not exceeding one tola	One anna.
For a weight exceeding one tola but not exceeding two and a half tolas.	One anna and threepies.
For every two and a half tolas or fraction thereof exceeding two and a half tolas.	One anna and three pies'."

Sir, I do not want to make any speech in this connection, but only wish to say that my Honourable friend has today replied on behalf of the Government on the many questions which were raised at the time of the Budget and at the time of the cut motions. So, I think the points which have been raised by me today will be replied at the time when supplementary demands will be discussed. I want really to inform my Honourable friend that in an envelope weighing half a tola no paper except the bromo paper can be used. (Laughter.) My Honourable friend has shown several kinds of paper, but my own experience with these two kinds of paper which have been taken from the library and are the lightest kinds of stationery is that when I took their weight at the post office attached to this House they were found to be more than half a tola, and if you add the weight of the ink, their weight will be just one tola.

The third point to which I wish to reply, because I could not reply at that time, is that my Honourable friend has said that there are two reasons for the decrease in income. The one, as they have admitted, is the enhanced rate, and the other is due to the economic depression. There I do not agree. If you will look at the figures, you will find that the number of British postal orders has increased in the same period. So, the economic depression is not the reason for the decrease in the income. Rather it is really the enhanced rate only.

Sir, this amendment may be acceptable to Government, because I have left everything as they have suggested. Only I have raised the weight which can be carried for one anna stamp—from half a tola to one tola.

In other respects, it is just the same as it has been proposed by the Government. So, I think, it may be acceptable to the Government. Sir, I want to suggest that these rates are the maximum rates, and if Government should oppose us at this time, I would suggest that they should re-consider this point calmly after the Session of the Assembly. And if they find that our suggestions were reasonable, then I would ask them to reduce the rate by means of an executive order. Under the Act, these proposals are for the maximum rate, and by an executive order they can reduce them. So, I suggest that they should reconsider these points, when the Session of the Assembly is over in a calmer atmosphere. With these words, I move my amendment.

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

“That in Schedule I to the Bill in the proposed First Schedule to the Indian Post Office Act, 1898, for the entries under the head ‘Letters’ the following be substituted:

For a weight not exceeding one tola	One anna.
For a weight exceeding one tola but not exceeding two and a half tolas	One anna and three pies.
For every two and a half tolas or fraction thereof exceeding two and a half tolas.	One anna and three pies’.”

Mr. Lalchand Navalrai: Sir, this is a still more modest amendment and I think it should be accepted. I support it.

Mr. N. M. Joshi (Nominated Non-Official): Mr. President, may I say one word in support of this amendment? My reason is this. I see great force in the argument of my Honourable friend, Sir Hari Singh Gour, in which he stated that if you are going to make an experiment, let it be an experiment in which people too can join wholeheartedly. This is not a question of the Department being administered at a loss. I do not wish myself that the Department should be run at a loss. The question of the rate of postage which is concerned in this amendment is not a question of loss at all. The difference will be only of a few lakhs of rupees, and the question of profit and loss does not arise. It may be that there was a time when we used to have half a tola weight for a letter, but the habits of people have now changed, and it is very difficult for people to go back to the habits of 25 years ago. I, therefore, feel that the Government of India should take advantage of this amendment and reconsider their position. What might happen is this that, people, who will post their letters without weighing them, may have to pay a penalty, or people, who will not take the care to weigh their letters, will put quarter of an anna more in order to avoid penalty. I think that this is not quite a fair arrangement. I would, therefore, suggest to the Government of India that, as a large sum of money is not involved in this question, they should reconsider their position and accept the amendment.

The Honourable Sir Frank Noyce: Sir, less than five minutes ago, we voted on an amendment which, to all intents and purposes, was exactly the same as this one. Mr. Maswood Ahmad’s amendment No. 16 was that the rate for a letter not exceeding one tola should be one anna with certain changes in the higher categories. This amendment is also the same except that the changes in the higher categories, which are not important, are slightly different. But the gravamen of the amendment is that the rate for a one tola letter should be one anna. The House rejected an amendment to that effect a few minutes ago.

Mr. S. C. Mitra: It will mean less loss to Government.

The Honourable Sir Frank Noyce: The House rejected that a few minutes ago, and I cannot ask it, I would not be justified in asking it to reconsider its decision after such a short space of time. But there is just one word I should like to say, and that is to give an assurance to the House. There seems to be a general impression abroad that post offices are going meticulously to weigh every letter that is put in the letter boxes. I can assure the House that it will do nothing of the kind. As far as my knowledge of the Department's methods goes, the sorters can by long experience tell the weight of a letter within a minute fraction merely by handling it, and it is only if a letter is obviously over-weight that they throw it out to be weighed and charged. There is not going to be any great increase in the number of letters on which such charges will be levied. My Honourable friends opposite have returned to the charge time and again that, in order to take advantage of the half tola rate, the most flimsy note paper will have to be used. I thought that I had given sufficient reasons for confuting that view, and I have explained that I myself use a note paper which I do not think anybody could call flimsy. The ordinary Crown Bond note paper with its appropriate envelope weighs less than half a tola, and that is enough for half or three quarters of the communications which most of us write. This half a tola rate was practicable for 35 years, and I cannot believe that it will not be practicable now and that the poorer classes, for whose benefit it is being introduced, will not be able to take the fullest advantage of it. Sir, I regret I must oppose this amendment as I did a similar amendment moved by my Honourable friend, Mr. Maswood Ahmad, just now.

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

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

' For a weight not exceeding one tola	One anna.
For a weight exceeding one tola but not exceeding two and a half tolas.	One anna and three pies.
For every two and a half tolas or fraction thereof exceeding two and a half tolas.	One anna and three pies '."

The motion was negatived.

Mr. K. P. Thampan: Sir, I beg to move:

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

' For a weight not exceeding one tola	One anna.
For a weight exceeding one tola but not exceeding two and a half tolas.	One and a half annas.
For every two and a half tolas or fraction thereof exceeding two and a half tolas.	One and a half annas '."

I suggest an increase in the weight of the first item, and if there is a reduction of revenue on that by the adoption of this motion, I believe that it will be compensated by the revenues from the second and third items, both of which I have increased by three pies. The surcharge of 25 per cent was imposed in 1931 on account of the financial stringency. Since then, conditions have improved: trade is increasing and the Budget has been balanced. As a matter of fact, half the cut in salary has been

restored. The time has, therefore, come to reduce this burden, and, I am sure, the Government will not be running any enormous risk by accepting this amendment. I commend it for the acceptance of the House.

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

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

For a weight not exceeding one tola	One anna.
For a weight exceeding one tola but not exceeding two and a half tolas.	One and a half annas.
For every two and a half tolas or fraction thereof exceeding two and a half tolas.	One and a half annas'."

Mr. M. Maswood Ahmad: I do not want to oppose my Honourable friend. But, for future guidance, I want to know whether an increase in the postal rates can be suggested because this amendment is neither to maintain the *status quo* nor to decrease the rates.

Mr. President (The Honourable Sir Shanmukham Chetty): It decreases the burden as compared with the one proposed by Government.

The Honourable Sir Frank Noyce: Sir, this amendment is so similar in character to one which has already been disposed of

An Honourable Member: No, it is not similar.

The Honourable Sir Frank Noyce: If my Honourable friend had not interrupted me, I was about to say that this amendment is so similar in character to one which has already been disposed of that I have very little to say about it except to deal with the last of the three proposals, namely, the raising of the rate for letters weighing over two and half tolas from one anna and three pies to one anna and six pies. I understand the motive with which my Honourable friend, Mr. Thampan, has moved his amendment in this form, and he has very obligingly made the suggestion for which we are indebted to him that we should try and get back some of the loss through the raising of the half tola to one tola by increasing the rates on the higher category. The difficulty I have in accepting his amendment is that it is very doubtful whether the increase from the heavier weight letters would be sufficient to cover the loss.

Mr. K. P. Thampan: Why not try it for a year?

The Honourable Sir Frank Noyce: I have said already that we are making one experiment, and we do not feel that we should be justified in going further.

As I said, Sir, the loss we estimate from accepting the increase in the half tola rate to one tola is something like Rs. 5 to Rs. 7 lakhs and, as far as we can judge, we can only get Rs. 3 lakhs by accepting the proposal made in the third item, namely, to increase the rate for letters weighing over two and half tolas to one anna and six pies. But there is also the danger that we might promote a form of smuggling, that is by sending letters by parcel

[Sir Frank Noyce.]

post. There is another objection which ought to appeal to my Honourable friend, Mr. Lalchand Navalrai, namely, that the amendment would penalise the large commercial concerns which are in the habit of sending large packets by letter post. For these reasons, though I appreciate my Honourable friend, Mr. Thampan's motive in moving this amendment, I regret that I am unable to accept it.

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

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

'For a weight not exceeding one tola	One anna.
For a weight exceeding one tola but not exceeding two and a half tolas.	One and a half annas.
For every two and a half tolas or fraction thereof exceeding two and a half tolas.	One and a half annas."

The motion was negatived.

Mr. Amar Nath Dutt: Sir, I beg to move:

"That in Schedule I to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, against the first and second entries under the head 'Letters' for the words 'One anna' and 'One anna and three pies' the words 'Half an anna' and 'One anna', respectively, be substituted."

I find myself in a little embarrassing position to have to move this amendment after the other amendments which ought to have come after mine and after voting was taken on this, yet I move my amendment for the acceptance of the House, if possible. My Honourable friend, Mr. Maswood Ahmad, complained against me that I was racing with him to get priority. The House is probably not aware as to who was racing. When I honestly believed that a reduction of salt duty to two annas was necessary, I sent in my amendment, and my Honourable friend at once sent in an amendment to reduce the salt duty to one anna which, Sir, I am thankful that you found to be frivolous and did not accept.

Mr. M. Maswood Ahmad: I sent in my amendment only for this reason that I wanted to show that not only my Honourable friend could draft an amendment to get priority, but others also could.

Mr. Amar Nath Dutt: Honourable Members know that you, Sir, as the custodian of the rights and privileges of the Members

Some Honourable Members: Please do not take notice of his remarks.

Mr. Amar Nath Dutt: In accordance with the desire of my Honourable friends, I shall not pursue his remarks.

Sir, what I was pointing out about my embarrassment was that a little trouble taken by those who were responsible for putting it up before you would not have placed me in this embarrassing position of coming after those amendments which

Mr. President (The Honourable Sir Shanmukham Chetty): Order, order. The Honourable Member started by making a remark
4 P.M. of a similar nature which the Chair did not choose to reply to, but he is again persisting in repeating that remark. The Honourable

Member must know that the procedure of the House that has been followed all these years, in relation to the Finance Bill or in relation to any other Bill, is that an amendment which seeks to substitute an entire clause or an entire Schedule or a part of it is always given priority. That has been the practice that has been followed and that practice is being observed.

Mr. Amar Nath Dutt: I was speaking about my own embarrassment, and, certainly, if the Chair does not like it, I shall not do it.

Mr. B. Das: Is not your embarrassment due to the fact that you were a member of the Postal Retrenchment Committee, and, therefore, you cannot justify this amendment?

Mr. Amar Nath Dutt: I do not think I can reply at once to Honourable Members who have been interrogating me.

The Honourable Sir Brojendra Mitter: So better withdraw (Laughter.)

Mr. Amar Nath Dutt: I would have been glad to accept that advice if it had been in the interest of my country and countrymen. But I believe that the advice just now given by my Honourable friend over there is not conducive to the interests of the millions of my countrymen. People who have any memory of the past will remember that letters were carried for half an anna. Suddenly the War came in, the Government treasuries were empty, and they probably wanted to make money by taxing in this way. Those days are gone, and, in place of a high price level, we have now the lowest price level that we at least in our lifetime have ever seen. That being so, I think Government ought not only to welcome this amendment, but find out means to give other reliefs that are possible to the men who have occasion to use these envelopes and post-cards. If they do not do that, they would be lagging in their duty towards the masses of this country from whose pockets they are maintained. Sir, you will find that I have also put one anna for heavier letters, and it is only with regard to a few letters of half a tola that I want half an anna. I think the arguments that I may adduce in moving this have been repeatedly adduced on the floor of this House and have been repeatedly replied to in the same strain year in and year out. My Honourable friend, Sir Darcy Lindsay, said that he would deprecate any attempt to reduce and he also reminded us of the days after 1869, and he has held out hopes to us that from next year there will be a reduction of postage rates. Sir, hope deferred maketh the heart sick. We have been waiting and waiting for years, and I remember a very responsible Member of Government once assuring us in the year 1931 that he expected to take away all these surcharges, etc., by the end of the financial year 1933. Sir, 1933 has passed away and 1933-34 is also passing, and still we are not in sight of it. My Honourable friend, Sir Frank Noyce, has been pleased to observe that the tale is a cheerful one. If the tale is a cheerful one, why not give us a little more cheerfulness by giving us relief in postage rates? But, later on, he has given us an idea as to when we may expect a reduction of postal charges. It is after they have been able to do away with the five per cent cut in salaries, after they have replenished their depreciation fund, and many other things for which we shall probably have to wait till Doomsday. Then, what does this improvement in revenue mean?

[Mr. Amar Nath Dutt.]

Nothing. It has been said they have been experimenting, but experimenting with what? One pie from the price of the envelope which they used to charge? But, I may remind them that since the introduction of the one pie charge for these envelopes, very few people used their envelopes, but purchased a dozen envelopes for one pice from outside and used them. So, that is no relief. Then, again, about this one pice reduction I think very few will avail of it. If really they want to make an experiment, I would invite them to accept my amendment, and that experiment will be a real experiment and not an illusory one. Sir, I once more repeat that the House should forget the embarrassing position to which I referred and decide independently on the merits of this amendment. Sir, I move.

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

"That in Schedule I to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, against the first and second entries under the head 'Letters' for the words 'One anna' and 'One anna and three pies' the words 'Half an anna' and 'One anna', respectively, be substituted."

Mr. Lalchand Navalrai: Sir, there are two points which may be considered with regard to this amendment. The amendment proposes that for weight not exceeding half a tola the charge should be half an anna. Now, Sir, we have heard from Sir Darcy Lindsay and also from Mr. Hoon that there was this practice at one time and it went on for 35 years. Therefore, I submit that the practice which went on for 35 years may be restored now and tried, because there is a desire on the part of the Postal Department to make an experiment. There is a precedent for this amendment, and it should, therefore, commend itself to the Government as well as to the people. I think this should be tried. That is one point.

The second point is this: my Honourable friend, the Member in charge, said that there would not be many who are accustomed to write many sheets—and he instanced my case: but I think that something should be done to help such people and enable them to write at least two sheets and put them in an envelope. Otherwise, it becomes more or less absurd, that we should be expected to use only one sheet of this thin paper and this thin envelope to come within the half tola weight. For these two reasons, I think this amendment is a very good one, and I think it should be accepted.

The Honourable Sir Frank Noyce: Sir, my Honourable friend, Mr. Amar Nath Dutt, suggested that whilst we were making an experiment, we might make a real experiment. All I can say is that if we accepted this amendment, it would be a very real experiment, as it would cost us a crore and a half. (Laughter and Interruption.) My Honourable friends, Mr. Amar Nath Dutt and Mr. Navalrai, want us to go back to the glorious days of old, of the half anna postage. I would appeal to Mr. Mitra and ask him how he would like us to go back to the old rates of pay of those days. I think we have got to face the fact that there is no hope of ever getting back to the half anna postage. I hope we shall get back to the one anna postage for 2½ tolas in the near future, but there is no hope of going back to the half anna postage at any time that I can see. I may as well disabuse my Honourable friend, Mr. Amar Nath Dutt's mind if he has any expectation that we shall ever be able to do that. I have no doubt whatever myself that the wages of our inferior

staff, which is a fairly big item, probably the largest item, in the cost of the Department, are never going again to the old level, and I do not think any of us would wish that they should: we want a higher standard of living than was common in India thirty or forty years ago. As I have said, this experiment would cost over a crore and a half, and I do not think my Honourable friend's amendment is likely, therefore, to commend itself to the House.

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

"That in Schedule I to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, against the first and second entries under the head '*Letters*' for the words 'One anna' and 'One anna and three pies' the words 'Half an anna' and 'One anna', respectively, be substituted."

The motion was negatived.

Mr. Amar Nath Dutt: Sir, I move:

"That in Schedule I to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, against the first entry under the head '*Letters*' for the words 'One anna' the words 'Nine pies' be substituted."

I shall most eloquently appeal by not saying anything on this amendment, save and except leaving it to the good sense of the Honourable Members to accept it.

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

"That in Schedule I to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, against the first entry under the head '*Letters*' for the words 'One anna' the words 'Nine pies' be substituted."

The Honourable Sir Frank Moyer: Sir, I will follow my Honourable friend's example and be very brief indeed. I will merely say that we estimate the cost of this proposal, assuming that there is a 12½ per cent increase in traffic, at 76 lakhs.

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

"That in Schedule I to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, against the first entry under the head '*Letters*' for the words 'One anna' the words 'Nine pies' be substituted."

The motion was negatived.

Mr. S. G. Jog (Besar Representative): Sir, I am really very enthusiastic about this amendment. I move:

"That in Schedule I to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, after the existing entries under the head '*Letters*' the following be inserted:

'A letter for local service.....Six pies.'

I may take this opportunity of making a few general observations so far as the department is concerned

Mr. President (The Honourable Sir Shanmukham Chetty): That would not perhaps be permissible now. There was a very comprehensive discussion about the general postal rates and the Postal Department. The Honourable Member must now confine himself to the merits of his own amendment.

Mr. S. G. Jog: I quite see the point raised by the Chair, and I will certainly restrict myself to my amendment; but, before I speak on it, it is necessary to make a few introductory remarks by way of preface. What I want to bring to the notice of the Department is that, in foreign countries, England and others, the rates of postage have gone down. Let me appeal to the Postal Department here to do the same. I am speaking with some authority, and unless I am contradicted by some definite information, I would like to stick to my own view—I am reading from an article—I think it comes from a responsible paper, *the Servant of India*, which was at one time edited by the Right Honourable Srinivasa Sastri; so I cannot take assertions and allegations made in that paper as coming from irresponsible people. That paper says:

“Although England and many other countries have long ago brought down their rates of postage to the pre-war level there is no sign that India will witness any reduction in its rates in the near future.....”

The Honourable Sir Frank Noyce: Sir, I can very definitely contradict that statement. The rate of postage in England is not at the pre-War level. England had a penny postage before the War, and the rate is now a penny halfpenny.

Mr. S. G. Jog: I am sorry I have been a bit misled by what has appeared in the paper. Anyway, I should like to suggest to the Department that the time has really come when a detailed inquiry should be made and every possible attempt must be made to go back to the old days and to old ways. The prices of all commodities have gone down to their pre-War levels, and there is no reason why postage rates and postal charges and the postal establishment should not go back to the old scale. I would appeal to the Department to make every effort to bring it to the old level. The Department is very still and very conservative; they have no idea of making any new experiments and they have got no imagination and they never invite any suggestions, and if any suggestions are made, probably they never think of investigating those cases. I may bring to the notice of the Honourable Member that, in the last three years, year after year, I have been making suggestions as regards the local service. We can introduce the local service both in the case of letters as well as postcards. Take, for instance, these big Presidency towns—Bombay, Calcutta and Madras, or big cities with a population of 50,000 and above. There is a lot of correspondence sent in such big cities locally. Many people want to send invitation cards, greetings and things like that. There are different ways of sending such things, and this is one of the methods by which a cheaper means of communication can be made available to the public in big towns and cities. My friend might probably suggest that the acceptance of this proposal might affect the revenues of the Department but I can give him an assurance that this proposal, if given effect to, will not affect the revenues of the Government in any way. On the contrary, I believe that it will add to the postal revenues. This will be a new source of income, it will be a new line of communication which will be introduced in big cities;

it will encourage correspondence locally. For instance, if you have to communicate with your friend, instead of sending a letter through a messenger, you would prefer to write a letter if you can send it for six pies, or if it is a postcard at some reduced rate. I submit, Sir, this is a new line of communication which will considerably add to the income of the Postal Department. I earnestly appeal to the Government that this is an experiment that is worth undertaking, and, although it is a new thing, it is worth encouraging. It is possible that the postal officials might say that, by the adoption of this proposal, there would be some increase of work requiring additional staff, but I do not think there would be any necessity for having any additional staff to cope with the increase of work that is expected. We have got the postal service already at work, and if some more letters or some more cards have to be carried, I don't think it will be a great burden to the postal peons, and so I don't think you would need any special or additional establishment. The existing establishment would be quite able to cope with any slight additional work that might be thrown on them by the adoption of my proposal. I, therefore, earnestly request that the Government should investigate this matter and introduce the local service. Let us have a sort of experiment, and let us see how it results next year. If the Postal Department find that it is a remunerative line, it is a line which would add to the convenience and comforts of the people, I think it would be worth continuing. With these words, Sir, I again earnestly appeal to the Government that this experiment should be given a fair trial.

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

"That in Schedule I to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, after the existing entries under the head 'Letters' the following be inserted:

'A letter for local service.....Six pies.'"

The Honourable Sir Frank Noyce: Sir, my Honourable friend, Mr. Jog, complained that we never paid any attention to the suggestions that came to us from various quarters of this House, but I can assure him that it is very far from being the case. He put forward this interesting suggestion last year, and I promised I would examine it as *prima facie* there appeared to be certain attractions about it, I did examine the question. I asked my Department to get information as to the other countries in the world in which a local service had been introduced. I find, in point of fact, that there are very few countries which have this local service system. There is a system of local service for letters and postcards in Denmark, Mexico, Holland, Venezuela, Peru, Turkey and Italy. Local rates for parcels exist in Mexico, but there are special rates for printed papers sample packets, etc., in Denmark, Mexico, Holland and Venezuela. Now, I would like to draw the attention of the House to the list of the countries I have read out. They are all, with the exception of Italy and Mexico, small countries and I think it would be correct to say that some of them are rather backward countries—I am referring to the South American Republics in which the state of communications, I believe, leaves something to be desired . . .

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): May I point out, Sir, that this system of local service exists in Germany where the postal system is best developed after England.

The Honourable Sir Frank Noyce: I am much obliged to my Honourable friend. I am sorry if my Department did not obtain information for me from Germany, but I will have it verified. In any case, Germany would only be an exception to the general rule, that the countries in which the local service system is in force, with the exception of Italy and Mexico, which are big countries, though they are not as thickly populated as India, can fairly be described as small countries

Mr. Amar Nath Dutt: May I know, Sir, what connection has the size of a country got to do with the introduction of the local service system?

The Honourable Sir Frank Noyce: That, Sir, is a point to which I was about to come. The point to which I was about to direct the attention of the House is that this proposal goes directly counter to the whole system of uniform rates on which the Posts and Telegraphs Department in this country has been working up till now. I admit that the proposal did attract me at first sight last year when the outlook was rather bad, and I thought it might be possible to give some relief in certain directions in view of the fact that we might not be able to give general relief all round. But there has been some small improvement, as I said in my long speech earlier in the afternoon, and it does seem to me, Sir, that if relief can be given, it is better that it should be spread over a wider area rather than that it should be confined to a few big towns. What I do wish the House to realise is, that we are really anxious to bring the postcard rate down, as we realise that that is the change which will appeal most to the class of people whom my friend, Mr. Amar Nath Dutt, eloquently described as the dumb millions of India. That is a change to which our efforts are being directed, and any deviation of this kind must inevitably put off the date when it can be effected. I do not wish to drive a wedge into the ranks of the Opposition. I am not really desirous of dividing them, but it does seem to me a little surprising that a proposal of this character should have come from a representative of a rural constituency, as I think, my friend, Mr. Jog . . .

An Honourable Member: He does not come from a rural constituency.

Mr. S. G. Jog: I come from an urban constituency.

Mr. Amar Nath Dutt: He is a Nominated Member, Sir.

The Honourable Sir Frank Noyce: He is a Nominated Member from Berar, and Berar as a whole can fairly be described as a rural constituency. His proposal would only benefit the big towns, and why, I ask, should the people in big towns have facilities in the way of cheap postage that are not available to the rural population? That is the real argument against this proposal so far as India is concerned. The Department can only pay its way if the profits on the short distance traffic go towards making up for the losses on the long distance traffic, and that is the answer to my Honourable friend, Mr. Amar Nath Dutt's question "What has the size of a country got to do with this proposal?" It has a great deal to do with it in a sub-continent like India. I would repeat that it is on the profits that we derive from short distance traffic in great cities that we are enabled to send letters at the same rate from Tuticorin to Peshawar as we are from one part of Delhi to another. I regret for this reason that, while my Honourable friend's suggestion has been well worth examination, I have found it impossible to accept it. I need hardly say that the arguments I have now adduced against accepting the proposal in regard to postcards and letters apply equally to book packets and parcels.

Mr. B. V. Jadhav: Sir, I rise to support the motion moved by my Honourable friend from Berar. I have carefully heard the arguments advanced by the Honourable Member in charge of the Postal Department, but let me bring to his notice that this motion is intended not for any reduction of revenue by lowering the postage rate to half an anna; on the other hand, it is intended to increase the revenue. At present the number of letters that are sent locally is so small, and the expectation of a great increase in such local service, if the postage rate, is reduced is so large, that I think it can be taken for granted that there will be actually no loss if this experiment is undertaken

The Honourable Sir Frank Noyce: I am sorry to interrupt the Honourable Member. I do not believe that the number of letters would be doubled if this rate is introduced, and that is the main point.

Mr. B. V. Jadhav: I think invitations and other letters that are now sent through a servant will be sent by post, and, especially in big towns like Poona, Bombay, or Calcutta, there will be a great increase in the delivery of such letters. There is no use making this difference between the rural area and the urban area. The inhabitants of the town area are our friends, and belong to ourselves, and, if they are benefited to a certain extent, the rural people need not go against it. As a matter of fact, what is expected is that the revenue from such lower postage will not be lost to the Department, but will add something to the revenues of the Department. I would urge upon the Government to reconsider this question, if not this year, at all events, next year.

Sir Hari Singh Gour: I am afraid, in giving his reply to the motion of my Honourable friend, Mr. Jog, the Honourable Member for Industries has forgotten an episode of his own Department. He will recall the fact that as soon as the postage was raised to five pice for 2½ tolas, a very large number of messenger services cropped up in the Bombay Presidency which immediately began to tell upon the income of the post office as the monopolist carriers in this country, and they had to issue a circular to the effect that under the Post Office Act the post offices hold the monopoly of carrying letters, and, therefore, any letters delivered by messengers in the same town would be contravening the provisions of the Post Office Act. Now, Sir, that is a very telling argument against my Honourable friend's opposition to this motion. In large cities like Calcutta and Bombay, and may I include even in a small city like Delhi, we have a very large number of letters exchanged between friends and families which are sent by messengers. If the local service is introduced, it would not be worth while sending these letters through messengers, but then they would be delivered by post, and to that extent it would be an accretion to the income of the post office.

My Honourable friend wanted to set up the urban against rural interests, and he said that if this benefit is to accrue at all, it should accrue to a wider area. But he forgets altogether the fact that, as it is, *noiens volens* local delivery by messengers affects the income of the post office, of which the post offices themselves complained, I think, only a few months ago, and, if the amendment of my Honourable friend is accepted by the Government, they will be able to realise the revenue which they are losing at present. It is for that reason that I ask the Honourable Member for Industries to reconsider his decision.

There is one more point, and it is this. Whatever the post office may do and whatever prohibition they may publish as the monopolist carriers, the fact remains that a very large number of letters and parcels and packets

[Sir Hari Singh Gour.]

are delivered in the large towns, mostly business centres, not through the medium of the post office, and as the post offices have been unable to check private delivery of this matter, I think they should now come into line with the author of this amendment and realise the revenue which they have been losing for many months, if not for many years. I am afraid my Honourable friend has been impelled by what he considered to be departmental consideration of the question. I prefer to follow the Sir Frank Noyce of last year to the Sir Frank Noyce of today, because last year he was sympathetic to this proposal, but this year it seems that, owing to a departmental report, he has been converted to an opposite view. But if he will only give a short trial to selected centres, where private delivery seriously competes with the activity of the post office, he would then see that the amendment was moved in time and that it was bringing more revenue to the post office.

Sir Darcy Lindsay: If my Honourable friend, the Mover, had increased the postage rate for this town service, I might have supported him. I think there is a great deal to be said for a quick delivery of town service. I believe they have arrangements in France, I know in Paris, where you can post a letter by express, and it is delivered within a couple of hours.

Sir Hari Singh Gour: You have got that here, but nobody takes advantage of it.

Sir Darcy Lindsay: I think, if that was adopted in the cities, it might be of great use. I do not agree with my Honourable friend, Sir Hari Singh Gour, when he says that here locally in Delhi if you send letters by messenger it will be cheaper than the present postage. I think, if the Honourable Member in charge of the Department would consider the expediency of encouraging express delivery, there might be some benefit from it.

Mr. Vidya Sagar Pandya (Madras: Indian Commerce): In connection with the local delivery system, I may say that some time back, some of the leading Banks in Madras felt that their expenses for local delivery by means of their own peons were a very heavy charge. Therefore, half a dozen Banks met together and wanted to try a system of common delivery, but then, as was pointed out by Sir Hari Singh Gour, trouble came about the monopoly of the Government as carrier.

Mr. S. G. Jog: It becomes an offence under the Post Office Act.

An Honourable Member: It is committed.

Mr. Vidya Sagar Pandya: As such, we had to give up the idea. But we all felt that if we could have a system by which letters could be delivered for half an anna postage, we should gladly welcome such an arrangement, and it was with that object that we wished to pool the system of sending letters by some private arrangement. In large commercial places like Bombay and Calcutta, where letters have to be delivered at long distances, and similarly in Madras also, a system by which the letter can be carried for half an anna will be useful, and I feel that the post office will be sufficiently compensated for the new departure that they would make. I earnestly request the Honourable Member to try the experiment, as suggested in certain localities and see how it works.

Mr. M. Maswood Ahmad: In this connection, I would say that I wholeheartedly support the motion moved by my Honourable friend, Mr. Jog. I do not agree with my Honourable friends, Sir Hari Singh Gour and Mr. Vidya Sagar Pandya. They have suggested that particular areas should be selected for this experiment. I want to say that the people residing both in rural and urban areas should be given the same facilities. There should not be any differential treatment, and my suggestion is that, apart from that, I hope the Department will gain. If letters are sent as a local delivery, for which six pies are suggested, then in that case the Department will have little trouble. They do not send this letter by rail, not it requires the same system of handling and so there is little trouble on the Department.

Sir, I support this amendment, and I suggest that local area should mean the area under one delivery post office—if the letters are to be delivered from the same delivery post office where it has been posted, the letter should be treated as a local service letter throughout India. For instance, if letters are posted in Bombay to be delivered in Bombay, they should be treated as local service, and, in the same way, if a letter is dropped in a village post office and if that letter is to be delivered within the area of the same post office, then in that case it should be treated as a local delivery. Under one post office eight or ten villages come. In some cases, under one post office fourteen or twenty villages come. At present the rate is one and a quarter anna, and so people do not send their letters from one village to another and they prefer to send these letters through messengers. If this system is introduced in the villages, they will gain much more than they expect in urban areas, because people residing in one village will use the post office for sending their letters to the other villages which are four or five miles away, and by this means volume of traffic will increase. I do not agree with my friend that only towns should be selected or particular areas.

Mr. S. G. Jog: If my Honourable friend agrees to the principle of local service, the details can be left over to the Department.

Mr. M. Maswood Ahmad: I totally agree with the suggestion, and I wholeheartedly support the motion which is before us. I only disagree with the suggestion of my friend, Sir Hari Singh Gour, and my friend, Mr. Pandya, that local service should mean only urban or a particular place. Rather, local service should mean the area under one post office or under one delivery office.

Further, I say that the suggestion that, because the experiment is made only in small countries, it should not be followed here, is not a sound one. My friend should see whether the experiment is good or not, irrespective of whether it is a big country or a small country, and if they find that these experiments are good, they should not hesitate in accepting them. We are following many experiments which were started in England, and England is a small country. So this argument about a small country is not a sound one. We have followed so many experiment, and what is the harm if we follow one more experiment? If it is not a paying system, we can change it afterwards. With these words, I support the motion moved by my Honourable friend, Mr. Jog.

Mr. Amar Nath Dutt: I also agree with my friend, Mr. Maswood Ahmad, that this local service should not be restricted only to selected towns, but that it should be extended to all urban areas, and, if possible, to rural

[Mr. Amar Nath Dutt.]

areas. Of course, there is some difficulty in having these things in rural areas, because there the postman comes only twice or thrice a week. The words "local service" can apply both to rural and urban areas, but I beg to point out this difficulty in regard to rural areas. I do not know whether it is so in Bihar, but in Bengal I know village peons go to villages on alternate days, some times three days in a week or two days in a week. It will not be needed there. It is only in big towns and in big villages that this is possible, but the sizes of the villages in Bengal ordinarily are such that I think it will not at all be profitable to have a local service by means of the post office. It can be sent through a man or one may go himself. So it is not feasible to have this local service in rural areas, unless they are villages only in name, but really towns and such towns we have everywhere. They may not have municipalities and there may be no Magistrate or Munsif or Judge, and yet it might be a very big place, and it may be a mercantile place. There the suggestion of my friend, Mr. Maswood Ahmad, may be acted upon to some extent, but not wholly; but, considering all these things, the letter for local service will be, I am sure, very paying in such big cities as Calcutta or Bombay or Poona, and, I am sure, it will be paying even in smaller towns like Burdwan, Midnapore or Howrah, where people would send a letter by post to a place which is about three miles off instead of sending a man, and this will also be of great service to the commercial community and also to professional men like medical men and lawyers and tradesmen. That being so, I give my wholehearted support to the amendment which has been moved by my friend, Mr. Jog.

Mr. S. P. Varma: The reason why the Department advise against the adoption of this experiment is very clear, and, in fact, the arguments advanced by my friend, Mr. Maswood Ahmad, in supporting the motion, really give the case away. We started with the idea of the amendment proposed by my friend, Mr. Jog, that this local service was to be confined to large towns where there is a heavy density of traffic between one part of the town and another. In such circumstances, it is possible to imagine that such a service can be rendered at a fairly low cost, and that, therefore, it may be remunerative to the post office. Mr. Maswood Ahmad wants to extend that service to rural areas where the density of traffic cannot be very heavy, and any local service, if it is to be attractive, would be very expensive to maintain. That is the first argument that a good local service is not a cheap service to maintain. The second argument against it is that if we have a specially cheap service confined to one locality, there is nothing logically to prevent having yet another rate lower than the uniform rate for a particular area. We shall then be beginning to have a complicated set of distance rates and then I tremble to think of what my friend from Patna would have to pay on a letter that he wants to send to Peshawar. Throughout the whole modern history of the Department, we have been working on uniform rates.

Mr. D. K. Lahiri Chaudhury (Bengal: Landholders): I did not want to interrupt my Honourable friend, but may I ask whether even in those countries where they use this system, when they send those letters to different places, there are different rates for different distances.

Mr. S. P. Varma: I have not been quite able to make out the question of my Honourable friend, but the answer, as far as I can make out, is

in the affirmative. In those very countries, which the Honourable Sir Frank Noyce mentioned by name, the local rates are lower than the rates for the transmission of correspondence throughout the country.

Mr. D. K. Lahiri Chaudhury: My point is—does the rate vary with the distance?

Mr. S. P. Varma: I believe, Sir, in the United States of America, for certain classes of postal matter the rates do differ according to the distance to be carried.

Sir Hari Singh Gour: That cuts at the very root of your argument. Are you aware of it?

Mr. S. P. Varma: It supports my argument, Sir! They have a system of different rates for different distances. We have not worked on that system, and we have a system of uniform rates, irrespective of the distance over which a letter has to be carried or a postcard or telegram has to be delivered. That is really the chief argument against specially cheap rates for confined areas. As regards the comparison between India and some other countries that were mentioned, it was certainly not the intention to cast any reflection on the postal organisations of those countries. They have got a system that suits them: we have got a system that suits us.

Sir Hari Singh Gour: You have not tried the other system.

Mr. S. P. Varma: As regards the example of England, I will just say one thing. If England charges 1½d. in a small country, for her internal correspondence, she does not charge more than 1½d. for a letter to Australia. So, Sir, on the whole, the whole system of local service rates goes so directly against the system on which the Department has been working that Government do not feel justified in embarking on the experiment, especially in the present financial position of the Department. It might lead them into a position which, I am sure, the House would regret. With these remarks, Sir, I beg to oppose the amendment.

Dr. Ziauddin Ahmad: Sir, I had no intention to speak today, but I should like to impress upon the Honourable Member in charge of the Posts and Telegraphs Department the desirability of exploring this system of cheap rates for local letters a little more minutely. You follow either the English system or the continental system. In England, we have got one and a half penny stamps for every country and every town within the British empire, and, for every place outside the British empire, we just put a penny extra. That is a simple method, it is quite logical and it works very well. If you have differential rates for different countries outside India, then, in that case, I think we should follow the system which is prevalent in most of the other countries. In most countries in Europe, there you will find that they have got differential rates for town deliveries and for deliveries inside the country. I do not want to fight with my Honourable friend, Mr. Maswood Ahmad, because he is simply fighting on sugar-cane when the sugar-cane field is not there. (Laughter.) When once we have introduced this system of deliveries, then we can discuss the question as to how far it can be extended. As an experimental measure, let it be introduced in certain selected big towns, and, after gaining some experience

[Dr. Ziauddin Ahmad.]

and the financial results, it might be extended further, and this is the practice that was adopted in most of the countries in the west, and I would like that that possibility should be further explored.

Sir, from the speeches delivered today, I find that the post office is in a hopeless position as regards information. On the floor of the House the Honourable Member, who is brought in as expert in post office affairs, said that he did not know the weight of the envelope supplied by the Government. So, without knowing the weight of even their own envelope, which they are supplying to the public, they come forward to discuss the question of weight. It is regrettable that the post office expert shall depend upon the Opposition and find that the weight of post office envelopes is $\frac{1}{4}$ tola. Again, we have the example of other countries where the system is being worked. It was said that they did not know. Therefore, I request . . .

The Honourable Sir Frank Noyce: I would ask my Honourable friend whether his information is based on personal knowledge. I have, in the course of the last few minutes, again made inquiries from my Department

Dr. Ziauddin Ahmad: I am not referring to my Honourable friend, Sir Frank Noyce.

The Honourable Sir Frank Noyce: I am asking whether his information about local services in Germany is based on his own personal knowledge.

Dr. Ziauddin Ahmad: Yes. It is based on personal knowledge. I have used it for many years, I have used it this time when I was in Germany, and I know this system is in vogue in most countries of Europe.

What I wanted to impress upon the Government is that the possibility of this system should be further explored, and we ought to find out—whether it will be a source of income. I believe that it will not be a losing system, because larger numbers of people will be using this local post. With these words, Sir, I beg to support the motion.

Mr. S. C. Sen (Bengal National Chamber of Commerce: Indian Commerce): Sir, I rise to support this motion. In Calcutta, with which I am acquainted, we have to post many letters for people who live in Calcutta, as otherwise our costs would be more, and if this system is adopted, I am sure the Government will not lose anything, but they will gain something. I know in Calcutta, some years ago, a system was introduced for town deliveries which was known also as the system of hourly deliveries. That was quite successful, but unfortunately, with the retrenchment, all the peons lost their services and this system was also withdrawn. I do not know whether the Member in charge of Posts and Telegraphs will not rather gain if he decides to introduce this new system of a half anna postage for town deliveries and then see after some time whether that will or will not succeed and whether that will or will not be prosperous to his Department. It was known as the town delivery system, or the hourly delivery system,—deliveries being made every hour.

Sir Hari Singh Gour: But the postage was the same.

Mr. S. C. Sen: Of course at that time the postage was not much, not like the present one. That is what we want to be done, we want the Government to renew that experiment again in Calcutta for, say, three months, so that the Government might know whether they are losing or gaining in this matter. Any way, they would not lose much if they ultimately found that it was a losing concern, I know that, in some offices in Calcutta, about one hundred letters are posted in the evening when they cannot get hold of peons to go round the whole town of Calcutta for the purpose of delivering these letters.

The Honourable Sir Frank Noyce: I am not quite sure to what my Honourable friend is referring. Is he suggesting that we should put an extra half an anna stamp on envelopes to ensure the quicker delivery of letters?

Mr. S. C. Sen: No, no.

The Honourable Sir Frank Noyce: Then, if he is suggesting that for half an anna we should give ten deliveries of letters a day, that is absolutely out of the question.

Mr. S. C. Sen: I never suggested hourly deliveries. I suggested they should have town deliveries. They should deliver such letters only in the town, where they have not to use the railways, but their vans go from one Sub-post office to another in the same town. They can easily deliver these letters to the different post offices without any extra cost. Therefore, Sir, I support this motion, and I hope the Honourable Member will try the experiment and then come before the House after he has gained some experience, if it does not succeed.

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

"That in Schedule I to the Bill, in the proposed First Schedule to the Indian Post Office Act, 1898, after the existing entries under the head 'Letters' the following be inserted:

' A letter for local service

 Six pies'."

The motion was negatived.

The Honourable Sir George Schuster: Before you proceed, Sir, with the business, I would like, on behalf of the Government Benches, to
 5 P.M. ask you whether it would be possible today to sit sufficiently long to get the clauses of this Finance Bill through. I would like to put before the House our position in this matter. Honourable Members know perfectly well that it is very important—in fact, I might say almost essential if we are to proceed regularly—to get the Finance Bill passed before the 31st March. We also have another measure—the salt measure—which it is essential to get through before the 31st March. Unfortunately in the next week there are several holidays. There are only three effective days, and the Council of State will require at least two days for discussing the Finance Bill. If we could get all the clauses through, at any rate, this evening, and then have a short third reading debate on Tuesday morning, we may have some chance of getting both the Finance Bill and the Salt Bill through before the 31st March. Therefore, I would request you that we should sit long

[Sir George Schuster.]

enough to get the Finance Bill clauses through, and I hope that Honourable Members will take into account the practical needs of the situation and co-operate with us in this attempt. I would also like to remind the Honourable Members of the rest of the programme that lies before us. We have next to proceed with the two Excise Bills, and if the House decides that these Bills should be submitted for consideration by Select Committees, that is a course which we should be prepared to accept. Then it would be greatly to the convenience of everybody if these Select Committees could sit during the Easter holidays. Those are the practical considerations that we have to bear in mind if we are to get through the very important business that is before the House this Session within a reasonable period and without great inconvenience both to Honourable Members and to the public. Therefore, I would request you to consider whether you could not sit long enough to get the clauses through today.

Diwan Bahadur A. Ramaswami Mudaliar: May I point out that while we on this side of the House agree with the Honourable the Finance Member in the necessity to get through the Finance Bill, we are very much handicapped. Since 9 o'clock this morning, I have been in this building along with 14 other Members of the Assembly. This Session has been a great strain on many of us. I would only like to point out that, although the Members on the Treasury Benches have to devote their time to their Departments, some of us have got to stick to these Benches all through the debate and look into every proposal that is brought forward by every Member of the Treasury Bench. It is no exaggeration to say that those Honourable Members, who have taken keen interest in the legislative and other work that is brought in this House, are feeling the strain even more than any of the Honourable Members individually on the Treasury Benches.

The Honourable Sir Frank Noyce: I should like to point out to my Honourable friend that I have done the same as he has. Like him, I have been in the House all day. I am not denying the force of his argument, but I think he is doing a little injustice to us on this side of the House by thinking that our lot is easier than his.

Diwan Bahadur A. Ramaswami Mudaliar: I am sure, I shall have the sympathy of Sir Frank Noyce in what I am saying. I can only say that, speaking on behalf of my Party, we shall try our level best to finish the Finance Bill on Tuesday.

Mr. President (The Honourable Sir Shanmukham Chetty): What about the request of the Finance Member which he made just now?

Diwan Bahadur A. Ramaswami Mudaliar: I am coming to that. It will be really impossible to sit much longer today. In any case, it will certainly not be possible to finish all the clauses of the Finance Bill today. We do not know how long it will take to finish them. So, I regret very much that it will not be possible to sit very much longer today.

Dr. Ziauddin Ahmad: May I ask a question about the legal position? May I know whether it is possible to extend the time beyond the 31st March?

The Honourable Sir George Schuster: It is very difficult for me to explain shortly the precise position. All I can say is that an irregular and difficult position will be created. I cannot say that we have got any particular device ready for getting over that irregularity. It will lead to a very great inconvenience.

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): May I, Sir, suggest an all-night Session, a practice which we have in the House of Commons, because it is necessary that important matters must be got through. It is perfectly true that Honourable Members on either side have worked very hard. I do not think there is any Member in this House, even if he is not present in the House right from the morning, who is not doing some very useful work. I have been writing about 40 letters today in my own hand-writing to the Members of the Assembly in regard to a farewell lunch. I would suggest that we should, instead of saying that one Member is more worked or less worked than the other, show that we are capable on occasions of sitting up and getting through our business. For instance, we have been making more speeches than is necessary on certain items. Yet we thought that if it were necessary, the way in which to tire out Honourable Members who wanted to make the same speeches on the same motions was to have an all-night Session. And that is, as I have said, the practice in the House of Commons. We adopted it in the past, and I do not see any reason why we should not make it a regular practice of the Assembly. I think we ought to start it by having an all-night Session today. I was also on the same Committee of which my Honourable friend, Mr. Mudaliar, happens to be a very useful Member.

Mr. Amar Nath Dutt: If that proposal is accepted, who will give us "dinner at eight"?

Mr. K. C. Neogy (Dacca Division: Non-Muhammadan Rural): While I sympathise with the Government, I am bound to point out that the Members of my Party, who have been working from this morning in the Select Committee, find it absolutely impossible to continue any further in the evening in the House. I quite realise that the fact that we have got two holidays coming on very soon complicates the situation. While I entirely agree that we must make every effort to finish this Bill by Tuesday next

Diwan Bahadur A. Ramaswami Mudaliar: With an all-night Session, if necessary.

Mr. K. C. Neogy: I do not know about that. Having regard to the fact that several important amendments have yet to be taken up about book posts and postcards, I do not know how far we will succeed in finishing the third reading on Tuesday. I very much hope myself to be able to finish all the clauses of the Bill today, but, judging from the progress we have made, I do not suppose we can do that. I, therefore, think that it will not be right to have a prolonged sitting this evening, but we can make our best efforts to finish the whole thing on Tuesday. That is all I can say at present.

Sir Har Singh Gaur: I should have thought and I think my Honourable friends behind me agree that we should co-operate with the Government by every means possible to finish the Finance Bill, so that it is enacted

[Sir Hari Singh Gour.]

into law before the end of this month. The circumstances of this year are very exceptional, and, as the Honourable the Finance Member pointed out, the next two days are holidays, and the alternative of the suggestions made by my friends on the right is that, if we sacrifice one of these holidays and sit here to finish this Finance Bill, then there would be no necessity of sitting late today. Otherwise, there must be no other alternative. I do not know whether the Honourable the Finance Member has any objection to sit tomorrow or some other day, that is one of these days during the holidays. I understand that some Select Committee meetings are taking place during these holidays, but the matter is a matter of detail and can be left to your judgment. It is, however, agreed on all sides that we should be very anxious to finish the Finance Bill, not only all the clauses, but the third reading of it, so as to give the Government sufficient time to take it to another place and enact the Bill before the close of the year. Two suggestions have been made by my Honourable friends here that we go on sitting now or have a little respite and refreshment and meet again after dinner. I happen to know that one of your predecessors sat one day very late, I think it was about till 10-30 P.M.

An Honourable Member: No, the present President also sat late last year.

Sir Hari Singh Gour: If we can finish the clauses tonight, I should certainly assist the Government in doing so.

Mr. President (The Honourable Sir Shanmukham Chetty): What the Chair desires to know as a practical suggestion is whether the House would like to continue the sitting today until the Bill is finished or whether they would like to sit tonight and finish the Bill.

Mr. Vidya Sagar Pandya: I wish to submit

Mr. President (The Honourable Sir Shanmukham Chetty): The Chair must have the views of the Leaders of Parties. There is no use of every individual Member getting up and making a suggestion. The practical suggestion, so far as today is concerned, is, either that we continue now and sit until the Bill is finished or until a specified hour. It might be one of the two. We may adjourn now and meet again after dinner and continue till the Bill is finished or sit till a particular hour. The Chair would like to know what the Independent Party thinks.

Diwan Bahadur A. Ramaswami Mudaliar: Neither alternative would be acceptable now, but we have no objection to sit late on Tuesday night.

Mr. K. C. Neogy: I agree with Mr. Mudaliar.

Sir Leslie Hudson (Bombay: European): We are quite prepared to continue to sit now till 8 P.M. or after dinner.

Mr. President (The Honourable Sir Shanmukham Chetty): There is no unanimity. The two principal Parties are not agreeable to this course. The Chair does not wish to force a night sitting or sit until the Bill is finished without due notice. In any case, we might go on for half an

hour today and the Chair would suggest that on Tuesday we might begin our sitting at ten o'clock and finish the Bill on that day, and, if necessary, have a night sitting to finish the Bill. The House ought to recognise that position.

Mr. H. P. Mody (Bombay Millowners' Association: Indian Commerce): My submission with regard to that matter is that, whatever you arrange, you should allow us one full day for the third reading stage of the Bill, because there are many of us who have not spoken on the Finance Bill at all and who have important observations to submit to the House.

Mr. President (The Honourable Sir Shanmukham Chetty): Now that the House knows the programme, Honourable Members can regulate their speeches and their motions accordingly. In any case, we will go on for half an hour more today, and, on Tuesday, we begin at ten o'clock, and either continuously sit the whole day until we finish the Bill including the third reading, or, if necessary, meet after dinner and sit until the Bill is finished.

Mr. C. S. Ranga Iyer: My Honourable friend, Mr. Mody, wanted "a full day" for third reading, I hope it will be nearly 24 hours. (Laughter.)

Mr. Amar Nath Dutt: Sir, I beg to move:

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

' Single	Two pies.
Reply	Four pies'."

This is a little less than what the price of the postcard formerly was, and if I have reduced the price of postcards to that extent, it is because I feel that the prices have gone down so much lower in level that people must have relief in this direction in the same ratio as the price of agricultural produce has gone down. I think, within the last forty or fifty years, no one purchased food grains at the price at which it is available at the present moment. The price of paddy in Bengal was Rs. four per maund, while it is now less than a rupee in many places. That is, the prices have gone down to one-fourth, and, therefore, I submit, why should not the postal charges go down? Am I to understand that it is the Government servants alone who are to enjoy the benefit of the rise in prices during the War time and continue to enjoy the same even now in spite of the low level of prices that is to be found in the country at the present moment? It is known to every one of us that the income of all professional men has gone down by 50 per cent. and 60 per cent. I mean the lawyers and medical men and traders have been ruined in several places, and agriculturists are going without food. Am I to understand that all these millions of my countrymen exist for the few people who have entered the sacred field of Government service and that we exist for them and that we are to supply them the same rate of high salaries, and ourselves go on starving. Some feel the difficulty of having retrenchment in their salaries, but not to the extent of what I would say has been the fall in the price of commodities. Those whose salaries I want to reduce are the men who are most benefited by this reduction in the price of foodstuffs. And knowing human nature, as we do, I believe, even you, Sir, will not agree to a 10 or 15 or 20 per cent. cut. That

[Mr. Amar Nath Dutt.]

is human nature, not to speak of those who have power in their hands. Sir, I think I should not be long in my speech, because I find several people are going away, and it is better that we go to vote on this very important amendment about postcards which affects the poorest of our countrymen. And I can assure my Honourable friend, Sir Frank Noyce, that there is every likelihood of some increase if we reduce the price of postcards to two pies; at any rate, even if there is no increase, it will surely pay its way, because there will be an enormous increase in the use of postcards. People have now got to be careful about writing letters in a postcard which is worth three pice which probably brings them more than one seer of rice or one seer of wheat with which they can feed their wives and children for a whole day. I beg to submit, Sir, that it is not a Utopia that I am hoping for when I am asking for this reduction.

Mr. S. O. Mitra: Is it two pice or two pies for a postcard?

Mr. Amar Nath Dutt: Two pies, that is, three postcards for half an anna. (Laughter.) There is nothing to laugh at. I remember, Sir, in your own Presidency, when I was there for about a year, none in my family would take the curd that was being sold by the low class *goolas* who would come to our houses but myself, and they used to sell us one pie worth for my use and it was more than enough. So, Sir, I submit that this should not appear to my friends to be unacceptable. I think they should vote for it, and Government should remain neutral, if not support us. Sir, I move.

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

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

' Single	.	.	.	Two pies.
Reply	.	.	.	Four pies'."

Dr. Ziauddin Ahmad: Sir, I support this amendment, but on entirely different grounds, i.e., in the interest of my eyes. Since the time the rates were increased, people began to write first horizontally with black ink, then vertically with red ink and now they have commenced to write at an angle of 45 degrees with blue or violet ink. I think it is exceedingly difficult to read these letters, because people want to get the best of their nine pies which they spend on their postcards and they wish to write three times, once vertically, then horizontally, and then at an angle of 45 degrees. Therefore, in the interest of the eyes of the people, I support this motion.

Mr. M. Haswood Ahmad: Sir, I am glad that my Honourable friend, Mr. Amar Nath Dutt, has more sympathy for the poorer classes of this country than I have. I gave an amendment for three pies, and now my Honourable friend wants two pies. I do not say he had given notice for this amendment to get priority. I am sorry that I cannot support him, because in my opinion, it is not workable. It will be very difficult for the Department, and it will be very difficult for the villagers too, because in the villages now-a-days pice are being used, and

not pies. So, it will be difficult to introduce the pie system there, which is not a good system, and it will be difficult to keep these smaller coins like pies. So, I think, it is not workable, and I oppose it.

The Honourable Sir Frank Noyce: Sir, I have only to add to the objections that my Honourable friend, Mr. Maswood Ahmad, has brought against this proposal the further objection that it would cost 1,53 lakhs.

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

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

' Single	.	.	.	.	.	.	.	Two pies.
Reply	.	.	.	.	.	.	.	Four pies'."

The motion was negatived.

Mr. M. Maswood Ahmad: Sir, I beg to move:

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

' Single	.	.	.	.	.	.	.	Three pies.
Reply	.	.	.	.	.	.	.	Half an anna'."

I shall not make any speech on this, because I find that my Honourable friends are in a hurry to go. Sir, I am sorry Government have brought forward this Finance Bill so late in this month that we cannot do justice to it and discuss all the items, because we have to pass it before the 31st March. It is a great grievance of ours, and Government could have placed this Bill for discussion much before the other Bills which we have discussed. It is very difficult to give arguments in these circumstances specially when we are busy from 10, and some from 9 in the morning. So I move this amendment without making any speech.

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

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

' Single	.	.	.	.	.	.	.	Three pies.
Reply	.	.	.	.	.	.	.	Half an anna'."

The Honourable Sir Frank Noyce: Sir, the loss in this case is estimated at 1,29 lakhs on the assumption that there will be a 15 per cent. increase in traffic. I think the exposition of the financial conditions of the Posts and Telegraphs Department, which I placed before the House this afternoon, shows that we are not in a position to incur that loss.

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

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

' Single	.	.	.	.	.	.	.	Three pies.
Reply	.	.	.	.	.	.	.	Half an anna'."

The motion was negatived.

Mr. M. Maswood Ahmad: Sir, I beg to move:

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

‘Single	Half an anna.
Reply	One anna.’”

In this connection, I want to submit that this is a point which should be considered by my Honourable friend there. My Honourable friend, Sir Frank Noyce, said that he had got sympathy for the poorer classes and he really wanted to decrease the rate for postcards. The amendments which have been lost would have improved the system if they had been accepted; but this amendment is really a kind of necessity. We know in what condition the villages now-a-days are—it is unnecessary to place that before my Honourable friends. It is the postcard which is used by the poorer classes of the people. Now, the time has come when the Government themselves have reduced the rates for envelopes and letters, and they should, therefore, reduce the rates for postcards also. In the past, they did great injustice to the poor man using the postcard. When I come to amendment No. 34, I shall quote some other thing, but here I want only to remind the Government that they have done great injustice

Mr. President (The Honourable Sir Shanmukham Chetty): Nos. 32 and 33 are the same as this, is it not?

Mr. M. Maswood Ahmad: I have moved No. 29 at present: The others are for a reply postcard for five pice, and that will come later on, and, at that time, you will agree, Sir, that it is admissible and I can move that also.

Now, I only want to remind my Honourable friend that when the surcharge was imposed on different articles, it was for 25 per cent. only; but, on the poor man’s postcard, they put the surcharge at 50 per cent. I cannot understand really why they have no sympathy, rather why they are so hard on the poor man who uses postcards. In the income-tax and on other articles in the Tariff Act, you will find that the surcharge was only 25 per cent. in those days—whether you call it surcharge or increase, it does not matter, the result is the same—but the price of the postcard was put up from two to three pice, and my Honourable friend has already realised a very high rate: the argument at that time was that it would not be practicable to raise it by 25 per cent. as it would work out to 2½ pice and it would not be practicable to sell them at that rate. But I say, you have raised it by 50 per cent. and got it from these poor people, and now the time has come when you must consider the matter and give up this surcharge on the postcard at least and fix the rate at half anna single and one anna reply. There is no question about your losing anything. You have already realised from the people 50 per cent. more in the past two years: and the time has now come when you should give up that amount and fix the rate at half an anna. I think this amendment should be accepted. I admit that we cannot carry any amendment in this House, because our attendance is thin: our troubles are well known to all Honourable Members in this House, and so I really want that my Honourable friend, Sir Frank Noyce, must consider this point that when they have taken an extra 25 per cent. over and above 25 per cent. surcharge on postcards, during the past two years, they have no justification for continuing it again for years and years. Really if he has got any sympathy for the poor classes in this country and the poor villagers who really use these cards, is it not justifiable to reduce the rate from three pice to two pice? With these words, I move.

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

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

' Single	Half an anna.
Reply	One anna'."

Pandit Satyendra Nath Sen (Presidency Division: Non-Muhammadan Rural): Sir, I beg to support the amendment, knowing full well that we have very little hope of success. It has been our common experience that we cannot pass any amendment, in fact, any measure, if Government will otherwise. Still we have to do our duty—Government have made Vedantini's of us—we are only to do our duty with no eye to the results likely to be achieved.

In the very beginning, I should point out that this discussion has been taken up at a very unusual hour, but I hope that that will be no reason why the subject should be treated lightly. I should point out that this is the most important of all the amendments relating to postal rates. (Hear, hear.) The complaint against the enhanced rates of postage is universal. The Honourable the Finance Member will perhaps at once come upon us with the argument that there will be a loss of revenue to the tune of 56 lakhs, or perhaps a little above that amount. But I do not see why he should worry himself about the loss of revenue when a single stroke of the pen can bring him lakhs and crores—I do not see why he should bother himself about these figures. I can at once give him some 20 lakhs if he is pleased to accept it, as I have been proposing every year, provided he is prepared to levy a heavy and prohibitive duty on vegetable ghee. I single it out of many other subjects, because that is a subject which has been discussed in this House on more than one occasion. There are lots of other things which can bring him lakhs and crores in this way. He may order an all round retrenchment of five or ten per cent of salaries, and that will bring him crores. Government should not grudge a loss of revenue of 56 lakhs, because it is a very important subject. I do not agree with my esteemed friend, Sir Darcy Lindsay, that the Postal Department is a commercial Department. I think it has been held by many Honourable Members in charge of this Department, as well as by various Commissions, that it is a Department of public utility. That being the position, I do not think that the loss of a small revenue is of much importance in this matter. And where is the certainty that there will be a loss to the tune of 56 lakhs? We were told last year by Sir Frank Noyce that they do not keep any separate returns for postcards: the question is mixed up with so many subjects—there are cards of private manufacture—that no legitimate conclusion can be arrived at on the basis of these figures. I think the revenue of the Postal Department as a whole should be considered, and our interpretation of the figures of postal income is that the law of diminishing returns has begun to operate in the Postal Department. The income is going down with the increase of postal rates. That is our interpretation of the postal figures when they are taken as a whole.

There is only one point which I should like to impress upon Honourable Members. I would make a pathetic appeal to the Honourable Member. It is almost certain that the present Assembly is going to be dissolved shortly. With what face can we return to our constituency if we cannot achieve even a single point during our whole career. Therefore, I appeal to my friends that we should gain this point, so that we

[Pandit Satyendra Nath Sen.]

may show our face to our countrymen. With these words, Sir, I support the amendment.

Mr. D. K. Lahiri Chaudhury (Bengal: Landholders): Sir, it is after a long time that I venture to stand up in this House to support the motion that is now before us. I am one of those who would not like to stand in the way of the business of the House being proceeded with, but, today, in standing up on the floor of the House to speak on this motion, I do so with the utmost confidence that the Honourable the Finance Member, in making the calculations he has made in regard to the loss of 56 lakhs, was not quite accurate. I shall presently explain the reason, Sir. Very recently,—to our deep sorrow we do not find our old and dear friend, Sir Thomas Ryan, on the floor of the House today,—very recently I had occasion to discuss this question in his private chamber, and I asked him whether the value of the postcard could be reduced to two pice. I took down the figures for the year when postcards were sold at two pice. I also took down the figures of the traffic, and also the present rate of traffic from him, and I gathered from him that his whole idea of the loss of 56 lakhs was calculated on the basis of a loss of ten per cent traffic. I, however, found on calculation that when the postcard was sold at two pice, the traffic was increased by 30 per cent. I have not brought those figures with me,—because I did not expect that this debate would come on today,—but I have got the figures with me relating to the sale of postcards in the year 1929, and also in the year 1932-33. If I could produce these figures, the House would have appreciated the fact that the loss of 56 lakhs which was based on the loss of traffic of ten per cent is not correct. On the other hand, the traffic will be increased by 30 per cent, and not by ten per cent. Now, the question that arises is this. When the price of the postcard was raised from two pice to three pice, who was responsible for this loss in traffic, which, in other words, means loss of service to so many people? Sir, today, owing to the trade depression, if even a single officer is retrenched, it means that the whole family will starve, and we are told from very high quarters that it is only as a result of the increase in traffic that Government would be able to keep the staff in service. If that be the position, under whose inspiration did Government take this measure of raising the price of the postcard from two pice to three pice? There was no justification at all for it. When this proposal to raise the price of the postcard from two pice to three pice was made, very vehement opposition was raised from this side of the House, but all that opposition was to no purpose. The Honourable Member turned a deaf ear to all our pleadings and arguments, and today we find that, by raising the price of the postcard from two pice to three pice, the traffic has fallen by 30 per cent.

Now, if Government could undergo this kind of loss for these two long years, why should they not take the risk of a loss of 30 lakhs for another year? My point is, if they fix up the price of postcards at two pice, the loss will be not 56 lakhs, but it will be 30 lakhs. I have calculated the figure, and I can tell the House that my calculation is correct, and the Honourable Member in charge will not be able to contradict me there. I am quite convinced that in two years' time our traffic will be increased by 30 per cent. If that is so, the question is whether the Government will be prepared to undergo the loss of 60 lakhs in two years or not, and if,

by these 60 lakhs, you can feed the poor people, if you can satisfy 360 millions of Indians, you can get really the blessings of all those who will be serving under you. Sir, very recently I received a telegram from my district to the effect that fifty clerks including postmen were going to be retrenched. I at once brought the matter to the notice of the Director-General of Posts and Telegraphs, and I am glad to say that he very sympathetically took up the matter and sent a wire to the Provincial Government to look into this matter, and he has already taken the case in his own hands.

Now, Sir, if we can increase the traffic in the Postal Department, that will be the only solution to feed these poor people, and, at the same, help the public. The public will get the postcard at two pice, while the traffic will be increased by 30 per cent which will go to maintain all those officials who are working in the Postal Department. With these words, Sir, I strongly support the motion before the House.

STATEMENT OF BUSINESS.

The Honourable Sir Brojendra Mitter (Leader of the House): With your permission, Sir, I desire to make a statement as to the probable course of Government business in the ensuing week. It is hoped to conclude the Finance Bill and the Salt Additional Import Duty (Extending) Bill on Tuesday, the 27th, whereafter the next business will be certain Supplementary Estimates followed by motions for reference to Select Committee of the Bills to impose excises on matches and sugar. On the conclusion of these motions, the House will take up the consideration of the Indian States (Protection) Bill, as reported by Select Committee.

The Assembly then adjourned till Ten of the Clock on Tuesday, the 27th March, 1934.