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**THE
LEGISLATIVE ASSEMBLY DEBATES**

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OF THE

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LEGISLATIVE ASSEMBLY.

Monday, 26th March, 1923.

The Assembly met in the Assembly Chamber at Eleven of the Clock.
Mr. President was in the Chair.

QUESTIONS AND ANSWERS.

DOUBLE STORIED QUARTERS IN RAISINA.

632. ***Maulvi Miyan Asjad-ul-lah**: 1. Is it a fact that *double storied* quarters for single clerks are under construction at Raisina behind Taylor Square in close proximity to the single storied family quarters already built for and occupied by married men.

2. Are the Government aware that the residence of single men (especially) in double storied quarters in such close proximity to (single storied) family quarters is considered objectionable by all sections of Indian clerks, the overwhelming majority of whom observe strict *parda* system.

3. If the reply to 1 and 2 above be in the affirmative, will Government please say whether they propose to stop further progress of the building of the single quarters at once? If not, why not?

Colonel Sir Sydney Crookshank: 1. Yes.

2. It is understood that the existence of single quarters in the immediate neighbourhood of family quarters is considered objectionable only in cases where the latter can be overlooked by the occupants of the former.

3. Government are informed that this is only possible in a very few cases and then only to a negligible extent, far less in fact than in the vast majority of houses in Delhi city and elsewhere. In these circumstances, Government see no reason to stop further progress in connection with the construction of the quarters in question, but steps are being taken to prevent all overlooking by increasing the height of the screen walls where it is necessary or possible to do so.

STOPPAGE OF TONGAS OUTSIDE DELHI STATION.

633. ***Maulvi Miyan Asjad-ul-lah**: 1. Is the Government aware (a) that tongas and other vehicles carrying outgoing Inter and Third Class Passengers are not allowed to stop in front of any gate of the Delhi Railway Station (Main) and that such passengers including respectable ladies and children have to alight on the Queen's Garden side of the road which they have to cross on foot;

(b) that this causes extreme hardship and inconvenience to the passengers;

(c) that taking advantages of the helpless position of passengers Railway porters demand and in fact extort exorbitant charges for carrying luggage to the station?

2. Will the Government state when, by whom and under what provision of the Railway or Municipal law this practice was introduced?

3. Will the Government take steps to remedy this real grievance of the passengers as soon as possible?

Mr. C. D. M. Hindley: Government have no information on the subject but inquiries are being made.

DEFICIT ON GREAT INDIAN PENINSULA RAILWAY.

634. ***Mr. K. C. Neogy:** Is it not a fact that the Great Indian Peninsula Railway has been working at a deficit for the last two years?

Mr. C. D. M. Hindley: During the last two years the net earnings of the Great Indian Peninsula Railway were not sufficient to meet the interest and annuity charges.

TRANSPORTATION SCHEME ON GREAT INDIAN PENINSULA RAILWAY.

635. ***Mr. K. C. Neogy:** (1) (a) Has the Transportation Scheme been introduced with the object of economising expenditure in the Great Indian Peninsula Railway?

(b) If so, will Government state the extent of economy up to the present and the particular classes in which reduction has been effected, i.e., the official, subordinate and menial classes?

(c) How many of official grade appointments have been abolished?

(d) How many subordinate or menial posts have been abolished, and how many Europeans, Anglo-Indians and Indians respectively have been prejudicially affected by the retrenchment?

(2) How many official (superior) appointments have been created under the Transportation Scheme and to what extent has that scheme brought about an enhancement of the salaries of each?

(3) Is it a fact that the Loco. Superintendent and General Traffic Manager of the Great Indian Peninsula Railway while being relieved of all their staff responsibility under the said scheme continue to enjoy their old rates of pay?

(4) Will Government be pleased to state the total expenditure in salaries of officers under the Transportation Scheme, as compared with their salaries previously?

(5) Will Government state the cost to the Great Indian Peninsula Railway in organising this scheme, i.e., in opening new offices, changing stationery, etc., for the different Departments?

Mr. C. D. M. Hindley: 1. (a) Yes.

1. (b) to (d) and 2 to 5. As the changes to which these questions relate have not yet been completely carried out, it is not possible to give a reply. It is however anticipated that the result when complete will be a great gain both in economy and efficiency.

Lieut.-Colonel H. A. J. Gidney: Is it a fact that not one single official's appointment has been abolished?

Mr. C. D. M. Hindley: I am not in a position to answer that question categorically. I should like to have notice of it.

RETIREMENTS ON GREAT INDIAN PENINSULA RAILWAY.

636. ***Mr. K. C. Neogy**: (a) How many of the subordinate staff over 55 years of age have been required to retire on the Great Indian Peninsula Railway?

(b) Is it a fact that a very different rule is followed in regard to officers of the same age?

Mr. C. D. M. Hindley: (a) The matter is within the discretion of the Agent and Government do not propose to call for the information asked for by the Honourable Member.

(b) Government have no information.

Lieut.-Colonel H. A. J. Gidney: Is it a fact that, although there are officers at present on the railway over the 55 years limit, not a single one of them has been retired?

Mr. C. D. M. Hindley: I did not quite understand the question. Will the Honourable Member repeat it?

Lieut.-Colonel H. A. J. Gidney: Is it a fact that the rule dispensing with the services of subordinates over 55 years of age has been put into operation, but it has not been applied in the case of officers?

Mr. C. D. M. Hindley: I cannot say whether it is a fact or not. In any case it is a matter within the discretion of Agent.

Lieut.-Colonel H. A. J. Gidney: Has the Honourable Member's attention been drawn to the Resolution passed at a mass meeting held in Bombay on the 12th instant?

Mr. C. D. M. Hindley: Yes, Sir.

Lieut.-Colonel H. A. J. Gidney: Have Government made up their minds as to what action they intend taking in this matter?

Mr. C. D. M. Hindley: Government do not propose to take any action, Sir.

TRANSFER OF A CASE FROM NORTH-WEST FRONTIER PROVINCE COURT.

637. ***Dr. Nand Lal**: (1) Is it a fact that an application from Muhammad Akbar and others for the transfer of a case from the Court of the Judicial Commissioner, North-West Frontier Province, to any High Court in India was forwarded to the Government of India for orders under Section 527, Criminal Procedure Code?

(2) Was the application of Mohammad Akbar and others placed before His Excellency the Viceroy and Governor General of India and will the Government be pleased to lay on the table the correspondence on the subject between the Judicial Commissioner, the Chief Commissioner, North-West Frontier Province, and the Government of India?

The Honourable Sir Malcolm Hailey: (1) Yes.

(2) Orders issued under section 527 of the Code of Criminal Procedure are orders of the Governor General in Council. The Government of India think that no useful purpose would be served by laying on the table copies of the correspondence in question.

JUDGES IN PATNA HIGH COURT.

638. ***Mr. B. N. Misra:** (1) Is the Government aware that two Additional Judges have been appointed to the High Court of Patna?

(2) Is the Government aware that no Oriya has ever been appointed as a High Court Judge ever since the creation of the High Courts at Calcutta, Madras and Patna?

(3) Is the Government aware of the strong feeling of dissatisfaction amongst the Oriyas for the constant neglect of their claims by the several Governments of (a) Bihar and Orissa, (b) Madras, (c) Bengal and (d) the Central Provinces for high appointments, such as High Court Judgeships, Members of the Executive Councils in the several Provinces referred to above?

(4) Do the Government propose to take steps that the claims of the Oriyas are not overlooked in future?

The Honourable Sir Malcolm Hailey: (1) Yes.

(2) Government have no definite information.

(3) and (4) The Honourable Member is referred to the answer given on the 6th instant to question No. 471, asked by Khan Bahadur Saiyid Muhammad Ismail.

Dr. Nand Lal: Are the Government of India aware that some of the Local Governments sometimes slavishly depend on the recommendations of the High Courts in filling up the appointments of High Court Judges?

The Honourable Sir Malcolm Hailey: Does the Honourable Member suggest that it is the Local Governments who fill up these appointments?

Dr. Nand Lal: They slavishly depend on the recommendations of some of the High Courts in filling up the appointments without scrutiny or without examination for themselves.

The Honourable Sir Malcolm Hailey: From all that I have heard in this House I should not have thought that Government would be accused of anything unreasonable if they followed the opinions of the High Courts.

Mr. B. N. Misra: Has the attention of the Government been drawn to the representations made by the Oriya District Association and the Oriya Samaj, Ganjam, to His Excellency Lord Pentland and to His Excellency Lord Willingdon, and to the representations made by the Oriya Peoples' Association and other Associations to the Honourable Sir Charles Bayley and to the Honourable Sir E. Gait at Cuttack and Puri?

The Honourable Sir Malcolm Hailey: I think we have seen those representations.

PAY OF ACCOUNTS CLERKS, BURMA.

639. ***Mr. J. N. Basu:** 1. (a) Is the Government aware that two memorials were submitted by the Civil Accounts office clerks of Burma, in October 1922, one to the Viceroy and another to the Auditor-General, Delhi, with regard to their pay?

(b) If so, what steps have been, or are contemplated to be, taken on the grievances mentioned therein?

2. Do the Government propose to classify such clerks into Upper and Lower Divisions on the lines adopted by the Government of Burma? If not, what are the reasons?

3. (a) Do the Government of India propose to keep the pay of their own clerks below that sanctioned by the Government of Burma for their local clerks working in the same office?

(b) Do the Government intend to revise the scale of substantive pay of these clerks soon? If so, when? If not, why not?

The Honourable Sir Basil Blackett: A duplicate copy of the memorial has been received by the Government of India, but they have not yet received any recommendation from the Auditor General on the questions raised.

OFFICERS IN FEUDATORY STATES, BIHAR AND ORISSA.

640. ***Rai Bahadur Lachmi Prasad Sinha:** (a) Is it a fact that all the officers deputed on special rates of pay to Feudatory States of Bihar and Orissa are Europeans?

(b) If so, will the Government be pleased to state the reasons for keeping such appointments reserved exclusively for Europeans?

Mr. Denys Bray: (a) No, Sir.

(b) Does not arise.

Mr. K. Ahmed: How many Indian officers are deputed on special rates of pay to these Feudatory States of Bihar and Orissa who are not Europeans?

Mr. Denys Bray: I am afraid I have not got such detailed information at my finger tips. I must ask for notice of the question.

Mr. K. Ahmed: Do I take it that as the first question was answered without reasons for keeping Europeans excluding reserved for such appointments, it necessarily follows that the authority was not consulted before the answer of the (a) portion read out?

Mr. Denys Bray: I had the information at my finger tips when the answer was prepared; I have not now.

Mr. K. Ahmed: May I ask the Honourable Member to refresh his memory?

The Honourable Sir Malcolm Hailey: May I ask the Honourable Member to remember that he is not cross-examining a witness in Court?

Mr. K. Ahmed: I am sorry, Sir. I was not cross-examining but putting supplementary questions.

UNSTARRED QUESTIONS AND ANSWERS.

INDIANS AS SECRETARIES, DEPUTY SECRETARIES, ETC.

256. **Lala Girdharilal Agarwala:** Have the Government decided or do they propose to direct that henceforward Indians may in future be appointed in larger numbers than heretofore as Secretaries, Deputy Secretaries, and Under Secretaries to the different Departments?

The Honourable Sir Malcolm Hailey: Government cannot bind themselves to any ratio between European and Indian officers in these Secretariat appointments, but they intend to do their best to obtain Indian officers in increasing numbers from the provincial Secretariats.

EXEMPTION FROM ARMS ACT.

257. Lala Girdharilal Agarwala: What class of persons do the Government propose to exempt from the operation of the Arms Act for life?

The Honourable Sir Malcolm Hailey: The matter is under consideration.

THE INDIAN FINANCE BILL.

The Honourable Sir Basil Blackett (Finance Member): Sir, I beg to move:

"That the amendments made by the Council of State in the Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary the duty leviable on certain articles under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax, be taken into consideration."

This motion, Sir, raises serious issues, not all of them of a financial nature. I do not propose in the few remarks that I shall make now to deal with any but the financial question; but I do wish to draw the attention of the House to the fact that a serious financial decision has to be taken. From the financial standpoint the question before us is whether the deficit of 369 lakhs for 1923-24 is to be left uncovered or whether it is to be covered by an enhancement of the duty on salt. Sir, I wish it were possible to recapture for a moment the atmosphere of the time when the Budget was introduced and the general discussion was taking place. When I introduced the Budget on March the 1st I drew attention to the serious consequences of five years of continuous deficits and to the urgent need for balancing our Budget in 1923-24. The House from the first showed some dislike to the salt tax but I think we were unanimous in holding that somehow or other the deficit must be covered. That unanimity has been decreasing, I am afraid, since. I have seen it stated—not I think in a responsible quarter—that the Government are making a fetish of balancing the Budget. Well, Sir, the last time I heard that statement made was in defence of the absence of balance in the Austrian Budget; and I have heard that defence made for all the unbalanced Budgets in Europe. I was reading yesterday the columns of a newspaper, the editorial part of which has been thundering in truly Olympian fashion against the Government and against the salt tax; but I was not reading the editorial portion—I was reading the financial columns, and this is what the financial Editor said:

"The business community thoroughly sympathises with the Government in its effort to create a balanced Budget and the opinion is gathering strength that the opposition to the salt tax is mainly political and sentimental and that economically the duty is sound. The country's financial salvation depends on a balanced Budget and the Government's rate of borrowing in the next official year also depends a great deal on it, as a deficit Budget will again create doubt and distrust in the minds of the investing public."

Now, Sir, which is the best guide for the Government and for this House in considering a financial question—the leader writer or the financial editor? Sir, when I introduced the Budget I appealed to this House for

united action to bring to an end the era of deficits and to put India back into the position which she has normally enjoyed of having a balanced Budget. The need for a balanced Budget is not less but more since that day, simply because we have expressed our determination to balance the Budget and expressed our conviction that it is necessary. If we fail to do so now we are failing to live up to our convictions. That cannot but have a detrimental effect. Sir, I venture to appeal once again for united action. I lay stress on united action. Some, at any rate, of the advantages of a balanced Budget will not be secured if our action is not united, and all the satisfaction and pleasure that this House and the Government could feel in balancing the Budget will be lost if the effort is not united.

The motion was adopted.

Mr. President: Amendment made by the Council of State:

"In sub-clause (1) of clause 2 of the Bill, after the words 'construed as if' the words 'with effect from the 1st day of March, 1923' were inserted, and for the words 'one rupee and four annas' the words 'two rupees and eight annas' were substituted."

The question I have to put is that this Assembly do agree with the Council of State in that amendment.

Mr. Jamnadas Dwarkadas (Bombay City:Non-Muhammadan Urban): Sir, I rise to oppose the amendment made by the Council of State in the Finance Bill. The amendment, if carried, would restore the original proposal made by the Government in introducing the Budget of enhancing the salt duty that is levied in this country to the extent of Rs. 1-4. As you are aware, Sir, this House by an overwhelming majority while discussing the Finance Bill voted against this increase and carried by a large majority the amendment moved by my Honourable friend, Mr. Rangachariar, that the duty should remain at its original level. Subsequently, the Bill went to the Upper House (*Rao Bahadur T. Rangachariar*: "The other House"), to the other House, I am sorry, and it went with a recommendation from His Excellency the Governor General. The other House, as was expected of it, without meaning any disrespect to the personnel of it, has supported the proposal made by Government. I want to tell Government very frankly that the Government would be making a great mistake if it took it for granted that the opinion expressed by the other House is the view that is held by the majority of my countrymen. I repeated that I have to say nothing personal against the Honourable Members of the Council of State; they are men of wealth, they are men possessing large estates, men who are rich and prosperous . . .

Mr. President: I think the Honourable Member had better leave the other House alone.

Mr. Jamnadas Dwarkadas: I shall bow to your ruling, Sir. But I can assure you that I have no intention to run down the Members of that House. All that I meant to point out was that the Government would be making a sad mistake if, relying on the opinion of the other House, they took it for granted that the opinion expressed there was the opinion of the country and allowed themselves to persist in putting forward their proposal for the enhancement of the salt duty. Well, Sir, this House had rejected it when the Bill was being discussed before and I am sure that even those Honourable Members who were on that occasion neutral or who voted in favour of the Government proposal will, if for nothing else, for the purpose of maintaining the dignity and self-respect of this House as the only representative of public opinion, will

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reconsider their decision and vote against the enhancement of the salt tax. My Honourable friend Sir Basil Blackett in moving the consideration of the Finance Bill has laid stress on the financial necessity of passing this enhancement. My Honourable friend has taken the safe course of avoiding altogether a reference to the political consequences of passing a measure of this character. But surely my Honourable friend cannot but be aware that you cannot divide the financial aspect and the political aspect and the other aspects of the question into water-tight compartments. Each aspect has a bearing on the other and if for the sheer necessity of satisfying your financial point of view you are going against the expressed wishes of the country to enhance the duty on salt, the political situation that is likely to arise then is sure to bear considerably on the financial aspect. All the financial considerations and calculations made by the Honourable Finance Member and the Government are likely to be upset by the political consequences that will accrue as a result of your obstinacy. Let me make myself clear. You are keen on balancing the budget. For the purpose of covering a deficit of 369 lakhs you want to force down the unwilling throat of this country an enhanced duty of Rs. 2-8 on salt. The result of it will be that you will have political disturbances. In the past you had measures carried in the teeth of the opposition of the people, when you had a majority in the old Imperial Legislative Council. The political consequences were such as threw the whole country into a state of chaos, from which this Assembly has helped you gradually to emerge; but even those measures did not affect every human being that lives in this country. So far as the enhancement of the salt tax is concerned, I repeat what I have frequently said in this House, that in the shape of this enhanced salt duty you are sending to every village home in India a messenger of revolution; every home, every person in this country is likely to be affected; every one who is already bitter against the Government or even those who are not yet embittered against Government will have reason to believe that in spite of the expressed opinion of all our countrymen, the Government, in spite of the opposition of the majority of this popular House, have persisted in forcing down the unwilling throat of the country an enhanced salt duty. What will be the result? There will be political disturbances everywhere. And is it not the experience, has it not been the experience of the Government, I ask, that whenever there are political disturbances in the country, they affect trade, they affect the prosperity of the country, they affect the ordinary avocations of the people in the country, and the result is that all your estimates with regard to revenue are frustrated? You will get much less revenue than you expect in this budget. So that, even from the financial point of view you are keen on balancing the budget by covering this small deficit of 369 lakhs, although that may seem to be a gain on paper it will never be in reality a balanced budget because you are likely to lose far more than 369 lakhs by the situation that will come into existence as the result of your obstinacy. I hope Government even at this late stage will be guided by wisdom, by the experience that they have had in the past. Many people in this country had no faith in the reforms, especially because of the extraordinary powers that are vested in the Governor General. We were loath to believe that these extraordinary powers would ever be used on an occasion like this, for ordinary purposes, when there cannot be the slightest justification for the Governor General to use his extraordinary powers. We shall have to hang down our heads in shame when we go to our countrymen and tell

them that in spite of the promises that we had made, that we were going to use all the powers that were vested in us by means of the Reforms, in spite of the fact that we had claimed that our powers were very wide and that the extraordinary powers would remain on paper and never be brought into use by the Governor General, we have now come to you with an admission that extraordinary powers are being used for ordinary purposes, on occasions on which no sane Government, let me say, could think of using extraordinary powers. We have to admit to them, whether we like it or not, that there is hollowness in the reforms given to us and that we should all agitate, by all means constitutionally, but agitate violently in order to secure full self-Government at the earliest date possible in this country. (Hear, hear.) Sir, I do not want to pursue the point. I do not know whether the Government is alive to the danger of forcing this measure on the country. I am not blind to the difficulties with which the Government is faced. I realise that on the top of the retrenchment that the Government have undoubtedly effected, it would be rather hard if they did not balance the budget, but the question does remain, are you likely to balance the Budget or are you merely going to secure the balance of the budget on the paper? On the one hand, you have the whole of this country standing like one man opposing the enhancement of the salt duty. You say that you must balance the budget and therefore you must have the salt tax. The country says 'No'. We recognise the need of balancing the budget, but we refuse to allow you even to balance the budget by the enhancement of the salt tax which will bring about a very difficult situation both for you and for us.

Mr. S. C. Shahani (Sind Jagirdars and Zamindars: Landholders): Who is right?

Mr. Jamnadas Dwarkadas: Who is right? On the other hand, you have pressure exercised on you from Whitehall that the budget must be balanced. You have also the opinion of the whole country against the enhancement of the salt tax. If you do not accept the opinion from Whitehall you will not be able to secure the balancing of the budget. As I said, from a financial point of view, you may flatter yourselves that you have secured the balancing of the budget on paper, but you are not going in reality to secure the balancing of the budget. You have Whitehall pressing you to balance the Budget. . . .

The Honourable Sir Malcolm Hailey (Home Member): Is the Honourable Member speaking by the book when he says that?

Mr. Jamnadas Dwarkadas: I should be very glad if my Honourable friend is in a position to contradict what I am saying. But that is the general impression not only in this House but throughout the country? Well, Sir, if the Honourable the Home Member does not like me to refer to Whitehall, I shall not refer to it, but there is the public opinion in England, in Great Britain, on which our credit unfortunately depends. It is said that public opinion there demands the balancing of the Budget. We know what public opinion in England about India is; it is confined to the four corners of Whitehall. Well, you have here a choice. You have the whole people asking you not to enhance the salt duty; on the other hand, you have a few,—and after all, many are not interested in Indian problems in England,—you have a few asking you to balance the budget. You know that you cannot secure the real balancing except on paper. The Assembly which has stood by you at most critical moments in the history of this country has also expressed its opinion that you should not enhance the salt duty. You have a

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choice. You may yield to the wishes of the Assembly, you may respect the wishes of the Assembly, and you will respect public opinion in this country. You will evade the trouble that threatens again to place this country in a state of disorder. You will secure permanently the friendship of the Members of this Assembly who have stood by you at most critical moments in the history of this country. If ingratitude is not one of your weakness, I say that it is necessary that at this most critical moment, that you should stand by this Assembly, in spite of your pet theories. You will be respecting the wishes of the country as expressed in this Assembly. There is a choice before you. You may respect the opinion of this country and avoid all trouble and prove once and for all that you are going to respect the constitution, that you stand for reforms, that you stand for progress, nay that you respect the statement made by the late Viceroy Lord Chelmsford here that autocracy is for all time abandoned. Further, you will respect the message sent through His Royal Highness the Duke of Connaught to us by His Majesty the King Emperor himself that these reforms will establish the beginnings of Swaraj.

Mr. President: I cannot allow the Honourable Member to bring in the name of the Crown in this debate.

Mr. Jamnadas Dwarkadas: I bow to your ruling, Sir. You will respect all the statements that statesmen and high personages at most critical moments have made, statements which have gone a great way in soothing the feelings of this country. You can prove them. There is an opportunity for you to prove that you stand by the progress of this country, that you do not believe in autocracy any longer, and that you want to lead this country to the goal of responsible Government; while by not respecting the wishes of this Assembly by flouting public opinion on an occasion like this, not only will you be undoing every good that the reformed Legislatures have undoubtedly done, but you will be sowing seeds of suspicion in this country which will bring into existence again a great political movement, creating disturbances, disorder and chaos everywhere in the country. It is neither good for you nor for us. Exercise your imagination. I am sorry, Sir, that in this country we have had the sad experience that the powers that be have never exercised their sense of imagination. We thought that the reformed Councils and the presence of our own countrymen in the Executive Councils were going to supply what you lacked. But it seems to me that if this demand to enhance the salt tax is persisted in, all these difficulties and all the sad experience that you had in the past and the altered circumstances after the introduction of the Reforms have been lost on you altogether. The moment the movement that used to disturb the country is on the wane, you come forward again with your might to overrule the majority in this House and force on us a measure which this country like one man detests. You will be responsible for the consequences. As friends of the Government, as friends of this country and its relations with Great Britain, as persons who have stood by you in the midst of slanders, in the midst of calumny, in the midst of opposition of all kinds from our countrymen, we appeal to you not to have recourse to a measure like this. I hope, Sir, my appeal will not fall on deaf ears.

Sir Campbell Rhodes (Bengal: European): Sir, I think, I shall voice the opinions of all in this House when I say how much I regret the constitutional episode which has unfortunately arisen over this salt tax. It has

arisen, and while on the one hand I feel that there is nothing to be lost by candour, on the other there is nothing to be gained by heat. (*Rao Bahadur T. Rangachariar*: "Don't produce it.") I will do my best, Sir, not to do so, and I don't think my reputation in this House has been such as to justify the suggestion. I am very willing, Sir, to grant to the Members on my right credit for their honesty of view. They hold these views—political views admittedly—they hold them very strongly. Personally, if I saw any chance of a compromise, which I do not, I would have sacrificed some of the views which I hold very strongly on the other side in order to meet them half-way. But I fear that that is hopeless. But Sir, I do ask them in turn to give us credit for honesty in the views we hold. In speaking about the salt tax and its pressure on the poor, it must be remembered that none of us are speaking for our constituents. (*Sir Deva Prasad Sarvadhikary*: "Nor are we.") The poor that will be affected have no voting power and, therefore, we can only find their views out by inquiry. I have spent some little time in making these inquiries from the man in the street. They tell me that salt has risen slightly during the last two months—they are not quite certain when—but during the last two months it has risen. I asked them the reason for the rise, the answer I got was that they supposed the dealer is trying to make a little extra profit. Well, I said, why don't you kick up a row? The answer I got was: It is such a small item in our expenditure; why should we? People talk about the deficit as if it was a paper transaction. I mentioned in my previous speech on this occasion that I regard the deficit as another method of putting a burden on the poor. I referred to the evils of inflation which means that a rupee buys less than previously. The Honourable the Finance Member has referred to the permanent impost, a deficit will make on the new loan which we hear from telegrams from Home will be shortly floated. The rate of interest, and the price at which that loan can be issued depend largely, I desire to warn Members, on their action to-day. Now, Sir, both sides—and I stand in a position here from which I can observe both sides—have not put any alternative proposition to the salt tax which has found general acceptance either on the one side or the other. Why is that? Not, I submit, because there has been no desire to effect a compromise. Not, I submit, because we have not the ingenuity to suggest an alternative. But simply because no alternative exists. (*An Honourable Member*: "Retrench.") Year after year, the salt tax has been proposed and defeated. We have retrenched, we have put up, before we put up for the salt tax, all other taxes to the point at which to raise them further would mean less revenue. And, when finally we come to salt, obviously because it is final, there can be no alternative. It has been suggested that this salt tax is in the nature of poll tax collected in its simplest form. I see no objection at all myself to that definition. It has been suggested that it presses equally on the rich and the poor. It is not intended at all to press on the rich. It is very much in the nature of poll tax levied on every inhabitant of the country, and as regards the rich, as we all know other forms of taxation are resorted to and I have it on the authority of my friends on the right from Bombay, that some of these taxes have reached the limit. If Members like to have something to think about during a very well earned recess, which will shortly ensue, I suggest they might seriously consider the question whether low taxation and a low standard of living do not go together and whether perhaps they have not been an evil rather than a good to the country. Well, Sir, we have found it impossible to reconcile the two positions, both honestly held, both held with great conviction, and we have, therefore, what has been called a crisis. My Honourable friend,

[Sir Campbell Rhodes.]

Mr. Jamnadas seemed to me to hint that, if the salt tax was passed, he was prepared to lead the country in revolution. (*Mr. Jamnadas Dwarkadas*: "I never said so.") He did not say so, Sir, and, I expected his denial, but I beg to inform Members that this salt tax has now been in existence for a month and, if this revolution is to start, it will only start because it is started, not by people who are already and who have during the last four weeks been paying more for their salt. Well, Sir, let us admit the crisis. But let us also admit that crises are normal to a democratic Government and this must now be faced. We are all here, Sir, pledged to work the constitution as we find it—and I think I should be the last man to stand up as an advocate of this constitution—but we are all here pledged to work it. I would like to draw Honourable Members' attention, in the Manual of Business and Procedure, to clause 62-A:

"Subject to the provisions of the Act, the Indian Legislature consists of the Governor General and two Chambers, namely, the Council of State and the Legislative Assembly."

The Governor General is as much under the constitution as we are. (*An Honourable Member*: "Very much above it.") He cannot alter it. He is bound by its rules as much as we are. Mr. Jamnadas said that it was his duty to do all in his power under the constitution to resist this tax. I agree with him if he feels that the tax is a wrong one; but I think he must give to others the same measure of justice as he demands for himself. If the Government had not proposed an amendment in the Council of State to put the tax up to Rs. 2-8-0, they would have deprived our fellow legislators in that House an opportunity which we had, of discussing whether it should be Rs. 1-4-0 or Rs. 2-8-0. They gave them that opportunity and the Council decided in favour of Rs. 2-8-0, by a non-official majority. Had the Governor General not recommended this Bill a very much more difficult position would have arisen. Now, that we have disagreement between the two Houses, according to the ordinary Bill procedure we should have to wait six months for a Joint Sitting and, therefore, no tax, neither income-tax, the enhancement of customs duties, nor the salt tax, could have been collected, during that time. Personally and speaking entirely from my own point of view, I should have no objection. Therefore, we should have to wait for a Joint Sitting, which according to the adding of the two votes together, would have resulted in 72 votes to 62, I think, in favour of Rs. 2-8-0. To-day, I do not know, Sir, quite what we are discussing, whether we are discussing the salt tax or the constitutional issue. But I think it would be a convenience if we were to refer to it as a salted red-herring. Sir, I have mentioned that I personally would have gone half way. Last year, it will be remembered, I hope, to my credit, that I supported my friends on the right in a constitutional crisis on the subject of cotton. I took rather a definite line there, because the crisis, to my mind, was a much more serious one. That duty was open to implications—unjust implications possibly, but not unnatural implications—to which this duty is not open in spite of what Mr. Jamnadas Dwarkadas has said. There is none to gain or to lose by what we are doing to-day, but India herself. Of that there can be no question, and every man's vote, I hope, will be cast whether in the one lobby or the other to-day in the interests of India. It is, I maintain, Sir, the duty of every man to exercise his responsibility. This House must not claim a monopoly of responsibility. His Excellency the Governor General has his responsibilities and the

Council of State have theirs, and if we are to defend our rights, as I shall always be the first to do, we must admit that there are rights to others, and I think we must fairly abide by the constitution which we are endeavouring to work.

Mr. T. V. Seshagiri Ayyar (Madras: Nominated Non-Official): Sir, I shall not speak for more than a few minutes on this question, because, as was pointed out, the situation is a grave one and the fewer the words spoken, the better would it be for all of us. There is also one other consideration that weighs with me and that is this. I do not think that anything that I say this morning is going to convert any Member of the Government Benches, and therefore, there is not much use in speaking largely upon a question of this nature. Sir, ever since I took to politics, I have been taught that it is a sin to consent to the increase of the duty on salt. Great men who have gone before us—I would not repeat their names—have said that if we consented to an increase in the salt duty, we would be betraying the interests of the people. Sir Campbell Rhodes has just now told us that the persons who are most affected are not the persons who have votes. That is the very reason why we, who are representing the people, should do our very best that those men who have no voice, who have no votes, are saved from the tragedy which the Government is bringing upon their heads. Sir, in some other place it has been said that the battle cry of old is gone, the battle cry of the Congress is gone, and a new cry must take its place. With all respect, may I say that that cry can never go, that so long as we continue to represent the people, so long as this House claims to be a representative Assembly, that battle cry of saving the poor can never go. Other cries may be added, but the cry against salt will remain for all time to come. Sir, one other matter was mentioned in the other House and it is this. Whatever may have been the want of justification for imposing an additional duty on salt in the old days, the same want of justification does not exist to-day, because the purchasing power of the rupee is more now than it was in the old days. Sir, those that put forward this reasoning forget that almost all the articles of necessity have gone up in price. If you take the index figure of 1914 and compare it with what it is to-day, you will find that the price of almost every food-grain, of almost every necessity of life, has gone up more than 100 per cent.

Mr. R. A. Spence (Bombay: European): Why has it gone up?

Mr. T. V. Seshagiri Ayyar: And the result to-day is that you will not be able to purchase for a rupee the same quantity of things which you could have purchased some years ago. There is no doubt about it. My friend asks "Why has it gone up?" The answer to it is because Government has been piling taxes upon taxes. That is the answer to that.

The Honourable Sir Basil Blackett: It is due to the deficits.

Mr. T. V. Seshagiri Ayyar: Rs. 60 crores of deficit has certainly added to the increase in the prices.

Sir, let us look at the situation now. What is the situation? The Government never came to us with any alternative proposals. They never asked us to discuss any other form of taxation. They told us at one time that there is no unanimity as regards any other form of taxation. Do the Government really believe, and seriously believe, that in any civilised country, any Legislature, would unanimously consent to any new taxation? Can you expect that there will be no objection to a taxation? There

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will be objection, as my friend puts it, from interested quarters. Rather than face those objections, what have you done? You are now going against the entire and unanimous wish of the people of this country. You do not want to offend classes, sects and communities. But you have no compunction in setting your face against the unanimous wish of the people of this country. Is that the proper way for any Government to act? I say that you have chosen the wrong way of meeting the deficit, if you want to cover the deficit. Sir, a grave political situation has been created, and if it is said at the end, that the Reforms have not worked successfully, the fault, the sin for that would lie upon the heads of the Government and not upon the people. As Mr. Jamnadas Dwarkadas has pointed out, we have done our best to help you when you had heavy deficits. We have always come to your rescue by imposing fresh taxation. But in the case of taxing the poor, in the case of imposing a duty on salt, it is impossible for us to come to your rescue and if you find that this tax makes the Government very unpopular and makes the working of the reforms almost impossible, the fault for creating such a situation will be entirely yours and not ours. Sir, by again bringing this Bill with a recommendation, the Government have raised some new issues, issues which are going to divide the country very seriously, issues as regards the powers of revision which is possessed by another House, issues as regards the safety of the constitution as against the executive will of the Government, issues which would go to show that the Reforms do not contain sufficient safeguards to enable the people to express their sentiments and their views. These are very important issues which must necessarily arise because Government have chosen to take this extraordinary step of recommending that the Bill be passed into law. We have to do our duty. In the face of the determination which the Government have shown, there is only one thing that we can do. We must show consistency, courage and dignity. If we do not show consistency and courage, we will be betraying the trust that people have reposed in us.

Sir Montagu Webb (Bombay: European): Sir, I rise to oppose this amendment made by the Council of State in our Finance Bill which has come back to us with a "recommendation" from the Governor General. I do so, Sir, with a very heavy heart, because I can see and understand many of the difficulties which Government have to deal with. I recognise, too, the consideration ordinarily shown by Government to the opinions expressed by this House; and I do appreciate the magnificent work done by Government for the great benefit and advantage of this country. But on this occasion, Sir, in connection with this Finance Bill, some strange Nemesis seems to have intervened, with the result that we now find ourselves face to face with a situation so complicated, so fraught with danger to the continued successful development of the Reform Scheme that I feel it my duty to do all I can to put matters right before it is too late.

First of all, Sir, I want to recall just for a moment what this House has done in the past in matters of finance. When we first met here two years ago we were told by Lord Chelmsford, the late Viceroy, that the Government of India Act had "closed one era and opened another." His Royal Highness the Duke of Connaught brought us a message of hope and inspiration from the King Emperor, and the Honourable the Finance Member himself said that in this new period this House would

have to take upon itself the financial responsibility of carrying on the affairs of this country. Now, Sir, these were not mere words. The financial responsibilities were very real, for in the year that was just ending, we found ourselves with a deficit of nearly eight millions sterling. In the new budget which the Honourable the Finance Member then presented to this House we found ourselves face to face with a deficit of nearly eighteen million sterling, taking exchange at 1s.4d. Now, what did this House do? This House courageously faced the situation and voted large increases of taxation in all directions. They put up the Customs duties, they put up the taxes on income, they assented to increases in the Railway Fares, and increases on Postage, in the hope of getting matters straight,—a truly fine record, I submit, for a young democratic Assembly. That was the first year.

Now, take the last year. When we came back to this House twelve months later we found that the anticipated deficit of eighteen millions, notwithstanding all these increases of taxation had become twenty-two millions sterling. Not only that, we were once more faced with a further anticipated deficit for 1922-23 of over twenty millions sterling; and once more this House was asked to assent again to an all round further increase of taxation. The House again most courageously faced the situation and once more voted all round increases in Customs duties, increases in Railway Fares, increases in Postal and Telegraph rates, and an advance in Taxes on Income; but they said in effect—"We will not vote any increase in Salt Duty because we think it is the duty of Government to effect retrenchment." Now, once again, I ask you, Sir,—could any young popular Assembly in the world (*Rao Bahadur T. Rangachariar*: "Except a submissive one.") have taken a wiser and a more statesmanlike course?

Government recognised the wisdom of this advice. They did not attempt to increase or double the Salt Duty. They went to the other House and said "We will accept the recommendation of the Assembly and we will endeavour to retrench."

Now, what followed? On the strength of a Resolution passed by this House I think in last June or July, a Retrenchment Committee was appointed including six of the finest business brains available, eastern and western. That Committee got to work as soon as possible. So successfully did Lord Inchcape and his colleagues swing their axe that in the course of a few weeks they succeeded in recommending retrenchments to the extent of thirteen millions sterling. That, Sir, was only I think three weeks ago. Very naturally, the Government found it extremely difficult, if not impossible, to put all these retrenchments into operation at once. But I must say that Government met the situation with the greatest vigour, with the greatest loyalty to the desires of this Assembly, and they made beyond doubt every possible retrenchment that they thought could be done. And with what result? Could the whole of the Inchcape Committee's recommendations have been carried out next year, there would be no deficit at all and all our difficulties would have vanished. But unfortunately, it being a practical impossibility to carry out the whole of these retrenchments in one year, Government had to postpone about two or three millions of them till the next year,—1924; and it is this very sum of two or three millions which they have not been able to retrench in the coming year that produces the deficit about which we have all been talking a purely temporary deficit. (*A Voice*: "No.") I put it to you that that deficit is an office-made deficit, and that that

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deficit need not have appeared at all if the Honourable the Finance Member had so desired. Assume, for example, that the Honourable the Finance Member had been of a little more optimistic turn of mind and had cared to increase his estimates of receipts from Railways, from Posts and Telegraphs and from Income-Tax (as he might very well have done, for we have got this cold weather the finest crops that India has almost ever had)—had he taken that course, well, things might have been very different. Had he even debited some of our expenditure on roads and buildings on the North-West Frontier, had he spread that over two or three years instead of putting the whole of them into current revenue (as he might well have done for we have paid for a whole war out of current revenues), the situation would have been very different. Had he assented to the proposals made to him for additional taxation, say on silver, or a temporary surtax on Customs, he could with the greatest ease have, by an enormous majority, carried them through this House, and the deficit would have disappeared. But he elected to do otherwise. Finally, if he had appropriated a sum of three or four millions from that over-swollen, inoperative Gold Standard Reserve from which he is already taking one million,—if only he had taken another 2 or 3 millions, there would have been no deficit. I ask this House if I am wrong in asserting that this deficit is simply an office-made deficit and that it has only appeared at the will of the Finance Member. And, Sir, it is with the object of covering this relatively small and merely temporary deficit of under two and a half millions, that he proposes now to raise four millions sterling by doubling the salt tax,—I say four millions sterling because the salt tax, if doubled, will surely yield six crores of rupees.

Now, Sir, I say unhesitatingly, and with all the emphasis at my command, that the doubling of the salt tax at the present moment is unnecessary financially, and is provocative politically. I have already shown, I think, that it is a mere product of the office of the Finance Department. I go further, and I would urge that rather than raise the political ferment which will be caused by the imposition of a doubled salt tax I would prefer to allow these two millions to dissolve themselves in the coming retrenchments. It may be said in some official directions 'Oh, this would spoil our credit.' Well, Sir, I deal in credit myself. I unhesitatingly deny that assertion. Speaking for myself, (and I can claim special knowledge as a practical merchant and financier, as a railway manager and ship manager), I say most unhesitatingly that India's credit at the present day is first class. Throughout the period that this country has been suffering from the most appalling series of deficits on record, we have succeeded in raising the greatest loans ever known in the history of India. Does that indicate loss of credit? And now, we are told, Sir, when India's financial and political difficulties are practically over, when we are enjoying a period of splendid crops,—now, at this moment when we are dealing with a more or less artificial and temporary deficit we are told that if we leave this small deficit to be wiped out by the retrenchments ahead, our credit will suffer. I say unhesitatingly that those who nurse this belief, are hugging a delusion.

At the present moment the position of this country is economically as strong as if not stronger than that of any other part of the British Empire. It is certainly economically stronger than that of any other country outside the British Empire in Europe, Asia or America. I go further and I say that we are in a position of quite exceptional strength. We are

one of the few countries in the world who in spite of our enormous population, can feed ourselves without the slightest difficulty, who can produce enormous surpluses of valuable commodities for sale to the rest of the world; and given only a period of political tranquillity in which the peace-loving and industrial millions of this country can get to work on their economic and social development, I say, Sir, that the credit of this country and the future of India are as assured and as sound as those of any country in the world.

Now, Sir, I used the words "given only a period of political tranquillity." It is to avoid all hazard of any disturbance of this period of political tranquillity that I am opposing the doubling of the Salt Duty. Sir, the life of this Assembly is now drawing to a close, and there must of necessity be during this year a certain amount of ferment,—of bubbling up of political activity in connection with the forthcoming General Elections. I ask—Is this the moment, when Members of this House will be seeking re-election, is this a moment when we should discredit them, when we should disarm them, when we should antagonise them just as they are going back to explain to their constituents the success of the work of this Assembly? Is this the moment to multiply noxious political activities by throwing into the political arena so dangerous a firework as a doubled Salt Duty? Is this the moment to place a weapon in the hands of ignorant and malicious people who have been persistently hostile to this Government, and who have throughout represented that this Assembly is a mere make-believe, a mere "Mock Parliament" to whose views an irresponsible and autocratic Government pay little or no heed?

Sir, I have finished. I only want to read to this House two small extracts from the records of our proceedings,—one, Sir, by His Royal Highness the Duke of Connaught when opening this Assembly. He said:

"The principle of autocracy has all been abandoned. Its retention would have been incompatible with that contentment which had been declared by Her late Majesty Queen Victoria to be the aim of British Rule. It would have been inconsistent with the legitimate demands and aspirations of the Indian people and (*listen to this, Sir*) it would have been inconsistent with that stage of political development which they have now attained".

Now, Sir, listen to the second extract—the words of the Honourable the Home Member spoken a few days later. He was introducing the first Budget to this House on the 1st March 1921. He was explaining what a great change had come over the country, and that in future instead of a Finance Member having it all his own way and shouldering all the financial difficulties himself, this House would have to take their share. He then said (this was the Honourable Sir Malcolm Hailey):

"For the future this House will have to share that (financial) responsibility. If we incur expenditure, it will be under your mandate. If we impose taxation, it will be by your vote".

What is the position now? We are being asked to assent to unnecessary taxation,—unnecessary financially, provocative politically—and against the wishes of this House. What for? To fill a relatively paltry, temporary deficit of two millions which will automatically disappear a year later. Sir, when Herod promised the dancing girl anything that she might ask, and when that irresponsible young creature demanded the head of John the Baptist, Herod at once acceded to her request. Now, Sir, how different things might have been,—how different history might have

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been written if Herod had only reconsidered his promise. Now, I implore my Honourable friends of the Government Benches to reconsider this matter. No matter what promises they may have made,—no matter what policy they may have decided on,—I appeal to them to reconsider this matter at this stage, because I feel sure that if a little further consideration be given to the situation, wiser counsels will prevail. I cannot believe that the House of Commons, the “Mother of Parliaments,” who has stood throughout the ages for the right of the people to control the public purse, I cannot believe that the Mother of Parliaments will cut the throat of its youngest and most promising offspring merely because it refuses to assent to financial legislation the demand for which rests on no solid and proper foundation.

Mr. Ashruff O. Jamall (Bengal: Nominated Non-Official): After the eloquent and admirable speech of my Honourable friend Sir Montagu Webb, I am afraid I will not be able to speak so well. We have talked about salt for many days and perhaps I stand to-day to address a House that is tired of talking salt. But I wish to make my position clear. I have voted already twice against this duty and I am afraid my Honourable friend the Finance Member will again not find me in the same lobby as himself to-day, not because I think that the salt duty will be a messenger of revolution, and I cannot think that it will be unbearable to the people, but I do maintain that it will be very unpopular, that it will not be liked, and above all that it is not necessary. Several of my Honourable friends here have asked the Finance Member as regards his methods of Book-keeping, with reference to charges made to revenue and capital. If I may be allowed to say, Sir Dinshaw Wacha the other day in the Upper House said that he wanted to know how this was done. He challenged the Finance Member, if I understood him right, to prove his contention. To all these demands there has been no satisfactory explanation coming forward. Therefore, Sir, I do maintain that there is no deficit, I do not think that the tax is necessary and I cannot conceive why we should be asked to give a present to posterity, why should we to-day be taxed for the benefit of our successors who will come in our place. I do admire the way in which Sir Montagu Webb has put the whole matter. I do think that the tax if levied will have some effect on the political aspect of India, and I do not agree that this amendment should be accepted.

Sir Deva Prasad Sarvadhikary (Calcutta: Non-Muhammadan Urban): Sir, I am glad that tension in the House has to a certain extent been relieved by our resourceful friend behind. And we recognise the soundness of some of the position indicated by Sir Campbell Rhodes. Every one has rights to his own convictions and ought to act up to them. In those circumstances I wish the suggestion made by some of our friends that we should avoid if possible speaking at all to-day, but proceed to the business of the day in a business-like fashion was acceptable. Since, however, that is not to be so, I think the position of people taking a different line has to be made quite clear. The Honourable the Finance Member has not taken pains to clear up matters, probably because he will do so later or his Colleagues who speak later on will be left to deal with what he has left unsaid. He has contented himself purely with the financial aspect of the question, as is no doubt his place to do; but there are other questions, bigger vital questions. We have been often told that it is the fear of facing our constituencies at the next election that is guiding the action of many of us.

Possibly it is so, possibly it is not. Constituencies in the broader sense are powerful, they can be if they want to be; they are not yet as powerful in some places as in others. There is a Madras constituency, for example, which sent a Member to the House, whose place we see vacant for the last few days; ever since he had the hardihood to propose a surcharge on customs and on the income-tax, his place knows him not.

Mr. R. A. Spence: Sir, his constituency did not censure him; the European Association were not his electors.

Rao Bahadur T. Rangachariar: I may also mention that Sir Gordon Fraser left on business. He would be the last man to have deserted his post.

Sir Deva Prasad Sarvadhikary: I am sincerely glad to have that correction, because that has been the impression abroad. Yet constituencies can make themselves felt and I hope they will do so in the case of every one who goes back from this House after having voted for increase in the salt tax, for they will have forfeited their right to come back, judged from the popular point of view. Apart from that, Sir, as I explained on a previous occasion, this question has practically nothing to do with the limited constituencies, because those who form them have to pay a considerable tax, judged by the standard of the resources of those who will have to pay the most if this increased taxation is agreed to. Therefore, that question does not arise. It is because it is distasteful to the people from the lowest to the highest, not even excluding those in the Upper House at least in some cases, that the representatives of the people have felt it their duty to oppose it strongly and I hope they will persist in their objection and see it prevail.

Coming to the practical side of the question, we have had our say, the Government have had their say. The story about a paltry increase of 3 annas per head and 12 annas per family a year is absolutely exploded, judged by the standard and method of living, judged by the standard of the income of the people who are most affected. That does not hold the board at all, but we have another diehard untruth. What are the facts of the case? Last year, there was solid opposition to increased salt tax, the same this year, at least I hope the result of the voting will prove that. Last year the deficit was much heavier and much more real, this year it is much less, and business men in responsible position like Sir Montagu Webb have challenged as to whether the deficit is a real deficit, in the strict and proper sense of the term or not! Last year, there was no retrenchment, no talk of retrenchment on the Government side, the very suggestion of retrenchment was resented to begin with, though, later on, the House imposed its will upon the Government and the Retrenchment Committee came. Last year, when we ventured to ask for a paltry 5 per cent. cut in the whole of the expenditure, there were prophecies that the Government could not go on, that there would be serious difficulties in the way and that administration would be impossible. No such catastrophe followed. Retrenchment came and in the judgment of many of us, in spite of the admirable work done by the Incheape Committee, the retrenchment has not gone far enough. Much has been attempted to be made of the fact that the retrenchment recommended cannot be fully given effect to this year or the next. Whose fault was it? Why was not retrenchment begun early in the year? The fault is not that of the Assembly. The Assembly made up its mind fairly clearly and early and it was not going to take further

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risks when the next Budget came on, but no steps were taken so far as we know. This year we have had retrenchment suggested to us and there are certainly possibilities of other retrenchments. Last year there was no certificate, no restoration, in spite of all the more adverse circumstances referred to; this year it is apprehended that, if the House does not do what it has been recommended to do, restoration and the certificate procedure will come. That will not be right nor expedient, but is a matter over which we have no control. As has been pointed out, we have our powers, our rights, our privileges and our obligations under the constitution; so has the Governor General. If the Governor General's powers are exercised, I shall not view it as in what in debate parlance is being called a grave constitutional crisis. We shall have to face many of these things. We, who are pledged to support the reforms to the best of our power and ability, and shall have to face these questions oftener than we think, whatever the Government does, we cannot yet non-co-operate. But that need not bring in references to Herods and Tudors and Stuarts and Revolutions and much else that has been gratuitously mentioned. All this is now in the day's work, and, God willing, we shall succeed in doing our work and evolving a better constitution in time. It has been correctly suggested that, if this deficit is really there, having regard to its temporary character, a surcharge in some shape or another would have met and ought to have met the requirements of the case. But the cat did come out of the bag later on through the speeches of some European official and non-official Members and still later on I believe by advocates of the restoration procedure. Much later than the introduction of the measure question of provincial equilibrium and various other permanent Government obligations awaiting to be discharged and not merely the transient need of balancing the budget were brought in to support the tax. The salt tax, therefore, judged from those points of view, is not for temporary purposes. It is going to be, if it can be, a permanent addition to our taxation—though taxation has even, according to the occupants of the Benches to my left, attained the limit or nearly the limit. We are asked to vote this double increase in salt taxation, not to meet the passing exigencies of the hour, supposing they did exist, but for the purpose of equilibrating Provincial contributions and solving various other vexed questions with which the Government is faced and always will be faced. I am sure the Provinces which under the Reforms will have them from Retrenchment and their own taxation will make their minds unequivocally clear that if the Provincial contributions have to disappear on the terms of doubling salt tax permanently and on no other terms, they would much rather not have reduction on those terms.

Mr. T. E. Moir (Madras : Nominated Official) : May I ask what Bengal is going to submit to, Sir?

Sir Deva Prasad Sarvadhikary : Bengal is going to submit, and I can assure the Honourable Member from Madras that Madras is also going to submit, and the United Provinces, the Punjab and everybody else is going to submit, for extra salt duty will hit the Provinces hard. If the raising of the salt tax to Rs. 2-8 and nothing else will equilibrate, there will not be the slightest difference of opinion so far as non-official Indian Members are concerned.

Sir, I shall not attempt to cover the ground that has been so admirably covered by Mr. Jamall and Sir Montagu Webb on the business side of things.

Amateur financiers are rightly nervous if they have to speak on these things "without the book," as was suggested. Business people—at least some—who know the business side of the situation, who know how our credit stands at home and abroad, assure and re-assure us that we need not feel any nervousness with regard to any of these things. Sir, there are what may be called technical difficulties that also weigh with some of us. We have been told that conventions grow, conventions can and will grow from our point of view as well as from the Government point of view. The impression so long has been that the Viceroy is entitled to recommend a Bill. Whether he can recommend any particular amendment in a Bill or not seems to me open to doubt. Then there is the question as to whether the Governor General can ask this House to pass a Bill that has already been passed. Those are aspects that will have to be carefully looked into in connection with this question. There are serious doubts in the minds of many of us as to whether the right procedure is being followed but we can only suggest and not judge. At all events, no occasion has arisen for the Governor General to recommend to this House the particular form in which an amendment has been passed by the other House. I do not mind calling it the Upper House, because if they be the Upper, we are the sole, and without the sole no "upper" can last and without the foundation, obscure and unseen though it be, no "upper" can stand. I do not mind that so long as we are what we should be and are true to ourselves and our trust and are able to justify ourselves. (*An Honourable Member*: "Use some salt.") Well, the architect of old used to avoid salt as the basis of strength. There would not, if it could be avoided, be those forces that are now attacking modern Delhi building even before they are finished. However, that is another story. Those are serious difficulties which weigh with some of us, but they are small when compared to the major issue standing out in the situation. It is not because we opposed extra salt last year; it is not because we opposed the proposal when it was first brought in this year; it is not because Government did not give us any alternative opportunities, although we offered to go a long way, to find other means for covering the supposed deficit, that we still continue to oppose it. If we happen to be wrong, if it is clearly pointed out that we have erred in our opposition—is it up to us to continue to oppose it? Decidedly no. If proper facts had been placed before us, if proper materials were forthcoming here, in the other House or in the Press to convince us that we have been in the wrong, we should be wrong in voting against enhanced salt duty. No such fact and materials—except the will of the Government—are forthcoming. We must therefore do our duty once more and oppose the change suggested by the Council of State.

The Honourable Sir Malcolm Hailey: I have during the last two years had to wrestle in spirit somewhat frequently with this House, and I confess I had hoped that during this session I should be sailing on easier seas and that a time of comparative peace had come for me. But this apparently is not to be; for not only does it seem to my Honourable friends here that we are at present engaged in something of the nature of a constitutional crisis, but Mr. Jamnadas Dwarkadas has threatened us that its effects will extend far beyond the financial sphere of my friend Sir Basil Blackett and will invade my own. And so, disappointed in my hopes of personal peace, I must again join battle with my Honourable friends opposite.

[Sir Malcolm Hailey.]

Now let me if I may first try to define what is common ground between us. Sir Campbell Rhodes has with great justice pointed out that we have here a proposition which can arouse none of those suspicions which have unfortunately been involved in some of our previous discussion on Budget proposals. What we have put forward here is obviously and patently not on behalf of European trade or commerce, nor calculated indeed to support any European interest. I am aware that Mr. Jamnadas Dwarkadas, somewhat late in the day, has made a suggestion that Whitehall was pressing for the Salt tax. Whitehall has become a painful obsession to him. He sees its dark and mysterious influence everywhere. He was unable to give any ground for his suggestion; having no proof himself, he took the simpler course of inviting me to deny the imputation. I can do so honestly; the suggestion was our own. The desire to square our Budget is our own. We put forward the salt tax last year as our own proposition and we have repeated it again this year as our own proposition. The haze of suspicion that he has endeavoured to create can be cleared away as far as that aspect of the matter is concerned. Yet again it is clear that we are putting forward here a proposal which cannot be misinterpreted on the ground that we wish to place ourselves in fresh funds for any forward military policy, that we are yielding to the dictates of a forceful military section to increase the number of our combatant troops or raise our scale of equipment at the expense of an impoverished Exchequer. So much, I say, is to the good; and it must be put into the balance when the final issue is struck. And yet once more it is clear that we are not asking here for fresh funds to support the desire of civil departments to extend their useful but possibly expensive activities. We have many schemes of civil expenditure entirely beneficent in themselves, full of promise for the country, nay, essential for the progress of the country; but we are not putting forward a proposal for fresh taxation to finance them. On the contrary, we have deliberately refused to consider new expenditure on this account. So much, again, must be admitted on our account; so much I say must be put into the balance on our side. But I can go further in my analysis of our common ground. It has been admitted that our sole motive here is to re-establish our credit, and as an immediate step to that end, we ask the Legislature to pass—and we can ask it to pass for this year only—a definite increase to our taxation for this year, leaving it when the time comes again, to decide whether or not the increased sources of revenue which will be at our disposal shall be continued and utilised for fulfilling our obligations in regard to the provincial contributions. I have never heard any suggestion that our motive went beyond this; and if there is a point of difference between us it lies in the assertion that we have placed too much importance on the immediate balancing of our budget as a means of restoring our credit and that in seeking to get the Legislature to balance it by this particular method we are asking India to bear a burden disproportionate to the value of the financial gain to be derived from the mere balancing of our revenue and expenditure. I think I have stated the present issue fairly on both sides. It may have been that at an earlier stage there were some different issues on the record; it was then perhaps the case that the Assembly doubted whether a deficit really existed, whether it might not have been met by a more optimistic view of our revenues, whether it might not have been met by some adjustment of our accounts.

whether the additional revenue might not have been raised, failing the former solutions, by some different form of taxation. If I do not now discuss these issues at length it is because I regard them as spent. Can anybody in the present state of our export trade and of the troubles in Europe venture to suggest that our Finance Member should again take stock of his revenue receipts and deliberately add to them two or three crores of rupees? Such action would at this stage be impossible in itself, and in its result, disastrous to our financial credit. Equally impossible is it at this stage to suggest any such wholesale readjustment of our accounts as to cause this deficit to disappear; for I claim as I have claimed before that if there is to be a readjustment of our capital and revenue accounts it must be of our accounts throughout and not of one selected item. Finally is it feasible now to suggest that there is any alternative form of taxation? We explored that possibility together. Mr. Seshagiri Ayyar said that we did not come down and consult the House as to alternatives. Sir Montagu Webb said that if we had proposed to increase our customs and our income-tax we should have carried it by a large majority in this House. Yet he knows that this is not the case; he knows that strenuous efforts were made to find some common ground between us; he knows that one section of the House was bitterly opposed to any increase in direct taxation, and that another section was equally opposed to any increase in the customs duty. He himself was equally opposed to both proposals. We are told that if we had been firm we might perhaps have carried some of these alternatives through. What guarantee had we? We had none at all; yet I must say this on behalf of Government and I will say it with all sincerity, that there never has been a time during the course of these budget discussions when we would not have been glad to have found some common ground of understanding on this question; there never has been a time when we would not have been prepared to accept any alternative form of taxation which would have been accepted by this House at large. The difficulties occurred not with us, and did not lie in our lack of good will or determination; the difficulties occurred within the House itself. I am justified, I think, in dismissing those side considerations and can return to the case as it stands between us now and at this moment, and take up the issue as I have already described it. Is it true, as you say, that we are exaggerating the evils of an unbalanced budget? Is the balance a mere shibboleth? Is it a fetish, a punctilio of finance? Our ground is, that it is an operation necessary to the early restoration of our credit. Sir Montagu Webb says that our credit is sound, that even at the worst, when we had to face those large previous deficits we could raise large sums of money. He goes further, and tells us that even if we leave this deficit uncovered then it does not matter; two hundred million or so of unproductive debt will only be increased by two or three million more. He expressed himself in terms of the greatest optimism of the financial condition of this country and of its future prospects. That is well; optimism is all to the good so long as it does not lead you into neglect of the immediate steps required to secure the results you hope for. Sir Deva Prasad Sarvadhikary took Sir Montagu at his word. As an amateur in finance himself, he spoke with some hesitation, but fortified with the opinion of a business man, he felt that nothing was now required to establish further India's finance and credit. He spoke of that opinion almost as one might speak of the final, definite and decisive opinion of a great consulting physician.

Sir Deva Prasad Sarvadhikary: Something to go upon at all events.

The Honourable Sir Malcolm Hailey: I will show how much. These physicians like ordinary mortals have their inconsistencies. Sir Montagu Webb will forgive me—I have known him much longer than any Member of this House—I am an old friend and he will forgive me therefore if I handle him as I should not like to see others doing. I will remind him that, cheery optimist as it now suits him to profess himself, there have been times when his optimism was not so pronounced in regard to our financial condition. Let me read to him an extract from a speech which he delivered not very long ago—only in January last. He has taken the opportunity to quote what I said two years ago; I will be more considerate and will read to him what he said only two months since. He will appreciate its bearing; and if he does not I am sure that others will. “I put it to you that if any one of us here had been running a business on a 30 crores deficit every year for the last five years and somebody were to say to me “don’t worry, the position is not very grave,” I should feel inclined to tell him, “get thee behind me Satan” (Laughter). Sir Montagu Webb has admitted to-day that we had been running on deficits of more than 30 crores; Sir Montagu Webb has said to-day in almost exactly the same words “don’t worry, the position is not very grave.” Mere politeness demands that I should follow him and say “get thee behind me, Satan” (Laughter). Sir Montagu Webb cannot persuade us that we can meet the situation by taking into ourselves just a little balm of optimism. I appeal from him to other business men. I quote to the House (since we are all fond of quotations to-day), what was said by that important body of merchants who attended on a deputation on His Excellency the Viceroy only last summer. It was equally representative of European and Indian Chambers of Commerce. They stated, and with the utmost conviction, that until India could balance its budget, and make its expenditure equal to its revenue or its revenue equal to its expenditure, we should be paying more for our money, our industries would suffer and the whole course of trade in India would remain insecure and uncertain. That was their lesson; and it is that lesson which I quote against Sir Montagu Webb. With some regret I must warn the House not to accept as an infallible guide, a thinker so inconsistent that he could sign the Fiscal Commission Report in one sense, and advocate almost exactly the opposite conclusions before the Associated Chambers in Calcutta. It may seem that I am attempting only to attack the opponent’s advocate. That is not so, I am pointing out to the House that it should not place too great a reliance on the confident and optimistic suggestions of Sir Montagu Webb either about our present situation or about the effect of failing budgeting for a balance.

Let me take for a minute the question of our credit as I see it, and I shall be very brief on the subject. It is not merely a question of restoring our credit in the money markets of the world; it is also a practical question of immediate importance to everyone in India. As we have always pointed out here, as long as we are in deficit, we have to come to the market for large temporary loans. We lose our control over interest rates, and that affects everybody engaged in commerce or industry in this country. I go further than this and I say that the balancing of our revenue and expenditure is necessary if we are to have security from the possible prospect of inflation. It is true that a small deficit does not mean in itself the issue of a large number of unbacked notes. That is true, but no one doubts that continued deficits do in some form or other, directly or indirectly, spell inflation. Again, distasteful as the means may be, our ultimate aim must be to bring the rupee to an internal value corresponding

more nearly to the value of the past, and thus reduce that enhancement of prices which has weighed so heavily on the people. After all the discussions and theories on exchange and currency, there is only one fact, I think, that remains clear, that if your rupee is to be worth anything in the outside world, you must first of all make it worth something in India. It is a misfortune that the remedies necessary to restore an unfavourable position are so often painful, unpopular, provocative of criticism, while the effects are slow, difficult to appreciate, and only come to hand too late to mitigate the criticism which the effort has caused. Yet that is in the nature of things, and a difficult financial situation will not yield to a cheerful bedside manner or homœopathic drops. But if the operation on which we are engaged is distasteful, have we not given our own proof of the earnestness with which we believe in its necessity? If we were engaged in satisfying a mere punctilio of finance, as some Members suggest, or a mere point of honour in regard to our budget position, should we have been prepared on our part to go so far in measures which must have been so extraordinarily distasteful to any Government? It was no small matter for the Indian Government to arrive at a determination to reduce combatant British troops in India and to succeed in persuading the Home Government to accept its necessity. Take again the frontier. I am not going into the rights or wrongs of the question, but we have had to choose on the frontier a policy which many of our advisers here told us is only the second best, and for financial reasons we have been unable to follow the advice of the many experts who would have us pursue a more thoroughgoing policy. Again we have given proofs in regard to our civil expenditure, for we have carried out reductions which as has so frequently been pointed out here, and not only on this side of the House, will leave many of the departments of the Central Government lifeless and inanimate. Do not for a minute believe that all we have done as some of our amiable critics tell us—is to lop off excrescences.

And now, Sir, with regard to the position of our opponents. They may perhaps be prepared to accept much of what I have said, and may yet nevertheless hold that we are asking them to pay too heavy a price for the benefits which we are attempting to secure, because the measure in itself will involve such grave political consequences. Is that really so? Mr. Jamnadas is the chief apostle of that theory, an apostle who has already begun to bear the fiery cross. He told us to use our imagination. Sir, I ask him not to misuse his. When he told us that the salt tax is a messenger of revolution, I must remind him that he is misquoting from a speaker in this House in 1921 who told us that each half-penny post card would be a messenger of revolution. That only shows how it is easy to be betrayed into error by the possession of a somewhat facile vocabulary. I myself have been much struck by the arguments used by Sir Campbell Rhodes that for a month people had been paying this increased tax.

Rao Bahadur T. Rangachariar: What do you expect them to do?

The Honourable Sir Malcolm Hailey: What Mr. Jamnadas obviously expects them to do is to rise in revolution on the subject. I say that he has clearly exaggerated the effect of this tax on the people. And just as he has entirely exaggerated its economic effect, he and Sir Montagu Webb have exaggerated the effects on the Reforms of our attempting to force it into law. That there is a deep-seated and long standing sentiment in India on the subject, I am the first to recognise. That there is an old

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tradition of dislike behind it I equally recognise. But, Sir, that we are by this measure wrecking the reforms I entirely refuse to believe. I do not for the moment intend to place any stress on the argument which has sometimes been used here that the objections against this proposal are based on apprehensions concerning the approaching elections. I should consider it unfortunate if I had to use such a charge when better arguments will serve my turn. Actually the point of attack has changed. It is not now the tax itself which is going to impose such hardship that we have to fear agitation or danger to the reforms; to-day the real charge is that we know that we cannot get it through this branch of the Legislature, and are preparing to use the special powers of the Government of India Act to secure our ends. That is unconstitutional, and that is the danger to Reforms. If, says Mr. Jamnadas, you cannot get this tax through your Legislature, then you should make no further effort to go on with your proposal. If you use your reserved powers you will break down the constitution because, though the law contains certain safeguards and exceptional provisions, we have always been telling the people that these are paper provisions. What authority had he for preaching that it was intended that these powers should be paper provisions? Certainly not the Parliament which framed them, or the Joint Committee which recommended them to Parliament, and I cannot remember that the Congress or other witnesses before that Committee ever suggested that the reserved powers should be kept only for show and not for use. If this measure is really essential for British India, and if it is refused by an adverse vote (and it may be only a small deciding vote) of this branch of the Legislature, then I say that the use of the reserved powers would be entirely within the terms of the constitution, as handed to us by Parliament. (Mr. T. V. Seshagiri Ayyar: "Not the letter of the law." (Mr. Jamnadas Dwarkadas: "Refer to Mr. Montagu's speeches.") If Mr. Montagu ever said anything which will prove that the position which I am now putting before the House is an incorrect one, I should be glad to hear it. For what is this exceptional provision meant? In every country, even the most democratic, the Executive must have the final power as it has the responsibility, of carrying out measures necessary for safety or stability. As far as possible and as long as possible, we must carry the Legislature with us. In England or elsewhere we should do so by the assistance of our majority in the Legislature; in India the reservation of the Governor General's powers is meant solely for this; that in the last resort the Executive Government may be placed in the same position as a Government possessing a majority in a representative Assembly. Now, that is its meaning, and the whole question is not whether the Government has or has not the right to use such a power, or is guilty of arbitrary executive action in using such a power but whether the occasion justifies it. The true test is whether a Government with a majority would not, in spite of a certain unpopularity likely to result from the exercise of its vote, feel that the occasion justified its use. Now, I maintain that the occasion does justify it. I maintain that if we do not take the occasion now to restore our finances when we have had two good harvests, when prices are falling and people are in a position to bear the increased tax without the slightest hardship, it is impossible to conceive circumstances in which such powers can legitimately be used. I say again, that the real question is not one whether we shall be acting constitutionally or not; we simply have to judge as to the sufficiency of the occasion. And I claim that the occasion has arisen. (Honourable Members: "No, no.") And the occasion does justify the use (Honourable Mem-

Members: "No, no.") Well, Sir, that is the feeling of my Honourable friends. I am glad to have brought them back at all events to the point that it is a question merely of the merits of the occasion that there is no suggestion that the use of the powers is unconstitutional. But, they will say, even if it is constitutional, it is dangerous and undesirable, for used at this juncture it will endanger the success of your Reforms. I have no belief that this will break up the reforms. I myself am too much interested in them to view with equanimity anything which would have that result. I have equally too robust a faith in their inherent vitality to think that an incident of this kind would bring disaster. They have weathered far worse shocks than this; they will weather more still. That there would be troubles ahead of us we knew, just as we know there are anomalies involved in the Reforms scheme; but those of us who believe in it as a whole have been content to neglect those anomalies and to look beyond those troubles, in the confidence that any anomaly or any trouble can be surmounted if the spirit of the scheme is loyally preserved. It is true many in this Assembly are opposed to this tax; they are entitled to their opposition if it is genuinely on the merits, they are not entitled to charge us with breaking the spirit of the Reforms if we insist on a measure which is not initiated in order to maintain the arbitrary authority of an executive Government but genuinely designed for an object purely for the benefit of India. That the restoration of our credit, the attainment of stability, with all its implications on provincial finance and the possibility of fostering subjects committed to Ministers, is such an object, no one can seriously dispute. If it is said that this will be the death-blow to the reforms. I myself believe that it is the opportunity of the Reforms. I believe it is the opportunity for the Legislature to complete the work which it has begun, a work which has required great courage and determination on its part and which I am the first and the most willing to recognise. I believe it is not only the opportunity for the Legislature to complete that work but to show that it can revise old traditions of thought and old beliefs in the light of new requirements, that, if it has in view an object of real value for the good of India, it can be strong and independent in that view. If so, it is an opportunity for it to increase its status in the eyes of the world for that status must in the long run depend not on the unsubstantial basis of its aspirations but on the sure and solid foundation of its achievements.

Mr. S. C. Shahani (Sind Jagirdars and Zamindars: Landholders): Sir, we have all heard with very great interest what has been said by Sir Montagu Webb on the subject. While I sympathise with what has been generally said by him in his capital speech, I too, like the Honourable the Home Member, must come forward to point out that the deficit does not appear to me to be merely a paper deficit, and that if retrenchments are not made much more extensively I would not feel inclined to take any very optimistic view of the deficit with which we are confronted. I am surprised that in this House the real remedy for the deficit has not been insisted on. It is being said that our credit outside the country will not suffer even if our deficit remains uncovered. Our credit is bound to suffer if our unproductive debt amounting to 226 crores, of which 100 crores are due directly to successive deficits, is to increase by 4 crores more this year. What is desirable just now is to severely revise our expenditure. Our Finance Member, who is undoubtedly a very able Minister, should realise, I respectfully submit, that our expenditure has not been reduced to its legitimate limits. It is true that the Retrenchment Committee has

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recently brought its axe to bear upon our expenditure, and this year a very large cut has been made. I quite agree that for a beginning this is a very desirable step. But I respectfully submit that undue expenditure is being incurred in most departments. I would give one or two instances. Take the Bengal-Nagpur Railway. For an Assistant Traffic Superintendent, Nagpur, a bungalow is to be built at a cost of one lakh and 18 thousands.

Mr. President: Order, order. The Honourable Member cannot discuss that now.

Mr. S. C. Shahani: Well, Sir, I merely wish to say that instead of a lakh and eighteen thousand rupees, a few thousands only might appropriately be spent on an Assistant Traffic Superintendent's bungalow. Similarly, on the formation of bonds on the Amda-Jamda Railway, the sanctioned estimates come to about 13 lakhs; still the total expenditure to end of 1923-24 is to come to 35 lakhs. Such a procedure, I maintain, ought to be sternly prevented. Secondly, in this year of deficit, we ought certainly to remove some of the newer items included in the budget. Provisions for new Railways made in the Budget might be stayed; and by doing so I am strongly of opinion that we would be able to cover our deficit. The whole of our deficit may not be covered this year; it may be done in the next year. By keeping the actual expenditure below the budget figures, we can respect public opinion, and we can go without the additional salt tax. The salt tax is in reality a great political danger. The statement that was put forth by my Honourable friend Mr. Jamnadas Dwarkadas has been poo-pooed. It has been said that the enhanced salt tax will have no prejudicial effects upon the country. I am sincerely very doubtful. The immediate result may not be a revolution. The discontent may come to be latent, even more latent than it is at the present day. But beware of just latent discontent. Just latent discontent ought to be avoided at all costs. I am surprised that in this House the economic evil of the salt tax has not been properly pointed out. The Honourable Sir Campbell Rhodes the other day ridiculed the economic knowledge of Dr. Gour, and what was told him in confidence was said in public, namely, that on his own authority the position that was put forward by Dr. Gour would appear to him to be a ridiculous one. I must own I have seldom admired the economic advice that has been given us by the Honourable Sir Campbell Rhodes himself. He has on the present occasion come forward to tell us, like my Honourable friend the Member for Commerce and Industry, that the wages have risen and that there is economic prosperity in the country. This would be a camouflage prosperity obtaining in the country like the camouflage surplus pointed to by Sir Montagu Webb. It has been made out that we do command a surplus when a surplus would with our best efforts be impossible for another two or three years together. It has been represented that the poor people are flourishing because their wages have risen. The wages have risen, it is to be remembered, as a consequence of a still greater rise in the cost of living; and it has also to be remembered that the material prosperity in the country is very much less now than it was before. The Honourable Mr. Innes at one time came forward to point out as absolute certain tests of increased prosperity in India that when he was Foodstuffs Commissioner in Madras in 1919, when crops had badly failed, only 5 lakhs of people were to be found on relief as against 65 lakhs of people on relief in an equally bad year, 1901. When I contemplate the actual condition of

things known to me, I feel that if there were no other causes probably the arrangements that were made in 1919 were so bad, the rations supplied were so rotten, that people preferred death to the rations that were distributed to them then. He also referred then to the increase in the revenue derived from drink. He said that in 1903 it was Rs. 7 crores and now it is over Rs. 16½ crores. Does he not forget that drink is an unhealthy luxury, and that if the people are just now showing a greater liking for this unhealthy luxury, we have got to remember that our economic condition is distinctly very much worse on that account than it was before? These are no illusions. It has been said by some very responsible men again that we earn per annum about Rs. 60 per head. This is I submit an unreliable estimate. Our average income could never be more than Rs. 35 per year and not per head but per family of four, a sum that would hardly suffice even for the maintenance of one man throughout the year. Our income is miserably low. It is again said that 12 annas per family of four per year will be the additional charge to the poor from the enhanced salt tax. That calculation appears to me to be incorrect, because we are 330 millions of people, and two-thirds of these would be the people inhabiting British India, and if our total revenue from salt duty is estimated now at about Rs. 20 crores, we see that the charge per head will be much heavier. But supposing for the sake of argument that my calculation is wrong, supposing for one moment that 12 annas per head comes to be the additional charge from increased salt duty, we have got to remember that the poor people of India cannot afford to shoulder an extra annual burden of even 12 annas. Even 12 annas will go a long way to buy them, as it was said by Sir Evelyn Baring in 1882, a *dhotie* or a *lota*, which they so much need and which will be so serviceable to them that live often on gram or *bhugras* alone. That is a phase of Indian life that was rightly referred to by the Honourable Sir Dinshaw Wacha in the other House the other day, and it might very well be revolved here to day. I again hold that the economic condition of the poor people is very unsatisfactory, and on that account this tax ought not to be tolerated. I for one am not afraid of encountering my constituency because I may not be in a position to tell them that I have not helped in the imposition of the increased salt tax. The question of questions now is, is it right to increase the salt tax or is it not right? If the Government is right, then do impose the increased duty, and I have not the slightest doubt that the people will not mind it. But my position is that the salt tax is an economically unsound tax because salt is used by the lower classes too, and not merely by the upper; and that if it is an economically unsound tax, do not go in for it. My respectful submission to our new comers, the Honourable the Finance Member, as I have said on a previous occasion, would be that he should with due care consider the expenditure which is being gone in for here in India. It is very heavy, and it must be radically reduced. Camouflage the situation as you will, the people will never be satisfied until the retrenchments are gone in for to a much greater extent than they have been gone in for now. It is being said that the Inchcape Committee have rendered a service to the country. They have merely skimmed the surface and that even the proposals from various offices that were put before them were not properly considered. I knew no contact with the Committee and I think most of the Members of this Assembly knew no contact with the Committee and the Committee had no means of knowing the actual condition of things in India. I therefore once again repeat my request, which I make with all humility, that the expenditure is unconscionable and unreasonable and if you retrench, there will be no deficit and if there is no deficit, there is no

[Mr. S. C. Shahani.]

need to risk this unconstitutionalism. It has been said that the power that is given to the Governor General by law justifies his certification. Sir, this is a reserve power and the exercise of it will be extremely unpopular. Do not attempt it and do not superciliously ignore the attitude that has been put before you at the present moment.

Mr. Darcy Lindsay (Bengal: European): Sir, unlike my Honourable friend Sir Montagu Webb, I rise to strongly support the amendment made by the other House. I regret I have not his oratory to place before the House the other side of the rosy picture he portrayed, the prosperity with which India is at present blessed. I had proposed to deal with some of the points he raised and review his arguments but, I think, they have been very effectively dealt with by the Honourable the Home Member, who has pricked the somewhat gaudy air balloon he has raised and which found so much favour with the House. I hope my Honourable friend will hang his head in sorrow and follow the Honourable the Finance Member into the proper lobby. A point, Sir, was raised by my Honourable friend, Sir Deva Prasad Sarvadhikary, when he referred to Sir Montagu Webb, and Mr. Jamall and the respect he had for the opinion of businessmen in this House. I much regretted he made no reference to my Honourable friend Sir Campbell Rhodes. Does he wish the House to believe that Sir Campbell Rhodes is not a businessman, and a very able man at that? We all know that the House, whenever they can, follow Sir Campbell as against Sir Montagu.

Sir, there is one vital question at issue in this matter, and that is to what extent the tax will assist in the promised reduction of the provincial contributions. My Honourable friend, Sir Deva Prasad Sarvadhikary, briefly referred to this point, and I believe, he was quite satisfied that the provinces, if such a bait was held out to them, would strongly resist the taxation. I, on the other hand, hold a different opinion. I have heard expressions of views outside the House and by some very prominent leaders of the House that if the Honourable the Finance Member would only give us a pledge that he would devote the tax or the surplus that he may secure from the tax to a reduction of the provincial contributions, then, the House would be entirely with him. (*Cries of "No, no."*) These were the expressions of opinion as given to me outside when my vote was being canvassed. I am not giving away any name, but that is an absolute statement of fact and to my mind is another bubble pricked in this great cry of the injury to the poor men of India by the imposition of the salt tax. The fear was expressed that as there was no definite assurance the money might be devoted to other purposes. But, I think, the Honourable Member can re-assure the House on that score for we have already been told that the 9 crores of contributions is a first charge on the coffers of the Government of India, and a debt that must be liquidated at first opportunity. It is undoubtedly the salt tax which will enable the Government to set their house in order, and quite possibly, next year, with a surplus in hand relief will come to the provinces including Madras who will get the bulk of the relief. (*A Voice: "That is another vote catching."*) This is not vote catching. This is an absolute truth. What stronger argument can we, the elected Members, have than the direct benefit reduced contribution will bring to our particular province and, therefore, India as a whole? When the question is asked, what have you done for the benefit of the province when you return to your electorate, is the reply to be "I strongly resisted the increase in the salt tax as a constitutional

crisis was involved but at the sacrifice of our provincial contribution, which will consequently have to continue for years?" Is that an argument that will appeal to the people who want to see money spent in works that will directly benefit them? What do they care about your so-called constitutional crisis as against the improvement of sanitation, education, and many other benefits that the provinces are waiting to bring about, but for want of money cannot do so? What is the cost to the people? Three annas per head. (*A Voice*: "Exploded.") It is not exploded. My Honourable friend Mr. Jamnadas Dwarkadas who in his speech carried me back to a Sunday afternoon in Hyde Park has told us that this salt tax is a messenger of revolution to every village home. I say, Sir, it is more likely to be a messenger of hope. (*Voices*: "No, no.") Sir, it was only a few days ago that my Honourable friend, Sir Basil Blackett, placed his hand on his heart to emphasise a particular point he wished to make. I wonder how many of us can place our hands on our hearts and honestly affirm that the proposed increase in the salt duty is going to be a burden to the people. Let us be honest with ourselves and admit that our reasons are political and partly pique at the will of the Assembly being set aside. Sir, I appeal to all Members of the House to support the tax under the battlecry of reduced provincial contributions. (*Cries of "No, no,"*) and I particularly appeal to the Members from Bengal to in this way give their support to the interests of other provinces who do not at the moment enjoy the remission that Bengal has received. With these few words I strongly support the amendment made by the Council of State.

(*Cries of "Let the question be now put."*)

Mr. President: The question is that the question be now put.

The motion was adopted.

Mr. President: The question is:

"That this Assembly do agree with the Council of State in the amendment that in sub-clause (1) of clause 2 of the Bill, after the words 'construed as if' the words 'with effect from the first day of March, 1923' be inserted and for the words 'one rupee and four annas' the words 'two rupees and eight annas' be substituted."

The Assembly divided:

AYES—47.

Abdur Rahim Khan, Mr.
Abul Kasem, Maulvi.
Achariyar, Rao Bahadur P. T.
Srinivasa.
Ahsan Khan, Mr. M.
Aiyar, Mr. A. V. V.
Akram Hussain, Prince A. M. M.
Allen, Mr. B. C.
Amjad Ali, Maulvi.
Bhanja Deo, Raja R. N.
Blackett, Sir Basil.
Bradley-Birt, Mr. F. B.
Bray, Mr. Denys.
Bridge, Mr. G.
Burdon, Mr. E.
Cabell, Mr. W. H. L.
Chatterjee, Mr. A. C.
Clark, Mr. G. S.
Cotelingam, Mr. J. P.
Crookshank, Sir Sydney.
Faridoonji, Mr. R.
Gajjan Singh, Sardar Bahadur.
Ghulam Sarwar Khan, Chaudhuri.
Gidney, Lieut.-Col. H. A. J.

Haigh, Mr. P. B.
Hailey, the Honourable Sir Malcolm.
Hindley, Mr. C. D. M.
Holme, Mr. H. E.
Hullah, Mr. J.
Innes, the Honourable Mr. C. A.
Ley, Mr. A. H.
Lindsay, Mr. Darcy.
Mitter, Mr. K. N.
Moir, Mr. T. E.
Moncrieff Smith, Sir Henry.
Muhammad Hussain, Mr. T.
Muhammad Ismail, Mr. S.
Percival, Mr. P. E.
Rhodes, Sir Campbell.
Sams, Mr. H. A.
Shahab-ud-Din, Chaudhri.
Singh, Mr. S. N.
Sinha, Babu Adit Prasad.
Spence, Mr. R. A.
Townsend, Mr. C. A. H.
Willson, Mr. W. S. J.
Yamin Khan, Mr. M.
Zahiruddin Ahmed, Mr.

NOES—58.

Abdul Majid, Sheikh.
 Abdul Quadir, Maulvi.
 Abdul Rahman, Munshi.
 Agarwala, Lala Girdharilal.
 Ahmed, Mr. K.
 Ahmed Baksh, Mr.
 Aiyer, Sir P. S. Sivaswamy.
 Asjad-ul-lah, Maulvi Miyan.
 Ayyangar, Mr. M. G. M.
 Ayyar, Mr. T. V. Seshagiri.
 Bagde, Mr. K. G.
 Bajpai, Mr. S. P.
 Basu, Mr. J. N.
 Bhargava, Pandit J. L.
 Bishambhar Nath, Mr.
 Chaudhuri, Mr. J.
 Dalal, Sardar B. A.
 Das, Babu B. S.
 Dass, Pandit R. K.
 Ginwala, Mr. P. P.
 Gour, Dr. H. S.
 Gulab Singh, Sardar.
 Hussanally, Mr. W. M.
 Iswar Saran, Munshi.
 Jafri, Mr. S. H. K.
 Jamall, Mr. A. O.
 Jamnadas Dwarkadas, Mr.
 Jatkari, Mr. B. H. R.
 Joshi, Mr. N. M.

Kamat, Mr. B. S.
 Lakshmi Narayan Lal, Mr.
 Latthe, Mr. A. B.
 Mahadeo Prasad, Munshi.
 Misra, Mr. B. N.
 Mudaliar, Mr. S.
 Mukherjee, Mr. J. N.
 Nabi Hadi, Mr. S. M.
 Nag, Mr. G. C.
 Nand Lal, Dr.
 Neogy, Mr. K. C.
 Pyari Lal, Mr.
 Ramayya Pantulu, Mr. J.
 Ramji, Mr. Manmohandas.
 Rangachariar, Mr. F.
 Samarth, Mr. N. M.
 Sarvadhikary, Sir Deva Prasad.
 Schamnad, Mr. Mahmood.
 Shahani, Mr. S. C.
 Singh, Babu B. P.
 Sinha, Babu Ambica Prasad.
 Sinha, Babu L. P.
 Sohan Lal, Mr. Bakshi.
 Srinivasa Rao, Mr. P. V.
 Subrahmanayam, Mr. C. S.
 Tulshan, Mr. Sheopershad.
 Venkatapatiraju, Mr. B.
 Vishindas, Mr. H.
 Webb, Sir Montagu.

The motion was negatived. ✓

Mr. Jamnadas Dwarkadas: Is it necessary to put the other amendments at all because these are consequential amendments? As the original amendment has been thrown out, I submit that these amendments do not arise.

Mr. President: That is a matter of interpretation.

Sir Henry Moncrieff Smith (Secretary, Legislative Department): As the original amendment has been thrown out, I think the House for consistency's sake should also get rid of the other amendments, as they were consequential to the amendment which the Council of State made in the Bill. If these words stand, one might think that they were superfluous and the House may be charged with inconsistency. I think, the main question was whether the salt tax should be Rs. 1-4-0 or Rs. 2-8-0. This House has decided on Rs. 1-4-0 and, therefore, such introductory words as "with effect from the first day of March, 1923", and so on, will become unnecessary.

Mr. President: I think we had better proceed with the division.

The Honourable Sir Malcolm Hailey: I shall not ask for a division on this matter.

Mr. President: Further amendment made by the Council of State in the Indian Finance Bill:

"At the beginning of sub-clause (2) of clause 2 of the Bill, the following words were inserted, namely:

'With effect from the first day of March, 1923'."

The question I have to put is that this Assembly do agree with the Council of State in that amendment.

The motion was negatived.

Mr. President: Further amendment made by the Council of State in the said Bill:

"Sub-clause (3) of clause 2 of the Bill was omitted."

The question I have to put is that this Assembly do agree with the Council of State in that amendment.

The motion was negatived.

Mr. President: Further amendment made by the Council of State in the said Bill:

"To clause 3 of the Bill the following new sub-clause was added, namely:

'(3) The amendments made in the Indian Tariff Act, 1894, by this section shall have effect from the first day of March, 1923'."

The question I have to put is that this Assembly do agree with the Council of State in that amendment.

The motion was negatived.

Rao Bahadur T. Rangachariar (Madras City: Non-Muhammadan Urban): Sir, before you call on Mr. Burdon, I beg to call your attention to page 46 of the Manual and to inquire whether this House is entitled to send a message to the Governor General. The Governor General has sent us a message, to which a reply is due. My motion, Sir, is to send a reply to that message, which I trust that you will hold we are entitled to send. My object, Sir, it may be mentioned is to point out to His Excellency the Governor General that he is being advised on a wrong course altogether in the matter of certifying under clause 67B of the Government of India Act. I propose to point out that clause 67B could not apply at this stage. That is my legal point. I also propose to address His Excellency through my speech here that he should not follow the advice which is being given to him behind our backs by other people. Therefore, Sir, I want this House to emphasise its vote given on the last occasion by imploring His Excellency not to use this reserve power which the law has entrusted to him. I think, Sir, you will hold that we are entitled to send that message to His Excellency. I have handed to you, Sir, a slip of paper containing the further message which is to the effect that this House do also implore His Excellency not to exercise the power which he has got under this section. Sir, I submit it will be fitting on an important occasion like this that this House should send such a message and I am sure that His Excellency with all his liberal instincts will pay that attention which is due to this Assembly, which is the popular House. However responsible the advisers in His Excellency's Cabinet may be, we also claim to represent the people. We claim to be true friends of His Excellency the Governor General. We want His Excellency to continue in this country as Viceroy and to earn the love and respect of the people of this land. Therefore, Sir, I want this opportunity to move this proposition so that this House may send its humble message to His Excellency not to embark upon this measure upon which he is advised to embark. I hope, Sir, you will hold it in order.

Mr. President: The Honourable Member will observe that the debate this morning on the salt tax verged not merely upon what was disorderly but upon what was actually forbidden, namely, comment on the conduct either of the Crown or of the Governor General in his actions apart from the Government of which he is the head. The action which he is entitled to take under the constitution, as Governor General and not as Governor

[Mr. President.]

General in Council, is to set in motion this very procedure which begins by recommendation and ends, on this assumption, by certifying a Bill. If I were to allow the Honourable Member to move this motion, the debate must inevitably reflect upon his conduct as Governor General. I ask the Honourable Member on that ground, therefore, not to press his motion. It must be assumed that the Governor General is fully seized of all the aspects of the question, including those presented in public debate on the floor of this House, before he takes such action as is contemplated under the constitution.

Rao Bahadur T. Rangachariar: I have always great respect for and a desire to follow your ruling and advice, but there are certain legal aspects of the question, which perhaps have not been placed before His Excellency. That is one reason why I wish to move this motion.

Mr. President: If the Governor General desires legal advice over and above that which is officially available to him from the Honourable the Law Member, he no doubt will seek it where he desires to find it. The Honourable Member is a distinguished lawyer himself. I imagine the doors of Viceregal Lodge are open to him equally as to others.

THE CANTONMENTS BILL.

Mr. E. Burdon (Army Secretary): Sir, I move for leave to introduce a Bill to amend the Cantonments Act, 1910.

The purpose and scope of the Bill are clearly and simply set forth in the Statement of Objects and Reasons. Moreover, the subject with which the Bill deals must already be familiar to many Honourable Members of the Assembly and, consequently, the further observations which I will make in support of my motion will be very brief. Cantonments exist primarily for the accommodation and for the service generally of troops, and it may safely be said that, when the cantonments were first established, the needs of the troops constituted not only the primary but the sole consideration by which the system of governing cantonments had to be determined. In the course of time, however, conditions have materially changed and there are many large cantonment areas in India which contain a considerable civilian population, whose presence in the cantonments has no specific connection with the troops or with the military administration. In the cases to which I am referring the civilian part of the settlement has been created by economic causes of one kind or another. This change of conditions has led to a demand, a justifiable demand, for changes in the system under which cantonments are administered. In the past few years the question has formed the subject of a considerable amount of public discussion between, on the one hand, those sections of the public that are directly interested in cantonment affairs and the military authorities, and indeed the Government of India on the other hand. In the result, about this time last year, His Excellency the Viceroy, in receiving a deputation of the All-India Cantonments Association, gave an undertaking that Government would introduce liberal reforms into cantonment administration without at the same time doing anything to the prejudice of the discipline and comfort of the troops for whose benefit cantonments primarily exist. The fruit of these discussions and the undertaking which I have just mentioned is to be found in the Bill which I seek

leave to introduce, and it is perhaps desirable that I should take this opportunity of stating once more in definite terms the general position which Government desire to adopt in the matter. It is still held that in all cantonments the essential requirements of the troops must come first. It is vitally important, for example, that troops should live in absolutely healthy conditions, so far as it is humanly possible to achieve this end. I will give one very brief illustration of the reason why Government must take so definite a line in the matter. I remember that, when the great war broke out in 1914, a certain regiment was found to be infected with malaria through no fault of their own, but merely as a result of the insanitary state of the cantonments in which they were stationed. The regiment was consequently declared to be unfit for active service. It is easy to see what this means. It means that the expenditure which had been incurred on maintaining that particular regiment and the labour which had been spent in organising and training it failed of their effect at the very moment when the regiment was most needed. The cantonment, I am glad to say, has since been abolished. It is equally necessary to protect the troops from other forms of contamination, from possible contamination of their morals or of their discipline and morale. It is not that troops are specially susceptible to evil influences. Here in India we know very well that the contrary is the case. But the troops are too valuable to risk. That is the point.

Subject then to these essential requirements of the troops being provided for, Government recognise that in the larger cantonments it is right and indeed necessary to apply methods of administration which shall be of a progressive character and consistent with Government's general policy in other departments of the administration. In many of the smaller cantonments of India no such question of reform arises. There are many small cantonments in which the civilian population is negligible in amount and consists almost entirely of persons engaged in occupations which are directly ancillary to the maintenance of the troops. In cantonments of this character representative institutions would be out of place and would, of course, be quite unworkable, but in the larger cantonments, where the ordinary conditions of civic life largely prevail, the Government desire to apply, subject to the safeguards which I have mentioned, municipal methods of administration and to make the cantonment authority a responsible local self-government body. I am confident that the principle by which Government has been guided in framing this measure will commend itself universally to this Assembly. I move therefore for leave to introduce the Bill.

The motion was adopted.

Mr. E. Burdon: Sir, I introduce the Bill.

Sir, I move:

"That the Bill be circulated for the purpose of eliciting opinion thereon."

The motion was adopted.

Mr. President: In view of other proceedings here this afternoon, I now propose to adjourn the House till to-morrow morning Eleven O'clock.

The Assembly then adjourned till Eleven of the Clock on Tuesday, the 27th March, 1923.