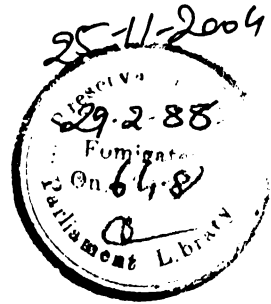


THE
COUNCIL OF STATE DEBATES
(Official Report)

Volume IV, Part I

(From the 30th January to the 25th March 1924)

FOURTH SESSION
OF THE
COUNCIL OF STATE, 1924



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COUNCIL OF STATE.

Monday, the 4th February, 1924.

The Council met in the Council Chamber at Eleven of the Clock, the Honourable the President in the Chair.

MEMBER SWORN.

The Honourable Pandit Sham Bihari Misra (United Provinces: Nominated Official).

QUESTIONS AND ANSWERS.

RESIGNATION OF OFFICERS SINCE THE INAUGURATION OF THE REFORMS.

23. THE HONOURABLE MR. PHIROZE C. SETHNA: In answer to *question 18 on 16th July 1923, Government gave a list detailing the number of officers who had resigned since the inauguration of the Reforms. Will Government be pleased—

- (a) to bring up the list to 31st December 1923; and
- (b) to show in the list how many officers in each service have resigned (1) within 5 years, (2) within 10 years, (3) within 15 years, (4) within 20 years, and (5) within 25 years; from the dates of their respective appointments?

THE HONOURABLE MR. J. CHERAR: A statement containing the information required by the Honourable Member is laid on the table.

List showing the number of European officers of All India Services who have been permitted to resign their appointments in consequence of the reforms (up to 31st December 1923).

Services.	NUMBER OF RETIREMENTS WITHIN					Total No.
	5 years of appt.	10 years of appt.	15 years of appt.	20 years of appt.	25 years of appt.	
Indian Civil Service . . .	...	3	28	25	18	69
Indian Police Service . . .	4	7	34	28	17	97+
Indian Service of Engineers . .		7	12	23	11	54
Indian Educational Service . .	...	5	13	12	2	32
Indian Forest Service . . .	1	...	8	3	6	20
Indian Agricultural Service . .	...	2	1	6	1	10
Indian Veterinary Service . .	.	...	2	2	1	

* Page 1475, Council of State Debates, Vol. III.

+ Includes 7 officers retired after 25 years service.

† Includes 1 officer who retired after 25 years service.

§ Includes 2 officers who retired after 25 years service.

REVENUE REALISED FROM SALT.

24. THE HONOURABLE MR. PHIROZE C. SETHNA: Will Government be pleased to show by a tabular statement the amount of duty realised on salt during the months of June to November inclusive in the year 1922, as also in the year 1923?

THE HONOURABLE MR. A. C. McWATTERS: A statement shewing the revenue realised from salt during the months of June to November of 1922 and 1923 is placed on the table.

Statement shewing the revenue realised from salt during the months of June to November of 1922 and 1923.

Month.	1922.	1923.	REMARKS.
	Rs.	Rs.	
June	56,90,000	55,57,000	
July	28,14,000	58,33,000	
August	52,56,000	64,16,000	
September	45,78,000	55,17,000	
October	65,55,000	90,55,000	
November	62,74,000	78,2,000	

REDUCTION IN THE NUMBER OF EXECUTIVE COUNCILLORS AND MINISTERS IN CERTAIN PROVINCES.

25. THE HONOURABLE MR. PHIROZE C. SETHNA: With reference to my question* No. 9 on 16th July 1923, will Government be pleased to say if they have now arrived at a final decision in regard to the proposal made in the Resolution moved in the Council of State for reducing the number of Executive Councillors and Ministers in some Provinces?

THE HONOURABLE MR. J. CRERAR: A final decision has not yet been arrived at. The matter is under consideration with the Secretary of State.

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: Is not an opportunity of reduction likely to arise in Bengal very soon?

THE HONOURABLE MR. J. CRERAR: A vacancy is likely to occur at some date which is not yet definite in Bengal; but that matter along with other matters is under consideration by the Secretary of State.

THE HONOURABLE MR. PHIROZE C. SETHNA: Is it also likely to occur in Bombay?

THE HONOURABLE MR. J. CRERAR: I have no information which would lead to that suggestion.

INCOME FROM ADVERTISEMENTS ON INLAND TELEGRAPH FORMS.

26. THE HONOURABLE MR. PHIROZE C. SETHNA: (a) Will Government give particulars in regard to the income derived by advertisements printed on inland telegraph forms?

(b) Are they aware that the commercial community do not favour the publication of advertisements and particularly on the front page of the telegraph forms?

THE HONOURABLE MR. A. H. LEY: (a) The income from advertisements on telegram forms based on the present number of forms used is expected to be about a lakh of rupees yearly. This amount will of course increase as telegraphic traffic increases.

(b) Shortly after the issue of the first series of telegram forms with advertisements, a few objections were received regarding the advertisements on the front of the forms. It is expected that as the public become accustomed to the new forms with advertisements these objections will disappear. The letters received from some of the leading business men do not show that they object to the advertisements, but to the fact that the forms when folded are likely to be mistaken for trade circulars. On their suggestion it has since been arranged to have the word "telegram" in block letters on the reverse of the received telegram form in future issues. Steps are also being taken to use a different quality of paper and lighter type, which should meet the objections on the score of the legibility of manuscript telegrams being impaired.

THE HONOURABLE MR. PHIROZE C. SETHNA: Have Government arranged or are they arranging for further revenue in the shape of advertisement charges in some other shape or form?

THE HONOURABLE MR. A. H. LEY: Not as far as I am aware.

THE HONOURABLE MR. PHIROZE C. SETHNA: Is it a fact that Government have arranged or are arranging with a firm for advertisements at stations on Government-owned railways?

THE HONOURABLE MR. D. T. CHADWICK: I never heard anything about that, Sir.

EMPLOYMENT OF BORDER TRIBES ON PUBLIC WORKS.

27. THE HONOURABLE LALA RAM SARAN DAS: With a view to pacify the tribal people on the border, has Government prepared any scheme for their employment on works of public utility?

THE HONOURABLE MR. J. P. THOMPSON: A number of Public Works are being carried out in the tribal area in the construction of roads, of posts and of the Khyber Railway. In carrying out all these works the prior claims of the local tribesmen to employment are recognised, and, so far as is possible with regard to the interests of efficiency and economy, preference is given to local men when contracts are given.

THE HONOURABLE SAIYID RAZA ALI: How long will the completion of these roads and railways take?

THE HONOURABLE MR. J. P. THOMPSON: I cannot give the Honourable Member any exact information about that, but if he will give notice I have no doubt it will be possible to obtain and give him the information.

EMPLOYMENT OF BORDER TRIBESMEN ON THE CONSTRUCTION OF MILITARY RAILWAYS, ETC.

28. THE HONOURABLE LALA RAM SARAN DAS: Will the Government kindly state what is the number of labourers engaged in the trans-border tribal area of North-West Frontier Province on the construction of military roads and military railways and on other military works from among the border tribes of that area?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: About 5,000 labourers belonging to border tribes are employed on the construction of military railways in the North-West Frontier area. Information regarding the number employed on the construction of military roads and other military works in the same area is being collected and will be furnished to the Honourable Member in due course.

GEOLOGICAL SURVEY OF TRIBAL AREA.

29. THE HONOURABLE LALA RAM SARAN DAS: Is it feasible and practicable to undertake a geological survey of the tribal area, with a view to find out whether any mines can be worked in that area which could provide work for the people of that tract?

THE HONOURABLE MR. J. P. THOMPSON: No. A general geological survey of the tribal area would constitute a violation of tribal sentiment and could not at present be carried out except by force of arms. At the same time Government is alive to the importance of developing the resources of the tribal area, and a license to prospect for petroleum near Moghal Kot in Sherani country on the Derajat Border has recently been granted by arrangement with the tribe concerned.

ALLOWANCES TO TRIBAL CHIEFS IN THE NORTH-WEST FRONTIER PROVINCE.

30. THE HONOURABLE LALA RAM SARAN DAS: Will Government kindly state what amount is annually spent in the North-West Frontier Province on the grant of allowances to tribal chiefs or headmen for keeping peace in their area?

THE HONOURABLE MR. J. P. THOMPSON: Rs. 7,29,376 per annum.

ROAD CONSTRUCTION IN THE NORTH-WEST FRONTIER PROVINCE.

31. THE HONOURABLE LALA RAM SARAN DAS: Will Government kindly state how many miles of roads have been constructed in:—

- (a) Southern Waziristan;
- (b) Northern Waziristan;
- (c) Kurram valley;
- (d) Tirah;
- (e) Chitral;
- (f) Swat;
- (g) Buner;
- (h) Dir;

and what is the annual cost of the upkeep of these roads?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: The information asked for by the Honourable Member is contained in the statement laid on the table of the House.

Statement showing the number of miles of road constructed on the North-West Frontier and the annual cost.

Places.	Annual cost of maintenance.
(a) <i>South Waziristan—</i>	Rs.
85 miles	1,46,000
In addition, the Jandola-Sarwaki road is under construction. When completed this will add 24 miles to the figure given above and its upkeep is estimated at Rs. 60,000.	
(b) <i>Northern Waziristan—</i>	Rs.
130½ miles	1,85,000
(c) <i>Kurram—</i>	
61 miles	1,00,000
(d) <i>Tirah—</i>	
Nil.	
(e) <i>Chitral—</i>	
189 miles (unmetalled)	14,000
(f) and (h) <i>Swat and Dir—</i>	
27½ miles (metalled)	36,843
112 miles (unmetalled)	10,000
(g) <i>Buner—</i>	
Nil.	

NOTE.—The above figures relate to areas beyond the administrative border only.

CONSTRUCTION OF PROTECTIVE WORKS AT DERA ISMAIL KHAN.

82. THE HONOURABLE LALA RAM SARAN DAS: Will Government kindly state how far the construction of protective works against erosion by the river Indus against the town of Dera Ismail Khan have progressed?

THE HONOURABLE MR. A. H. LEY: The earthwork has been completed in 58 chains of the bund out of a total ultimate length of 120 chains. Special arrangements have had to be made for the carriage of stone both by rail and river; these are now getting into full swing and in 5 chains the stone apron and slope have been finished.

THE HONOURABLE SAHIB RAZA ALI: In view of the experience gained at Dera Ghazi Khan, is there any expert opinion that takes a hopeful view of saving Dera Ismail Khan from the erosion of the Indus?

THE HONOURABLE MR. A. H. LEY: I do not think we have sufficient experience at the present moment to give a reply to that question.

INCREASE OF RAILWAY FARES ON THE KALABAGH-BANNU SECTION OF THE N. W. RAILWAY.

83. THE HONOURABLE LALA RAM SARAN DAS: Will the Government kindly state reasons why railway fares on the Kalabagh-Bannu section of the North Western Railway have been increased by 50 per cent. from 1st January 1924?

THE HONOURABLE MR. D. T. CHADWICK: Government regret that it has proved necessary to increase the fares on this Railway. The increase was unavoidable since the line is being worked at a heavy loss. The effect of the new fares will be carefully watched and every effort is being made by the railway administration to enforce economy in its working.

CONSTRUCTION OF THE NAROWAL-SHAHDARA, SANGLA-CHINIOT AND CHAK
* JHUMRA-CHINIOT RAILWAY LINES.

34. THE HONOURABLE LALA RAM SARAN DAS: Will Government kindly state whether there is any near prospect of the following railway lines on the North Western Railway being constructed:—

- (a) Narowal-Shahdara;
- (b) Sangla-Chiniot; or
- (c) Chak Jhumra-Chiniot?

THE HONOURABLE MR. D. T. CHADWICK: The question of broad gauge railway connections in the localities mentioned is at present under consideration.

INDO-BURMAN RAILWAY.

35. THE HONOURABLE LALA RAM SARAN DAS: Will the Government kindly state how far the project of an Indo-Burman Railway matured? Will they state which scheme has finally been adopted, and as to whether there is a likelihood of its early construction?

THE HONOURABLE MR. D. T. CHADWICK: There are two alternative routes for a railway connection between India and Burma, *viz.*, one from Chittagong *via* Akya to Minhal and the other from Ledo to Sahman. As neither of these routes can be classed as remunerative, consideration of the route to be adopted has been held in abeyance.

In these circumstances, Government are not in a position to state whether, and if so when, the construction of a railway between India and Burma will be undertaken.

TRANSPORTATION OF PRISONERS TO THE ANDAMANS.

36. THE HONOURABLE LALA RAM SARAN DAS: Will the Government kindly state as to whether prisoners are still sent to the penal settlement in the Andamans; if so, from what provinces?

THE HONOURABLE MR. J. CRERAR: Prisoners are no longer sent to the Andamans, deportation having been stopped in March 1921. Since then, however, it has been temporarily reopened in the case of Madras, Bengal and the Punjab in view of the serious overcrowding in the jails of those provinces. This permission was not made use of by the Government of Bengal and has been withdrawn. A few prisoners only were sent from the Punjab, but no more are being despatched. A number of Moplahs convicted of offences committed during the disturbance of 1921 have been sent to the Andamans, but no other prisoners from Madras. The Honourable Member is referred to a reply on the subject given by the Honourable Mr. O'Donnell on the 17th January 1922 to the Honourable Colonel Sir Umar Hayat Khan Tiwana.

THE HONOURABLE SAIYID RAZA ALI: In view of the unanimous recommendation of the Jails Committee, will it not be possible for the Punjab, Madras and Bengal Governments to arrange with other Local Governments for the transfer of prisoners?

THE HONOURABLE MR. J. CRERAR: I think, if the Honourable Member will refer to the statement made by the Honourable Mr. O'Donnell,

he will find a reply to this question: but I may say briefly here that the main obstacle to carrying out the recommendation of the Jails Committee immediately was the financial difficulty of providing newly constructed jails in the various provinces. With regard to the alternative which has been suggested by the Honourable Member that other provinces might relieve those whose jails are congested, the matter has been under careful consideration and has been referred to the various provinces concerned, but I regret to say that the degree of relief which can be afforded in that respect has proved to be very slight.

COLONISATION OF THE ANDAMANS.

37. THE HONOURABLE LALA RAM SARAN DAS: (a) What is the total population of the Andamans, and out of it how many are convicts?

(1.) Will the Government kindly state as to whether the colonisation of these islands by people from the mainland cannot be at once undertaken? Have Government prepared any scheme for the purpose; if so, will they publish it?

THE HONOURABLE MR. J. CRERAR: (a) The total population of the Andamans according to the Census Report of 1921 is 27,086. Our latest information is that 9,051 of these are convicts, of whom 3,749 are self-supporters.

(b) Colonisation on any considerable scale cannot be at present undertaken. The area available is limited and there are still approximately 9,000 convicts in the Settlement. As long as a substantial convict population remains, it is obvious that control over would-be settlers should vest in the Chief Commissioner. Government have considered the future of the Settlement: they hope to provide a nucleus for a free colony in the future from amongst those self-supporters who elect to remain permanently in the Andamans. In pursuance of this scheme a large number of self-supporter tickets have been granted during the last 2½ years; but it is impossible to say at present what success will attend this experiment.

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: Has the Government any information as to how the recent Anglo-Indian colonization enterprise from Bengal is working and whether the chances of extending experiments of that kind are close at hand?

THE HONOURABLE MR. J. CRERAR: The enterprise referred to by the Honourable Member is of course a private enterprise, but the Chief Commissioner has done all in his power to encourage it in pursuance of the authority given him by the Regulation. My latest information, which is not official, suggests that the colonists referred to by the Honourable Member are so far satisfied with their lot, but it is too early to say anything about the experiment and it is on too small a scale to draw any reliable deduction from it for colonization on a large scale.

THE HONOURABLE SIR DEVA PRASAD SARVADHIKARY: Would Government be prepared to afford facilities for further extension of the experiment if private enterprise was likely to be able to supplement the costs of similar undertakings?

THE HONOURABLE MR. J. CRERAR: I cannot give any definite reply on that point, but if the Chief Commissioner is able to give an encouraging

report of the result of the small experiment, I have no hesitation in saying that Government will give their very sympathetic consideration to a further extension.

NORTH-WEST FRONTIER COMMITTEE'S REPORT.

38. THE HONOURABLE LALA RAM SARAN DAS: Will Government kindly state what have been the recommendations of the Frontier Amalgamation Committee? Have Government considered the Report? If so, what recommendations are being given effect to?

THE HONOURABLE MR. J. CRERAR: It is hoped that the report of the North-West Frontier Inquiry Committee will be published on an early date, and pending publication Government are unable to state what the proposals of the Committee were. The proposals of the Committee are still engaging the serious consideration of Government.

THE HONOURABLE SAIYID RAZA ALI: Has any correspondence taken place between the Government of India and the Secretary of State in connection with this Report?

THE HONOURABLE MR. J. CRERAR: Yes, Sir, correspondence has taken place.

JUDICIAL ADMINISTRATION OF THE NORTH-WEST FRONTIER PROVINCE.

39. THE HONOURABLE LALA RAM SARAN DAS: What have Government decided to improve the judicial administration in the North-West Frontier Province?

THE HONOURABLE MR. J. P. THOMPSON: The matter is still under the consideration of Government.

THE HONOURABLE SAIYID RAZA ALI: In the interest of the efficiency of the judicial administration, is it contemplated to appoint an Indian as an Additional Judicial Commissioner for the North-West Frontier Province?

THE HONOURABLE MR. J. P. THOMPSON: If the Honourable Member will give me notice of that question, I shall be happy to reply.

THE HONOURABLE SAIYID RAZA ALI: Is the Honourable Member in a position to reply to my question now?

THE HONOURABLE THE PRESIDENT: If the Honourable Member was in a position to reply to the question now, she doubtless would have done so. I do not think the Honourable Member wishes to suggest that the Government are concealing information.

OFFICERS OF THE 'UNIVERSITY' CORPS.

40. THE HONOURABLE LALA RAM SARAN DAS: Is it a fact that officers of the University Corps in India cannot get even the Viceroy's Commission in the Indian Army?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: The answer to the Honourable Member's question is in the negative.

NUMBER AND TONNAGE OF MERCHANT SHIPS OWNED BY INDIANS.

41. THE HONOURABLE LALA RAM SARAN DAS: Will Government kindly state what is the total number and tonnage, at present, of merchant ships owned by Indians or Indian Companies, and what is the total number of merchant ships and tonnage engaged in the coastal trade of India?

THE HONOURABLE MR. D. T. CHADWICK: Information regarding the total number of tonnage of sea-going merchant ships owned by Indians or Indian companies at the present time is not readily available. The position recorded towards the end of 1922 was as follows:—

	Tonnage.
99 Steamers	147,968
7 Motor vessels	562
33 Sailing vessels	7,388
<hr/> 139	<hr/> 155,918

The Government have no information of the total number of merchant ships and tonnage engaged in the coastal trade of India.

ENCOURAGEMENT OF THE SHIP-BUILDING INDUSTRY IN INDIA.

42. THE HONOURABLE LALA RAM SARAN DAS: Have Government done anything to encourage ship-building industry in India? If so, will they kindly state what steps have actually been taken so far in this direction?

THE HONOURABLE MR. D. T. CHADWICK: Firms desirous of developing ship-building in India have had exactly the same opportunities for doing so as those anxious to start any other industry. The Government are not aware of any firms in India which in recent years have made any serious attempt to establish an industry to build modern ships. The Honourable Member is doubtless aware that a Committee has been appointed to consider, among other subjects, what measures can usefully be taken to encourage ship-building. Its report has not yet been received.

NUMBER OF SHIPS CONSTRUCTED IN INDIA.

43. THE HONOURABLE LALA RAM SARAN DAS: Will Government kindly state what is, on an average, the number of ships constructed per year in:—

- (a) Bombay Presidency,
- (b) Madras Presidency,
- (c) Bengal Presidency,
- (d) Burma,
- (e) Indian States?

THE HONOURABLE MR. D. T. CHADWICK: The average number of vessels built in some Provinces is very small, the Honourable Member might prefer if I mention the total number of steam and sailing vessels built in each province in the last ten years and the average tonnage for each class of vessels. It will be seen that in some cases figures for comparatively small boats have been included in the returns.

Statement.

	BENGAL.		BOMBAY INCLUDING SIND.		MADRAS.		BURMA.	
	Total number built in 10 years.	Average tonnage per vessel.	Total number built in 10 years.	Average tonnage per vessel.	Total number built in 10 years.	Average tonnage per vessel.	Total number built in 10 years.	Average tonnage per vessel.
Steam Vessels . . .	15	141	29	41	...	...	9	280
Sailing Vessels . . .	30	239	968	45	478	99	57	117

No figures of construction in Indian States are available.

SOUTH AFRICAN COAL.

44. THE HONOURABLE LALA RAM SARAN DAS: (a) Will Government kindly state the amount of South African coal imported into India during each of the last ten years? How much of this is imported *via* Bombay and *via* Karachi?

(b) How do the prices compare with Indian coal?

THE HONOURABLE MR. D. T. CHADWICK: (a) The information regarding the amount of South African coal imported into India in the last ten years can be obtained from Volume II of the Annual Statement of the Sea-Borne Trade of British India, copies of which are available in the Library.

Separate figures for South African coal imported *via* Bombay and Karachi are not available.

(b) It is not easy to answer this question owing to different grades of coal. But the Government understand that in the latter half of last year the average difference in favour of South African coal in Bombay was approximately Rs. 3 a ton for first class quality and from Re. 1 to Rs. 1-8 a ton for second class quality. But it is important to remember that for the purposes of this comparison rail-borne Indian coal has been taken and not sea-borne.

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: Is any portion of the coal so imported what is ordinarily known as bounty-fed?

THE HONOURABLE MR. D. T. CHADWICK: Coal exported from South Africa receives a rebate on its railway freight in exactly the same manner as does the coal exported from the Jharria and Ranigunj fields in Calcutta.

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: And the extent of such rebate?

THE HONOURABLE MR. D. T. CHADWICK: I regret to say I have had to deal with so many of these coal figures at one time or another that I should not like to say the exact number of pence or annas, but I shall be perfectly happy to show it to the Honourable Member if he will come to the office.

IMPORT DUTY ON SOUTH AFRICAN COAL.

45. THE HONOURABLE LALA RAM SARAN DAS: Have Government as a retaliatory measure considered the desirability of imposing a prohibitive duty on the import of South African coal into India?

THE HONOURABLE MR. D. T. CHADWICK: The question of a countervailing duty on South African coal imported into India is under the consideration of Government. At present they prefer to treat the question purely as an economic one. They are not prepared to make any statement on the question whether they would agree to imposing a countervailing duty by way of retaliation.

THE HONOURABLE SAIYID RAZA ALI: Are Government aware that the rebate recently granted on coal carried over certain lines in India does not enable the Indian coal to compete successfully with coal imported from South Africa in the Bombay market?

THE HONOURABLE MR. D. T. CHADWICK: Sir, that question might give rise to whole debate. But cargoes of coal which have been sent *via* Calcutta from the Jharria fields by sea since the introduction of the rebate have recently been sold in Bombay.

KENYA IMMIGRATION BILL.

46. THE HONOURABLE LALA RAM SARAN DAS: Will Government kindly state the nature of steps they have taken by way of protest against the recent Ordinance passed in Kenya Colony concerning immigration?

THE HONOURABLE SIR NARASIMHA SARMA: The Honourable Member is mistaken in supposing that the Bill known as the Immigrants Regulation and Employment Ordinance has passed the Kenya Legislative Council.

I repeat for the benefit of the Honourable Member the information already communicated by His Excellency at the meeting of both Chambers of the Indian Legislature. When the Government of India received a copy of the Ordinance, which had been drafted by the Governments of Kenya and Uganda and submitted to the Imperial Government, they took immediate steps to urge the postponement of the introduction and consideration of the Bill until they were able fully to present their objections; at the same time they strongly pressed that the Colonies Committee appointed by them should also have an opportunity of examining the question of the restrictions on immigration embodied in the Bill. These representations were accompanied by a preliminary statement of their objections to the provisions of the Bill. They received in reply an assurance by telegram from Lord Peel, the late Secretary of State, that the introduction of the Bill had been postponed at the instance of the Duke of Devonshire, the late Secretary of State for the Colonies. His Majesty's present Government have now informed the Government of India that the late Secretary of State for the Colonies found the Ordinance unsatisfactory and returned it to East Africa to be redrafted. At the same time he called upon the Government of Kenya for certain information regarding immigration and for an explanatory statement respecting the method proposed for the administration of immigration measures.

His Majesty's present Minister for the Colonies will await the reply to these inquiries and the revised draft of the Ordinance and will be

guided by further information received when these documents are before him. Meanwhile, he has given the Government of India an assurance that ample opportunity will be afforded to them to express their views and that he will give his earnest attention to any representations which the Colonies Committee appointed by them may desire to make regarding the measure whether in the form of a Bill or of an enacted Ordinance.

PROFITS FROM THE WORKING OF ENEMY SHIPS.

47. THE HONOURABLE MR. PHIROZE C. SETHNA: In the Home Accounts of the Government of India in Account No. 3 page 28, it is stated that the excess of receipts over payments in regard to enemy ships under the control of the India Office up to 30th September 1920, is £3,584,646-2-6 and that the ships were transferred, as from 1st October 1920, to the control of the High Commissioner who holds the excess receipts from that date which up to 31st March 1922 amounted to £328,808-11-6. In regard to this statement, will Government be pleased to say—

- (a) if the above balances are earmarked for any particular purpose or purposes and, if so, what?
- (b) if not earmarked, have Government thought of ways and means in which they are to be utilised?
- (c) if any suggestions have been made for the utilisation of these balances; if so, what and also how Government view any such suggestions?
- (d) if they were aware of these balances lying with the Secretary of State and the High Commissioner when the budget for the year 1923-24 was prepared and, if so, what were the reasons for not utilising these balances?
- (e) if these balances are invested and, if so, in what securities and the amounts of interest earned on them annually commencing from 1915?

THE HONOURABLE MR. A. C. MCWATERS: (a) and (b) I would request the Honourable Member to await the presentation of the Budget for a full statement in regard to profits from the working of enemy ships.

(c) A suggestion has been made to the Government that the profits should be earmarked for meeting the cost of measures for developing the growth of an Indian Mercantile Marine that may be recommended by the Indian Mercantile Marine Committee. Any proposals made by the Committee will receive consideration when received. But the existence of certain special revenues arising out of the war and after-war conditions can have no bearing on the question whether money can and should be provided by the Government for such a purpose. That question must be considered in the ordinary course along with other demands for Government expenditure.

(d) The question whether these profits will be available for credit to the revenues of the Government of India has been under discussion with the British Government for some time, being linked up with various other questions connected with these enemy ships. A final decision has not yet been arrived at. The Government were of course aware of the existence of these profits, but they had no knowledge as to how much, if any, of the sums in question would eventually be allocated to India.

It would clearly have been improper to base the financial programme of Government on a problematic extraordinary receipt of this character which moreover did not involve any actual cash receipt in the year 1923-24.

(e) The profits have been lying in the balances of the Secretary of State and the High Commissioner for India, and have been utilised for ways and means purposes in meeting disbursements by these authorities on behalf of India. They have thus served to increase the amount earned in interest on cash balances.

THE HONOURABLE MR. PHIROZE C. SETHNA: Were any attempts made before the preparation of last year's Budget for utilizing the whole or a portion of this money which would have saved the increase in the salt tax?

THE HONOURABLE MR. A. C. MCWATTERS: The matter has been constantly under discussion for some time past before the last Budget.

LETTER POSTAGE BETWEEN INDIA AND THE UNITED KINGDOM.

48. THE HONOURABLE MR. PHIROZE C. SETHNA: (a) Has the attention of the Government been drawn to the anomaly in the postage rates between this country and the United Kingdom, viz., that the rate on letters from India to the United Kingdom is 2 annas per oz. whereas it is $1\frac{1}{2}d.$ (which is about $1\frac{1}{2}$ annas) from the United Kingdom to India?

(b) Will Government be pleased to state the reasons for such difference in rates?

THE HONOURABLE MR. A. H. LEY: (a) Yes.

(b) Up to 31st March 1923, letter postage receipts between India and the United Kingdom were pooled and the rates of postage in India were assimilated as far as possible to those which were fixed in England. The initial Empire letter rate was for a long time $1d.$ After the outbreak of war it was raised to $1\frac{1}{2}d.$ and then to $2d.$ On the 29th May 1922 it was reduced in England to $1\frac{1}{2}d.$ As India had raised her internal rates of postage with effect from the 24th April 1922 in the general interests of the postal revenues, it was deemed inadvisable to reduce the rate for letters from India to England. The loss by reducing this rate will be heavier now than would have been the case had the pooling system continued.

MILITARY HOSPITALS.

49. THE HONOURABLE MR. PHIROZE C. SETHNA: With regard to *question No. 3; on 16th July 1923, will Government be pleased to state if the investigation into the question whether it is possible to close forthwith certain military hospitals and to reduce the number of beds in both British and Indian station hospitals has been completed and, if so, the result of such investigation?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: A statement indicating the action that has so far been taken in the matter is laid on the table. The investigation has not yet been fully completed.

Statement showing the action taken with regard to the closing down of certain Military hospitals and reducing the number of beds in British and Indian Station Hospitals.

The British Station Hospital, Saugor, has been reduced from 5th class to a non-dieted hospital.

A proposal to close the British Station Hospital, Campbellpur has been received and is under consideration at Army Headquarters.

The British Station Hospital, Indore, has been finally closed.

The Indian Station Hospital, Fort Cavagnari, has been reduced from 5th class to a non-dieted hospital.

The British Station Hospital, St. Thomas' Mount, Madras, has been finally closed.

The Indian Station Hospital, Barrackpore, has been finally closed.

The British Station Hospital, Muttra, will close when the British cavalry unit at that station has been removed.

The British Station Hospital, Kirkee, has been reduced from 3rd class to a detention hospital, and the family hospital at that station has been closed.

The British Station Hospital, Kailana, has been reduced from a section hospital of 75 beds to a detention hospital of 10 beds.

The Indian Station Hospital, Takdah, has been finally closed.

The British Station Hospital, Neemuch, has been finally closed.

The total number of beds which have been reduced up to date is as follows:

<i>British.</i>		
Northern Command	.	1,051
Southern Command	.	432
Eastern Command	.	333
Western Command	.	33
Burma District	.	61
Aden Brigade	.	24
Total	.	1,984
		1,984
<i>Indian.</i>		
Northern Command	.	1,180
Southern Command	.	618
Eastern Command	.	127
Western Command	.	195
Burma District	.	nil.
Aden Brigade	.	40
Total	.	2,180
		2,180
GRAND TOTAL	.	4,144

MILITARY DAIRIES.

50. THE HONOURABLE MR. PHIROZE C. SETHNA: With regard to *question No. 5, on 16th July 1923, will Government be pleased to state what further action they have taken regarding military dairies?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: The following steps have been taken:—

- (a) A considerable reduction in the administrative and executive staffs is being effected. Instead of a three-circle organisation, it is proposed that, with effect from the 1st April 1924, the administration of the Dairy Farms shall be carried out with a two-circle organisation.
- (b) The revision of the sale rates of dairy produce is under consideration; and
- (c) The military dairies at Bangalore and Wellington, as well as the Young Stock farm at Karnal, have been transferred to the Imperial Agricultural Department.

THE HONOURABLE DR. SIR DEVA PRASAD SARVADHIKARY: Would the Government consider the desirability of handing these dairies over to private management and coming to an arrangement with private managers for the supply of military requirements? If that is done, would it not conduce to economy?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: This question has already been considered by us on several occasions. I do not think that we have yet come across any instance where we can hand them over as the Honourable Member suggests, but it is engaging our very close attention.

INDIA'S CONTRIBUTION TO THE EXPENSES OF THE LEAGUE OF NATIONS.

51. THE HONOURABLE MR. PHIROZE C. SETHNA: Will Government be pleased to state what action they propose to take with a view to obtaining a reduction in India's contribution to the expenses of the League of Nations?

THE HONOURABLE DR. MIAN SIR MUHAMMAD SHAFI: The Honourable Member's attention is invited to Part XV of the Summary of the Proceedings of the Imperial Conference, 1923, a copy of which is laid on the table, and to paragraphs 48 to 51 of the Report of the delegates of India to the Fourth Session of the Assembly of the League of Nations (1923) which was published in the *Gazette of India Extraordinary*, dated the 1st February, 1924. The Government of India do not propose to anticipate the re-opening of this question at the Assembly of the League in 1924.

XV.—*Contribution of India to the Expenses of the League of Nations.*

The question of the contribution of India to the expenses of the League of Nations was raised by the representatives of India at the Conference and was referred to a Committee under the Chairmanship of the Secretary of State for the Colonies. It was there explained by Sir Tej Bahadur Sapru that India was assessed far higher than any other part of the Empire, except Great Britain. In 1922, Lord Balfour had stated publicly at a meeting of the Assembly that the various parts of the Empire represented on the League would settle among themselves the exact amount which each would find. India desired to ascertain whether, in view of this statement, some relief could be afforded by the other parts of the Empire.

The members of the Committee representing Great Britain and the Dominions, while expressing sympathy with the difficulties of India, explained that their Governments were not able to agree to any variation from the standard of contributions already laid down by the Assembly for 1923 and 1924.

In the circumstances it was, of course, impossible for the Committee as a whole to make any recommendation. Sir Tej Bahadur Sapru intimated that India must necessarily reserve the right to raise the question of its contribution at the League Assembly of 1924, and the Secretary of State for India, as Head of the Indian Delegation, affirmed this attitude when the matter came up before the Conference.

The Conference took note of the position.

RESOLUTION RE INQUIRY INTO THE ECONOMIC CONDITIONS OF THE PEOPLE OF INDIA.

THE HONOURABLE MR. PHIROZE C. SETHNA (Bombay: Non-Muham-
madan): Sir, I beg to move that:

"This Council recommends to the Governor General in Council that a Committee consisting of a majority of non-official Indians be appointed to make a full and detailed survey of the economic conditions of the people of India with special reference to the condition of the agricultural population, with a view to finding out the average annual income per head of the population, particularly of the agricultural population, and to inquire into and report on the measures that should be adopted to reduce, as far as possible, the existing destitution and poverty in the country and to raise the average economic level of the masses of the people."

As Honourable Members are aware, there was a time not many years back when the public mind in India was exercised on no question more so than on the question of what was described as the ghastly and growing poverty of this country. Our Western educated youths turned out by our Colleges and Universities in increasing numbers year after year fully recognised the manifold blessings and advantages of British rule, but, at the same time, they began to feel with a conviction that grew stronger and stronger as the years rolled by and as the country was devastated by a series of dreadful famines, that these blessings were at least partially off-set because the poverty of India was growing apace. It was to be looked upon as a serious blot on British administration and as constituting a grave political danger. The first exponent of that school of thought was that Grand Old Man of India, the late Dadabhai Naoroji, to mention whose name is to bring before the mind's eye the long history of India's struggle for political enfranchisement. It would be no exaggeration to say that the great mission of this great man's life was to impress upon the British Parliament and upon the British public the growing poverty of India and the sacred duty which they owed to themselves and to this country which in the inscrutable dispensation of Providence had come under their rule to mitigate and to remove it. As I have said, Sir, it was Dadabhai Naoroji who was the greatest exponent of that school of thought. But amongst the many very powerful and able representatives of that school of thought there was also such high-minded and highly placed British officials as Sir William Wedderburn and Mr. Allan O. Hume, distinguished members of the Indian Civil Service, who have shed great lustre on that service and whose careers can well be held forth as patterns and exemplars for the present and for the future members of that service to follow and imitate. The Government of India, however, would not admit that the Indian raiyat had become less poor and less prosperous under British rule than he was under Hindu or Muhammadan rule.

Nothing arouses the angry passions of any Government more so than the allegation or even the suggestion that their rule has contributed to the impoverishment of the masses. No Government would like the charge against them that the masses under their rule are less prosperous than what they have been or were supposed to be under the rule of those whom they have succeeded or displaced. Such being the normal nature of all Governments, it was no wonder that the school of thought represented by Dadabhai Naoroji and others was strongly opposed by the Government and aroused bitter passions and controversies as between them and the leaders of Indian public opinion. To-day, it seems as if the controversies are ended and the leaders of public opinion are no longer troubling themselves with the question whether the masses of India are becoming

poorer or richer under British rule. Indian politics have entered on a new phase and the cry of Swaraj has drowned every other voice. Problems of power and control have absorbed all public attention and monopolised all channels of political activity. Nevertheless, there could be no greater mistake than to think that this great question of the economic condition of the masses of India has lost all its serious importance and urgency, and that its solution can safely be left to the slow normal operation of such ordinary forces as departmental machinery can set in motion. On the contrary, I venture to submit that precisely because the air is at times thick with strange ideas that go to the very root of the political order, it is the bounden duty of Government to adopt—and adopt promptly—every possible measure that may conduce to the contentment and prosperity of the masses, bring down poverty and destitution within such limits as are under the control of human effort and thereby keep the vast millions of India out of the sinister influence of revolutionary ideas and movements.

In bringing forward this Resolution, I wish to assure Government and this House that I am actuated by no desire to draw any comparisons between the condition of the masses under the British and under the Hindu and Muhammadan rule. I disown the least desire to draw any comparisons. This is not at all necessary for the object I have in view. Nor do I think that by adopting such a method of discussion, I can hope to persuade Government to accept my Resolution. I want to raise the question to a loftier altitude where no national self-respect will be wounded, no national susceptibilities offended and no passions aroused, where we can all meet on a common platform, and being inspired by no other spirit than the noble scientific spirit of truth, shall endeavour to ascertain facts as they are to-day, not as they existed a century or five centuries back, but to-day, and take counsel together with a view to devising such remedial measures as a thorough, patient and comprehensive examination of the whole subject may suggest to our deliberate judgment. What is of real live interest and of practical importance is to know the situation as it really is, to face the facts which are beyond the domain of doubt and controversy and to adopt measures that will cure the evils about the prevalence of which no question can arise. It is in this spirit that I am moving my Resolution and it is in the same spirit that I would earnestly appeal to Government and the House to consider it.

If there has been in the past much wild talk and writing, even inflammatory, the Government have themselves to thank for it. For they have always shirked a full, detailed and open inquiry into the economic conditions of the masses and, in the absence of clearly ascertained and well authenticated data, conjecture, surmise, one-sided and exaggerated statements, influenced by the bias of patriotism, are bound to receive ready acceptance and pass current as undoubted truths. Even an inquiry on a strictly limited scale into the economic condition of a few typical villages has not been publicly made. In speaking on the Budget in 1902, the late Mr. Gokhale rightly said that, if the Government would undertake such an open inquiry, it would certainly clear many of the prevailing misapprehensions on the subject. But though the Government are believed to have made inquiries of some kind or other in the past departmentally or confidentially, they have never summoned courage to make such inquiries openly, much less to make a comprehensive and detailed survey and examination of the economic condition of the people in every province. The results of such inquiries as they might have made are treated as

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strictly confidential, and the profane non-official eye is not allowed to obtain even a glimpse of these official mysteries.

It is said that in 1882 there was an inquiry called the Cromer Inquiry, another made by Lord Dufferin in 1887-88, and a third one undertaken in 1891. Again, in 1898, when the Famine Commission was appointed, the Provincial Governments are said to have submitted to it valuable statistical memoranda and notes on the conditions of the lower classes in rural areas. All these papers and documents are treated as confidential and withheld from the public. It is further obvious that these are all old inquiries, made forty or thirty years ago, and their results, however important and valuable they might be, cannot enable us to know the situation as it exists at the present moment, unless those results are supplemented, corrected and modified by a fresh up-to-date inquiry. When we bear in mind that the results of the old inquiries, such as they were, have been treated as confidential and withheld from the public, and, further, that no fresh inquiry has been made during the period of a generation, what wonder is there that hostile critics of the Government would openly allege or cunningly insinuate that the Government do not really wish to face an open, thorough and detailed inquiry into the economic condition of the masses, because forsooth the results of such an inquiry cannot but reveal a state of things that would redound to its credit.

Whatever valid excuse might have been made in the past no such excuse can reasonably be pleaded in these more spacious days, when the constitution of the Government is liberalised, and the representatives of the people share with the Government the responsibility for the welfare, the prosperity and the progress of the people. In the pre-Reform days all responsibility for improvement or deterioration in the condition of the masses rested with the Government, which was then avowedly and completely autocratic and professed to be paternal. If the condition of the masses showed improvement, all credit was theirs, the discredit was also theirs. But the situation has now changed and the Legislature now shares with the Executive Government the sacred duty and the proud privilege of doing all that may be necessary and be found feasible to ameliorate the conditions of the masses, to lessen their burdens and in general to raise their average level.

We may hold that the prosperity of India has increased under British rule or we may maintain the contrary view. None can honestly and seriously contest the position that a large percentage of the population are poor, very poor. The relative poverty of India under British rule and under the preceding Moslem and Hindu rule is justly open to doubt and dispute. We admit that India is now the largest exporter of rice in the world. She holds the first place in her exports of tea and, together with Ceylon, exports more than half the tea crop in the world. Next to the Argentine she is the largest exporter of hides, and next to the United States the largest exporter of cotton in the world. Next to the United States she is the largest wheat producing country in the world, while Bengal holds the virtual monopoly of the jute trade. Her system of irrigation stands easily first, being far more extensive than that of Egypt or America. But despite this, and, although it may sound as a paradox, her poverty, the absolute poverty of by far the greater portion of the agricultural population cannot but be admitted by all those who have given any thought to the subject.

The poverty of India is a commonplace and it is recognised by all. I can quote statement after statement made by responsible officials, administrators and statesmen, ranging over a long period of about seventy years from 1853 upwards, all testifying to the poverty of this country. In 1853, John Bright said in the House of Commons that the cultivators of the soil:

"the great body of the population of India, are in a condition of great impoverishment, of great dejection and of great suffering".

Ten years later, Lord Lawrence said that—

"India is on the whole a very poor country. The mass of the people enjoy only a scanty subsistence".

In 1881, Sir William Hunter said:

"Forty millions of the people habitually go through life on insufficient food".

The Duke of Argyll in an article he contributed to the Nineteenth Century in 1883 observed:

"We have indeed of poverty and of destitution more or less numerous examples in European countries. But of chronic poverty and of permanent reduction to the lowest level of subsistence such as prevail only too widely among the vast populations of rural India, we have no example in the Western world".

In 1888, Sir Charles Elliot said:

"I do not hesitate to say that half the agricultural population do not know from one year's end to another what it is to have a full meal".

These are the opinions of men who were well acquainted with their subject, but it may be said they are old testimonies. I shall therefore quote one or two recent ones. The distinguished authors of the Montagu-Chelmsford Report say:

"The Indian Government compiles no statistics showing the distribution of wealth, but such incomplete figures as we have obtained show that the number of persons enjoying a substantial income is very small. In one province the total number of persons who enjoyed an income of £66 a year derived from other sources than land was 30,000, in another province 20,000. The revenue and net returns also show how small the average agricultural holding is. According to our estimate the number of landlords whose income derived from their property holdings exceeds £20 a year in the United Provinces is about 1,26,000 out of a population of 48 millions. It is evident that the curve of wealth descends very steeply and that enormous masses of the population"—note this words—"have little to spare for more than the necessities of life".

Commenting upon this a critic says:—

"Just reflect quietly upon what it means to declare in serious official statistics that less than 3 per 1,000 holders of land obtain from their holdings more than 8s. a week for themselves and their holdings".

And he adds:—

"There is no such hopeless poverty on earth as that which exists and continues under British rule in India. So frightful is the impoverishment that the Government dare not publish official statistics on the subject."

This was written by an English critic of the Indian administration soon after the publication of the Montagu-Chelmsford Report. Notwithstanding such authoritative testimony, Sir George Lloyd, late Governor of Bombay, as recently as only two months back, at a meeting in that city of the Associated Chambers of Commerce, decried that section of the Indian Press and the Indian public who make out that India is extremely poor, and he treated as unreliable the statistics put forward by them. He adduced certain figures which are one-sided and misleading and he has left out of consideration the lessened purchasing power of the Rupee, but even then, on his own showing, the annual Indian income works out at

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Rs. 49 per head, a fact of which as an administrator of an Indian province he himself can hardly be proud.

I shall quote one more testimony—also very recent—certainly more authoritative than Sir George Lloyd's, and then bring to a close this part of my argument. It comes from the Government of India—the present Government presided over by His Excellency Lord Reading—and ought to be regarded as conclusive. In the Report for 1921-22, otherwise called "India in 1921-22" prepared for presentation to Parliament in accordance with the requirements of section 26 of the Government of India Act, Professor Rushbrook Williams, the author of the Report, in dealing with the position of the agricultural population, refers to the estimate of the agricultural income in the Madras Presidency, prepared by the Statistical Branch of the Department of Agriculture of that Presidency an estimate which he says, proves a tendency towards improvement, observes:

"The symptoms of increasing prosperity ought not to disguise from the observer the poverty which besets the masses of the population—poverty of a kind which finds no parallel in the more exigent because less tropical climate of Europe".

He says that:

"The majority of the population in British India are poor and helpless beyond Western conception",

and rightly describes the problem of Indian poverty as "a gigantic problem". Here is a clear admission on the part of the Government that the Indian masses are suffering from great poverty.

It may be asked if the general poverty of India is admitted on all hands and is frankly recognised by the Government themselves, what is the use of making an inquiry such as my Resolution proposes? The answer is that, though we may all admit and recognise in a general way that the masses of India are poor, we are lacking in full, accurate and up-to-date knowledge of the precise character and extent of Indian poverty. Again, our ideas about the root causes of that poverty are anything but full and accurate. The House is aware of the different estimates of the average income per head of the population made by different men at different times. In 1870, the late Dadabhai Naoroji made a calculation which gave 40s. as the annual income per head of the population. The exchange value of a £ in those days was Rs. 10, so that that gives Rs. 20 as the average annual income per head. This estimate was accepted as correct by Grant Duff and Lord Mayo. In 1882, Lord Cromer (then Major Baring) said in his speech on the Budget that the average income per head was Rs. 27. In 1901, Lord Curzon, the then Governor General of India, discussed the question of Indian poverty in his budget speech, and after analysing certain figures, drew the conclusion that the average annual income was Rs. 30. Since that date I am not aware of any other official calculations beyond what were made in one or two provinces. In the Bombay Presidency, Mr. G. Finlay Shirras, who is responsible for the preparation of all statistics for the Bombay Government, says:

"The net per capital annual income, which is arrived at by dividing the gross income of the family (*minus* agricultural and business expenditure) by the total number of persons in the family, works out at about Rs. 100 for urban localities, and for rural localities at about Rs. 75. In Bombay City, however, it has been estimated, as the result of investigations of nearly 2,500 family budgets, that the monthly income of an average working class family, consisting of 1.1 man, 1.1 woman and 2.0 children, works out at Rs. 52/4/6 per month".

The other official inquiry is the one to which I have already referred, namely that undertaken by the Agricultural Department in Madras, and which gives the income at Rs. 100, per annum. In regard to this increase, Professor Rushbrook Williams says, in "India in 1921-22", as follows:—

"The statement has so often been repeated that the average income per head for all India is only Rs. 30 that some people are likely to be astonished at a figure so large as that apparently prevailing in the Madras Presidency. But it must be remembered that the estimate of Rs. 30 was made at the close of the last century and further that it was a minimum, not a maximum, estimate of the average income. Since it was arrived at, the alteration of prices has been so great that the purchasing power of Rs. 100 in 1920 is only 40 per cent. greater than that of Rs. 30 in 1899."

The late Mr. Gokhale in a speech which he made at the National Liberal Club in London said that, according to official estimates, the average annual income in India was £2 per head and according to non-official estimates only a little more than £1 per head, as against an income of £42 per head in the United Kingdom.

According to Sir M. Visvesvaraya, the President of the Seventh Indian Economic Conference, held in Bombay just a fortnight back:

"the wealth of India before the war was estimated at £3,600 millions or Rs. 5,400 crores. This meant an average property or wealth amounting to Rs. 180 per head of population. The corresponding figure for Canada was a little over Rs. 4,400; that for the United Kingdom Rs. 6,000. Again the annual income per head in India at the present reduced value of money varies from between Rs. 45 and Rs. 60 This is the average, but the income of the poorest classes is of course much lower than this".

These different estimates of the average annual income per head of the population made at different periods clearly point to the necessity of a thorough and up-to-date examination of the whole question; so that instead of relying on impressions, surmises, one-sided statements often inspired by preconceived views and notions, and half truths, our knowledge of the subject may be worked by that fulness, clarity and accuracy which are absolutely necessary and without which it is impossible to devise a comprehensive and effective scheme of measures for bringing down poverty to the lowest level to which it can be reduced by State action and for improving the general economical condition of the people. I venture to think, Sir, that it would be no exaggeration if I were to say that the Government have not faced the problem of Indian poverty with that courage, that tenacity of purpose and that earnest zeal which the vast importance of the issues involved in the problem demands. All that they have hitherto done, or are doing, amounts to no more than mere tinkering with the problem. Until and unless the economic level of the Indian masses is so raised that they will have within their reach not only the necessities of life but also some of the amenities and comforts of civilised existence, Government will have been guilty of a gross dereliction of their duty by them. The problem of the poverty of India may be a gigantic one; it may be a Herculean task to raise the economic level of the Indian masses. But if the problem is gigantic and the task Herculean, the object to be achieved is indeed great and worthy of a highly enlightened and progressive Government as the British. What can be a higher and nobler title to glory than that the British Government have not only set India on the path of self-government but also spread plenty and prosperity among even her teeming toiling, millions and raised them from grim heart-rending poverty to a worthy level of material existence such as befits civilised men and citizens of an enlightened and progressive commonwealth of Nations. Sir, I earnestly appeal to the House and to Government to accept my Resolution.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN (West Punjab: Muhammadan): Sir, being an elected Member of the Zamindars, I cannot let this occasion pass without taking part in the debate. Though, when a similar occasion occurs, one has to say the same thing over and over again, we know that, if one goes on knocking at the door, it may some day be opened. If this Resolution is accepted, I am sure that the money spent on it will be much better spent than it has hitherto been spent on any other object. The Zamindars, as we have heard from the Honourable Mr. Sethna also, are badly off. Every ten or twenty years there is a settlement in which more revenue is levied on them. The land, owing to its being tilled regularly for a long period, gets deteriorated as Science admits, and even if the water supply is diminished and the prices get cheap, the settlements continue. I have seen this done in many places in my part of the country.

As regards equalising the burden, the Zamindar has to pay even on a small holding, while his brother the money-lender is not asked to give anything even if he earns Rs. 2,000. No doubt, some people may say that there are wealthy Zamindars. Of course there are a few here and there, but I can safely say that they are not even 5 per cent. of the others who are just like those we have been hearing about from our friend. There are men who only find food perhaps once in twenty-four hours, and, if one were to see the people especially outside Delhi, one would see from their limbs that from the beginning they have had no chance of getting sufficient food and developing their bodies. Before the present Government, other Governments used to levy their dues in kind. If there was a bad crop, they used to take one-fourth or one-tenth of that crop. If it was a good crop, and if the ryot had to give more, he did not mind it much. In the beginning of the Raj, in the Punjab, most people, knowing that they would have to give Government dues in money, did not claim their lands. There are hundreds of good families which now go about having no land, while the others have taken their property. If India was not poor, people would not go out of the country and be humiliated as is the case in some of the Colonies. I think that if the Resolution was adopted, and something done towards seeing that the people got sufficient food in their own country, it will be a great thing. The great difficulty of the Zamindar is that a good portion of their money is taken away by the Sarcar (Government) as their dues. Then comes the Ahilkar (the Government official). As you know, some of the petty officials are very badly paid and they want more money to live. They have only to depend on the Zamindars from whom they extract it. Then comes the Sowcar (the money-lender). When the time for Government dues comes, and the Zamindar has got no money, he has to go in search of a money-lender to ask for it, and when once he gets it, he can never get out of debt, owing to interest and compound interest.

There is one thing on which I do not agree with my Honourable friend, Mr. Sethna, and that is, when he said that it is poverty that is bringing about trouble in this country and revolution. I think it is something else and I may have to say it when the other Resolution comes on. One man was seen taking away the bark of a tree and cutting grass. He was asked why he was doing so, and he said that he could not have sufficient wheat flour and that he must mix three-fourths of these with it.

Then, Sir, the Zamindar is also driven to be a labourer after he has consumed the produce from his land which he finishes generally in about two months, and for the other ten months he has to become a labourer.

It is well known that a labourer can sometimes get 8 annas or a rupee or even two rupees if he is a skilled labourer. But the Zamindar, as we have heard from my Honourable friend, Mr. Sethna, does not get anything like that. In my opinion, Sir, every man who is born in this country has got a right to live, and if the annual produce from his land is not sufficient for his food, he should not be taxed at all. If there are others who are let off lightly, and if they come forward and bear the burden, then we will say that Government is thinking of other sources also. In the end, Sir, I strongly recommend that this Resolution of Mr. Sethna, to whom all the Zamindars ought to be very thankful for bringing it forward, should be adopted.

THE HONOURABLE SARDAR JOGENDRA SINGH (Punjab : Sikh): Sir, it gives me very great pleasure to support this Resolution.

This is the first time when a town-dweller has been persuaded to admit that the agriculturists also deserve his attention. From the day it was my privilege to come to this House, I have done my best to bring the agricultural problem and the economic conditions of the country to the notice of this House, but I deeply regret, Sir, that so far, this House has not gone into the question as earnestly as it might have done.

By a strange coincidence, yesterday in the "Pioneer" there appeared the important speech of His Excellency the Viceroy and, at the same time, appeared the programme of the Labour Ministry. The very important speech of His Excellency dealt with the internal and external problems of India, with our foreign relations and with the political problems that are engaging the attention of the country, but so far as the economic and material interests of the country are concerned, the speech was practically silent. In a pregnant sentence His Excellency mentions the need for the development of the material and political welfare of the country. Material welfare is certainly mentioned, but without any programme or policy being indicated towards its attainment. The week-old Labour Ministry is engaged in lightening taxation, in providing houses for the houseless and in promoting agriculture by providing subsidies while our Government is engaged on academic discussions.

His Excellency may be justified in leaving these material problems alone, but the Members of his Government, the Revenue Member and the Finance Member, who are directly concerned with the prosperity of the country, have also remained silent throughout the whole of the election campaign. They have given no lead as to their future policy regarding the question of poverty and regarding providing stability of values. I have just heard, when I entered this Council, that the Revenue Member might repent and do something in starting an inquiry.

I read with great interest the speech delivered by our Finance Member before the Chamber of Commerce in Bombay. He dealt with the exchange question only from the point of view of external trade.

But so far as the stability of the values in this country was concerned he said nothing; he talked of the paper and silver notes, but nothing could persuade him to put an end to the fraud of keeping a fictitious exchange rate in the Statute. What we want is a stable currency on which the trader and the producer could both depend. He said nothing regarding the creation of agricultural credits and providing money for the development of agriculture. Even, to-day, after the new Councils have met, we have no programme or policy regarding the economic development of the country before us.

[Sardar Jogendra Singh.]

What our Statesmen have passed over lightly has been placed in a clear light by Her Excellency Lady Reading. I was deeply interested in the Baby week organised by Her Excellency. There we were enabled to see the squalid surroundings in which babies are brought up, and it follows that, if babies are to be looked after properly, the parents must have proper nourishment; the significance of this discovery will bring home the question of providing proper nourishment for the people. This question will have to be tackled by our Ministers and by our Cabinet Ministers. His Excellency the Viceroy also spoke of the coming convalescence of the country. I am quite sure that, so far as the trade of the country is concerned, it is reviving; but so far as the chronic poverty of India is concerned, trade does not affect it at all. The doctors at Whitehall and Simla have had their political axes to grind, their particular theories to ventilate. The definitions of land-revenue have provided lists for many breaking of the lances. The main question remains, namely, the determination of the agricultural income of the population and the surplus available for taxation; and not only for taxes, but the surplus available for the development of agriculture. That question has been shelved from year to year, as has been pointed out by the Honourable Mr. Sethna. I do not know even now how it is going to be tackled. It is a gigantic question and will have to be tackled, if India is to revive and attain prosperity and be contented. It is not by political tinkering only that India will find contentment; it is by providing a way by which the millions of her people can find employment; we have hundreds who have spent years in Universities and cannot find work anywhere. The Honourable Mr. Sethna, in talking of poverty, gave out estimates of incomes framed by various people from time to time. The people are poor because the pressure of population has been increasing; in some provinces the holdings are very small and are altogether inadequate to provide enough nourishment. In the Punjab we have one acre per head; in the United Provinces it is only 0·6; in Bengal, 0·5, I think it works out to even less in some Provinces. These small holdings have no permanent means of irrigation; where irrigation is not available, it is not possible for the agriculturist to produce enough food for himself. It is all a question of capital and brains coming to the assistance of agriculture to devise new means of intensive agriculture. Here in the Legislative Assembly and in the Council and the Government of India, we are always engaged about political progress, but political progress is a means to an end and that end is none other than the well-being of the people. I wish the Government paid more attention to this matter of the promotion of the welfare of agriculturists who make up the mass of our population. The inquiry will have to be carried out in every province separately and then co-ordinated by a central committee. It should not merely be an inquiry to estimate the income of the people; it should go further and find out new resources from which new income could be produced. It will have to survey the whole field of agriculture, the nature of the holdings, the present and past situation of the peasants and farm workers, the determination of agricultural incomes and the surplus available both for the purpose of production and for the purpose of taxation, the fixing of a new ratio of land tax, which is a very important question. The agriculturist has paid something like 50 per cent. of his income for a long time, while our friends from the towns have paid quite a different proportion of their incomes as tax. This proportion which the agriculturist has to pay must be revised in conformity with the modern standards of taxation, taking into consideration the ability of the tax-payers, the surplus available and all

other factors which are relevant to the question. It might perhaps be said on the official side that the Settlement Officer goes into the question very carefully. I admit he does, according to the standards set up for him; he even tries to be lenient. But the standard is too high, and to it has to be added cesses and rates which take the percentage to something like 60 per cent; however lenient the Settlement Officer might be, the tradition is there and he cannot depart from it to any large extent.

Then a most important question is the creation of more irrigation facilities. Irrigation from wells has not been taken up on modern lines. The report of the Irrigation Commission is out of date. We not only need this Committee, but an Irrigation Commission again, surveying the whole field of irrigation from wells, rivers and other sources, if agriculture is to be placed on a proper basis.

Then, Sir, if one might indulge in a little dream—and that dream is a dream which the Government of India and all patriots may dream—it is a dream of restoring the village as an economic unit and bringing civilisation home to the villages. It is a dream to make power available in the villages for weaving, for pressing oil and for all other purposes. It is not impossible now. In the olden days, when the factory was limited by steam-power, it was not possible; but now with electric power, each village can be made into an economic unit saved from the ill effects of its population wandering out to the towns. It is only at long intervals that people come to a crucial point; and, if I can claim any knowledge of the agricultural classes I can tell this Council, that the people in the villages are losing faith and losing hope; and unless immediate steps are taken to restore faith and hope and to organise agriculture a grim harvest awaits. The Government has been brought to a test which they have to meet; and, if they fail the difficulties of the Government will grow very largely. The splendours of our port towns of Calcutta and Bombay, and the splendour of even new Delhi are overshadowed by the poverty which surrounds us on all sides. It is not the kind of poverty which my Honourable friend, Sir Malik Umar Hayat Khan, just now mentioned; but it is poverty of a different kind, and it varies from province to province according to the nature of the holdings.

In some provinces, I know, there is quite a large percentage of the people who are not able to secure one meal a day; in other provinces, where taxation is lighter, and irrigation is guaranteed, people get better food and are better clad and they make themselves better workers. The main question is to provide better food in all the provinces, to equalise taxation all over India, which now varies from province to province, and in some provinces from district to district, and to carry out a further inquiry and organize agriculture as it is being organized in other countries, and thus the Government may justify their oft-repeated statement that they have only the interests of the agriculturists at heart and that they are working practically in the interests of the agriculturists.

THE HONOURABLE SIR MANECKJI DADABHOY (Central Provinces : General): Sir, in rising to express my views on this Resolution, I do not desire to throw cold water on it or to minimise its importance in any way. I acknowledge that my Honourable friend, Mr. Sethna, has done a distinct service to the country and to this Council in bringing forward this debate to-day. Though I agree with him in much that he has said this morning as regards the general poverty of the country and the want of up-to-date statistics, I fear I cannot go the whole hog or to the full extent of his

[Sir Maneckji Dadabhoy.]

indictment regarding the general poverty of the country. While agreeing with him on many points—he will pardon me for mentioning it—I feel that the picture which he has drawn is in many parts overdrawn. I do not for a moment wish to assert in this Council that there is no poverty in this country. It is a problem which all the important countries all over the world are facing to-day. There is poverty in Western countries, there is poverty in the Dominions and there is poverty in India as well, but it is a mere matter of relativity and comparison; and though I am prepared to admit that, comparatively, India is poor and needs the inquiry suggested by him, I must say that there are other aspects of the question which are open to question and which require full discussion. I have for some time past tried to study this question; I have for some time past vainly tried to answer it and find out for myself where the large quantity of silver, the large quantity of gold, which is imported every year into this country goes and where it is absorbed. Some explanation is necessary with regard to that. I thought that my Honourable friend Mr. Sethna, would have thrown . . .

THE HONOURABLE SARDAR JOGENDRA SINGH: Does the trade of the country come to only Rs. 20 per head?

THE HONOURABLE SIR MANECKJI DADABHOY: I will answer that presently. I thought my Honourable friend Mr. Sethna would have thrown some light on the point as to where all this large quantity of gold and silver, that is annually imported into this country, goes.

Another matter on which I am disappointed with my friend is that, though he has discussed the question of the poverty of India with such masterly ability, he has not said anything about the merits of his Resolution regarding the appointment of the Committee, and the feasibility of carrying out the suggested inquiry. I have some misgivings on this subject. I am ordinarily in favour of Committees, certainly; but I am very doubtful that a Committee of the type suggested by my Honourable friend will be of any help or value in the solution of one of the most important problems affecting this country at present. My Honourable friend asks that a Committee consisting of non-official Members be appointed. In my humble opinion a Committee of that nature consisting mostly of non-official Members, is wholly unfit to undertake the task suggested.

THE HONOURABLE MR. PHIROZE C. SETHNA: A majority of non-official Members.

THE HONOURABLE SIR MANECKJI DADABHOY: Yes. With great deference to him, I would say that in my humble opinion such a Committee would be practically useless. We do not want a Committee consisting of a majority of non-official Members to tackle such an important, such a vital and such a technical question as the poverty of India, which requires personal and intimate knowledge of the economics and of the great problems not affecting India alone but affecting the entire world. My fear is that a Committee of this nature would not be of great value and would not be in a position to tackle this very important problem. My opinion is that we want an expert Committee, we want a Committee of financiers; we want a Committee of men who have spent all their lives in the study of this important economic problem and who could be in a position to deal with such a great and difficult problem with that masterly

knowledge and information which is only compatible with technical qualifications. It is for this reason that I am not in entire accord with the proposed Committee. Further, the contemplated inquiry is of a very comprehensive type. India is populated by different classes and creeds, men carrying on different vocations in different parts of the country, and I am very doubtful whether an All-India inquiry will be a great success. We want local inquiries, if possible; we want each province to take up its own special problem with the assistance and profound knowledge of their own economists, with the help of their own men, learned and trained in these subjects, to solve their own problems. I am not opposed, Sir, to any inquiry of this kind. I think the question is a very vital one and needs immediate investigation. It needs the immediate attention of the Members of this Council, and we would be failing in our duty if we did not support this Resolution.

But there is also another question, Sir, and that relates to the cost of this Commission. A Commission of this nature will not be able to conclude its labours under a period of three or four years and will cost an enormous amount. We have spent during the last ten years, according to the statement of Lord Inchcape's Commission, 68 lakhs of rupees on Commissions and Inquiries and one of the recommendations of the Inchcape Committee was to avoid, as far as possible, unprofitable Commissions and Inquiries of this nature. I cannot do better than read a small extract from Lord Inchcape's Report which will answer more effectively the objections to the inquiry which Mr. Sethna has passed over in his speech to-day to this House. Lord Inchcape's Committee stated thus:—

"We recognise that recourse to Committees is in many cases desirable, but from a perusal of the list we cannot but feel that their appointment has not in all cases been justified, and that the results obtained have not always been commensurate with the expenditure involved and with the amount of time and labour occupied in the preparation of cases for the Committees and in the subsequent consideration of the Reports. We therefore recommend that this elaborate and expensive procedure for the settlement of current problems be resorted to only in exceptional cases."

We appointed only lately a big Commission like the Inchcape Committee to inquire into our ever growing expenditure, and I am not in a position to support this proposal, unless the Local Governments or Mr. Sethna would suggest some reasonable *modus operandi* which would vouchsafe the success of any such inquiry and justify expenditure of this nature.

I am all in all for a well appointed Committee, but, before we definitely decide the *modus operandi*, the manner in which this Committee is to carry on its labours, the composition of the Committee, and so on, it is necessary in my opinion that the Local Governments should be consulted and their opinions obtained. It is no use rushing with a Resolution of this kind. As I said before, Sir, I do not underrate the importance of the Resolution. It is an important Resolution and, with your leave, therefore, I shall move the following amendment:

"That after the words in the Resolution on the paper 'Governor General in Council' the following words be substituted:

'that the Local Governments may be consulted with regard to the desirability of undertaking an inquiry into the general economic conditions of British India and whether they are prepared to support the proposal to appoint a Committee and to co-operate in its labours if appointed.'"

THE HONOURABLE THE PRESIDENT: That amendment is in effect an alternative proposition and the two propositions are susceptible to discussion.

THE HONOURABLE SIR NARASIMHA SARMA (Education, Health and Lands Member): Sir, we have listened to a very eloquent and powerful plea for the institution of an inquiry into the economic condition of British India from Mr. Sethna, a plea which was supported by various Honourable Members. I hope to be able to show in the course of the few remarks that I intend to make on the subject that there is no material difference between the Government and the Honourable Member regarding the ultimate object he has at heart. I am glad to notice that he has deliberately eschewed any comparison with regard to the state of India prior to British rule and subsequent to it. In the first place, we have no adequate materials with which a comparison can be made. In the second place, one cannot help deprecating, as he does, raising controversies which are of an absolutely futile character. I have myself dabbled in this subject as a non-official Member and have gone through the literature to which Mr. Sethna so eloquently referred. And, after I assumed charge of the Revenue portfolio, I have not been idle in instituting my own inquiries, as far as the information available among the statistical data at the disposal of the Government permitted, to see as to whether any fresh light can be thrown upon this extremely important and controversial subject.

Mr. Sethna asks us to ascertain what the average annual income per head of the population is and chiefly per head of the agricultural population, and his object in doing so is to see as to how far the charge that the people are extremely poor can be sustained as a result of that inquiry, and how far means can be conceived and considered for the purpose of ameliorating that condition. I shall not take any very critical attitude with regard to the various propositions into which we can divide up this Resolution, but will deal only with the question in its broad aspect as to whether an inquiry is needed and, if so, what the agency is which would have to be created for the purpose of instituting it. I must, on behalf of the Government, state at the outset that they consider that far from there being any sign of growing poverty, there are distinct indications of an improvement in the economic condition of the people, although it cannot but be admitted that the condition of a section of the population is not what may be desirable and that it does permit of considerable improvement, and that it should be the object both of the Government as well as of the people to take every possible step to better it. Figures have been quoted to show that the income was at one time Rs. 20, that then it rose to Rs. 27, then to Rs. 30, and so on. I have gone into the question as to the methods that were adopted in arriving at these figures, the prices at which the produce was valued, the various items that were included, and I do not think that any useful purpose would be served in taking up the time of the House in showing how fallacious many of these inquiries were and must in the nature of things be, and that is the reason for the Government being extremely cautious in stating any figures to the public as to what the condition is. The Government were not idle after the 1902 inquiry but did institute a comparison or attempted to institute a comparison in 1911. And, if I mention a figure, it is not for the purpose of stating that the Government are satisfied that that figure is correct or that the public should consider that that figure is an authoritative figure which the Government are prepared to justify; but from all that I have been able to see it seems to me a reasonable figure and the calculation shows that about Rs. 72 per head was the average income in 1911. And, if we take the rise in prices to be 50 per cent. after the war, then it can be fairly argued that the income is about Rs. 100. But I have already warned the House that these are figures which are not

put forward by the Government, but that they are figures which, *prima facie*, seem to be deducible from certain data which have been furnished to us by officers, but which are still under scrutiny, still under observation both as regards the methods and the criteria which have been employed. I have only mentioned them for the purpose of illustrating how difficult a subject it is and also how useless it is to arrive at averages.

We may take the high price of one year, say 1920-21, and arrive at a certain figure. The income per head would then appear to be very large. Straightway there has been a heavy fall in prices. If I mention the former figure, people would be perfectly justified in saying that the Government have deluded them into a wrong belief, because that figure would not be a correct figure if the next year's prices be taken into consideration. Then, again, supposing I take the figure of a prosperous year. You would arrive at a fairly high average. The next year may be a famine year and the whole of that basis would disappear. In 1902, the figure of 65 million tons of food production was taken into calculation. In 1910-11, 82 million tons of food production were taken into calculation on the then existing prices. The figures so arrived at would be fallacious if the 1919-20 famine conditions were taken into consideration, when the production of food was abnormally low. I am only mentioning this for the purpose of showing that we must not set a large store on the results of an inquiry into averages and into the average annual income per head of the population. I believe that in the United Kingdom also they have set their face against any such inquiry for that object, inasmuch as the results would be extremely fallacious and unreliable and unsafe to act upon. But that is no reason why the Government and the public should not be in possession of data running over a long period of years, whereby they can trace the growth of production, both agricultural and non-agricultural, including mineral products, so that they can see whether India is making a step forward in increasing her production under the various heads and devise steps for the purpose of accelerating the pace of production under any head where there is room for it. The question of an inquiry came up for consideration recently, because the incidence of taxation is a very important problem both for the Provinces as well as for the Central Government, and the Government after careful consideration have arrived at the conclusion that it is desirable in the general interest to institute an inquiry primarily through experts for the following objects. The announcement I am going to make is a very important announcement having a material bearing upon the subject-matter of the discussion this morning. The objects of this inquiry would be "to examine the manner in which the burden of taxation is distributed at present between the different classes of the population; to consider whether the scheme of taxation, Central, Provincial and local, is equitable and in accordance with the economic principles, and if not, in what respects it is defective; to report on the suitability of any alternative sources of taxation; to advise as to the machinery required for the imposition, assessment and collection of taxes, old and new; to prepare rough estimates of the financial effects of the proposals; to include in the inquiry the consideration of the land revenue only in so far as it is necessary for a comprehensive survey of existing conditions". I may state that the Provinces have agreed to the appointment of a Committee on the lines I have indicated with the terms of reference which I have read out just now.

THE HONOURABLE SIR MANECKJI DADABHOY: May I interrupt the Honourable Member for a minute? Was this inquiry, which the Honourable Member has just read out, in pursuance of my Resolution last July?

[Sir Narasimha Sarma.]

THE HONOURABLE SIR NARASIMHA SARMA: Indication was given by the Honourable Mr. McWatters during the course of that discussion that the Government were moving in this direction and that the Provincial Governments were being consulted. This is in pursuance of that suggestion. It was in pursuance of that that the Provincial Governments were consulted and after careful and mature thought the Government have considered that this course may be adopted.

THE HONOURABLE SIR MANECKJI DADABHOY: Thank you.

THE HONOURABLE SIR NARASIMHA SARMA: Without prejudice to the claims of the respective Governments with regard to the distribution of the total revenues—here comes in the relevant portion which has a bearing upon the question at issue—the terms of reference to the Committee are intended to comprise an instruction to institute such an inquiry into the economic conditions of the people as it may consider necessary for the purpose of its report, and in addition the Committee should report on the adequacy of the material already available and should make suggestions as to the best manner in which it may be supplemented and the agency necessary for a wider economic inquiry. Honourable Members will therefore see that this Committee will have all the available statistical information in the possession of the Government or public bodies, will collect fresh information and will institute such inquiries as they may consider necessary for their object, and will thus enable the Government to see how the position stands and where the land lies. They would also indicate to the Government what material is already available whether in the archives of the Central Government, of the Provincial Governments or of local bodies, and they would also report upon what they consider should be a suitable agency for the purpose of a wider economic inquiry such as is contemplated by the Honourable Mr. Sethna. You will have thus the preliminary spade work done. It is possible that a good deal of material would be collected by this body and the material placed at our disposal may not require considerable supplementing. If so, we can proceed straightway to a consideration of the object we have in view. But if it is not so, they will be able to tell us how to proceed, what further material has to be collected, who is to collect it, what further steps should be taken and who should be employed, and what the agency is that should be employed for the purpose of instituting the wider inquiry. The Government do not want to shut out the wider inquiry. Some preliminary steps are necessary and I think they have chosen a wise course in doing the spade work in this manner and in proposing to consult Local Governments on the subject of instituting the further inquiry which all of us have in view. I may also state, Sir

THE HONOURABLE MR. PHIROZE C. SETHNA: Do I understand that this is a Government of India Committee, or do I understand that at the instance of the Government of India, the different Provincial Governments are requested to appoint such Committees?

THE HONOURABLE SIR NARASIMHA SARMA: This is a Government of India Committee and all the Provincial Governments have agreed to the constitution of such a Committee for the purpose of investigating the matters to which I have referred. They will co-operate with this Committee, and consequently we will have a good deal of material placed before

us on which further progress may be resolved upon and the Committee would also indicate the lines on which further progress may be chalked out.

THE HONOURABLE MR. PHIROZE C. SETHNA: May I ask what will be the constitution of this Government of India Committee—whether purely official, or official and non-official—or what?

THE HONOURABLE SIR BASIL BLACKETT (Finance Member): Sir, the intention is that this Committee should consist of experts. We have at the present time various names in view. The idea is that it should be a small Committee consisting of at most four members, of whom one might perhaps be Member and Secretary, so as to reduce the cost. The probability would be that we should get one representative from the United Kingdom, who is an expert in economics and in taxation. I may say that we have been trying for some time to see if we can persuade Sir Josiah Stamp, a well-known and prominent economist, to come out. We are doubtful if it will be possible. Another member would be a senior member of the Indian Civil Service, and then the idea is to get hold of some Indian economist,—we have various names in mind—and an Indian representative of the services who had taken part in economics. He need not necessarily

1 P.M. be a Member of the service, but an Indian who is well versed in economic and taxation questions. It is hoped that the inquiry may be started quite shortly and that it would be able to conduct its expert investigation, leading, if necessary, to the further inquiry which is under consideration now, within the course of one year.

THE HONOURABLE SARDAR JOGENDRA SINGH: Will there be any representative of the agricultural class on it?

THE HONOURABLE SIR BASIL BLACKETT: It will not be an inquiry obviously into the economic conditions of the agriculturist. But it will be to some extent an inquiry into the land revenue system. In the terms of reference that were read out it was carefully stated that it should include the consideration of the land revenue, only in so far as was necessary for a comprehensive survey of existing conditions in regard to taxation. It will not, I think, be quite the sort of Committee on which an expert agriculturist would find his place; it would be more for the expert in land revenue than the expert in agriculture.

THE HONOURABLE LALA SUKHBIR SINHA: May I ask the Honourable Member to state whether it is not possible to extend the scope of this Committee to make those inquiries that are embodied in the Resolution?

THE HONOURABLE SIR BASIL BLACKETT: As already stated by my Honourable Colleague, Sir Narasimha Sarma, the object is that the scope of its inquiries should be limited so that its results may be obtained quickly. If we were to extend it and give a roving commission to the Committee, it would become open to the mischief of the quotation from the Incheape Committee which my Honourable friend, Sir Maneckji Dadabhoy made just now, that you have a large inquiry with possibly small results. If we have first of all a small inquiry with a limited scope, it will, I think, be the best means of progressing towards that further understanding of the economic condition of the Indian people which the Resolution has in mind.

THE HONOURABLE LALA RAM SARAN DAS: Sir, I rise to support the Resolution

THE HONOURABLE SIR NARASIMHA SARMA: I have not yet concluded my address

THE HONOURABLE THE PRESIDENT: The Honourable Sir Narasimha Sarma resumed his seat and it was not an unreasonable conclusion that he had concluded his address. Would he now proceed?

THE HONOURABLE SIR BASIL BLACKETT: On a point of order, Sir, I hope that I am not precluded from making another speech.

THE HONOURABLE THE PRESIDENT: That is so; I take it that Sir Basil Blackett was merely answering inquiries addressed to him.

THE HONOURABLE MR. PHIROZE C. SETHNA: May I make one more inquiry, Sir?

THE HONOURABLE THE PRESIDENT: If the Honourable Member is inclined to submit to cross-examination, I should certainly have no objection.

THE HONOURABLE MR. PHIROZE C. SETHNA: I do not think he minds it. I understand that one of the Committee will be a Member-Secretary. In that case, Sir Josiah Stamp, who is a retired official, and the Indian Service Member and the Member-Secretary will all be officials; and I hope the fourth will be a non-official Indian economic expert.

THE HONOURABLE SIR BASIL BLACKETT: May I just say this, Sir? I hope I have not led the House to believe that Sir Josiah Stamp is likely to accept Membership of the Committee. I am afraid that it is extremely unlikely that we will get him to accept the post. As regards the other point, I may at once assure my Honourable friend, Mr. Sethna, that it is certainly the intention that at least one member of the Committee should not be an official; and as regards the Member-Secretary, who would presumably have a vote, he need not necessarily be an official.

THE HONOURABLE SIR NARASIMHA SARMA: I think after the explanation that has been given by the Honourable Sir Basil Blackett it must be clear that this inquiry, which is expected to conclude its labours within as short a time as possible, would be of considerable use for the inquiry into the wider aspect of the Indian economic position which all of us wish to see adequately and properly handled, so that the country may have the materials upon which they can proceed in the solution of the various problems confronting them and with the aid of which they can trace the progress of the country from decade to decade in various branches—agricultural, mining, industries, commerce and so on, upon which the prosperity of the country so largely depends. There are two ways—one is the simple method of arriving at the average income in the manner I have stated. We may take a census of agricultural produce, as far as it may be available, multiply it by the various prices and then divide the result by the population. Similarly, the wealth that is produced by the various manufacturers, coal companies and so on, may be added up, and divided by the total number of the population and we arrive at a rough idea as to what the average income is. There may be a more elaborate way of judging as to the true economic condition of the country; but that process must be a very slow process involving an investigation in which a very large number of competent and enthusiastic inquirers would have to be engaged, if any useful purpose is to be achieved. The conditions prevailing in the various districts in the provinces, in the various taluqs, and even different parts of the same taluq, are so diverse that conclusions

arrived at with regard to one province, as has been brought out by the Honourable Sardar Jogendra Singh, would be illusory and would even be misconceived and it would sometimes be fatal if it were attempted to apply them to another part of the country. Therefore, a good deal of material would have to be collected with regard to the villages, with regard to *taluqs* and districts. A large part of it already exists in the various settlement reports where the *rayatwari* system prevails. It may have to be supplemented and brought up to date; further inquiries would have to be instituted. I know that in Madras several students of economics have been undertaking elaborate inquiries into the incomes of typical families in various villages, some rural, some urban, some midway between the urban and rural areas. What the Government of India propose to do is to ask the Local Governments if they could collect, as far as may be practicable, and as rapidly as possible, such material as would enable us to facilitate our undertaking the further inquiry asked for. We shall have to address the Local Governments, because nothing can be done in this direction without their co-operation. A word here of the position under the Reform Scheme will, I think, be useful. It was because of the conviction that the Indian people would be able to take care of their own prosperity much more speedily, readily and satisfactorily than a purely official agency can do that the various nation-building departments have been handed over to Ministers. Agriculture and Industries are Provincial Transferred Subjects. The Government of India does not retain any control in respect of them except for certain specified purposes mentioned in the Devolution Rules, which have no bearing upon the present subject. Honourable Members will therefore realise that, if there is really any strong feeling in the country and in the Provincial Legislatures, they ought to be able to take steps for the purpose of persuading the various Local Governments to undertake inquiries which would facilitate the work of an all-India Committee in arriving at conclusions after collaborating the material collected in the various provinces, and I think that would be the really wise and useful plan that we ought to adopt. A number of local Committees could be started and valuable material could be collected by them; all this can only be done with the co-operation of the Ministers and Provincial Governments, and therefore the only solution open to the Government, the only manner in which they can proceed, is to ask the Local Governments if they are willing to co-operate with the Central Government in this highly useful and meritorious task. Whether the majority of the members of any Committee which may be appointed should be non-officials or whether they should be officials is a matter which must be left wholly to the Ministers in charge of the subject. It would not be wise or proper for us to dictate to them as to what they ought to do and what they ought not to do. The Government of India undertake to represent to the Local Governments the keen desire that is manifested in this House, that steps should be forthwith taken for the purpose of undertaking an inquiry of this description. The Local Governments will be asked if they can usefully co-operate and in what manner they can co-operate and how usefully they can collect the necessary materials. When these preliminary steps are taken, and when the materials which are collected by the proposed Taxation Inquiry Committee are also before us, I think we should be able to go ahead with our task. I do not think it is necessary for me to go into any elaborate criticisms of the statements made as regards the economic condition of the masses and the agricultural classes. Government have done what they could and are doing what they can. I have during previous discussions

[Sir Narasimha Sarma.].

stated that during the last twenty years they have been able to open up to irrigation another twenty million acres. The various Provincial Governments have under their consideration various schemes such as the Metur Project, the Kistna, the Indus and a number of other useful projects, and the Government of India would be very happy to place facilities for obtaining funds provided they can be shown to be economically useful. That is all the assistance which the Government of India can render in this matter. The Government of India have undertaken research, and a good deal can be done only by means of research. I myself have been very enthusiastic about my pet schemes for preventing waste, by way of enlarging the entomological, mycological and other research and activities but unfortunately stringent economic conditions have stood in my way. I am not going to disguise from this House my anxiety as Revenue Member with regard to the food position and the distressing poverty prevailing among certain classes of people. After all, at the present moment we have only a little over an acre of cultivated land per head of the population, and this acre must be cultivated with all the help which science can give in order that we may improve materially the existing conditions. We shall have to impress upon the people that it is quality that counts in this world and especially in India, and the attention of the people would have to be concentrated upon quality and not so much upon quantity and numbers. The problem of increasing population is a very serious problem. All possible endeavours should be made to cope with the increasing population by means of employing scientific processes for increasing the yield of crops, and by placing irrigation facilities at the disposal of the cultivator, but still there is a limit, and I hope the public will realise that there is a limit. The future is entirely in the hands of the people themselves. As I have said, Agriculture and Industries have been handed over to them, and I trust that there will be sufficient enthusiasm to take up the task in right earnest and to help the Central and Provincial Governments in their endeavours to improve the condition of the vast masses of this land. If the Honourable Member wishes to press for a Resolution on this subject after the undertaking I have given, I shall have no objection to the alternative proposition which has been moved by the Honourable Sir Maneckji Dadabhoj.

THE HONOURABLE LALA RAM SARAN DAS (Punjab: Non-Muham-madan): Sir, my esteemed friend the Honourable Mr. Sethna has moved his Resolution in such a comprehensive and able manner that he has not left much for me to say. I consider the detailed inquiry such as the one suggested by my friend a very essential one. As far as I could understand the Honourable Sir Narasimha Sarma, the inquiry which the Government of India propose to make is to see how far land revenue can be enhanced and how far

THE HONOURABLE SIR NARASIMHA SARMA: No, Sir, I never said that. I did not say that is the object. That is not in the mind of the Government of India at all.

THE HONOURABLE LALA RAM SARAN DAS: But that is what I gathered. I may be wrong, Sir; but that I concluded was the principal object. The Honourable Sardar Jogendra Singh said that there should be equality of taxation among all classes and that certain commercial people pay a much smaller amount than the landed classes. The result of such an

inquiry as is proposed by the Honourable Mover will show to us how far the commercial classes bear this burden. The reason why I support this Resolution is that I find in the Punjab the prices of foodstuffs have risen much more than the wages during the last 25 years; disease has increased and epidemics have become more frequent, with the result that the death rate has increased and the birth rate has declined, which of course is due mainly to the deterioration in the physique of the people mostly on account of underfeeding. The population in the Punjab is stunted. We find that in the Punjab in the years 1881 to 1891, the increase in population was 1,713,062, which means an increase of 10 per cent. From 1891 to 1901 the figure declined to 12,90,025 which means a decrease of 7 per cent. in the years 1900—1911 there was a decrease of 3,63,654, which means a decrease of 2 per cent. In the years 1911 to 1921 there was an increase of 11,06,045, which means an increase of $5\frac{1}{2}$ per cent. All these figures point to the fact that the rate of growth of population has become less and less every year notwithstanding the growth of huge irrigation works and that poverty is on the increase. In the cities we find that a number of people—and their number is increasing—cannot afford to pay even a very small rent and they have therefore to sleep in the bazars and lanes. Some of them cannot have even one meal a day. The original inquiry seems to me very essential because the stage has now been reached as to how far the people of India can go on bearing increased taxation. In case the Government of India is unable to accept the Resolution of the Honourable Mover, I would request them kindly to broaden the scope of their inquiry and to agree to the inclusion of more non-officials in the Inquiry Committee which is proposed.

THE HONOURABLE SAYID RAZA ALI (United Provinces East: Muhammadan): Sir, I would content myself with making a few observations on the announcement that has just been made by the Honourable Sir Narasimha Sarma and the Honourable Sir Basil Blackett. Sir, time was when a large number of Indian public men thought that the best way of having a cure to their ills was to get a Committee or a Commission, as the case might be, appointed by the Government of India. This feeling was at its highest, not among public men but perhaps among officials, in the time of Lord Curzon, whose Viceroyalty proved most prolific in the appointment of Committees and Commissions. We find that, in spite of the Reformed Councils having come into being, some of us have not altogether been able to get rid of this idea. A reference to the Retrenchment Committee's Report would show that during the last five or six years no less than 46 Commissions and Committees were appointed by the Government of India on their own responsibility and 19 such Committees and Commissions were appointed by the Government of India at the instance of the Legislature. This, Sir, makes a formidable total of 65 for the past 5 or 6 years. (*The Honourable Sir Maneckji Dadabhoy*: "10 years"). I have nothing to say against the announcement made by the official Benches this morning, but in all seriousness I would remind the Government that, if it pleases the Government to appoint any Committee or any Commission, then they should also take care that, after the Reports of such Committees and Commissions are submitted, they should not be consigned to the musty shelves of the Secretariat. After their publication, if that stage comes, the Government should no longer lull themselves into a sense of false security by asking the people to believe that, because certain inquiries have been held, therefore those inquiries themselves ought

[Saiyid Raza Ali.]

to be sufficient to satisfy the people. Only this morning a question was put by my Honourable friend, Lala Ram Saran Das, asking for the publication of the Frontier Committee's Report. Now, as Honourable Members are aware, it is a matter of record on the annals of this Council that the Report of that Committee was submitted more than a year ago and yet it has not seen the light of day. Another Commission, Sir, I will not call it a roving Commission, because it is a Royal Commission and I have the highest respect for all it is engaged in doing—but another Commission that undoubtedly was inflicted on this country was the Royal Commission on Public Services. We all hope that the result of the Commission's Report will be productive of some substantial good not only to the Services but both to the people and the Services. All the same, the fact remains that that Commission in particular was not wanted by anybody and yet it was appointed. Here is a case in which an announcement has been made by two Honourable Members who represent important Government Departments. My only request is, Sir, that the Government either should not take this decisive step—I hope it is yet possible for Government to retrace this step—or, if they deem it necessary to appoint such a Committee as has been announced, they should take good care to see that the Committee appointed should in the first instance inspire public confidence. It is hardly necessary for me, Sir, to point out that a Committee constituted on the lines foreshadowed by the Honourable Member will be the last thing which will inspire confidence in this country. Does the Honourable Member seriously suppose that a Committee consisting of three official members with one non-official, who I believe will be an expert, as pointed out by the Honourable Sir Basil Blackett, is going to produce a sense of contentment in the country? Would it not be open to the charge that the Government had ignored public opinion that they had given a mandate to the Committee, the official element on which would be in the majority, and would not much of the usefulness of the recommendations of that Committee be thereby lost? I seriously urge this point for the earnest consideration of my Honourable friends. Secondly, let there remain no doubt on the subject that this Committee, if it is going to be appointed, shall enter on its duties without delay, without any procrastination, and when its report is submitted, it shall not only be referred to the Government of India and the Secretary of State, but it shall also be placed before the public without any undue delay; and, lastly, action shall be taken on the report by the Government in consonance with public feeling on the subject in this country.

THE HONOURABLE MR. G. S. KHAPARDE (Berar: Nominated Non-Official): Sir, I rise to support the original proposition as put forward by my Honourable friend, Mr. Sethna. There has been an amendment moved and also a proposition from the Treasury Bench, as we should call it, but I am rather sceptical about the utility of either the amendment or the proposition coming from the Treasury Bench. It is like this. There is to be a Committee of experts. Experts to determine what? I do not see that there is any need for an expert Committee here. They have got to find out the condition of the agriculturists and people who live here. What is an expert wanted for? Does he see more than we do? Has he got any important information which we do not possess? First of all, I do not understand that expert proposition. The next thing is that that inquiry seeks, I think, to divert the end which the main proposition has in view. The main proposition is to have a sort of plain inquiry made by

plain people to arrive at plain conclusions. I have been hearing from my Colleagues that the income was Rs. 20, then it was Rs. 27 then it rose to Rs. 31, and so it goes on increasing and increasing. I don't understand these figures, I cannot go through the forest of figures which they annually present to us. It is done in a peculiar way and so much has to be deducted. I want a plain answer and I like to know what the income of an average Indian to-day is. It has been said that averages are fallacious. I quite agree they are fallacious. But where experts differ,—some of these estimates were prepared by the officers and others were made by non-economists and they all differ—if doctors disagree, who is going to decide about it? I do not understand first of all this proposition of an expert coming out from England—for what? —to determine my condition here. To know how I stand you want an expert from England. India must be very poor in its intellect if she cannot get on without an expert from England for this purpose. Another thing which I do not understand is why an expert is wanted. Why is this expert committee wanted? What are they to do? There are a great many figures which I do not understand and they will make them more unintelligible to me. I cannot get through the figures as they come out. They will add a forest of figures to them. What am I to do with them? I want a very plain answer. I want to know what the average income of an average Indian is. That is very easy, and that cannot be determined, notwithstanding the fact that investigations have been made, as my Honourable friend showed, for the last 40 years. Here there are two motions. The amendment is not before me, so I do not quite understand it.

THE HONOURABLE SAIYID RAZA ALI: It is before you.

THE HONOURABLE MR. G. S. KHAPARDE: I understand the original proposition. It is very plain. It is very easy to understand and I should like that we should go on with the main proposition and pass it. If the Government of India, by making preliminary inquiries, facilitate the real object of the Resolution, so much the better. I like it. But I do not want that to be substituted for the main object of this proposition. This question has been troubling us a great deal and I want a plain answer and I want to have it from plain people, not people who will go into mining and aeroplane and other things to determine the average income of an Indian. I cannot understand it. This country is largely agricultural. It is getting to be industrial but in a very small way owing to certain difficulties which I need not dwell upon just now. The main business and the main industry of India is agriculture. I like to know how the agriculturist is getting on. He complains that he is getting poorer every day. The Governor of Bombay said that he was becoming more and more prosperous. I am a small landholder in a small way and I do not know where the prosperity came in. He said that there was prosperity because telegrams produce so much. Telegrams may have produced so much. I do not know what they have got to do with the agriculturist. When you give a large number of figures, to me they appear to have no bearing on the question of poverty at all. I prefer the original proposition. That is plain and clear and easy to understand, and I hope Honourable Members will vote for the original proposition and neither for the amendment nor for the substitution which my Honourable friend Sir Narasimha Sarma has put forward.

THE HONOURABLE SIR ARTHUR FROMM (Bombay: Chamber of Commerce): Sir, we are all very thankful to the Honourable Mr. Sethna for introducing this interesting discussion. But I am afraid that I cannot

[Sir Arthur Froom.]

agree with his Resolution as it stands. I think that Mr. Sethna's suggestion of arriving at an average income defeats the object which he has in view. It appears very obvious that in getting at the average, you have reduced the income of the richer men—possibly that does not matter very much—but you also increase the income of the poor man which distinctly does matter, and I say with that happening, the Honourable Mr. Sethna defeats the object, which he has in view, of bringing before the public the very small income which some of these agriculturists have.

Next we come to the question of Committees. There are four of them I think, travelling about the country at the present time. There seems to be a mania for Committees. I am on one of them. I hardly think that there should be another now. I think that the suggestion of the Honourable Member for Education, Health and Lands that he should call on Provincial Governments to report is a good one. The Provincial Governments have the machinery at their disposal. The District Officers, the Collectors, can provide reports which will present the true aspect of the country as regards agricultural labour without sending an expensive Committee to tour the country to obtain information which can so readily be supplied.

Just one other point, Sir. I do not think my Honourable friend, Mr. Khaparde, fully realised what the Honourable the Finance Member had explained to the Chamber with regard to the expert Committee to which he made reference. I do not think the Honourable Sir Basil Blackett intended Members of this Council to understand that he proposed to bring out experts from England to calculate the average income of agriculturists. I understood the Honourable the Finance Member to say that he anticipated that the report of this Committee, which is going to make some special inquiries in this country, would have some very close bearing on this very vital question of the agriculturists in this country, but there was no suggestion that this special expert Committee would go into all the details of the agriculturists' lives. I am afraid I cannot support the Resolution as put forward by my Honourable friend, Mr. Sethna. I prefer the substituted Resolution of the Honourable Sir Maneckji Dadabhoy.

THE HONOURABLE SIR BASIL BLACKETT (Finance Member): Sir, the announcement that has been made this morning by my Honourable Colleague in regard to the Taxation Committee is only partly relevant, I think, to this debate, and there is some danger that the two subjects may get unduly intermingled. The proposal to appoint a Committee to inquire into taxation is one which has been pressed on the Government from a good many quarters for more than a year. As long ago as last July, the announcement was made in this House that the Government were in communication with the Local Governments with a view to the appointment of some such Committee. The announcement that has been made to-day represents the result of those negotiations. Unanimous agreement has been arrived at between the Government of India and the Provincial Governments in regard to the appointment of a small Committee of experts to examine the manner in which the burden of taxation is distributed at present between the different classes of the population, and, going on from that, to make proposals with a view to improve what I think we must all acknowledge to be at present our slightly amateur system of taxation. It is a system which has grown up by stages and which has been very much cut about by the introduction of the Reforms, which has given certain 'heads of taxation to the

provinces and left certain heads to the Central Government. We believe it could be very distinctly improved so that the same amount of revenue for the purposes of Government expenditure could be raised with less cost to the people. It is with a view to that that the Taxation Inquiry Committee is being appointed. But just at the moment when this taxation inquiry had reached this stage, the Government of India found themselves faced with this very interesting Resolution of my Honourable friend, Mr. Sethna. It is obvious that up to a point the taxation inquiry would improve the material available for the purpose of this larger economic inquiry, and it is in so far as it will do so that it is relevant. It is also relevant inasmuch as, regard being had to the desirability later on of this broader inquiry which the Resolution proposes, it will be an instruction to the Committee that they should pay particular attention to examining the statistics that are at present available and to the possibility of improving the statistics and the agencies through which such statistics should be obtained with a view to helping in the inquiry which this Resolution desires. I was unfortunately prevented by my duties in another place from hearing the very interesting speech of the Honourable Mover; but he had the very great courtesy to send me an advance copy of the remarks that he was going to make and, though I missed the magic of the human voice, I was at any rate able to read what he said. As I came into the House, the debate on his Resolution was just beginning and my Honourable and gallant friend, Sir Umar Hayat Khan, was giving utterance to these words: "If a man is born in this country he has the right to live." That set me thinking. We are discussing a very interesting and difficult subject. Is India rich or poor? That is a very very difficult question to answer; it depends mainly on the angle from which you approach it. But it strikes me as a remarkable and significant fact that India has got twice the population that she had 75 years ago; India manages to support them on a probably slightly higher average standard of living and is therefore, in a sense at least, twice as rich as she was 75 years ago. That, however, does not take us very far. What we want to do is to raise the subsistence level of the population. Possibly that may be done, not by an increase in the quantity of the population, but by an improvement in the quality of the life that they live. It is very difficult to go deeper into this question without raising controversial points, and I do not think that it is necessary at this stage that I should attempt to follow in the foot-steps of the distinguished orators who have stated with great emphasis, either that India is the richest country in the world or that she is the poorest. The potential richness of India is obviously very great. The existing poverty of a large number of the people is obviously also very great, and no Government can with equanimity look on and not wish that they could do something to improve it. Whether they can do so is a question the answer to which I often doubt. Reference has been made to Baby Week. I believe that it is something more human than Government intervention that is going to improve conditions in India and get rid of some of the troublesome poverty which we see round us. What is wanted is of course that the people should desire a higher standard of living and that, desiring it, they should have conditions which enable them to improve their standards of living. The nation-building departments—I must say I continually dislike hearing that phrase, but it is the best one that I know—are the ones to which we must look if we look to Government action at all, and they are of course largely provincial; but it is also to agencies outside the Government, to those who promote such useful organisations as co-operative societies among the agriculturists, to institutions that I hope will become

[Sir Basil Blackett.]

annual like the Baby Week, and so on, that we must look to teach the people that there is a higher standard than that which they live at present and lead them to desire that standard, to give them the education that will make them wish to have that standard, and I do think that by these means we may get away from this continual difficulty which really keeps India poor, namely, that she continually lives up to the level of subsistence. Poverty is the natural result of continual pressure on the level of subsistence. The Honourable Mr. Khaparde made a very amusing speech, but I think the Honourable Sir Arthur Froom has explained to him—and I have tried to do so—just how far the question of the expert Committee is relevant to the Resolution before the House. The words “average annual income per head of the population” seemed to Mr. Khaparde to be a very plain question which could be answered by plain people. Now, who is the average Indian and what is his money income? Supposing that an average Indian lives in Bombay city and has an income of X rupees; and somebody, an agricultural labourer in Madras gets also the same income, X rupees. Have they both got the same income? In money value, yes; but possibly one is quite comparatively rich and the man in Bombay is very poor indeed, because the value his income will purchase in Bombay is, I daresay, not half or less than half of what a similar money income in certain parts of Madras can bring in. When you realise that sort of difficulty, how can you hope to arrive at a plain answer to a plain question? The real answer is that you cannot answer that question in terms of money. It is not answerable in terms of money, and that makes all the difficulty of it. I am always very suspicious of statistics about the capital wealth of a country, or the annual wealth of a country or the annual income per head. I remember telling one distinguished speaker who had been giving us some such figures that he never made a mistake of more than two or three billions—which is enough, but does not matter, when you are talking about the total capital wealth of humanity. I remember again that when I was looking into the question, just after the war, of somebody's estimate of the capital wealth and the average annual income per head of the people of the United Kingdom, I discovered that certain statistics taken before the war had, rightly, included as part of the capital wealth of the country the national debt of the country. As a matter of fact it is very difficult not to when you start making these statistics. The national debt of the United Kingdom before the war was about £700 millions; after the war, excluding the foreign debt, it is something under £7,000 millions. Has the capital of the country gone up by this £6,300 millions because of the war? When you get into statistics, it is extremely difficult to avoid making statements of that sort. Therefore, while having full sympathy with the Resolution as originally drafted, I really, especially after the Honourable Mr. Khaparde's speech, should be afraid to commit myself to any Resolution which recommends sending anybody to get this plain answer to this plain question.

As my Honourable Colleague has already spoken, it is hardly necessary for me to say more after his ample explanation. The Government are in sympathy with the Resolution and they will be very glad to inquire through the Local Governments exactly as to the form in which further inquiry into these subjects should be made. They will meanwhile, we hope, be going on with the expert Committee on Taxation and thus be able to arrive at some means of meeting the object of this Resolution, which is to raise the average economic level of the masses of the people. It will, I think, be difficult, and probably undesirable, to make any alteration in

the terms of reference of the Taxation Committee, because it is the result of careful drafting in consultation with all the Provincial Governments; but that Committee will conduct its investigations in the light of this discussion, and it will certainly be the Government's duty to see that the views expressed on all sides of this House are carefully considered by that Committee in so far as their inquiry touches this question.

THE HONOURABLE SIR DINSHAW WACHA (Bombay: Nominated Non-Official): Sir, I would strongly recommend this House, after the very lucid explanation given by the Honourable the Revenue Member as well as the Finance Member with whom I agree entirely, that it would do well at this stage to accept the substituted proposition. I have been a very close student of the subject of Indian poverty ever since Dadabhai Naoroji brought it forward for the first time to the notice of the Secretary of State, in 1870. So that I may say without egoism that I have been a close student of this subject for nearly half a century. During this period very many different questions have arisen, and many inquiries have been made, but they have produced no tangible result as far as a fairly reliable estimate is concerned. I consider, Sir, this is the first time in the history of this vexed question that the Government are welcoming it openly. They are willing to meet in a practical manner the proposals made by my Honourable friend, Mr. Sethna, in his very interesting speech. In no Indian Legislative Assembly before has such a question been so ably raised and discussed as it has been at present, not even by Mr. Gokhale in the old Imperial Legislative Council. Therefore, here is the first opportunity offered for all my countrymen to learn with real accuracy the point at issue and how it can be practically tackled. Both the Honourable Sir Basil Blackett and the Honourable Sir Narasimha Sarma have pointed out the way in which this question can be authoritatively investigated. I believe, Sir, having read voluminously on the subject, that it is the only way in which the problem can be tackled. My friend, Mr. Khaparde, thinks it is a very plain question and can be plainly answered. He is a plain man and says he wants a plain answer to a plain question. He has not given any attention whatever I am afraid, as to how this question can be authoritatively handled. There are very many difficulties in the way; there are many complexities. It is a question which cannot be considered and discussed by a single individual summarily. Most valuable time and the most scientific consideration must be given to it. This can be done only by competent experts. There is not the slightest doubt about it. I may tell the House that questions of this kind have been discussed by experts only all over the world say, Italy, France, Germany, Belgium, and so on. I will give the House only one most brilliant instance of what such a go-ahead country as the United States has accomplished. There a census of the national income and also the income per head of the population was taken as recently as in 1918, that is, after the War. It was one of the most authoritative inquiries that has been made by a body of the highest scientific experts, and took about 3 or 3½ years for completion. Three bulky volumes have been published which any one can read if he has the time to carefully wade through them. I am quite satisfied with the mode of inquiry proposed by Government. I think Members of this House would do well were they to follow the plan suggested by my Honourable friend Sir Narasimha Sarma and so ably supported by the Honourable Sir Basil Blackett. It is the only way you can do it, and I exhort all my countrymen here as also outside this House that they would do well to accept this proposal, because in a year's time, you will be able to get to the bottom and perhaps set at rest for a long

[Sir Dinshaw Wacha.]

time to come this question of Indian poverty. Nobody has been able to say what is the extent of that poverty, what is the real income of the country and what of poorer classes. We have got 9 provinces in India. These provinces have a diversity of populations, their respective trades and industries are different, their economic and social environments, their standard of living, and so forth, are all different in different provinces and districts. How are we going to have an average income under such conditions unless, of course, each province supplies its own reliable statistics, from which alone the Government of India could boil down the facts to a common denominator and bring out a volume of real substantial facts, on which you can rely and base your conclusions, as to how far the country is prospering? As I said before, I have been a very close student of this subject of Indian poverty for half a century, and I can confidently say that this is the most practical method by which the problem can be fairly solved. I hope, Sir, that the time of this House under the circumstances will not be wasted further, but that my Colleagues will readily accept the substituted proposition of our friend the Honourable Sir Narasimha Sarma.

THE HONOURABLE LALA SUKHBIR SINHA (United Provinces Northern Non-Muhammadan): Sir, so far as I can understand the position, the Committee of experts which the Government of India are appointing will not serve the purpose of this Resolution. It is comprised of two parts, the first is to find out the average income per head of the population in this country and the second is to find out means and ways to improve the income per head in this country. This Committee of experts will deal only with taxation, its assessment and collection and not with the question of developing the resources of the country or of ascertaining the average income from other sources. Therefore, I beg to submit that the proposed Committee will not serve the purpose which the Resolution before the House seeks. The Resolution as it stands is very useful and is of vital importance. Up to this time we do not know what is the income per head in this country. When we look to the facts and figures given by private persons, we find that the income per head is far too low; it is much lower than other countries; it is only £2 per head, when we see that in other countries the income is £42 or £48 per head. When we have so many resources in this country as regards land, irrigation and labour, I cannot understand why the average income should not be equal to that of other countries. There must be some reasons for that, and the Resolution before the House seeks that an inquiry should be made to find out the reasons as to why the income per head is very low in this country and what measures should be adopted by the Government and by the people to increase and develop the resources of this country. Therefore, Sir, I submit that the Committee which the Government contemplate to appoint will not serve the purpose, and the amendment put forward by my Honourable friend Sir Maneckji Dadabhoi will delay matters. (*A Voice*: "It will accelerate matters"). If the question were left in the hands of the Local Governments, it is possible some may differ. Now the point is this, that the Government of India should appoint an all-India Committee on this subject. The subject is an all-India one. We want to know the income per head in the whole of India and not of any particular province. There may be differences in this matter in the provinces, but we want to find out the average per head of the whole country and we want to know the means of developing and improving the resources of the country. If you permit me, Sir, I may say that the produce per acre in this country is going down

though there are abundant facilities. There are many Agricultural Departments, but I may tell this House, with much regret, that the produce per acre in this country is going down instead of going up. There must be reasons for that state of affairs. There may be reasons of settlement policy, of land tenancy, of occupancy rights and so on; but there are some reasons, and if the proposed inquiry is accepted, we shall be in a position to find out what steps to take. Therefore, Sir, I give my unqualified support to the original proposition of my Honourable friend Mr. Sethna.

The Council then adjourned for Lunch till Three of the Clock.

The Council re-assembled after Lunch at Three of the Clock, the Honourable the President in the Chair.

THE HONOURABLE MAULVI ABDUL KARIM (East Bengal: Muhammadan): Sir, I beg to draw the attention of the House to one particular point, and that is, the increase of criminality in the country as a consequence of poverty. The Honourable Lala Ram Saran Das has said that the health of the people has deteriorated and disease has increased in the country as a consequence of increased poverty. I should think that crime in the country has also increased and that is due to the increase of poverty. In our younger days we hardly ever heard of any dacoities being committed, but now-a-days scarcely a day passes when we do not hear of a dacoity being committed somewhere. Necessity knows no law, and I think that it is because people have no means of livelihood that they are driven to very questionable means of gaining their livelihood. I come from a part of the country which is mostly agricultural, perhaps more agricultural than any other part of India, I mean East Bengal. There is an impression gaining ground that poverty is increasing every day, and, rightly or wrongly the people think that something ought to be done to get out of the situation. It is said that the masses are now-a-days being exploited by political agitators, but I do not think that they are such great fools as to be exploited in that way unless they are in great difficulties, which they want to get out of. I believe it would be suicidal to ignore the situation in the country, that poverty is increasing and people are being driven to criminality. That is an aspect of the question which should not be lost sight of. Survey or no survey, that is not the question, but unless something is done and done very quickly, in order to relieve the situation, I am afraid things will come to a pass when it will be very difficult for the people as well as for the Government to control the situation. I therefore have no hesitation in very strongly supporting the Resolution asking for an inquiry into the condition of the agricultural people in the country, and the sooner it is made the better.

THE HONOURABLE MR. PHIROZE C. SETHNA: Sir, although we have a non-official majority in this House, yet it so happens that, if a non-official Mover of a Resolution has not the support of Government, it is very doubtful if he can get his Resolution passed. Therefore, non-official Movers of Resolutions have often to be content with compromises suggested by Government, with half a loaf which is better than no bread. If I decide to accept the Honourable Sir Narasimha Sarma's amendment, as moved by my friend the Honourable Sir Maneckji Dadabhoy, it will not be because I think that in this case they have given us half a loaf. I believe

[Mr. Phiroze C. Sethna.]

what they have offered us is more than half a loaf. The Honourable Member for Education, Health and Lands desires that my Resolution be so altered that the recommendation to the Governor General in Council be that the Local Governments may be consulted with regard to the desirability of undertaking an inquiry into the general economic condition of British India and whether they are prepared to support the proposal for the appointment of a Committee and to co-operate in its labours if appointed. Ordinarily I should rather have seen my Resolution defeated than accept this amendment, but the announcement which the Honourable the Member for Education, Health and Lands has made and which has been referred to at some length also by the Finance Member in reference to the Committee which Government propose to appoint alters the case very considerably. This Committee is, I take it, an elaboration of the idea which was mooted. I suppose, as my Honourable friend Sir Maneckji Dadabhoy remarked, by himself or proposed by the Honourable the Finance Member at the last Simla session at which, unfortunately, I was not present that the taxable capacity of Indians be found out. I take it, Sir, that this is an elaboration of that idea.

In regard to this committee, I am sorry that it is not officially before the House so that I could formally move an amendment. But what I want to point out in regard to it is this—that it reminds me of the Indian proverb which says *Lene gai put, kho ai khasam*, which translated into English means that a woman, who went on a pilgrimage to a shrine and begged of the saint that she might get a son, was blessed with a son but she lost her husband and returned as a widow. The application of that story to this Committee is this. We think that this Committee will investigate to a certain extent the economic condition of the masses, as I have asked for in my Resolution, but the man in the street I do not think is likely to take that view. He will believe that, like the lady who returned a widow, the result of this inquiry will mean heavier taxation in the country. That, Sir, will be the common belief, and it was therefore with the idea of removing that impression that I privately requested the Honourable the Finance Member this morning to include in addition to the six references to the Committee which were read out this morning, a seventh reference and that this seventh reference be the sum and substance of my Resolution. The Honourable the Finance Member explained to me his difficulty and, as he told the House this draft of the references to the Committee has been prepared after much trouble and I take it after many *pourparlers* with the different Local Governments, it was therefore not possible for him to agree to my suggestion at this late stage without reference to them. I, however, requested him to give me and the House an assurance that he will convey the wishes of the House to the different Local Governments and, as the Honourable Members will remember, Sir Basil Blackett said that he would convey to the different Provincial Governments the views expressed by this Council, so that the Committee will work on the lines of the arguments which have been advanced, for and against, in this House on this Resolution. That being so I consider that the appointment of this committee is the thin end of the wedge to get my Resolution accepted at a later date by Government.

There is one other point and that is in regard to the personnel of the Committee about which also I have had a discussion with the Honourable the Finance Member, and I regret that both he and the Revenue Member are not in their seats just now. One interpretation which the country at

large is apt to put upon this Committee is the interpretation referred to by my Honourable friend Saiyid Raza Ali. Sir Basil Blackett said that the Committee will consist of four, including the Member-Secretary and he said there will be the Chairman, who will preferably be a Government official from Home. He named Sir Josiah Stamp as an authority on the subject, who might or might not come out. If he does not, I suppose it is his intention to get some other official from Home as Chairman. The second Member will be a senior European Indian Civil Servant and in regard to the third, he might be an Indian Civil Servant or an Indian non-official economic expert. As regards the Member-Secretary, he might preferably be an Indian. If, therefore, the Member-Secretary and the non-official Indian expert are both Indians there will be two Indians and two Europeans, and I am sure the proportion of Europeans and Indians on this Committee will find favour with the public at large. But, if the Committee is to consist of only one Indian and three Europeans, no matter however sympathetic they may be they may even be men of the type of the two gentlemen I named this morning, the late Sir William Wedderburn and the late Mr. Allan O. Hume the country will not have confidence in them. I therefore beseech Government to see that there is equality in numbers in the appointment of the Committee. If the Member-Secretary is not an Indian, then I suggest to Sir Basil Blackett that an extra Indian be appointed. Sir Basil Blackett has given me no positive assurance but only hopes. I was anxious to get an assurance to that effect in his absence from the Honourable the Member for Education, Health and Lands, were he present. They are unfortunately not in their seats, but I trust that my appeal will not be in vain. and I make that suggestion both in the interests of Government and in the interests of the public at large.

It has been suggested that investigations of the kind made in my proposal be undertaken by the different provinces. I am sure Honourable Members are aware and Members of the Government are aware that a similar undertaking is already in hand in the Presidency from which I hail. Mr. Findlay Shirras, who is Director of Statistics, is at the present moment busy, I understand, with the preparation of a work on the lines of the book which has been prepared by Sir Josiah Stamp dealing with the taxable capacity of the people in the United Kingdom. I hope I am revealing no secret when I say that Mr. Shirras estimates that in the Bombay Presidency the taxable capacity will be Rs. 116 per head of population.

Having said this much in regard to the appointment of the Government of India Committee, I will say a word or two in regard to the remarks that fell from my Honourable friend the Member for Education, Health and Lands. He does not seem to believe in figures. He considers them fallacious and I believe Sir Basil Blackett did so to an extent. I wonder which civilised Government there is to-day which does not rely on statistics of the kind which I have advocated in my Resolution. Both these gentlemen may not have read a paper prepared by their former Colleague, a friend of almost all of us in this House, I mean Sir William Vincent, who as recently as on the 11th December read a paper in London before the Royal Colonial Institute, a very valuable paper indeed, which I will commend to the attention of any one who has not yet read it, for it gives an epitome in as short a compass as possible of all the advantages that British rule has conferred on India. That paper is full of statistics. So it is gratifying to find that at least Sir William Vincent, who until a little more than a year ago was the Home Member of the Government of India, does believe in figures and statistics. For example, Sir Basil Blackett

[Mr. Phiroze C. Sethna.]

referred to the increasing population in India. Here is what Sir William Vincent says in regard thereto:—

"There are no figures, but the population has been estimated to have been 100 millions in Akbar's reign. In 1865 it was about 150 millions, and we know that in 1871, allowing for minor errors, it was 185 millions. It is now 319 millions. I want to press this point because I think it is inconsistent with the theory of exploitation, for it is impossible to believe that if the country had been exploited as alleged the population could have increased to this extent."

And my Resolution would have enabled the Committee to prove Sir William's contention.

The Honourable the Member for Education, Health and Lands, whilst not relying much on figures, himself, gave us figures which must have come upon the Council as a surprise as they did upon me. I have not known of any recent inquiries undertaken by the Government of India in regard to the average income of Indians. Sir Narasimha mentioned this morning that, according to the figures that were prepared by the Government of India in 1911, the average annual income per head of the population was Rs. 72. Therefore, it seems that the Government of India themselves do acknowledge the value of these figures. But, I will quote from a Government Blue Book itself to show that they do believe in the necessity of such inquiries. There is in "India in 1922-23," a passage on page 197 which reads:

"But certain Provincial Governments are directing their attention to the collection of statistics, the publication of index numbers and the investigation of family budgets. The work is still almost in its infancy; but its importance is being recognised by the general public, and there is reason to hope that before long it may be taken up upon a larger scale."

which means that Government contemplate an inquiry as I have suggested in my Resolution. If they have such an inquiry by a Committee their own position will be strengthened. I will refer again to the paper read by Sir William Vincent. He says:—

"If we examine first the question of the revenue assessment, we know that in the time of Akbar this demand was one-third of the gross produce of the land, and one of his successors attempted to raise this proportion to one-half."

And a little later he says:

"There has thus been a continual increase in the area cultivated. Let me turn to the revenue assessment, which was a matter carefully investigated by Lord Curzon in 1902, and since reviewed by many other authorities. Well, it was then established that the actual demand for revenue on the land was in some places 4 per cent., and at the most, and that in only one small area, 20 per cent. of the gross produce. You will remember that almost all land assessable for revenue is arable land. MacMinn estimates that the general average at 10 per cent. of the gross outturn, and this does not differ largely from Hunter's estimate that our land revenue is one-third of that in Akbar's reign."

It is the same Sir William Hunter whom I quoted this morning who reckoned in 1881 that "40 millions of the people habitually go through life on insufficient food." These figures given by Sir William Vincent could have been placed by the different Provincial Governments before the Committee and the Committee might have arrived at results which would have disillusioned the Indian public, in regard to growing poverty in India. Unfortunately the Government will not take the opportunity I offer to them. I am sure that the manner in which they propose to deal with the question by the appointment of the Committee referred to by the

Finance Member will eventually result, a year or two hence, in an inquiry on the lines which I suggest in my Resolution. If they had done so now, they would have removed not only hostile criticism in this country but also hostile criticism in Great Britain, criticism of a kind from such a versatile writer as Mr. H. G. Wells, for which criticism I am also indebted to Sir William Vincent's paper wherein it is quoted. This is what Mr. Wells says:—

"The British Empire gives them a certain immunity from warfare, a penny post, and the services of an honest, unsympathetic, narrow-minded and unattractive officialism."

Such criticisms would have been removed if my Resolution had been accepted, but I have not lost heart. I shall await the results of the Government of India Committee and of the Committees in the provinces, and I trust thereafter Government will see their way to continue the inquiry in the manner I have indicated.

A word in regard to the amendment. The amendment which I have read out is certainly very tame, but there again I understand the position of the Government of India is awkward. The Honourable Member for Education, Health and Lands, has explained that he cannot dictate to the different Provincial Governments, he can only prefer a request. And because he is preferring a request and that after considerable correspondence on the subject, he has assured me that he is in a position to say that no single province is going to reply in the negative, and I take it, therefore that every single province will further the intention underlying my Resolution, and the result of that inquiry will eventually help us not only to find the actual average income of the Indian, but that such Committees will recommend measures in their respective provinces to raise the level of the masses in India. With the permission of the House, I desire, therefore, to accept the amendment in place of my Resolution.

THE HONOURABLE THE PRESIDENT: Before I put the questions which are necessary to decide the motions now before the Chamber, I think it my duty—a duty I owe to the House—to draw attention to the fact that, though an important debate was adjourned to a time in the ordinary hours of the Council, after the adjournment, Government is not represented either by the Leader of the House or by the Member in charge of the Resolution. I leave it to the House to judge of the possible interpretation which may be put on this.

THE HONOURABLE MR. A. C. MoWATERS (Finance Secretary): Sir, with your permission, may I say that the Honourable Member in charge of the Resolution was called away by business which I think he was unable to avoid and he asked me in his absence, with your permission, to take charge of the Resolution.

THE HONOURABLE THE PRESIDENT: That is not a possible solution at this stage. The Honourable Member, if he had desired to have done so, could have put it forward before the adjournment.

The question is:

"That to the Resolution under consideration the following amendment be made:

'That after the words in the Resolution on the paper 'Governor General in Council' the following words be substituted:—

'That the Local Governments may be consulted with regard to the desirability of undertaking an inquiry into the general economic conditions of British India and whether they are prepared to support the proposal to appoint a Committee and to co-operate in its labours if appointed.'"

[The President.]

The Resolution would therefore read, as amended, as follows:

"That this Council recommends to the Governor General in Council *that the Local Governments may be consulted with regard to the desirability of undertaking an inquiry into the general economic conditions of British India and whether they are prepared to support the proposal to appoint a Committee and to co-operate in its labours if appointed.*"

The motion was adopted.

The Council then adjourned till Eleven of the Clock on Tuesday, the 5th February, 1924.