

22nd September, 1924

THE  
**LEGISLATIVE ASSEMBLY DEBATES**

(Official Report)

Volume IV, Part VI

(17th September to 24th September 1924)

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**FIRST SESSION**

OF THE

**SECOND LEGISLATIVE ASSEMBLY, 1924**

18.10.73



SIMLA  
GOVERNMENT OF INDIA PRESS  
1924.

# Legislative Assembly.

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THE HONOURABLE SIR FREDERICK WHYTE, KT.

## *Deputy President :*

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MR. S. C. GUPTA, BAR.-AT-LAW.

MR. G. H. SPENCE, I.C.S.

## *Marshal :*

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## *Committee on Public Petitions :*

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COLONEL SIR HENRY STANYON, KT., C.I.E., V.D., M.L.A.

HAJI WAJIHUDDIN, M.L.A.

RAJA RAGHUNANDAN PRASAD SINGH, M.L.A.

MR. HARCHANDRAI VISHINDAS, C.I.E., M.L.A.

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# LEGISLATIVE ASSEMBLY.

Monday, 22nd September, 1924.

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

## QUESTIONS AND ANSWERS.

### PUNISHMENT OF RAILWAY EMPLOYEES FOR INFRINGEMENT OF RULES.

2297. \***Mr. M. Yusuf Imam** : (a) Will the Government state what railway rule is infringed by the employees by going away for a few hours from their stations to fetch provisions and other necessaries during the rest hours ; and also state under what rule the various kinds of punishments, namely, suspension with a forfeiture of pay, reduction in pay, postponing annual increment, etc., are inflicted on them for the reasons, a complaint about which has been published in the newspapers *Lakshman* dated 26th July 1923, and also *Bharatjiwan* dated 26th November 1923 ?

(b) Is it correct that the forfeiture of a sum from an employee's salary on account of suspension or reduction in pay is only permissible in cases of infringement of the general rules 225, 226, 229, 231, 232, 233, 242 and 243 but in all other cases only a fine is imposable as per general rule 359 (1), provided that no railway servant shall be thereby rendered liable to be punished twice for the same offence ?

**Mr. C. D. M. Hindley** : (a) Government have not seen the complaints referred to, and, in the absence of information as to the facts and the railway concerned, they are not in a position to give a reply to this part of the question.

(b) A copy of General Rule 359 (1), which gives details of the penalties for breach of the rules quoted, is being sent to the Honourable Member.

### ROYAL ARMY TEMPERANCE ASSOCIATION.

2298. \***Mr. C. S. Ranga Iyer** : (i) Will the Government be pleased to state whether it is a fact that the Royal Army Temperance Association has ceased to exist ? If so, from when ? And why ?

(ii) (a) Was a committee appointed by the Government to inquire into the affairs of the Association ?

(b) Has the Committee reported ?

(c) Will the Government be pleased to publish the report ?

(d) Will the Government place on the table all the papers in its possession bearing on this subject ?

( 3883 )

**Mr. E. Burdon :** (i) The Government of India are informed that the Governing Council of the Royal Army Temperance Association (India) has ordered its branches to close with effect from the 29th February 1924 but that the Association has not yet terminated its existence. The chief reasons for the closure of the branches of the Association are understood to be :

- (1) the standard of temperance among British soldiers has much improved ;
- (2) in recent years, reforms have been introduced in the administration of regimental institutes and other measures have been devised which render unnecessary the direct activities of the Royal Army Temperance Association (India).

(ii) (a). No.

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

**Mr. C. S. Ranga Iyer :** Will Government be pleased to state if a kind of, if I may use the expression without any offence, fraud was perpetrated on the funds of the Association?

**Mr. E. Burdon :** I am afraid that Government are not in a position to make any statement on the point. The Royal Army Temperance Association (India) is a body incorporated under a Statute with a memorandum of association of its own, and is not, strictly speaking, an official organisation.

#### MEDICAL EXAMINATION OF PILGRIMS TO BAGHDAD AND KERBALA.

2299. **\*Haji Wajihuddin :** Is it a fact that pilgrims for Baghdad and Kerbala suffered last season great hardships after embarkation from Bombay when they were taken out from the steamer at Karachi for medical examination and if so under what authority and for what special reason examination was done at Karachi after sailing from the port of Bombay? Do the Government propose to issue necessary instructions in the matter?

**Mr. J. W. Bhore :** Pilgrims to Baghdad and Kerbala do not sail by pilgrim ships and are not treated as pilgrims under the Indian Merchant Shipping Act, 1923. They sail by ordinary ships and if any such ships arrive at Karachi from Bombay without bills of health they have to send ashore all deck passengers travelling to ports beyond India for compulsory disinfection and medical examination under the rules made under the Indian Ports Act. No cases of hardship caused to such passengers have come to the notice of Government and they do not therefore propose to issue any instructions in the matter.

#### INSTALLATION OF A TRAIN STOP APPARATUS ON THE GREAT INDIAN PENINSULA RAILWAY.

2300. **\*Haji Wajihuddin :** Are the Government aware that the G. I. P. Railway have recently installed a 'Train Stop' on certain portions of their line and if so to what extent it prevents the possibility of collision and accidents and what is the cost of installation and whether it is proposed to extend same gradually throughout India?

**Mr. A. A. L. Parsons :** Government are aware that a Train Stop apparatus is being installed on the Itarsi-Jubbulpore section of the Great Indian Peninsula Railway as an experimental measure, at an estimated cost of about Rs. 46,000. The object aimed at is the prevention of collisions by preventing two trains being on the same block section at the same time, but it is not possible to say if this object will be achieved or whether the use of the appliance will be increased until the results of the experiment are known. These results of course will be carefully watched.

REPATRIATION OF PILGRIMS TO THE HEDJAZ.

2301. **\*Haji Wajihuddin :** Will the Government be pleased to state (a) the approximate number of Hedjaz pilgrims who purchased from Indian ports during last season single and return tickets respectively, (b) how many of them came back safely at their own expense, (c) how many were found destitute and at what cost were they repatriated ?

**Mr. J. W. Bhore :** A statement giving the necessary information is placed on the table.

*Statement showing the number of Hedjaz pilgrims who purchased single and return tickets during the pilgrim season of 1923; the number of destitutes and the cost of their repatriation.*

Number of pilgrims who purchased single tickets.	Number of pilgrims who purchased return tickets.	*NUMBER OF DESTITUATES.		EXPENDITURE ON THE REPATRIATION OF DESTITUTE PILGRIMS.			
		Repatriated by shipping Companies free of charge.	Repatriated by Government.	Contributions by pilgrims.	Contribution by Central Haj Committee.	Contribution by Government of India.	Total expenditure.
				Rs.	Rs.	Rs.	Rs.
23,349	694	1,049	1,716	19,361	2,600	35,300	57,261

\* The rest of such pilgrims as returned to India presumably paid their own expenses.

RAILWAY DISASTER NEAR HARAPPA ON THE NORTH-WESTERN RAILWAY.

2302. **\*Sardar Gulab Singh :** (a) Are the Government aware that a serious collision occurred beyond Harappa on the N. W. R. on the 29th August, resulting in very serious casualties ?

(b) Are the Government aware that all the passengers killed or injured belong to the intermediate and third class ?

(c) Will the Government please state how many suits have been filed for compensation by the sufferers ?

(d) Do the Government contemplate instructing the railway authorities to voluntarily give deserving compensation in the case of every sufferer ?

(e) Are the Government prepared to suggest two arbitrators to the railway authorities and the sufferers who may estimate the amount of compensation deserved in each case ?

**Mr. A. A. L. Parsons:** (a) to (d). The Honourable Member is referred to the reply given in this Assembly on 10th September 1924, to Diwan Bahadur M. Ramachandra Rao's question.

(e) Government do not consider that this is necessary.

#### CASUALTIES AMONG THIRD AND INTERMEDIATE CLASS PASSENGERS IN RAILWAY COLLISIONS.

2303. \***Sardar Gulab Singh:** (a) Are the Government aware that most casualties occur amongst third and intermediate class passengers during collisions ?

(b) What immediate action, if any, do the railway authorities contemplate taking to minimise the risk of travelling for this class of passengers ?

**Mr. A. A. L. Parsons:** (a) Yes.

(b) The Honourable Member is referred to the reply given in this Assembly on 10th September 1924, to Diwan Bahadur M. Ramachandra Rao's question.

#### COLLISIONS ON RAILWAYS IN 1924.

2304. \***Sardar Gulab Singh:** Will the Government please state the number of railway collisions that have occurred during this year, giving in each case the following facts:—(1) Name of railway where collision occurred, (2) Number of killed, (3) Number of wounded, (4) Total amount of compensation awarded, (5) Number of casualties amongst first and second class passengers, (6) Number of casualties among railway staff, (7) The number of suits filed for compensation.

**Mr. A. A. L. Parsons:** All the information available will be found in Appendix C. of Volume II of the Report by the Railway Board on Indian Railways for 1923-24, which will be issued shortly.

#### GRIEVANCES OF THE BELUR PASSENGERS.

2305. \***Khan Bahadur Sarfaraz Hussain Khan:** (a) Has the attention of Government been drawn to the letter published in the issue of the *Forward* of the 6th September 1924, page 11, under the heading "Grievances of the Belur passengers" ?

(b) If so, will they please state if the statements made therein are correct ?

(c) If correct do they propose to issue instructions to the railway authorities concerned to redress the grievances of the travelling public ?

**Mr. A. A. L. Parsons:** (a) Government have seen the letter referred to.

(b) and (c). A copy of this question and answer, together with a copy of the letter, will be forwarded to the Agent, who will doubtless discuss the matter with his Local Advisory Committee.

REVIVAL OF THE SALT INDUSTRY ON THE ORISSA COAST.

2306. \*Pandit Nilakantha Das : (1) Are the Government aware :

- (a) that in the old Bihar and Orissa Legislative Council a Resolution was moved in March 1918 to revive the salt industry on the coast of Orissa ;
- (b) that the Government of Bihar and Orissa gave assurances for reviving the salt industry there ?

(2) Was (i) any inquiry made, (ii) responsible firm asked, or (iii) the Government of India moved, in accordance with the promise made by the Bihar and Orissa Government on that occasion ; and (iv) was there any attempt made on the part of the Government for the revival of the industry in the area ?

(3) If so, what was done, with what result ?

**The Honourable Sir Basil Blackett :** (1) The answer is in affirmative.

- (2) and (3). In view of the then prevalent shortage of salt in India, inquiries were made, which resulted in firms of standing interesting themselves in the revival of the salt industry in Orissa. The firms however eventually abandoned their schemes on detailed examination.

MANUFACTURE OF SALT FOR HOME CONSUMPTION BY THE PEOPLE OF ORISSA DURING THE FAMINE OF 1919-20.

2307. \*Pandit Nilakantha Das : Are the Government aware that in the last Puri famine in 1919-1920 the Government of Sir E. Gait instructed the local officials by a confidential circular to allow the people of the salt areas to manufacture salt for their home consumption as an anti-famine measure ?

**The Honourable Sir Basil Blackett :** The Honourable Member is presumably referring to the instructions issued in 1918, when in view of the shortage of salt stocks in India and the high prices, excise officers were instructed not to prosecute persons who extracted salt on a small scale for their home consumption.

REVIVAL OF THE SALT INDUSTRY ON THE ORISSA COAST.

2308. \*Pandit Nilakantha Das : Has the attention of the Government been drawn to the fact that recently on Aug. 21, the people of Parikud (Chilka Salt areas) have approached the Government for the immediate revival of the salt industry in the said area with the following resolution passed at a gathering of the people there ?

The Resolution runs :

“ In view of the fact that the salt industry, which was the main industry of the people of the coast lands, having been abolished, this locality has fallen without labour and occupation and that agriculture being not in keeping with the climatic conditions of the place, scarcity and even famine have practically become endemic in this area, this meeting of the rayats of Parikud most emphatically expresses that the revival of salt industry is the main remedy for saving the people from famine

and emigration and saving the area from ultimate depopulation. This meeting prays that the Government do take immediate measures to revive the industry, which was the main occupation of the people from very ancient times.”

**The Honourable Sir Basil Blackett** : The answer is in the negative.

#### REVIVAL OF THE SALT INDUSTRY ON THE ORISSA COAST.

2309. \***Pandit Nilakantha Das** : Are the Government prepared to consider immediate measures and take effective steps for the revival of the salt industry on the Orissa coast,

- (i) to give relief to the people there in need, as well as
- (ii) to redeem the assurances of the Bihar and Orissa Government, made in 1918 ?

**The Honourable Sir Basil Blackett** : The administration of the Salt Department in Orissa will, it is anticipated, shortly be taken over by the Central Board of Revenue and the Board will give due consideration to any reasonable proposal that may be put forward before it for the suggested revival of the salt industry in Orissa.

#### PROCEDURE FOLLOWED BY THE INDIAN STORES DEPARTMENT *re* TENDERS FOR STORES.

2310. \***Sir P. S. Sivaswamy Aiyer** : 1. Will the Government be pleased to state, if it is true :

- (a) That tenders for stores to be purchased by the Indian Stores Department are advertised for in the *Indian Trades Journal* ?
- (b) That on the due date the tenders are opened publicly, in the presence of any tenderers who wish to be present and the prices quoted are read over to them ?
- (c) That a statement of all orders placed by the Department, with prices, is published weekly in leading papers in India ?

2. If the reply to question No. 1 be in the affirmative, will the Government be pleased to state, if there are any reasons why unlike the Indian Stores Department, the Master General of Supplies and the different railway administrations and the Railway Board do not follow this wholesome procedure ?

**The Honourable Mr. A. C. Chatterjee** : 1. (a) The procedure in force in the Indian Stores Department is, whenever time permits, to invite tenders for all requirements exceeding Rs. 5,000 in value by means of advertisements in the *Indian Trades Journal* and, in special cases, in leading newspapers also. For urgent demands and demands under Rs. 5,000 in value tenders are invited from firms, borne on the list of the Chief Controller of Stores, which deal in the class of articles required.

(b) and (c). The answer is in the affirmative.

2. The Railway Board have instructed railway administrations to follow, as far as is practicable, the procedure indicated in parts 1, (a) and (b) of the question, and, though it would probably not be feasible to publish weekly in the leading newspapers a statement of all the numerous orders, large and small, placed by railways, the Railway Board have also asked railway administrations to publish results of tenders called for publicly in the *Indian Trades Journal*.

The methods of purchase adopted by the Master General of Supply vary according to the nature of the commodity. Generally speaking, these methods are directed to the securing of supplies of the requisite quality at the cheapest rates. The methods actually followed are as follows :

- (a) *Food grains* are purchased wholesale in the principal growing centres through the agency of a commercial firm of standing and tenders for the agency are invited through the medium of the various European and Indian Chambers of Commerce in India.
- (b) *Wheat products* are obtained by milling Government wheat at mills taken under Government control.
- (c) *Coal and coke* are obtained through the Chief Mining Engineer, Railway Board, who places his orders with the collieries.
- (d) *Petrol, mineral oil, lubricants and paints.* Tenders are invited from the producers and manufacturers and their accredited agents who are the only wholesale source of supply.
- (e) *Miscellaneous stores including Ordnance stores.* A list of approved firms, whose credentials and resources have been ascertained, is maintained, and tenders are invited from these firms.

In view of the market conditions obtaining in respect of the classes of stores with which the Master General of Supply deals it is considered that the existing procedure has many advantages, but the question will receive further consideration.

STORES FOR THE MASTER GENERAL OF SUPPLY, THE RAILWAY BOARD AND RAILWAY ADMINISTRATIONS.

2311. \***Sir P. S. Sivaswamy Aiyer** : Will the Government be pleased to order the Master General of Supply, the Railway Board, and all the railway administrations in the future :

- (a) firstly to advertise for tenders of all their requirements above Rs. 2,000 and also state in the tenders where the stores are required ;
- (b) secondly, to open all tenders publicly and read out the rates to the competitors who wish to be present ;
- (c) thirdly, to publish weekly, in the leading papers, statements of all orders placed with prices.

**Mr. A. A. L. Parsons** : Government are not prepared to issue orders to the Master General of Supply on the lines suggested. The procedure followed by that officer in the matter of obtaining supplies has already been fully described in the answer given to the Honourable Member's starred question immediately preceding this one, to which I would invite his attention :

- (a) As regards the Railway Board, they seldom, if ever, purchase stores, etc., without calling for tenders. With regard to the railway administrations, it would not be practicable or economical in all cases for railways to advertise for tenders for all their requirements above Rs. 2,000, but this is done in the majority of cases. There are cases in which advertising for tenders would serve no useful purpose or would

cause delay in meeting urgent demands. The tender forms indicate where the stores are to be delivered. I may mention however that numerous railway advertisements for tenders already appear in the *Indian Trades Journal* and I will suggest to Agents that the practice should be extended as far as possible.

(b) and (c). The Honourable Member is referred to the reply given to part (2) of his question immediately preceding this one.

**Mr. Chaman Lall** : Will Government be pleased to inform the House as to the procedure adopted in giving tenders for railway sleepers to Spedding and Co. ?

#### ARMY CANTEEN BOARD.

2312. **\*Mr. Kumar Sankar Ray** : (a) Will the Government be pleased to state when the present Army Canteen Board system was started ?

(b) Will the Government state what is the constitution of the above Board and what control, if any, have the Government got over its management and constitution ?

(c) Will the Government also state the number of Indian and British units in which the system has been tried and its financial effect on the Government, if any ?

(d) Which of the two systems (the Army Canteen Board system or the old tenancy system) has been found to be more advantageous from the soldiers' point of view and what do the Government propose to do to meet the wishes of those concerned ?

(e) Will the Government be pleased to lay on the table figures showing the strength and pay of the establishment at the Head Office of the Board under the following heads :—Officers—Indians and Europeans, Establishment under the Chief Accountant—Indians and Europeans (including Christians and Anglo-Indians), Establishment under the Secretary—Indians and others ?

(f) What is the proportion of Indian establishment to Europeans in respect of the strength and pay ?

**Mr. E. Burdon** : (a) The Army Canteen Board (India) was incorporated as a Company "Not for profit and limited by guarantee" on the 7th February 1922.

(b) The constitution of the Board is that of a Company "Not for profit and limited by guarantee" and registered under the Indian Companies Act, 1913. The answer to the second part of the question is that the Government retain control over the Board through those provisions in the articles of association which lay down that certain officials of Government, financial and other, shall be associated with the conduct of the Board's operations.

(c) Up to date, the following are the number of British regimental institutes and Indian unit shops conducted by the Army Canteen Board (India) :—British—69 ; Indian—11.

As for the latter part of the question, I am not sure that I understand it. The financial position of the Board was described in the answer given on the 9th June last to starred question No. 1414.

(d) Government have reason to believe that the soldier regards the Army Canteen Board (India) system as being more advantageous to him than the old tenancy system.

(e) and (f). I will furnish the Honourable Member separately with two statements which have been given to me by the courtesy of the Board of Management. It is perhaps desirable for me to emphasise the fact that these establishments are not Government establishments.

“ D ” CLASS QUARTERS FOR GOVERNMENT OF INDIA CLERKS AT RAISINA,  
DELHI.

2313. \*Mr. Kumar Sankar Ray : (a) Are the Government aware that the lowest class (D) of residential quarters at Raisina are liked by most of the Government of India clerks more than the higher class ones, if given an option ?

(b) Are the Government aware that it is due firstly to the fact that D class quarters are quite suitable for the requirements of clerks getting pay not only up to 200, but also for those in receipt of pay up to 300 and even 400, and secondly that it is very hard for most of them to pay higher rent when a lower rent quarter is as suitable for them as that of the higher rent ?

(c) Are the Government prepared to consider the question of constructing a larger number of D class quarters and to reduce the rent of C class ones ?

(d) What are the additional articles of furniture available for hire at the Raisina furniture office of the P. W. D. for the next year and what are their rents per mensem ?

The Honourable Mr. A. C. Chatterjee : (a) The answer is in the negative.

(b) Does not arise.

(c) No. The sanctioned scheme is approaching completion. It may however be mentioned that of the total number of 1,302 married Clerks' quarters, 849 are Class D.

(d) The information is not at present available.

QUALIFICATIONS, ETC., OF CERTAIN CLASSES OF OFFICIALS EMPLOYED IN THE  
INCOME-TAX DEPARTMENT, BOMBAY.

2314. \*Mr. Jamnadas M. Mehta : (1) Will Government be pleased to lay on the table a statement containing information regarding the qualifications necessary for the post of :

- (i) Income-tax Examiner, (ii) Income-tax Inspector, (iii) Assistant Examiner, (iv) Assistant or Sub-Inspector, (v) Bailiffs attached to Income-tax offices

Suburban District and other Districts of the Bombay Presidency ?

(2) Will Government be pleased to lay on the table a statement in the following form regarding the officers mentioned in Part (1) ?

Serial No.	Name in full beginning with Surnames.	Age at the time of appointment.	Educational qualifications.	Appointed as with starting salary.	Date and place of appointment.	Present post held.	Present salary with amounts of promotions given with dates in each case.	Place working with date of transfer to the place.
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(3) Will Government be pleased to lay on the table a statement in the subjoined form of all applications for the posts of the officers mentioned in Part (1) and received on or after the 1st May 1923 to 31st July 1924 ?

Serial No.	Name of applicants.	Educational qualifications.	Date on which application was received.
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**The Honourable Sir Basil Blackett :** A statement showing the scale of pay of Income-tax Examiners, Income-tax Inspectors, etc., is placed on the table.

The Government do not propose to order the collection of the remainder of the information asked for, which would involve much labour.

*Statement showing the scales of pay sanctioned for Income-tax Examiners and Inspectors, etc., for the Bombay Presidency.*

Designation.	Bombay City.		Bombay Mofussil.	
	Rs.		Rs.	
Chief Examiner .. ..	550—25—700		..	
Examiners .. ..	225— $\frac{1}{2}$ —500		(Sind)	{ 175— $\frac{1}{3}$ —325 150—15—225
Inspectors .. ..	200— $\frac{2}{3}$ —500		(Sind)	{ 150— $\frac{2}{3}$ —325 150—15—225
Assistant Examiners ..	..		115—5—150	
Sub-Inspectors .. ..	..		115—5—150	

#### STOPPAGE OF RECRUITMENT IN KUMAUN.

2315. \***Mr. C. S. Ranga Iyer :** (1) Will the Government be pleased to state if it is a fact that recruitment for the first battalion of the

Kumaun Rifles and other regiments has been stopped from the towns of Almora, Ranikhet and from the Parganas of Baramandal (excepting Danpur) ; and Pali in the Almora District, Kumaun U. P. If so why ?

(2) Will the Government be further pleased to state whether it is a fact that the interests of men of all position of the aforesaid Parganas, who are already in the first battalion Kumaun Rifles are being overlooked so as to force some competent Havildars and men of services varying from 11 ; 9 ; 8 ; 7 ; 6 ; and 3 years to request for voluntary discharge.

**Mr. E. Burdon :** (1) No orders have been issued stopping recruitment from any part of Kumaon.

(2) So far as the Government of India are aware this is not a fact, but if the Honourable Member can furnish me with particulars of any case which he knows of, I will have the matter inquired into.

#### NEW PENSION RULES.

2316. **\*Mr. D. V. Belvi :** Will Government be pleased to state when they expect to publish the new Pension Rules under the Fundamental Rules as regards the subordinate or non-gazetted services ?

**The Honourable Sir Basil Blackett :** The rules are now under the consideration of the Secretary of State. I am not in a position to say when they will be published.

#### STOPPAGE OF ACTING PROMOTIONS IN VACANCIES OF ACCOUNTANTS IN THE OFFICE OF THE CONTROLLER OF MILITARY ACCOUNTS, SOUTHERN COMMAND AND POONA DISTRICT.

2317. **\*Dr. K. G. Lohokare :** Will Government please say whether the Controller of Military Accounts, Southern Command and Poona District, has withheld altogether acting promotions in vacancies of accountants on leave in his office between 1st September 1922 to 15th September 1923 and narrowed the field for such appointments by making acting promotions from 16th September 1923 to 29th February 1924 only within the strength of accountants authorised for his office on the grounds that the number of accountants actually attached to his office has been continuously in excess of the post-war complement of accountants allotted to his office ?

**The Honourable Sir Basil Blackett :** The information has been called for and will be furnished to the Honourable Member on receipt.

#### STRENGTH OF ACCOUNTANTS IN MILITARY ACCOUNTS OFFICES.

2318. **\*Dr. K. G. Lohokare :** (a) Is it a fact that there exists only one All-India roster of accountants and that the Military Accountant General watches that the strength of accountants on an All-India basis is not exceeded and that the authorised proportion of accountants to clerks for the whole of India and in each Military Accounts office is maintained ?

(b) If so, has not an excess of accountants in the Southern Command and Poona District offices created a shortage in other offices ?

(c) Was the strength of accountants in other Military Accounts offices in India between September 1920 to August 1924 within the complement? If not, did not the respective authorities experience similar difficulty?

(d) Were acting promotions in vacancies created by accountants on leave in the other Command and District Controllers' Offices in India strictly restricted to the complement of accountants sanctioned for their offices?

(e) If no such restrictions were required to be observed by them will Government please say, if they propose to reconsider the orders by the Southern Command and Poona District offices in view of the general roster basis?

**The Honourable Sir Basil Blackett** : The information has been called for and will be furnished to the Honourable Member on receipt.

OVERLOOKING OF THE CLAIMS OF SENIOR CLERKS TO OFFICIATE AS ACCOUNTANTS IN THE OFFICE OF THE CONTROLLER OF MILITARY ACCOUNTS, SOUTHERN COMMAND AND POONA DISTRICT.

2319. **\*Dr. K. G. Lohokare** : Is it a fact that certain senior clerks who have qualified themselves for promotion by passing the subordinate Accounts Service Examination have been overlooked—for no fault or inefficiency of theirs—for officiating promotions in leave vacancies of accountants on the roster of the Controller of Military Accounts, Southern Command and Poona District, Poona, from 1st March 1924, and onwards? If so, will Government please make inquiries why the senior clerks' claims have been overlooked?

**The Honourable Sir Basil Blackett** : The information has been called for and will be furnished to the Honourable Member on receipt.

LEAVE VACANCIES IN THE MILITARY ACCOUNTS OFFICES.

2320. **\*Dr. K. G. Lohokare** : Is it a fact that accountants on privilege leave pending reversion to their permanent offices are required to be retained on the strength of the office by the Field Controller of Military Accounts, Poona, until the expiry of their leave and that officiating vacancies in their places are neither filled up by their respective Controllers nor by the Field Controller of Military Accounts, Poona? Is it decided that such vacancies should not be filled up and should lapse and that clerks serving in the Field Controller's office should remain adversely affected owing to lack of acting appointments as compared with District Controllers' Offices in India? If not, do Government propose to issue necessary instructions to the authorities concerned to fill up such officiating appointments?

**The Honourable Sir Basil Blackett** : The information has been called for and will be furnished to the Honourable Member on receipt.

EVIDENCE OF SIR SANKARAN NAIR IN THE O'DWYER NAIR LIBEL SUIT.

2321. **\*Mr. C. S. Ranga Iyer** : (a) Has the attention of the Government been drawn to the evidence of Sir Sankaran Nair in the libel case brought against him by Sir Michael O'Dwyer?

(b) Has the attention of the Government been drawn to the report of the proceedings published in the *London Times* which contains the evidence? Are the Government aware that the following passage occurs in the *Times* report :

“ *Sir Walter Schwabe*—Was it suggested that you should see Gandhi.....”  
 “ I was asked to meet him at a round table conference and to discuss a number of matters.”

“ Did he refuse to have anything to do with the Government of India.....”  
 “ I felt that there was no use in a round table conference because of the unyielding attitude which Gandhi took up when we met.” “ *The witness added that he reported to that effect to the Government of India.*”

“ Sir Sankaran Nair went on to say that after those events he was asked to write a pamphlet dealing with Gandhi's policy ” ?

(c) Are the Government aware that the above excerpt refers to Sir Sankaran's statement on oath ?

(d) Do the Government still persist in saying that Sir Sankaran Nair met Mahatma Gandhi at the Round Table Conference not at their instance ? that he did not report to the Government of India as he says he did according to the passage italicized above ? that the pamphlet “ Gandhi and Anarchy ” was not written at their suggestion ?

**Mr. H. Tonkinson :** (a), (b) and (c). Government have not examined all the evidence but are not aware that the passage quoted in the Honourable Member's question occurs in it and relates to Sir Sankaran Nair's evidence on oath.

(d) There is nothing in the passage quoted which is at variance with the statement made by the Honourable the Home Member in this House on the 8th September. He did not say that Sir Sankaran Nair did not meet Mr. Gandhi and Sir Sankaran Nair is not reported to have said that he either met Mr. Gandhi or wrote his book at the request of the Government of India. Government adhere to everything which they have said previously on this subject.

PURCHASE OF RAILWAY AND OTHER STORES THROUGH THE INDIAN STORES DEPARTMENT.

2322. \***Mr. W. S. J. Willson :** With reference to the statement of Sir Charles Innes in this Assembly on 2nd March 1922 to the effect that

“ If this Indian Stores Department is established, it will purchase for the State Railways all railway materials which can be procured in India..... Then the Stores Department would be mainly occupied in buying railway materials not only for State Railways but for Company Railways also.”

(a) Is it the case that purchases for railways are being made by the railways in direct communication with the London Stores Department independently of the Indian Stores Department ?

(b) Will Government be pleased to state their policy in the matter of the utilisation of the Indian Stores Department by State-worked railways, Company managed State-owned lines, the Post and Telegraph Department and the Military Department ?

**The Honourable Mr. A. C. Chatterjee :** (a) Although the State-worked Railways indent direct on the London Stores Department for such stores as they consider must be obtained from outside India under the

new Stores Rules, copies of all such indents are sent by those Railway administrations to the Indian Stores Department, which advises the railway concerned if any articles included in such indents are manufactured and can suitably be purchased in India.

Company-worked Railways make their own arrangements for the purchase of stores either direct in India or through their Boards of Directors in England.

(b) I would invite the Honourable Member's attention to the recent letter dated the 18th August 1924, addressed to the State-worked Railways and to the East Indian and Great Indian Peninsula Railways, copies of which were laid on the table on the 17th September 1924 in answer to Mr. Neogy's starred question No. 2135. Other Company-worked Railways have been furnished with a copy of the letter addressed to the East Indian Railway and Great Indian Peninsula Railways, and the Railway Board propose to discuss the matter next month with the Agents of all railways.

The Indian Stores Department has already been entrusted with large purchases of textiles and also engineering plant and materials required by the Army. The Department has also taken over the purchase of various classes of stores used by the Post and Telegraph Department. The question of utilising the Stores Department to a greater extent in connection with the purchase and inspection of stores on behalf of these departments is under the consideration of Government.

REFUSAL OF PASSPORTS TO BABU SHIVA PRASAD GUPTA AND MAULANA ABUL KALAM AZAD.

2323. \*Mr. Gaya Prasad Singh: (a) Will the Government be pleased to state if any correspondence has passed between them and the Government of the United Provinces on the subject of the refusal of passports to Babu Shiva Prasad Gupta, who wanted to take his wife to Europe on medical grounds ?

(b) If so, will the Government be pleased to lay a copy on the table ?

(c) Will the Government be pleased to state if any correspondence has passed between them and the Government of Bengal, on the subject of the refusal of passports to Maulana Abul Kalam Azad, who wanted to go to Europe on medical advice ?

(d) If so, will the Government be pleased to lay a copy on the table ?

The Honourable Sir Alexander Muddiman : There has been some correspondence between the Local Governments concerned and the Government of India regarding the refusal of passports to the two persons named. Government are not prepared to lay copies on the table.

BUS SERVICE FOR THE CONVEYANCE OF CLERKS FROM RAISINA TO THE SECRETARIAT IN DELHI.

2324. \*Mr. Kumar Sankar Ray : (a) Will the Government be pleased to state what and with which transport company has the arrangement been made this year for the conveyance of clerks between Raisina and the Delhi Secretariat ?

(b) What amount has been spent on this account for each of the last three years and are the Government making sure by inviting tenders, etc., that this is the cheapest arrangement that could be made ?

(c) How long will this arrangement continue and when will the new Secretariat building be ready for occupation ?

(d) Is it a fact that clerks have to wait for about an hour and sometimes for hours, specially on holidays and Saturdays, at the Secretariat bus stand or at Sadar Bazar, before they can get a bus and whether it is due to the fact that the busses do not start at fixed hours till they are full ?

(e) Do the Government contemplate instructing the transport company to fix exact hours for starting the busses even if they are not full and directing them to run extra busses as soon as they are full, so that there may be no unnecessary waste of time ?

**The Honourable Mr. A. C. Chatterjee :** Information is being collected and the Honourable Member will be furnished with a reply as soon as possible.

STATIONS BETWEEN LAHORE AND JHELUM ON THE NORTH WESTERN RAILWAY WITHOUT RAISED PLATFORMS.

2325. \***Mr. Kumar Sankar Ray :** (a) Will the Government please state the names of railway stations between Lahore and Jhelum on the N. W. R. which have no raised platforms ?

(b) Do the Government realise the difficulty of the passengers, specially children and females, on the railway stations without raised platforms ?

(c) What would be the estimated cost of raising the platforms on these railway stations ?

(d) When do the Government propose to have platforms raised on these stations ?

**Mr. A. A. L. Parsons :** (a) The following stations between Lahore and Jhelum on the North Western Railway have no raised platforms :

1. Kala Shah Kaku.
2. Sadhoke.
3. Eminabad.
4. Rahwali.
5. Dhaunkal.
6. Haripur Bund.
7. Kathala.
8. Deona Juliani.
9. Chak Pirana.
10. Sarai Alamgir.

(b) Yes.

(c) About Rs. 10,000 for each.

(d) The policy of Government is to leave it to the discretion of the railway administration to provide high level platforms where their provision is justified by the traffic offering.

WORKING HOURS OF THE GOVERNMENT OF INDIA SECRETARIAT CLERKS.

2326. \***Mr. Kumar Sankar Ray :** (a) Will the Government please state what is the usual time up to which Secretariat clerks, etc., usually work in the office and is it a fact that in some Departments it is a regular practice to sit late ?

(b) Will the Government prepare a list of such late sitting officials employed in the Legislative, Finance, and Home Departments and their attached offices at the headquarters ?

(c) Do the Government contemplate laying down the rule that the appointment of Superintendents should generally be made by selection according to fitness for work and qualifications and not by seniority ?

**Mr. H. Tonkinson :** (a) The closing hour in the Government of India offices is 4-30 or 5 P.M. Saturday is a half holiday. Members of the office staff need not stay in office later than the closing hour except on occasions when owing to heavy work they find it necessary to put in extra hours.

(b) I do not know what the Honourable Member means by late sitting officials or how such a list could be prepared.

(c) The criterion usually followed in filling posts of Superintendents is efficiency combined with seniority of the persons concerned. Government do not propose to depart from this practice.

#### PENSIONS OF SECRETARIAT AND ARMY HEADQUARTERS DAFTARIES.

2327. **\*Mr. Kumar Sankar Ray :** (a) Is it a fact that it has been admitted by all concerned (including the heads of the Army and Finance Departments) that the nature of clerical work in the Army Headquarters and Secretariat is quite similar and that for the same reason Secretariat rates of pay have been more than once recommended for the Army Headquarters clerical establishments ?

(b) Has it been admitted that the duties of the daftaries in the Secretariat are not more arduous or of a kind requiring a higher standard of intelligence than those of A. H. Q. daftaries and that the latter are and have always been in receipt of the same rates of pay as the former ?

(c) Has it been accepted as a principle that the maximum pension for two *similar* classes of Government servants, employed at the same station, recruited from the same class of people, performing similar duties, and getting the *same* rates of pay, should be equal ? If not, what are the objections and exceptions ?

(d) Is it a fact that the present maximum pension of A. H. Q. daftaries is Rs. 10 only while that of Secretariat daftaries is Rs. 20 and that their rates of pay are equal ?

(e) Are the Government prepared to consider the question of the differential treatment ? If not, why ?

(f) Are the Government aware that there is a good deal of dissatisfaction among the A. H. Q. daftaries owing to this differentiation ?

(g) Do the Government propose to appoint a Committee of officers to inquire into the matter and submit a report to remove the grievance of the men concerned ?

**Mr. E. Burdon :** (a) No.

(b) Yes.

(c) Speaking generally the correctness of the principle stated by the Honourable Member is accepted.

(d) Yes.

(e) The Government do not regard it as unjust since the Secretariat appointments are regarded as having a higher status and more favourable conditions are for this reason attached to them.

(f) No.

(g) No. .

**SUPERSESSION OF SENIOR I. M. S. INDIAN OFFICERS FOR ADMINISTRATIVE APPOINTMENTS.**

2328. \***Dr. K. G. Lohokare** : (a) Is it a fact that the claims of a senior Indian Medical Service Indian officer are being superseded in selection to administrative appointments vacancies ?

(b) What are the principles guiding such selection ? Are they carefully followed in each case or in the case of Indian officers only ?

(c) Will Government please say if they give careful consideration to supersession cases especially in the case of Indian officers when they are to be superseded so as to leave no impression of unfairness ?

**Mr. E. Burdon** : (a) Yes.

(b) Appointments are given by seniority and merit and the same tests are applied in every case. In the instance which I had in mind in replying to part (a) of this question, the officer appointed was junior not only to one Indian officer but to several British officers also.

(c) Every case is considered with the same degree of care.

**Dr. K. G. Lohokare** : Is it a fact that several officers junior to this Indian officer have already been promoted ?

**Mr. E. Burdon** : I cannot say offhand. If the Honourable Member will put the question down I will have the matter examined and answer him.

**GRANT OF SUBSISTENCE ALLOWANCE TO MR. GIRDHARI LAL, SUB-RECORD CLERK, RAILWAY MAIL SERVICE, JULLUNDUR CITY.**

2329. \***Lala Duni Chand** : With reference to the reply of the Government to unstarred question No. 257, put by Mr. Sadiq Hussain on 27th May 1924, will Government please state if the question of granting subsistence allowance to Mr. Girdhari Lal, Sub-Record Clerk, Railway Mail Service, Jullundhur City, has been decided by the Director General, Posts and Telegraphs, and if not, do Government propose to expedite the decision ?

**Mr. H. A. Sams** : Yes. Orders were issued by me on the 10th current.

**DELAY IN THE HOLDING OF ELECTIONS IN THE PUNJAB CANTONMENTS.**

2330. \***Lala Duni Chand** : (a) Are the Government aware that elections in the Punjab Cantonments have not yet been held under the New Cantonment Act, 1924 ?

(b) Is it a fact that at the time of the coming into force of the Act on 1st May 1924, the Government of India issued a circular to the Provincial Governments requesting them to arrange elections within three months of the coming into force of the Act ?

(c) Are the Government aware that a deputation of the Punjab Cantonments waited upon His Excellency Sir Malcolm Hailey, Governor of the Punjab, on 30th June 1924 in connection with the speedy holding of elections in the Punjab and that His Excellency assured the deputation that every possible effort would be made to expedite the elections ?

(d) Is it a fact that in spite of this assurance nothing has been done so far by the Punjab Government in this matter and even the Election Rules have not yet been finally adopted ?

(e) Has the All-India Cantonments Association brought the above facts to the notice of the Secretary, Army Department, Government of India and requested him to urge upon the Punjab Government the great desirability of holding immediate elections ?

(f) Are the Government aware that in almost all the provinces elections have already been held and this fact has also accentuated the feeling of disappointment in the Punjab Cantonments at the present abnormal delay in the elections ?

(g) Do Government propose to take such steps as may ensure the holding of elections in the Punjab Cantonments with the least possible delay ?

**Mr. E. Burdon :** (a), (d), (f) and (g). I invite the Honourable Member's attention to the replies given on the 18th September 1924 to Haji Wajihuddin's starred questions Nos. 2199 and 2200.

(b) No. The attention of the Honourable Member is invited to the concluding portion of the reply given on the 9th June 1924 to Haji S. A. K. Jeelani's starred question No. 1411.

(c) The Government of India have been informed to this effect by the All-India Cantonments Association.

(e) Yes.

#### PILGRIMS TO THE HEDJAZ.

2331. \***Khan Bahadur W. M. Hussanally :** (a) How many pilgrims proceeded to the Hedjaz from British Ports in India during the last pilgrim season ?

(b) How many of them purchased return tickets ?

(c) How many of these died in the Hedjaz or how many return tickets were not availed of ?

(d) What was the total value of the return tickets not used ?

(e) Who is in possession of this money ?

(f) If in possession of the shipping companies, do Government purpose to acquire the same from them ?

(g) If so, to what use do Government purpose to put the money ?

N.B.—If any of the information, etc., etc., is not available will Government be pleased to obtain the same and lay it on the table.

**Mr. J. W. Bhore :** The Honourable Member is presumably referring to the pilgrim season of 1923 and the figures which I am giving are for that year. Figures for 1924 are not yet available since the return season is not yet over.

(a) 24,268.

(b) 694.

(c) Out of the 694 return-ticket holders 670 are reported to have returned from the Hedjaz. Of the remaining 24, 4 have been paid the refund value of the return halves of their tickets leaving 20 so far unaccounted for. No definite information can be given about these 20 pilgrims until two years have elapsed from the date of the issue of the tickets as the tickets are available for this period.

(d) and (e). The total value of the unused tickets is not known. The amount is presumably still in the possession of the Shipping Companies concerned.

(f) and (g). The Government of India do not propose to take any action for the present, but if after the expiry of the two years for which the tickets are valid, any portion of the money remains unclaimed, the suggestion made by the Select Committee on the Indian Merchant Shipping (Amendment) Bill that such money should be devoted to the welfare of pilgrims, will be considered.

**Mr. W. S. J. Willson** : May I ask the Honourable Member if my information that no return tickets were issued this season is incorrect ?

**Mr. J. W. Bhore** : I am afraid, Sir, I shall have to ask for notice of that question.

NAMES, DESIGNATIONS AND PAY OF GOVERNMENT OFFICERS RESIDING AT  
" LONGWOOD ".

2332. \***Khan Bahadur W. M. Hussanally** : Will the Government please state the names, designations and pay of Government officers residing at " Longwood " together with the rent each pays ?

**The Honourable Mr. A. C. Chatterjee** : Government do not consider it necessary to lay a statement, which would be rather lengthy, on the table, but I shall be prepared to show the Honourable Member the list, giving the information he requires, if he will call at my office.

QUARTERS AT " LONGWOOD " IN THE OCCUPATION OF GOVERNMENT OFFICERS.

2333. \***Khan Bahadur W. M. Hussanally** : (a) Will Government please state how many officers had to vacate their rooms or quarters at " Longwood " in the May-June and September sessions this year, to make room for Members of the Legislature ?

(b) Were these officers occupying the main building, the annexe, the New Block—Range or Cottages ?

**The Honourable Mr. A. C. Chatterjee** : May—June Session 1924 :  
4 officers, namely, one living in cottages, and  
3 in the New Block.

September Session 1924 :

4 officers, namely, one living in cottages, two in the New Block  
and one in the annexe.

CRAIG DHU, SIMLA.

2334. \***Khan Bahadur W. M. Hussanally** : (a) Is Craig Dhu a Government building or a private concern ?

(b) If the former, is it also intended for Government officers exclusively ?

**The Honourable Mr. A. C. Chatterjee :** (a) Government property.

(b) Yes.

NET PERCENTAGE REALIZED DURING THE LAST THREE YEARS ON THE CAPITAL INVESTED IN "LONGWOOD".

2335. \***Khan Bahadur W. M. Hussanally :** (a) What was the gross rental realized each year during the last 3 years from "Longwood" ?

(b) What was the total cost of maintenance each year during the same period including repairs, taxes and all other expenditure ?

(c) What was the nett percentage realized on the capital invested ?

**The Honourable Mr. A. C. Chatterjee :** A statement giving the information is laid on the table.

Year.	Rent realized.	Total cost of maintenance.	Nett percentage realized.
	Rs.	Rs.	
1921-22 ..	15,763	16,361	-0.09
1922-23 ..	25,480	21,820	+0.5
1923-24 .. ..	30,563	28,791	+0.26

HINDU, MUHAMMADAN, ANGLO-INDIAN, EUROPEAN AND PARSIS OFFICERS IN THE POSTS AND TELEGRAPHS DEPARTMENT DRAWING RS. 300 AND OVER.

2336. \***Khan Bahadur W. M. Hussanally :** (1) What is the total number of officers (a) in the Postal Department, (b) in the Telegraph Department in India, drawing a salary of Rs. 300 and above per mensem ?

(2) How many of them are Hindus, Muhammadans, Anglo-Indians, Europeans, Parsis and others ?

<b>The Honourable Mr. A. C. Chatterjee :</b> (1) (a) ..	295
(b) .. ..	571
	866
(2) Hindus .. ..	249
Muhammadans .. ..	46
Anglo-Indians .. ..	451
Europeans .. ..	89
Parsis .. ..	11
Others .. ..	20
	866

HINDU, MUHAMMADAN, ANGLO-INDIAN, EUROPEAN AND PARSİ SUPERINTENDENTS OF POST OFFICES.

2337. \*Khan Bahadur W. M. Hussanally : (a) How many Superintendents of Post Offices (including R. M. S.) are there in India ?

(b) How many of them are Hindus, Muhammadans, Anglo-Indians, Europeans, Parsis and others ?

<b>The Honourable Mr. A. C. Chatterjee :</b>	(a)	..	180
	(b) Hindus	.. .. .	78
	Muhammadans	.. .. .	32
	Anglo-Indians	.. .. .	49
	Europeans	.. .. .	3
	Parsis	.. .. .	5
	Others (Burmans, Sikhs, etc.)	.. .. .	13

FLOODS IN SOUTHERN INDIA.

2338. \*Mr. A. Rangaswami Iyengar : Will the Government be pleased to state :

(i) whether they have received any and, if so, what reports from the Madras Government of the damage and distress caused by the recent flood disaster in the Madras Presidency and if so, whether they will lay the same on the table of this House ?

(ii) whether they have received any particulars, detailed or approximate, of the actual extent of damage to roads, buildings, irrigation sources, cultivated and cultivable lands, private dwelling and huts and other property or resources public or private, caused thereby ?

(iii) whether they have received any application from the Madras Government for special grants to meet the expenditure needed for reconstruction and relief work that has to be undertaken in the districts affected and if so, what action the Government propose to take thereon ?

(iv) whether the Government will be prepared to afford facilities to the House on any official day with the permission of the Honourable the President of the Assembly, to convey its recommendations to the Governor General in Council in this behalf ?

Mr. J. W. Bhore : (i) and (ii). The attention of the Honourable Member is drawn to the reply given to part I of Haji S. A. K. Jeelani's question No. 1977 on the same subject.

(iii) The Madras Government have applied for a loan and the Government of India are prepared to grant it but not on the terms requested by the former. The whole matter is still under consideration.

(iv) I regret that no special facilities for discussion of the subject can be given.

DATE OF COMMENCEMENT OF THE WINTER SESSION OF THE ASSEMBLY IN 1925.

Mr. Jambadas M. Mehta : I have given private notice of a question to the Honourable the Home Member.

**Mr. President :** I have received no notice from the Honourable Member that he wished to ask a question. If he will ask the question now I will see whether it is in order.

**Mr. Jamnadas M. Mehta :** Before asking the question Sir, I may be permitted to say that the question is being asked simply for the preservation of the rights of the Assembly and not out of any want of respect for or confidence in you. If I may be permitted to say so, Sir, I am one of those who believe that the Chair seems to be eminently fitted for you and you, Sir, for the Chair.

The question is :

Will Government be pleased to make a statement as to the time when the winter session of the Assembly for 1925 will begin? Are Government aware that unless that session is commenced some time later than the 5th February 1925, the Assembly's right to elect its President will have been taken away for at least one session?

**Mr. President :** The Honourable Member is perhaps not aware that this question was sent in and was disallowed on the ground that it solely concerned the Governor General.

I have invited Government, however, to say whether they would be in a position to make a statement both regarding the end of this session and the beginning of the next. The decision rests entirely with the discretion of His Excellency the Governor General.

#### UNSTARRED QUESTIONS AND ANSWERS.

##### SCHEME FOR THE CENTRALISATION OF THE EAST INDIAN RAILWAY.

419. **Kumar Ganganand Sinha :** (a) Is it a fact that Mr. H. A. M. Hannay, had presented a scheme in connection with E. I. Railway expenditure? If so, will the Government be pleased to lay a copy of the scheme on table?

(b) Was it rejected by the Railway Board?

(c) Is it a fact that the Railway Board has submitted a scheme for the centralisation of the Railway to the Secretary of State for India? If so, will the Government be pleased to state (i) the nature of the scheme, (ii) whether or not any reply has been received from the Secretary of State for India and (iii) when the public is likely to be informed of the details of the scheme and (iv) if a new scheme of the Railway Administration is to be experimented, whether or not that scheme will be introduced after taking the consent of the Indian Legislature?

**Mr. C. D. M. Hindley :** The Honourable Member is referred to the answer already given to his question No. 1659 during this session.

##### REDUCTION OF FARES ON THE EAST INDIAN RAILWAY.

420. **Kumar Ganganand Sinha :** Is it a fact that by way of reduction of railway fares on the E. I. Railway only the fares of first class to intermediate class have been reduced and nothing was done to reduce the third class fare? If so, will the Government be pleased to say why?

**Mr. C. D. M. Hindley :** The answer to the first part of the question is in the affirmative. Government have no doubt that the possibility of reducing third class fares was also considered by the Agent.

**RUNNING OF A THROUGH AND FAST TRAIN FROM HOWRAH TO BENARES CANTONMENT *via* THE LOOP LINE ON THE EAST INDIAN RAILWAY.**

**421. Kumar Ganganand Sinha :** (a) Are not the Government aware of the fact that the people (specially the passengers from the Loop District to Patna, the headquarters of the Province of Bihar and Orissa) are put to great inconvenience on account of the absence of a through and fast train from Howrah *via* the Loop up to Benares Cantonment ?

(b) Are Government not aware of the fact that both the Governors of Bihar (Their Excellencies Lord Sinha and Sir Henry Wheeler) gave assurances to the public that such a train would shortly run ?

(c) If the answers to parts (a) and (b) are in the affirmative, will the Government be pleased to say whether or not such a train will be started ? If so, when ? If the answers are in the negative, will the Government be pleased to state what steps they propose to take to remove the inconvenience of the public ?

(d) Is it a fact that the proposal of a fast train was abandoned because the line was not found in order ? If so, will the Government be pleased to state what steps are being taken to improve the Loop line ?

**Mr. C. D. M. Hindley :** (a) Government are not aware that inconvenience is caused by the fact mentioned. A census of passengers travelling by this line was recently taken and it showed that the existing train service was poorly patronised.

(b) Government have no information to this effect.

(c) Government understand that the volume of traffic offering does not warrant the running of a through fast train over this line, and in the circumstances Government do not propose to take any action.

(d) As stated in the reply to (c) the absence of a through fast train over this line is due to the want of sufficient traffic to justify its provision.

**IMPROVEMENTS ON THE LOOP LINE OF THE EAST INDIAN RAILWAY.**

**422 Kumar Ganganand Sinha :** Will the Government be pleased to state what improvements have been made in the Loop line of the E. I. Railway, since its establishment in 1858 ?

**Mr. C. D. M. Hindley :** It is not possible within the usual scope of a reply to a question of this kind to give any satisfactory or comprehensive idea of the improvements that have been effected in the Loop line of the East Indian Railway over a period extending to about 65 years.

**LACK OF INTERMEDIATE CLASS WAITING ACCOMMODATION ON THE EAST INDIAN RAILWAY.**

**423. Kumar Ganganand Sinha :** (a) Is it a fact that there is no intermediate class waiting shed even on the principal stations of the E. I. Railway ?

(b) Are not the Government aware of the fact that the absence of such sheds causes great hardship to the middle class men who generally travel with their families in the intermediate class ?

**Mr. C. D. M. Hindley :** (a) Government understand that intermediate class waiting accommodation is provided at certain stations on the East Indian Railway.

(b) Government are not aware of passengers being put to such inconvenience, but a copy of this question and answer will be forwarded to the Agent.

#### ISSUE OF RETURN WEEK-END TICKETS ON THE EAST INDIAN RAILWAY.

424. **Kumar Ganganand Sinha :** (a) Is it a fact that week-end tickets are issued only from Howrah to certain stations on the E. I. Railway and no such tickets are issued from those places to Howrah ?

(b) If so, will the Government be pleased to say why ?

(c) Is there any possibility of the issuing of week-end tickets to Howrah from those places to which tickets are available from Howrah ?

**Mr. C. D. M. Hindley :** (a) Government understand that this is so.

(b) and (c). Government have no information. The object of such concessions of course is to attract traffic and that is probably the reason why the week-end tickets are issued only from Howrah. But a copy of the question and answer will be sent to the Agent.

#### INCOME FOR THE LAST THREE YEARS FROM GOODS TRAFFIC (EXCLUDING COAL) ON THE EAST INDIAN RAILWAY.

425. **Kumar Ganganand Sinha :** Will the Government be pleased to state the income from goods (excepting the income from the transport of coal) of each of the districts of the E. I. Railway for the last 3 years ?

**Mr. C. D. M. Hindley :** The earnings from goods traffic excluding coal, of the East Indian Railway system during the years 1921-22, 1922-23 and 1923-24 were Rs. 4,60,42,000, 5,42,65,000 and 5,56,91,000, respectively. Figures by separate districts are not readily available.

#### INDIANISATION OF VARIOUS CLASSES OF APPOINTMENTS ON THE EAST INDIAN RAILWAY.

426. **Kumar Ganganand Sinha :** Is it a fact that there is not a single Indian in the following services of the E. I. Railway :

- (a) District Inspector. (b) Travelling Ticket Inspector. (c) Luggage Inspector. (d) Detention Inspector. (e) Intermediate Class Hall Supervisor. (f) Platform Assistant. (g) Loco. Foreman. (h) Loco. Inspector. (i) P. W. Inspector. (j) District Carriage and Wagon Inspector. (k) Block Signal Inspector. (l) Signal Inspector. (m) District Superintendent. (n) District Engineer. (o) District Loco. Superintendent. (p) District Carriage and Wagon Superintendent. (q) Station Masters drawing over Rs. 200. (r) Assistant Station Masters drawing over Rs. 100 (except Cabin-Assistant). (s) Guards drawing over Rs. 100 ? If so, will the Government be pleased to state what measures, if any, are being taken to Indianise the railway services mentioned above ?

**Mr. C. D. M. Hindley :** Government have not got up to date information but inquiry is being made.

## MINIMUM PAY OF CLERKS ON THE EAST INDIAN RAILWAY.

427. **Kumar Ganganand Sinha** : (a) Is it a fact that in the E. I. Railway the minimum pay of the clerks is only Rs. 28 ?

(b) If so, how does it compare with the minimum pay of clerks in the various departments of the Government ?

(c) Is there any proposal for raising the minimum pay ? If not, why ?

**Mr. C. D. M. Hindley** : (a), (b) and (c). Government have not the information and cannot undertake to inquire or interfere in a matter of remuneration of the Company's clerical employees.

## AMALGAMATION OF THE TRAFFIC TRANSPORTATION AND COMMERCIAL DEPARTMENTS OF THE EAST INDIAN RAILWAY.

428. **Kumar Ganganand Sinha** : Will the Government be pleased to state whether or not the Railway Board has ever considered the question of the amalgamation of the Traffic Transportation and Commercial Departments of the E. I. Railway ? If so, will they be pleased to state what results it has arrived at ? If not, will it state the reason for the same and also if there is any possibility of their considering the matter in the future ?

**Mr. C. D. M. Hindley** : The Honourable Member is referred to the answer already given to his starred question No. 1659 during this session.

## RAILWAY COLLISIONS, ETC., DURING THE LAST TWELVE YEARS.

429. **Kumar Ganganand Sinha** : Will the Government be pleased to give the following figures year by year for the last 12 years :

(a) Number of collisions of trains.

(b) Number of derailments of trains.

(c) Number of averted collisions.

(d) Number of breaches of block rules.

(e) The amount paid as claims and damages.

and state what measures are being taken by the authorities to reduce each of them and if no measures have been taken, why ?

**Mr. C. D. M. Hindley** : The attention of the Honourable Member is drawn to Appendix C. of Vol. II of the Report by the Railway Board on Indian Railways for 1923-24 which will be issued shortly and to the corresponding Appendices in the Administration Reports for previous years. All the available information will be found there

## CLAIMS PAID FOR GOODS LOST OR DAMAGED ON RAILWAYS.

430. **Kumar Ganganand Sinha** : Will the Government be pleased to give figures for the last 12 years of the amount paid as a claim for damages, loss, miscarriage of goods and state what steps are being taken by the authorities to reduce each of them and if no measures have been taken, why ?

**Mr. C. D. M. Hindley** : A statement giving the information asked for in the first part of the Honourable Member's question is laid on the table.

With regard to the second part of the question the Honourable Member is referred to the reply given in this Assembly on 3rd July 1923 to question No. 86.

*Statement of claims paid for goods lost or damaged on class I Railways (in thousands of rupees).*

Year.			Amount.	Year.			Amount.
			Rs.				Rs.
1912	..	..	21,67	1918-19	..	..	46,40
1913-14	..	..	26,07	1919-20	..	..	71,92
1914-15	..	..	23,21	1920-21	..	..	1,12,60
1915-16	..	..	14,51	1921-22	..	..	1,16,96
1916-17	..	..	18,15	1922-23	..	..	1,21,28
1917-18	..	..	23,25	1923-24	..	..	79,10

**NUMBER OF PERMANENT EMPLOYEES RETRENCHED IN THE GOVERNMENT OF INDIA SECRETARIAT AND ATTACHED OFFICES.**

431. **Mr. Abdul Haye** : (1) Will Government be pleased to state the number of such permanent hands in the Government of India and attached offices whose services have been dispensed with under the recommendations of the Incheape Committee ?

(2) How many of such persons have been permanently provided for by Government elsewhere ?

(3) Is it a fact that in certain cases preference was not given to such men but outsiders were taken into service ?

(4) Will Government please state if they are prepared to provide at an early date for such men who have not been given any pension or gratuity and whose services have been terminated on account of the recommendations of the Incheape Committee ?

**The Honourable Sir Alexander Muddiman** : (1) and (2). The Honourable Member is referred to the reply given to Lala Duni Chand's question on the same subject on the 19th September 1924.

(3) No, except in the case of the five men, belonging to the Finger Print Bureau (whom it has not been found possible to place in permanent posts owing to their lack of qualifications.

(4) The position has been explained above. But if the Honourable Member knows of any other cases and will give me the facts I will have them examined.

**INDIAN MAIL AND PASSENGER ENGINE DRIVERS ON THE BENGAL AND NORTH WESTERN RAILWAY.**

432. **Mr. C. S. Banga Iyer** : Is it a fact that in the B. N. W. Ry. no Indian is allowed to drive mail trains or even passenger trains on main lines ?

**Mr. C. D. M. Hindley** : Government have no information and must necessarily leave discretion in such matters to the Company who are responsible for the safety and efficiency of their service.

**SCALES OF PAY OF ANGLO-INDIAN AND INDIAN APPRENTICES, IN THE BENGAL NAGPUR RAILWAY WORKSHOPS.**

433. **Mr. C. S. Banga Iyer** : Is there a difference in the scale of pay in the B. N. Railway of Anglo-Indian and Indian apprentices in the workshops ?

**Mr. C. D. M. Hindley** : The reply is in the affirmative.

**RACIAL DISCRIMINATION IN THE MATTER OF PAY OF ANGLO-INDIAN AND INDIAN APPRENTICES, ETC., ON THE BENGAL NAGPUR RAILWAY.**

434. **Mr. C. S. Ranga Iyer :** (a) Is the following tabular statement indicating the racial differences correct? If yes, will the Government take steps to put an end to them?

*Scale of pay for bound apprentice course in Railway workshops.*

European or Ang'o-Indian	—	A Grade. B. Grade.	
		Indian.	
Rs.		Rs.	Rs.
33 per mensem ..	I Year ..	20 per mensem ..	11 per mensem.
40 " ..	II " ..	22 " ..	12 " ..
45 " ..	III " ..	25 " ..	14 " ..
52 " ..	IV " ..	29 " ..	17 " ..
65 " ..	V " ..	33 " ..	20 " ..
120 " ..	Initial rate of pay on completion of the apprentice course.	45 " ..	Rs. 1 P. D.

(b) Are there similar differences in the scales of pay of the training examining staff? Will the Government be pleased to state the yearly minimum salary for the Europeans of the training examining staff and also of the Indians? Also the maximum?

**Mr. C. D. M. Hindley :** The Honourable Member has not stated to which particular railway he refers. If, however, as in the case of his previous question, he refers to the Bengal Nagpur Railway, the answers to his questions are :

(a) Yes, in so far as it relates to European and Anglo-Indian and Indian 'A' grade apprentices. As regards 'B' grade apprentices no information is available.

Under the terms of the Company's contract Government have no power to interfere directly in matters of this nature in case of Company's staff, but the desirability of removing discrimination of this type has been impressed upon them and it is hoped it will be gradually eliminated.

(b) It is presumed the Honourable Member refers to train examining staff. If so, the rates of pay are :

	Rs.
Chief Train Examiners .. .. .	350—400
Train Examiners, European and Anglo-Indian	160—300
Train Examiners, Indian (Special) ..	280

**SCALES OF PAY OF EUROPEAN AND INDIAN LOCO. RUNNING STAFF ON THE BENGAL NAGPUR RAILWAY.**

435. **Mr. C. S. Ranga Iyer :** (a) Are there differences in the scales of pay and the annual grade increases between the Europeans and the Indians in the Loco. running staff? Do the Government propose to take immediate steps to remove them?

(b) Were the grades of the European running staff revised thrice since November 1919 in B. N. Railway whereas the last revision was not extended to the Indian running staff ?

**Mr. C. D. M. Hindley :** (a) The Honourable Member's attention is invited to the answer given to question No. 1308 on the 6th June last in this House. The rules relating to pay, leave, etc., are being revised on State Railways with the object of removing racial discrimination, and when particular instances are brought to my notice, the matter is at once taken up. The same policy has been impressed on Company Railways and it is hoped that discrimination of this kind will gradually be eliminated.

(b) Government have no information about the particular points raised in the question but will inquire.

#### LEAVE RULES OF EUROPEAN AND INDIAN EMPLOYEES OF THE BENGAL NAGPUR RAILWAY.

436. **Mr. C. S. Banga Iyer :** Is it a fact that the B. N. Railway leave rules clearly lay down that only urgent private affairs leave with pay for 1 month in a year cumulative up to 4 months and sick leave on  $\frac{1}{2}$  pay up to 2 months in a year for duly certified sickness can be granted to the Indians and that casual leave is denied to them whereas the European staff are allowed the following kinds of leave :

- (1) Privilege leave at 1 month for 11 months' service. Cumulative up to 4 months.
- (2) Sick leave on full pay up to 2 months in a year:
- (3) Sick leave on  $\frac{1}{2}$  pay up to 2 months in a year.
- (4) Casual leave up to 14 days in a year.
- (5) Furlough up to 18 months on half pay or up to 4 months on full pay at a time after first 7 years' service to the extent of  $\frac{1}{2}$  active service or both full and half pay or combined with privilege leave.
- (6) Special leave on urgent private affairs on  $\frac{1}{2}$  pay up to an extent of 6 months.

**Mr. C. D. M. Hindley :** The Honourable Member is referred to the reply given to his previous question No. 435. The Government have not the information asked for in this question but will inquire.

#### PARTIALITY SHOWN TO ANGLO-INDIAN EMPLOYEES OF THE BENGAL NAGPUR RAILWAY IN CASES OF LEAVE PREPARATORY TO RETIREMENT.

437. **Mr. C. S. Banga Iyer :** Is it a fact that a kind of partiality on racial grounds is also shewn to Indian and Anglo-Indian staff in cases of leave preparatory to retirement as illustrated below :

	Europeans.	Non-Europeans.
Between 21 and 25 years service.	Combined leave up to 12 months (leave on full pay to the extent due up to a limit of 4 months and the remaining half pay).	Combined leave up to 9 months.
Over 26 years service	Combined leave up to 18 months.	Combined leave up to 12 months.

**Mr. C. D. M. Hindley** : The Honourable Member is referred to the reply given to his previous question No. 435.

**GRANT OF SUNDAY AND HOLIDAY PAY TO THE WORKSHOP STAFF OF THE BENGAL NAGPUR RAILWAY.**

438. **Mr. C. S. Ranga Iyer** : Is it a fact that on the B. N. Railway the workshop staff do not get pay even for public holidays and Sundays when the shops are compulsorily closed against them, but on almost all the important Railways in India there is a system whereby daily rated workshop employees do get pay for at least 15 holidays in a year ?

**Mr. C. D. M. Hindley** : The reply is in the affirmative. Companies have discretion to settle such matters in respect of their own staff, but the attention of the Agent will be drawn to the practice of other railways in this matter.

**LEAVE ALLOWED TO DAILY RATED STAFF ON INDIAN RAILWAYS.**

439. **Mr. C. S. Ranga Iyer** : Will the Government be pleased to state the particulars of leave with pay or holidays with pay to daily rated workshop staff on the Indian Railways ?

**Mr. C. D. M. Hindley** : According to the latest information available the leave allowed to daily rated staff was as below :

Madras Railway	}	16 days
B. B. & C. I. Railway		
G. I. P. Railway		
O. & R. Railway		
S. I. Railway	..	22 days
B. N. Railway	..	no leave
N. W. Railway	..	17 days
E. B. Railway	..	20 days
E. I. Railway (Loco.)	..	15 days to those in receipt of Rs. 20 and upwards and who are members of the Provident Fund.
E. I. Railway (C. & W.)		13 days.

**RETRENCHMENT OF INDIANS IN THE LOCO. DEPARTMENT OF RAILWAYS.**

440. **Mr. C. S. Ranga Iyer** : Will the Government be pleased to state the number of Indians in the Loco. Department who were brought under retrenchment ? How many years had they put in as service ? Is it a fact that many of them were not given gratuity ?

**Mr. C. D. M. Hindley** : Government have not the information but are making inquiry so far as State Lines are concerned.

**RETRENCHMENTS ON CERTAIN SPECIFIED RAILWAYS.**

441. **Mr. C. S. Ranga Iyer** : Will the Government be pleased to state the services of how many men have been dispensed with under retrenchment in (a) O. and R. Railway. (b) B. N. Railway. (c) S. I. Railway.

(d) M. and S. M. Railway. (e) E. I. Railway. (f) R. and K. Railway ?

**Mr. C. D. M. Hindley :** A statement is placed on the table showing the number of subordinate staff employed on these railways on the 1st April 1924 as compared with 1st November 1922 :

*Statement showing the number of subordinate staff employed on certain railways on the 1st April 1924 as compared with the 1st November 1922.*

	O. & R. RAILWAY.		B. N. RAILWAY.		S. I. RAILWAY.		M. & S. M. RAILWAY.		E. I. RAILWAY.		R. & K. RAILWAY.	
	1st Nov. 1922.	1st April 1924.	1st Nov. 1922.	1st April 1924.	1st Nov. 1922.	1st April 1924.	1st Nov. 1922.	1st April 1924.	1st Nov. 1922.	1st April 1924.	1st Nov. 1922.	1st April 1924.
<i>(a) Subordinates drawing Rs. 250 p. m. and over or on scales of pay rising to Rs. 250 p. m. and over.</i>												
Europeans ..	89	87	376	292	64	69	86	83	861	857	8	9
Anglo-Indians ..	97	108	363	314	155	146	124	161	618	675	11	9
Indians ..	70	86	105	133	69	69	30	32	190	197	3	5
Total ..	256	281	844	739	238	284	240	276	1,669	1,729	22	23
<i>(b) Subordinates drawing less than Rs. 250 p. m. and on scales of pay not rising to Rs. 250 p. m.</i>												
Europeans ..	109	98	162	264	46	•	65	82	446	439	2	2
Anglo-Indians ..	261	230	771	913	1,111	•	1,892	1,867	1,151	956	22	11
Indians ..	29,200	28,601	57,202	60,242	31,121	•	47,821	46,361	107,433	107,033	5,920	5,442
Total ..	29,570	28,929	58,135	61,419	32,278	•	49,778	48,810	109,030	108,428	5,944	5,455

\*Information not at present available.

#### PASSENGER SUPERINTENDENTS ON RAILWAYS.

442. **Seth Govind Das :** Will the Government be pleased to state how many passenger Superintendents have been employed on different Railways and to what extent has the over-crowding of the third class passengers been reduced and their comfort been increased through their efforts ?

**Mr. C. D. M. Hindley :** The Honourable Member is referred to the answer given to items (b) and (c) of question No. 1651 asked by Mr. Jamnadas M. Mehta in this Assembly of the 8th September 1924.

#### PROVISION OF WAITING ROOMS FOR THIRD CLASS LADY PASSENGERS AT RAILWAY STATIONS.

443. **Seth Govind Das :** Has the attention of the Government been drawn to the great inconvenience felt by third class lady passengers at railway stations for want of separate waiting-rooms for them and if so whether they will arrange to provide separate waiting-rooms for third class lady passengers at all principal stations ?

**Mr. C. D. M. Hindley :** Government understand that separate accommodation in waiting sheds for third class lady passengers is provided where necessary. In this connection the Honourable Member is referred to the reply given in this Assembly, on 12th February 1923 to question No. 340.

#### PROVISION OF INDIAN DINING CARS ON RAILWAY.

444. **Seth Govind Das :** Has the attention of the Government been drawn to the experiment undertaken by the G. I. P. Railway, in running

a dining car for Indian passengers of all classes from Bombay to Delhi and back on express trains? If so, are the Government prepared to undertake to run Indian dining cars on other Railways also?

**Mr. C. D. M. Hindley** : Government are aware that the Great Indian Peninsula Railway have provided refreshment compartments for Indian passengers on certain trains.

With regard to the second part of the question the Honourable Member is referred to the reply given in this Assembly to his question No. 268 on 27th May, 1924.

#### VALUE OF STORES PURCHASED BY RAILWAYS DURING THE LAST FIVE YEARS.

445. **Seth Govind Das** : Will the Government be pleased to state the money value and nature of Railway materials purchased :

(a) In India,

(b) In England,

and

(c) In other countries during the last five years?

**Mr. C. D. M. Hindley** : The Honourable Member is referred to the Appendices in the Administration Reports on Indian Railways for the last five years, the last of which is in press and will be issued shortly. He will find in the Appendix, headed "Value of Stores Purchased by the Principal Railways during the year", information almost identical with what he requires.

It is regretted that Government are not in possession of information to enable the figures for (b) and (c) to be shown separately, and the preparation of such statistics would involve the expenditure of more time and labour than can be justified.

#### PURCHASE OF RAILWAY MATERIALS IN INDIA.

446. **Seth Govind Das** : Will the Government be pleased to state what steps have been taken to secure more and more railway materials in India from Indian manufacturers?

**Mr. C. D. M. Hindley** : The new rules for the supply of articles for the public service have been drawn up with the intention of encouraging the purchase of locally manufactured articles, compatible with considerations of price and quality. Copies of these rules were forwarded in May last to the Agents of the principal railways, impressing on them the importance of adhering to the policy laid down in the rules, and the Railway Board have no doubt that the policy will be given full effect to on those railways.

Copies of all English indents, prepared by State-worked railways, are scrutinized by the Indian Stores Department, who advise the railways concerned regarding any articles included therein which are manufactured in India and can suitably be purchased locally.

#### ENCOURAGEMENT OF INDIGENOUS INDUSTRIES BY THE OFFER OF PREFERENTIAL RATES ON RAILWAYS.

447. **Seth Govind Das** : Will the Government be pleased to state what steps have been taken by the Government to encourage indigenous

industries in India by offering them preferential freight rates on Indian railways ?

**Mr. C. D. M. Hindley** : Special low rates, which the Honourable Member will find in the published tariffs of railways, are quoted for the raw materials and finished products of various Indian industries on different railways. The Railway Board have already impressed upon Railway Administrations the desirability of fostering local industries by the quotation of favourable rates for the carriage of raw materials required in manufacture, and of the finished product.

#### OPENING OF THE NAGPUR-KAZIPET RAILWAY.

448. **Seth Govind Das** : Will the Government be pleased to state, now that the Itarsi-Nagpur line is open to traffic, when the Nagpur-Kazipet line will be open to traffic, providing a through communication from Delhi to Madras *via* Nagpur and Kazipet ?

**Mr. C. D. M. Hindley** : There is a slight inaccuracy in the Honourable Member's question as the Itarsi-Nagpur line is not yet opened throughout ; the last portion between Narkher and Amla will, however, be opened next month.

As regards the Nagpur-Kazipet line, the portion between Nagpur and Belharshah has been open for many years. The remainder of the line from Belharshah to Kazipet lies within an Indian State and its construction by that State has been sanctioned. It is understood that no work has yet been started between Belharshah and Goliara which is situated just south of the Godawari River : this length is about 85 miles. Of the remaining length, namely, 65 miles approximately, between Goliara and Kazipet, the southern portion from Ramgundum to Kazipet, 58 miles, has been already opened, and the remaining 7 miles between Goliara and Ramgundum is expected to be opened next month. Government are unable to say at present when the whole line from Belharshah to Kazipet will be opened throughout.

#### PROPOSED RAIPUR-WALTAIR RAILWAY.

449. **Seth Govind Das** : Will the Government be pleased to state whether the construction of the proposed Raipur-Waltair line connecting the eastern part of the Central Provinces with a nearer harbour, has begun ? If not, what steps have been taken in this matter ?

**Mr. C. D. M. Hindley** : The Honourable Member is evidently alluding to the Raipur-Vizianagram project, the position with regard to which is as follows :

- (a) Work was commenced in 1906 on the first section, Vizianagram to Parvatipur, 48.70 miles long, and this section was opened for public traffic in April 1909.
- (b) Work on the further section from Parvatipur to Singapur Road (37 miles) was commenced in 1911, but had to be closed down for lack of funds.
- (c) The question of proceeding with the rest of the project (Parvatipur to Raipur) has recently been revived, and is now engaging the attention of Government.

## STRATEGIC RAILWAY FROM PESHAWAR TO THE AFGHAN FRONTIER.

450. **Seth Govind Das** : Will the Government be pleased to state whether the proposed strategic railway from Peshawar to the Afghan frontier has been completed ? If so, what has been

- (a) its total cost, and
- (b) the cost per mile.

**Mr. C. D. M. Hindley** : The answer to the first part of the question is in the negative. It is anticipated that the line will be opened about 12 months hence. The latest figures of probable cost which have just been received and are under examination show that the total cost is likely to amount to about Rs. 253 lakhs or Rs. 9,12,000 per mile.

## RAILWAY CONNECTION BETWEEN INDIA AND BURMA.

451. **Seth Govind Das** : Will the Government be pleased to state what steps have been taken by them to connect India and Burma by rail ?

**Mr. C. D. M. Hindley** : Two alternative routes for a railway connection between India and Burma have been surveyed, namely, one from Chittagong via Akyab to Minhla and the other from Ledo to Sahnaw. As neither of these routes has been found, on an examination of the survey results, to be remunerative, the project for linking India with Burma by rail has been held in abeyance.

## INDIANISATION OF THE SUPERIOR SERVICES ON STATE-MANAGED RAILWAYS AND IN THE POSTS AND TELEGRAPHS DEPARTMENT.

452. **Seth Govind Das** : Will the Government be pleased to state what steps have been taken by them to Indianise the superior services in—

- (a) The State managed Railways, particularly in the Traffic and Engineering departments.
- (b) In the Postal and Telegraph departments during the last two years ?

**Mr. C. D. M. Hindley** : (a) The Honourable Member is referred to the reply given to Mr. Hussanally to a similar question on the 4th June last. Government have no later figures than those given. A comprehensive scheme for recruiting and training Indians in all branches of railway service is now under consideration.

(b) So far as the superior Postal Service and the superior Traffic Branch of the Telegraph Department are concerned, all appointments with the exception of five appointments of Postmasters-General reserved for the I. C. S., have for many years been filled by the promotion of senior qualified officers in the lower grades of the Department. In the ordinary course therefore, Indians are selected for these appointments and no special steps are considered necessary.

So far as the Telegraph Engineering and Wireless branches are concerned, it is already the policy of Government to recruit Indians for direct appointments in India, in accordance with the recommendations of the Islington Commission. The question of increasing the percentage of recruitment in India is now under consideration in connection with the Lee Commission's Report.

## INDIAN DELEGATES TO THE LEAGUE OF NATIONS.

**453. Seth Govind Das :** Will the Government be pleased to state whether they propose to consult the Assembly while selecting Indian delegates to the League of Nations ?

**Sir Henry Moncrieff Smith :** The Honourable Member is referred to the reply given to question No. 1778 asked by Khan Bahadur Sarfaraz Hussain Khan, on the 11th September, 1924.

## INDIAN OFFICERS IN THE ARTILLERY.

**454. Seth Govind Das :** Will the Government be pleased to state the number of Indian officers in the artillery divisions of the Indian Army, and if there are none, whether any early steps will be taken to recruit to train Indian officers for the artillery branch of the Indian Army ?

**Mr. E. Burdon :** The number of Indian officers with the Viceroy's commission serving with artillery units in India is 203. There are no Indian officers with the King's commission serving with such units.

## CONVERSION OF THE ROYAL INDIAN MARINE INTO AN INDIAN NAVY.

**455. Seth Govind Das :** (a) Will the Government be pleased to state what the present effective strength of the Royal Indian Marine is, and whether any efforts have been made to Indianise that force by recruiting and training Indians as Deck or Executive officers in the Royal Indian Marine ?

(b) Will the Government be pleased to state whether any steps will be taken in the near future to convert the Royal Indian Marine into an Indian Navy as a purely combatant force, in view of the serious difficulties experienced by India during the early part of the late war ? If not, why not ?

**Mr. E. Burdon :** (a) Approximately the present strength of the Royal Indian Marine is as follows :

Commissioned Officers	..	..	145
Warrant Officers	..	..	34
Ratings	..	..	1265

As regards the latter part, the question of the measures to be adopted for the recruiting and training of Indians for the commissioned ranks of the Royal Indian Marine was examined by the Indian Mercantile Marine Committee whose report is at present under the consideration of the Government of India.

(b) Proposals for the reorganisation of the Royal Indian Marine on a combatant basis are, at present, under consideration.

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 NOMINATIONS FOR THE STANDING FINANCE COMMITTEE FOR RAILWAYS.

**The Honourable Sir Charles Innes (Commerce Member) :** With your permission, Sir, I beg to make the following motion :

"That this Assembly do proceed to the election in such manner as may be approved by the Honourable the President of a Standing Finance Committee of the Assembly for Railways not exceeding eleven in number to which should be added one Member of the Assembly to be nominated by the Governor General. The Member so nominated shall be the Chairman of the Committee."

The motion was adopted.

**Mr. President :** The office of the Assembly will be open to receive nominations up to twelve noon to-morrow and the election to this Committee will take place in the Chamber at the beginning of business on Wednesday, the 24th, by the usual method, namely, the single transferable vote.

**RESOLUTION RE SUSPENSION OF THE TAXATION INQUIRY COMMITTEE AND SUBSTITUTION OF AN ECONOMIC INQUIRY COMMITTEE—concl'd.**

**Mr. President :** The House will now resume debate upon the Resolution moved by Mr. K. Rama Aiyangar :

“ This Assembly recommends to the Governor General in Council that he be pleased to suspend the Taxation Inquiry Committee and to appoint a Committee in its place for a close inquiry into the general conditions of economic life and labour in reference to the resources of the country and an estimate of the national income.”

Since which an amendment has been moved to substitute the following for the original Resolution :

“ This Assembly recommends to the Governor General in Council that he be pleased immediately to dissolve the present Taxation Inquiry Committee and instead thereof to institute a thorough inquiry into the economic condition of the various classes of the people of India, their income per head, their capacity to bear the existing burden of taxation, and the general resources of the country, through a representative Committee, at least two-thirds of which shall be elected by the Indian Legislative Assembly.”

Since which a further amendment has been moved :

“ After the words ‘ resources of the country ’ to insert the words ‘ and an investigation into the defects of the prevailing system of Land Revenue Assessment ’.”

**The Honourable Mr. A. C. Chatterjee** (Industries Member) : Sir, I followed the debate that took place on Thursday last on the amendments and the Resolution that are now before this House with very great interest, and if I may say so, with considerable perplexity. My interest was aroused because I found successive speakers referring to the economic condition in which the masses of the people of this country live in their villages and in the various urban areas and industrial centres. Sir, until seven or eight years ago it was my good fortune both by reason of my official duties and on account of my personal predilections to spend more than two hundred days in the year in the villages, trudging the ploughed fields, talking to the villagers in their homes or in the Dalan, in the Chawpal or by the village well. I had to mix not only with the agriculturists but with the landless labourers, with the handicraftsmen, with the village artisans. In this House I think I can safely say that no one who has mixed with these people can but have an abiding affection for our toiling masses. We cannot help rejoicing with them when a bounteous rainfall assures a plentiful harvest ; nor can we help sharing their pain and anxiety when the fields lie fallow under a scorching drought, or when plague or pestilence stalks through the land. Those who believe with me that political advancement is neither worth having nor will it be had without a corresponding economic progress of our masses cannot but welcome a serious discussion of the economic condition of the people by the representatives of the people in this House. But, I was perplexed by the trend of the debate that took place last Thursday because I found that it was developing into an acrimonious discussion as to whether the people were better off or worse off than

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they were at some imaginary and undetermined date in the past. Sir, I do not wish to be misunderstood. I do not deprecate comparative studies. If I may confess my own personal tastes to this House, I may say that my greatest interest in any studies outside my work is in the study of the social and economic conditions of this country in previous centuries. Indeed, it used to be for a long time my ambition that I might participate in the labours of the scholars who are now working both in this country and abroad at studying the facts appertaining to this fascinating subject, the social and economic conditions of India in previous centuries, and I do hope, Sir, that this rising band of historians and economists who are working in this field will receive very large reinforcements from our students in the universities, and that they will receive all necessary encouragement from the universities and where possible from the State. I also hope, Sir, that these scholars will receive munificent endowments for their researches from territorial magnates like my friend over there, Mr. Goswami, or from commercial magnates like my friend, Sir Purshotamdas Thakurdas, both of whom have evinced such keen interest in this question. But, Sir, we are not dealing with the past at the present moment. Our concern is with the present. Although we might derive most valuable lessons from a study of the past, I would earnestly advise this House to leave the study of the past to historians and economists in the seclusion of their studies or in their research libraries. I wish this House not to treat itself as a historical society but as a national Parliament which has to consider the present condition of the masses and to concert measures for their improvement.

Sir, there are two questions before the House. The first question is whether the Taxation Inquiry Committee which has been initiated by Government should proceed with their labours. The second question is whether there should be a general inquiry into the economic condition of the agricultural and labouring classes in this country.

So far as I am concerned, I can find no conflict at all between these two proposals and therefore I could not understand why speaker after speaker felt it his duty to deprecate one inquiry if he wanted to encourage the other. I confess that I have the very greatest sympathy with the proposal for a general economic inquiry into the condition of our masses, but as I have said already, my own view is that this inquiry should be made not in order to find out whether the people are better off or worse off than they were in previous centuries or even 50 years ago but this inquiry should be with the object of finding out their present condition and in order to discuss methods for their improvement. Sir, nobody disputes the poverty of the great masses of our fellow-countrymen, their low standard of living, their poor physique, their lack of stamina, their retarded intelligence. But we have to study whether these conditions have been caused by social circumstances, by the climate, by all the other factors that constitute their environment. We have also to study to what extent these conditions can be improved by social efforts and to what extent and to what degree administrative action or legislative action is necessary. Sir, I am an optimist like my friends opposite, the members of the Swaraj Party. I do believe that these conditions can be remedied. In my own experience I have seen the inhabitants of our villages, some of them miserable specimens of humanity, escaping from

the most depressing environment of their own villages, from circumstances in which their physique was stunted, their intelligence was stunted, their mental freedom was stunted. They have escaped from these conditions into better environments and they have developed into citizens of whom any country might be proud. Sir, I believe that improvement is possible but I also realise the very great difficulties that lie ahead. I do believe, as I have said, in a serious, continuous and co-ordinated study of the condition of our fellow-citizens in the country ; but I also realise that in order that this study might be of any value it has to be spread out over a large number of years. I do not believe that it can be concluded even in a few years as my Honourable friend, Sir Sivaswamy Aiyer, seemed to think. I also believe along with my Honourable friend, Mr. Calvert, that for the purposes of such an inquiry you need not only Government officials but you want a whole army of trained expert investigators. For an inquiry of this sort you will need to study not merely the village records, records which are kept with meticulous accuracy in some of our Provinces—for instance, in the Province with which I am most acquainted, the United Provinces ; you will need to study the records of our growing co-operative societies, you will need to study all possible available records and you will want an army of investigators. As I have said it will take a long time. Those of us who have made any attempt to study the land revenue history of Northern India during the last 50 or 100 years are familiar with the settlement reports that used to be compiled by the officers entrusted with the settlement of land revenue in Provinces like the United Provinces and the Punjab in the seventies and the eighties of the last century. Those settlements were conducted in a leisurely fashion. The officers entrusted with the settlements had ample time and also ample staff. Their settlement reports are a mine of information to all students and even those records do not satisfy all the requirements that modern standards and modern needs prompt us to collect.

I think, Sir, I have said enough to indicate that a general economic inquiry will take a long time and will require not only the help of Provincial Governments but also of a very large army of investigators. I thought, Sir, from the speeches that I heard on the last occasion that there was an impression among Honourable Members of this House that the Government of India were opposed to such an inquiry. I have yet failed to understand why there should be any such impression. I think I have said enough to indicate that the Government of India are not opposed to any such inquiry. As my Honourable friend the Finance Member indicated the other day, the Government accepted a Resolution on this subject in the Council of State in February last and Government have been in consultation with Provincial Governments on this subject since then. As he stated, we have not yet received replies from all Local Governments and I do not wish to prejudge or even to forecast what the final decision of the Government of India will be. All I can say is that in my own personal view an inquiry of that description will require a very large number of investigators, will have to last over a very long time to yield any really valuable results and cannot be undertaken without the co-operation both of the Provincial Governments and of many non-official associations and individuals. Therefore, Sir, I wish that this House should not come to a hasty conclusion in this matter. I think I have indicated that we desire that there should be a full inquiry.

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but the results of the inquiry would be valueless if we did not have a really good inquiry. I think there will be plenty of opportunities before any final decision is come to on this particular subject of a general economic inquiry,—I think there will be plenty of opportunities for further discussion on this subject both in this House and in the provincial Legislative Councils because, as I have already said, I agree with the Honourable Mr. Calvert in thinking that the Provinces also are vitally interested in such an inquiry.

Now, Sir, I come to the other subject, the original motion that was before the House, namely, whether the taxation inquiry should proceed. Here also I could not understand why Honourable Members of this House proceeded on the assumption—an assumption which so far as I can judge is entirely unwarranted by the facts of the case—that the underlying object of this taxation inquiry is to increase the burden of taxation on the people of India. I can find no such statement in the terms of reference which were published during my absence from this country but which I have studied with very great care. What are the terms of reference? With your permission, Sir, I should like to read them over again to the House. Paragraph 5 of the Government Resolution runs as follows :

“ The following are the terms of Reference to the Committee :

- (1) To examine the manner in which the burden of taxation is distributed between the different classes of the population ;
- (2) To consider whether the whole scheme of taxation, central, provincial and local, is equitable and in accordance with economic principles and if not in what respects it is defective.”

I should like Members of this House to consider these two terms of reference without any prejudice and with an entirely open mind. Personally I should have thought that most Members of this House—Members who have sympathy with the poverty-stricken agriculturist, with the poorly paid day labourer, with the badly-housed and poorly paid town labourer—I believe there are many such Members in this House who have sympathy with these classes—I should have thought that they would welcome this inquiry into the incidence of the taxation on different classes of the population in this country. I should have thought that they would be only too pleased to have it ascertained whether the existing taxation bears hardly on any particular classes of the people and if so whether the incidence could not be moved from those classes to other classes better able to bear such taxes. Personally, Sir, I should have thought that they would welcome also the second term of reference, which includes a study as to whether the scheme of taxation is equitable and in accordance with economic principles.

Now, what is the third point of reference? “ To report on the suitability of alternative sources of taxation.” On the last occasion we heard an impassioned speech from my young friend, the Honourable Mr. Chaman Lall, who advocated what is known as the single tax, the taxation of land values. We also heard another impassioned speech from my Honourable friend, Sardar Gulab Singh. He advocated on the other hand quite the opposite panacea, the permanent settlement of land revenue in all provinces of India. I should have thought that both my Honourable friends would welcome an inquiry into the suitability of these alternative sources of taxation.

Then, Sir, the fourth term of reference is :

“ To advise as to the machinery required for the imposition, assessment and collection of taxes, old and new.”

I cannot conceive of any opposition to this term of reference. From the interpellations that I listen to from day to day in this House it has always seemed to me that there is considerable dissatisfaction amongst at least a certain section of Members with the manner in which two of our principal taxes, the customs duties and the income-tax, are collected. Then, why should you object to an inquiry with regard to the machinery required for the imposition and assessment and collection of these taxes ?.....

**Diwan Bahadur M. Ramachandra Rao** (Godavari *cum* Kistna : Non-Muhammadan Rural) : May I ask the Honourable Member what is the exact significance of these words “ old and new ” ? Does it presuppose new forms of taxation ?

**The Honourable Mr. A. C. Chatterjee** : I take it that the word “ new ” refers to the alternative sources of taxation ; for instance, if my Honourable friend, Mr. Chaman Lall’s theory is accepted and we want to tax land values, surely if the Committee advises it, it should also advise with regard to the machinery required for the imposition, assessment and collection of such taxes.....

**Mr. C. Duraiswami Aiyangar** (Madras ceded districts and Chittoor : Non-Muhammadan Rural) : May I ask what the word “ and ” means there ? That new taxes will be tacked on to old taxes ?

**The Honourable Mr. A. C. Chatterjee** : I do not think that these terms of reference can be construed in the same way as a legislative enactment. I do not think there is really much difference between “ and ” and “ or ” in a paragraph in a Government Resolution that is drafted by a man who is not an expert draftsman.....

**Dr. H. S. Gour** (Central Provinces Hindi Divisions : Non-Muhammadan) : May I, Sir, inquire whether the Honourable Member perceives any difference between standardising the present rate of taxation and the reduction of taxation after the economic inquiry ?

**Mr. President** : These are argumentative questions which ought to form part of a speech ; they do not make appropriate interruptions.

**The Honourable Mr. A. C. Chatterjee** : With reference to the question which Mr. Duraiswami Aiyangar put a little while ago, I should like to refer him to the opening sentence of paragraph 2 of the Government Resolution. It is said there distinctly that the motive for the appointment of the Committee is not the need for meeting additional expenditure or any intention to increase the total amount raised by taxation in India. I beg of Honourable Members of this House to study these terms of reference and the language of the Government Resolution carefully, not as a legislative enactment but as expressing the views in very rough and very tentative language of Government.

Sir, I have said enough to indicate that there is really no difference of opinion at least between those who want an inquiry into the present schemes of taxation in this country and those who want a general economic inquiry. I think, as has been already indicated in the Government Resolution, the taxation inquiry will provide a good deal of material, indirectly no doubt, which will enable us to decide what

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would be the best lines for a general economic inquiry if one is initiated. It would help us very greatly in determining the scope and the method of such inquiry. I think I have indicated that there is no reason whatever for opposing the taxation inquiry simply because we want a general economic inquiry. I therefore earnestly ask all Members of this House to ponder over the question carefully and I hope that both the Honourable Mover of the Resolution and the Mover of the amendment will withdraw their motions.

**Mr. Narain Dass** (Agra Division : Non-Muhammadan Rural) : Sir, I would like to add a few words to the amendment moved by Sardar Gulab Singh. Before doing so, I would like to submit, Sir, that the Honourable Mr. Chatterjee has treated the whole of the discussion of this Resolution as if it was merely an academic one, as if its sole object was to compare the present condition of India with its past condition. Sir, I submit that that is not the object of the Resolution. What we want is simply to know, in whatever way it may be possible, the taxable capacity of the people. I do not know that it will require a great deal of logic or that it will require a great deal of reasoning to show that the taxable capacity of the people and the quantity of taxes to be raised from them are inseparable and that they are indissolubly and intimately connected together. I do not know, Sir, with what show of reason, with what show of logic, it can be advanced at all that we can hold an inquiry—what has been courteously called a scientific inquiry—into the present methods of taxation without knowing at all and totally ignoring what our capacity to pay those taxes is. Now, Sir, we may look at the present position of the country. After a rule of 160 years, after introducing a variety of taxes (we can well imagine that at some remote period land taxation and one or two other forms of taxation were the only taxes the people of this country knew). During a time extending over 160 years, after introducing a variety of taxes, after mutilating or distorting the land revenue system of the country, after introducing innumerable taxes during this period, after putting a burden of 41 crores of rupees on the shoulders of the people, we are going to make a scientific inquiry into the matter. Now, what will be the result? The whole basis of the inquiry presupposes that it is really a sort of readjustment of the taxes. It is only a sort of inquiry which will make a redistribution or readjustment. It does not presuppose, it does not take for granted that the least burden will be taken off, or that the capacity of the people to pay taxes will be taken into account. Now, just take the land revenue only. What do we see in some of the provinces? I will take my own province. During the last four or five years irrigation charges have been increased by 50 per cent; a burden of about 25 lakhs of rupees has been added by the Irrigation Department. Now, taking the land recurring settlement, I find that automatically, without any extra effort, two districts or 1½ districts on an average give an extra four or five lakhs of rupees a year. Now, that is the sort of thing which goes on imperceptibly, *ipso facto*, without providing anything for it. It is the normal thing. Now, after all this, we are simply going to make an inquiry—a scientific one—without taking at all into account what the taxable capacity of the people is. I would, therefore, submit, Sir, that, before we take to any such inquiry, we should make sure that the taxable capacity of the people—their capacity to bear the existing burden of taxation,

not to speak of the extra burdens that are going to be or that might be devised by the inquiry that is imposed on them—to make sure what their present capacity is. And, unless this is granted, I think it will be simply putting the cart before the horse.

With these words, Sir, I support the amendment put forward by my friend, Sardar Gulab Singh, as also the amendment moved by the Honourable Mr. Goswami.

**Mr. President :** In order to give a chance to some of the other amendments, I had better put Sardar Gulab Singh's amendment immediately.

The question is :

“ That after the words ‘ general resources of the country ’ in Mr. Goswami's amendment, the following be inserted :

‘ and an investigation into the defects of the prevailing system of Land Revenue Assessment ’.”

The question is that that amendment be made.

The motion was adopted.

**Diwan Bahadur T. Rangachariar** (Madras City : Non-Muhammadan Urban) : Sir, I have closely followed the well-reasoned speech of the Honourable Mr. Chatterjee and I agree with him that the object of any inquiry now should be to aid us in the practical administration of the country and to better the poor condition of the people rather than to draw an odious comparison or a favourable comparison with the past. No object is served at all by going into the historic past and finding out whether the conditions then prevailing were better or worse than the present-day conditions. I am also of the opinion that the inquiry now started by the Government is a desirable inquiry. The objects of the inquiry as defined in the terms of reference are laudable in themselves. At the same time, my objection to that is that it is not thorough-going, it is not complete, it is imperfect, it is one-sided, and, if the inquiry is confined to the terms of reference, the results afforded by that inquiry will be unsatisfactory, and will not help us or the Government to come to right conclusions in dealing with the propositions which they have laid before them. My amendment to Mr. Goswami's amendment seeks to remove two of the substantial objections to Mr. Goswami's amendment, and also one of the objections to Mr. Rama Aiyangar's original Resolution. Both of them desire that the present inquiry started by Government should be stopped—either suspended or stopped altogether. I am not for stopping the inquiry started by Government,—(Mr. T. C. Goswami : “ It has not been started yet.”) proposed to be started. I want that inquiry to commence. But I agree with them that the scope of that inquiry is too narrow, and I therefore propose that, in addition to the subjects referred to that Committee, the subjects referred to in Mr. Goswami's amendment should also be included within the scope of the inquiry. In fact, on reading the terms of the Government Order forming this Taxation Inquiry Committee, one is led to infer that the Government are not averse to inquiring into the economic condition of the people. Their terms of reference (1) and (2) cannot be adequately inquired into without this exhaustive inquiry into the economic condition of the people. (1) and (2) contemplate such an inquiry and, if the Government object to enabling this Committee or another Committee to be formed to go into the economic condition of the various classes of the people of India, their

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income per head, their capacity to bear the existing burden of taxation, the resources of the country, why should they do so I fail to comprehend. They themselves contemplate such an inquiry, as I have pointed out, in clauses (1) and (2) of their terms of reference. They imply that and this amendment of Mr. Goswami's merely makes plain what is implied, as I gather from the terms of Nos. (1) and (2) of terms of reference. If they are not, as I see from the nodding of the head on the Treasury Bench—(*The Honourable Sir Basil Blackett* : "I did not nod.")—then I should say that it is high time that they should be included. There should be no ambiguity about it. These terms also should be expressly embodied in the terms of reference.

The next point is whether the present Committee, as constituted, is sufficient—I do not say competent—to go into this detailed inquiry which is needed. I have the greatest respect for every one of the individuals who compose the personnel of this Committee. Two of them I know personally. One of them I know for 30 years—the President of the Committee—and I have certainly no objection to the Committee on personal grounds. It is quite true that if the inquiry is to be useful, if the inquiry is to be thorough, there should be a larger Committee than the Government now propose, and it should include in its personnel not only people from this country but experts from the West, experts who will bring to bear upon the execution of their task a fresh mind, an unprejudiced mind, a mind which is not accustomed to work in ruts, a fresh mind which will bring the Western ideas to bear upon an examination of the conditions in this country. I am therefore for dissolving this present Committee, as it has been composed. It does not mean that the gentlemen who have been asked to serve on this Committee should not be asked to serve on the new Committee which is to be constituted. It should be a larger Committee, which will be able to work in sub-committees, a larger Committee which will appoint various sub-committees to go into the various provinces and gather the materials necessary in consultation and in collaboration. That is my object. The inquiry, I quite admit, will be a very wide inquiry indeed. But I do not think it will take that long time which Government Members and my Honourable friend Sir Sivaswamy Aiyer anticipate if such an inquiry were undertaken. The materials are already there. The records of the co-operative societies in the various provinces, the settlement reports of the various provinces where permanent settlement does not prevail, and in addition non-official inquiries which have been made already and official inquiries which have been made already are available, and those materials can be used. I do not say they will be enough. They will have no doubt to supplement the materials that they have already got. I know, for instance, in Bengal, during Lord Carmichael's time, he started an inquiry into the condition of the people in the villages—a very valuable record it was—and I know the Economic Association in Madras have collected materials as regards the economic condition in certain typical villages. For the inquiry which I have in mind, it will not be necessary to inquire into the conditions in all the villages in all the provinces. It will be enough if you take typical villages, typical classes of people, and hold an inquiry as to their economic condition. I think ample materials will be available. It may take a year or two or even three years. What is the objection to such an inquiry, which will be a thorough inquiry? What is the urgency of the measure now contemplated? What is it that the Government are after? It is not

an academical inquiry they are after. They are apparently bent upon revising the systems of taxation. They think that the present system is not as scientific as it ought to be, and therefore they want to improve it. They want it to be more scientific. If they wish to make it more scientific, and if the object is not, as we have been assured this morning as also the other day, to find new sources of taxation—I think to put it more correctly it is not to find additional revenues,—it may be new sources of taxation—then what is the hurry of completing this inquiry in this imperfect manner? Nobody can deny that the two subjects are closely connected. You cannot find whether the present burden of taxation is equitably distributed between the different classes of the people and whether the scheme of taxation, central, provincial and local, is equitable and in accordance with the economic principles without finding out the bearing capacity of the people. You have to find out their standard of living, whether they have enough for living in comfort and whether you are taxing what is left after that comfortable living, or whether you are taxing the necessaries of life. Sir, the population of this country consists mostly of peasant proprietors. In most of the provinces—take Madras, take the United Provinces, take the Punjab—you will find the bulk of the people,—the people owning land, are about 60 to 70 per cent. In my own province it is about 80 per cent.—are merely peasant proprietors. In their case, Sir, they are equally taxed in the same ratio as the rich people, and if you really have to find out alternative methods of taxation and some have been suggested—two of them have been suggested in the debates, namely, death duties and also land values—how can you advocate them or determine not to recommend those two alternative sources of taxation without knowing the real condition of these peasant proprietors, who after all will have to pay either death duties or will have to bear the burden of a tax on land values? Sir, in my view, it is impossible to separate the two things. They are interdependent. You cannot come to satisfactory conclusions without coupling the inquiries. I therefore suggest that nothing is lost to Government. I agree with them that you cannot avoid an inquiry into the questions which are contained in the terms of reference of the Government Resolution, and at the same time you cannot avoid the other inquiry which is suggested in the amendment. They must be contemporaneous. One of the instructions to the Committee which I propose may be that they should make interim reports in advance. If the Honourable the Finance Member is really anxious to proceed with certain matters he has in mind, then one of the instructions to the Committee may be, after they have acquainted them sufficiently, to make interim reports under different heads so that he need not wait for the final report. So, even if there is any urgency on any matter, it may be solved in that way. I therefore suggest, Sir, that the inquiry should embrace all these points and should be by a larger Committee which should include in its personnel representative non-official Indians and experts. I do not advocate any method of election. I do not object to all these gentlemen going on that Committee. But I do object, Sir, to this partial inquiry, which is contemplated by Government. It will lead to no satisfactory results. One thing more. This Government are making themselves unpopular in various ways. (*A Voice* : “They are already unpopular.”). They are already unpopular and they are adding to that unpopularity. I know, Sir, that in province after province, the elected Members both of the old Councils and of the new Councils, have been pressing for an economic

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inquiry. I know, Sir, when I was in the Madras Legislative Council, we passed a Resolution in 1917 urging upon the Madras Government to undertake this economic inquiry into the condition of the people, but nothing was done. I know in other provinces it has been urged. It has been urged in every province. What is the Committee which you now propose? A Taxation Inquiry Committee. When you have added 49 crores of additional taxation to the Central Revenues, when Local Governments are imposing additional burdens in different ways, what is it that you now propose to make your Government more unpopular? You want a Taxation Inquiry Committee, whereas the cry of the country has been for an economic inquiry, you are pressing upon the country a Taxation Inquiry Committee. The term itself is objectionable. (*Laughter.*) My Honourable friend may laugh. (*The Honourable Mr. A. C. Chatterjee* : "What is there in a name?") There is a great deal in a name. You say that your object is to elevate the condition of the poverty-stricken millions. You admit that the bulk are poverty-stricken people in this country. Have an inquiry by all means. Put that in the forefront of the inquiry, and say, "Our object is to inquire into the condition of the people, to devise measures for their uplift, and at the same time to adjust the system of taxation on a more scientific basis." That the people can understand. What is it that you do? You say, "I want to adjust the system of taxation. I want to have a more scientific system of bleeding the poor people." That is what you want, that is how people understand it. That ought not to be encouraged. I would earnestly appeal to Government that nothing is lost by a prolonged but thorough inquiry. It is not an urgent matter. Even if the inquiry is not completed during the official lifetime of my Honourable friend, Sir Basil Blackett, for whom I have the greatest respect, when he vacates the Finance Membership he can go on that Committee and complete that task and thus help the country to come to satisfactory conclusions. Therefore, I repeat, nothing will be lost, and I move the amendment that stands in my name.

**Mr. President** : Further amendment moved :

"That for the words 'inquiry into' the words 'inquiry into the questions referred to that Committee and into' be substituted."

**Mr. W. S. J. Willson** (Associated Chambers of Commerce : Nominated Non-Official) : Sir, it seems to me that the whole of this debate has taken place about a year too soon! The Government have appointed a Taxation Inquiry Committee, and it seems to me that the right and proper course for us to follow is to let that Committee do its work and issue its report and one year hence, with that report in our hands, we might be in a very good position to debate many of the issues which have been raised to-day. Mr. Rangachariar says that there is, in fact, in existence some economic finding into the state of affairs in Madras. I have the volume in my hands. It is a large volume, it deals with comparatively few villages, and to hold such an economic inquiry as he proposes would necessitate a volume at least this size for every province in India. (*A Voice* : "For every district.") Well, I have in my hands this volume and I would like to call attention to what it says with regard to Indian poverty about which so much was made in the course of this debate. It says :

"To draw conclusions with regard to the broad economic conditions of life in India from a single village would be foolish; but even a single village may suggest far-reaching hypotheses, which it is worth while to state with a view to subsequent correction or verification."

That starts off with one village and we should have to do the same for many others.

“India was famous for centuries for its wealth. Recent writers, from Lord Macaulay onwards, assure us that India is extremely poor. The official estimate of the average income per head of the whole Indian population in 1898 was only £2, though that was, very probably, an under-estimate at the time, and would have to be very considerably raised now. My own estimate (this is a book by Dr. Gilbert Slater) for the average income per head in the Madras Presidency in 1916-17 is not less than Rs. 72.....The real wealth of any country consists mainly in sunshine, either sunshine received directly from year to year, or stored in the form of coal or oil. True, sunshine is valueless without rain, but Southern India has, over the greater part of its area, as a rule an excellent rainfall.”

Then, he goes on to say :

“Other crops are produced in immense variety and many of these are extremely productive and profitable.”

I would recommend a study of this article to Honourable Members. It is on page 17. It is for one province.

But I want to call attention to the fact that India as a whole is not the poor country that we are asked to believe it to be. India is not a poor country, but a wealthy one, and an extremely wealthy one at that. (Laughter). True, the wealth is distributed inequitably, but the wealth is there and, as I hope to show, is able to stand a basis of taxation which we should raise for the further development of the country largely in the interests of those who do not at present possess a fair share of this wealth.

India produces arable crops of the annual value of Rs. 1,715 crores. That is a figure exclusive of the mineral resources, cattle, and so on and so forth, and therefore, I think you might take a total value at Rs. 2,000 crores. I invite those who wish to take the average income at either Rs. 30 or Rs. 72—I invite them to divide that figure by the population of the country and tell me the answer. Personally, I attach no value to that answer, but I do say this that it knocks into a cocked hat the arguments that we have heard as to the ridiculously low income per head per annum in India. I am not interested in what happened 150 years ago, but I would like to call the attention of the House to some of the developments of India which have taken place in my own time. In the last 20 years since I have been here in India, the irrigated crops have increased from 203 million acres to 266 million acres—all under arable crops. In addition to that, India possesses some 90 million acres of some of the finest timber lands in the world. She has further 50 million acres of undeveloped land, and the new Barrage in Sind is expected to develop some 6 million acres and to add to the value of the crops Rs. 18 crores per annum. Now, Sir, if this is an achievement under British rule, is it an unfair figure to quote? What has been the result of the development of the Chenab Valley irrigation?

“A railway for the carriage of produce was commenced in 1895.....In ten years the population rose from 8,000 to 800,000. Lyallpur is now an important city with an enormous export trade. In 1919-20 the value of the crops grown on the land irrigated by the Lower Chenab Canal was no less than Rs. 16 crores, or nearly five times the capital cost of the work.”

Again, in paragraph 354 of this book, “The Land of the Five Rivers”, see what has been done to increase the value of the land.

“The first auction so held was in the Lower Chenab Colony in 1892; an average price of Rs. 43 per acre was obtained which was regarded at the time as highly satisfactory. In 1919, when about 3,500 acres of waste land in the new Lower Bari Doab Colony came under the hammer, an average price of Rs. 593 per acre was realized and a maximum of Rs. 1,105 per acre. These prices were somewhat speculative and later sales indicate that the present price of the land averages about Rs. 400.

[Mr. W. S. J. Willson.]

The flourishing condition of the people can be gauged from the fact that, in the latter colony, the price obtained for shop sites in the market towns has averaged nearly Rs. 40,000 per acre."

That is a direct result of the irrigation. For irrigation, it is perfectly true, you may have to borrow money to build your canals, but the interest on that money has to be paid out of the taxation, and it is largely because of your irrigation and your increased works that your taxation has gone up by this figure of 41 crores additional taxation which we so frequently hear of in this House. But the wealth of the country has gone up by more than that figure. The rice crop has risen from 50 million acres in my own time to 80 million acres, an increase of 60 per cent. The acreage under wheat has risen from 25 million acres to 30 million acres and the produce has increased from 7½ million tons of wheat to 10 million tons of wheat, an increase of 33 per cent. These increases are out of all proportion to the rise in the population. Therefore, they have produced a surplus of crops which you have now available for export and which you do export and bring in the money from abroad.

Then on the question of poverty. We have been all but told in this House that thousands of individuals in India live on a slice of salt a day with a few crumbs of bread sprinkled on top of it. But, Sir, the poverty of the individual, regrettable as it is, is very largely caused by laziness. If the agriculturist is poor in cash he is certainly very rich in leisure!

If we had the findings of the Taxation Committee, they would tell us how to distribute our taxes. We ourselves, on our own responsibility, threw back into the country some of the revenue which we were getting on the salt tax. We threw it back in a form which reaches the poor man in a fraction of a pie per head per week or some useless figure which he can do nothing with. Had we distributed that money to the provinces, the provinces would have been able to build water-works, or go on with sanitation, or some concrete solid thing which would last for ever and not be dissipated as our refunded salt tax is likely to be.

Part of the reason of the poverty is of course due to the early marriages. The poor quality of cattle is due to the fact that we grow far more cattle, more head of cattle than we can really feed, with the result that we have an altogether inadequate supply of milk.

Therefore, Sir, with all these very important problems to be considered, it seems to me essential that we should have the findings of this Taxation Committee. I know it has been said that the personnel of the Committee does not meet with the approval of many Members of this House. I ask you to consider for one minute, did the personnel of the Tariff Board appeal to you very strongly when you first heard of it? And what was the result? We had a Tariff Board consisting of one Indian Civil Servant, one professor from Bombay and one barrister from Rangoon. Not on the face of it, so far as their professions went, a very attractive Committee for business examination. But look at their work. Their work is perfectly brilliant, and we have no reason whatever to suppose that the work which this Taxation Committee will do will be any the less brilliant!

When we have got its report I am quite ready to find on page 26 or page 56 something which will start off a special inquiry under some sub-head or other with which we shall have to proceed. But to hold up the whole of the work of this Committee, in order to embark on another inquiry of this magnitude, seems to me to suggest the wrong thing to do. I there-

fore say that in our own interests we ought to await the findings of this Committee and then ask Government to give us a reasonable time, two or three days, for a full debate thereon, and, if necessary, the appointment of sub-committees to work out some of the details of their findings.

**Mr. A. Rangaswami Iyengar** (Tanjore *cum* Trichinopoly, Non-Muhammadan Rural) : I have noticed since the last day when we discussed this Resolution a good deal of tenderness for this Taxation Committee that has been asked to sit immediately and proceed with its inquiry. Various amendments have been suggested since that day which try to effect some kind of a compromise between this taxation inquiry and the economic inquiry which my friend Mr. Goswami desires should be carried out before any taxation inquiry is started. I desire to say that, so far as this taxation inquiry proper is concerned, our Resolution asks that this inquiry should be dissolved, and it asks that in its place an economic inquiry should be started. It has been said on the Government side that no reasons were adduced for stopping the taxation inquiry. Whatever may be the reasons urged for the necessity or advisability or the urgency of an economic inquiry of the kind suggested, the taxation inquiry should, it was argued, be allowed to proceed. My friend the Honourable the Finance Member gave us very roseate pictures of the great good that this taxation inquiry is going to bring to us in the achievement of Swaraj. We were told that this Committee will develop schemes of federal finance which must rejoice the heart of the Swarajist, and we were told that this Committee will also develop and place before this country a scheme which will be in consonance with the principles of reform for which this country stands. In fact, my friend went so far as to say that this inquiry is supplying a deficiency which was left unfulfilled at the time when the reform scheme was put into operation. I believe he used the words, "a gap in the reform scheme which this Committee will seek to fill". I was wondering whether all this was really what we are going to have and I looked at the terms of the answer which the Finance Member gave me to my question on the 18th February last as to the terms of reference of this Committee. I put that question in February having regard to the debate that took place in another place as regards an economic inquiry and as regards the purpose of this Taxation Committee's inquiry. There was a good deal said in that debate by the Finance Member and by the Member for Education, Health and Lands. Much was made at that time about the fact that this Taxation Inquiry Committee by itself would afford most excellent material and would be the starting point for the larger economic inquiry which the Government of India were then prepared to commit themselves to. We were told also at the time that the present system of finance in this country was no system at all. In fact my friend the Finance Member used the word "amateurish", and he wanted to replace this system by a scheme of federal finance. He wanted to readjust the financial system so as to make it in keeping with the scheme of self-government which we are expected to develop in the years to come. I ask, Sir, whether the terms of reference which have since been settled on in consultation with the various Provincial Governments are such as to lead to the discussion of any system of federal finance. I am surprised that the Honourable the Finance Member should talk of the inquiry which is now to take place as if it had any relation to any scheme of federal finance. My Honourable friend Mr. Patel the other day said that we would be putting the cart before the horse if we proceeded to deal with

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the system of taxation in this country before we dealt with the economic condition in the country. Sir, the Finance Member is really putting the cart before the horse in another way when he wants to evolve a scheme of federal finance before we can even think of a scheme of federal government in this country. A scheme of federal finance necessarily implies a scheme of federal government. Even the talk of mere provincial autonomy has not been tolerated in Government circles for a long time. We have been told again, Sir, in the course of the inquiries which have been conducted by the Reforms Inquiry Committee by no less a person than Sir Frederick Gauntlett, the Auditor General, that if any scheme of provincial autonomy within the Act is really recommended by the Reforms Committee, it would be a most complicated and difficult thing for him to separate provincial finances from the Central Finances. The manner in which the figures of Provincial balances and liabilities should be distributed and adjusted would be, he said, a most complicated and elaborate thing to carry out, and he said that provincial autonomy cannot be effected in financial matters in the easy way in which they talked about it before the Committee in regard to administrative matters. If that is the state of things, what is the use of talking in large terms and big phrases of federal finance, filling the gap in the reforms scheme and so on? What is the present position, Sir, so far as finances are concerned? The provincial finances, provincial taxation, as well as expenditure, are absolutely at the mercy of the Central Government and of the Secretary of State in Council. We have been told that we have been given separate finances, separate powers of expenditure, separate borrowing powers and what not. If one reads the sections of the Government of India Act and the rules made under those sections the absolute impotence of Provincial Governments as such, let alone the question of the control of the people by their representatives in the Legislatures, becomes more and more manifest. What opportunity has been afforded to the Provincial Governments to avail themselves of the power of borrowing which has been given them under section 30 (1) A of the Act? Very little use has been made of it because of the restrictions imposed. Indeed one of the things which we are told this Taxation Inquiry Committee is hereafter going to deal with is this question of borrowing and the creation of a Provincial Loans Fund. Then, Sir, we were told by the Honourable the Finance Member that apart from any question of economic conditions or of the burden of new taxes and so forth, there were certain administrative difficulties in connection with the existing complicated system of taxation which must necessarily be dealt with by this Committee, and that is why this Committee should sit and investigate. But I find, Sir, in answer to a question which I put to him on the 18th February last, that the two points of difficulty which he now says this Committee is going to deal with, have already been settled by the unanimous decision of the Provincial Governments' representatives at the Financial Conference which took place in November last. As regards the question of the Excise, in the answer which Sir Basil Blackett gave me in February, he said :

“ In addition to the inquiry into taxation the more important matters discussed at the conference of Finance Members of the Provinces were the question of improving the arrangements for provincial borrowing and establishing of provincial loans funds, the adoption of general principles in regard to excise so as to avoid conflicts of provincial interests and.....”

We then find in his answer :

“.....and the decisions of the conference, which were unanimous, will require and have been referred to, for confirmation by the respective Governments.”

I take it, Sir, therefore, that so far as this question of Excise is concerned, the decisions have been taken already and they only remain to be carried out.

I would next refer to the actual position of the Provincial Governments in regard to taxation and expenditure. Under the Government of India Act we find the Provincial Governments fettered in their power to tax provincial resources by what is known as the Scheduled Taxes Rules. If any scheme of federal finance is to be developed it cannot be by an inquiry into the working of the Provincial Scheduled Taxes Rules or Provincial Borrowing Rules, for it is clear that nothing can be done by the Provincial Governments or Legislatures without the previous assent of the Governor General in Council and the Secretary of State in Council in all essential matters. In a scheme of federal finance, we cannot have rules, for instance, such as we find in the Devolution Rules which say that without the previous sanction of the Secretary of State in Council, no appointments can be created by Provincial Governments involving a salary of more than Rs. 600 a month in the Reserved Departments, and no appointments involving a salary of more than Rs. 1,200 a month can be created in the Departments transferred to Ministers, who are supposed to be responsible to the Legislatures. Many such most meticulous restrictions do still find a place in the rules and in the regulations of the Government of India, and yet we are told that this great and grand Taxation Inquiry Committee is going to develop and evolve for us a scheme of federal finance. I say, Sir, the meaning of this inquiry is purely and simply, as my friend Mr. Patel put it, to find the best means of having fresh taxes and fresh resources for taxing the people of this country.

There is only one other point to which I desire to refer. This Committee which has been asked to inquire into the system of taxation has, curiously enough, been expressly restrained from dealing with the question of land revenue. Now, as has been pointed out by my friend Mr. Rangachariar, and my friend Sardar Gulab Singh, the question of land revenue goes to the root of all taxation in this country. And if you are going to evolve any system of taxation, central, provincial or local, the question of what you are to do with the land revenue is a vital question. My friend the Finance Member said that, so far as that question is concerned, the terms of reference would comprise land revenue only in so far as it bears upon the question of the burden of taxation on the people of the country. But I ask, Sir, is this land revenue going to be treated as rent or revenue? If it is going to be treated as rent, whose rent is it? Is it the rent of the Central Government or of the Provincial Government, or is it the rent of various local authorities in whose areas these lands acquire more and more value by reason of the work of the local administrations or authorities? These questions are all so complicated that I am surprised that my friend should regard this inquiry that is now being started under the very limited terms of the reference to it as an inquiry which is going to help us in the evolution of Swaraj. On the other hand, Sir, I think that neither the terms of reference nor the personnel which has been appointed to consider them can by any means deal with any of the real financial questions upon which we are most intent, most insistent and

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urgent to-day. I say, Sir, that no question regarding the reorganisation of the system of taxation or finances in this country can be taken up until you deal with the question of the reorganisation of the government in this country. The one bears most intimately on the other, and until the main question is settled, the taking up and settling of these subsidiary questions will only tie our hands and mortgage our rights and privileges for the future. When we, the people's representatives, are in a position to take up our own Provincial Governments and make them responsible and democratic, we will be confronted with the arrangements which this hole and corner inquiry now started will have imposed upon us. I therefore, strongly urge this House not to accept this Taxation Inquiry, nor the Committee which has been appointed to consider it on any pretext whatever. On the other hand, I desire that this House should whole-heartedly adopt my friend Mr. Goswami's amendment, because the inquiry into economic conditions is an inquiry which at all times and all places could be conducted and would be valuable to any Government, democratic or bureaucratic, that is in this country; and that inquiry will form the basis for the reorganisation of the system of taxation in this country upon federal or any other principles of Government that we may have to adopt. Federal principles of finance also vary. There are countries in which the Central Government has all the residuary resources of taxation; there are countries in which the part States have all the residuary resources of taxation. If you examine the provisions of our laws in India, there is no such conception found to exist. You have only what is called in the Government of India Act an "allocation of certain revenues", to Provincial Governments as the agents of the Secretary of State, and those allocations are subject to restrictions and rules which can by no stretch of imagination be said to confer autonomy on the Provincial Governments.

**The Honourable Sir Basil Blackett** (Finance Member) : Did I not say there was a gap in the present system ?

**Mr. A. Rangaswami Iyengar** : Oh, quite so : and therefore I say you should fill that gap in the proper way. I want to know how you are going to fill that gap by this inquiry when the Act and the statutory rules under the Act make it impossible for any Committee that you may now set up to alter those Rules or those sections of the Government of India Act. That is why I say that the Act must go ; it must be altered so that it confers real financial powers not only upon the Provincial Governments, but upon the representatives of the people in the Legislatures that will be set up by the amended Act to control them. Therefore, Sir, I submit that neither the inquiry nor its personnel should be accepted. On the other hand, we should proceed with this economic inquiry forthwith.

**Pandit Madan Mohan Malaviya** (Allahabad and Jhansi Divisions : Non-Muhammadan Rural) : Sir, the question before us has been debated from all points of view, official and non-official. The latest important contribution made to it is the speech of my Honourable friend Mr. Willson. He has told us of the great progress which has been made by India, by the increase of the land under cultivation, by the extension of irrigation works and in various other ways. He has unfortunately forgotten to tell us how much of this increased income

is absorbed by the existing administration. That is exactly the way in which a question like this is looked at by some of our European friends. There has no doubt been a great deal of improvement in many directions since British rule was established in India. There has also however been a great deal of deterioration in some other directions. The question to inquire into is, what is the sum total, what is the result of the progress achieved and of the losses suffered, of the obligations incurred and of the burdens imposed upon the people? That is a question which requires to be looked at squarely. If you merely look at the progress that has been made, if you only look at the green fields which tell you of increased cultivation, if you look merely to the figures which tell you how much grain has been exported outside the country, but if you do not at the same time inquire how much of the increased income which they indicate is left with the people, then you are doing a wrong to the people. You are not looking at the question in a fair and square manner; you are looking at only one side of the question, and want to beguile yourself into the belief that everything is fair and satisfactory in this world to-day. Now, Sir, the proposal for a taxation inquiry has emanated from Government, and it is important to note that not only the official Members but some other Members, particularly my European friends in this House, seem to desire that the inquiry into the economic condition of the people should be postponed, if not avoided. The taxation inquiry which has been proposed will not inquire into the capacity of the people to bear further taxation. It may recommend new taxes or readjustments of some existing taxes; but it is not likely to succeed in pointing out many new directions for taxation. It seems as if the Finance Member had conceived the idea of a taxation inquiry in a country where the Government has been newly established, and where new sources of income have been created for the first time. It seems as if it were forgotten that there has been an administration going on in this country even under British rule for over 150 years; that the possible sources of taxation have been looked into by every Finance Member, in fact by every Collector from the time he was appointed to the time he rose to be the head of the Government. The land has been taxed, customs duties have been imposed, salt has been taxed, excise has been taxed, stamps have been taxed, and I doubt if there are any sources left to be utilised as sources of fresh taxation. The customs duties are comprehensive enough to include any article which the Government may desire to tax. I should be surprised if the Taxation Inquiry Committee should be able to suggest many sources of taxation which have not already been thought of. If this view is correct, what will be the result of this Taxation Inquiry Committee's recommendations? We seem also to forget that there is a Central Legislature in India and that there is a Provincial Legislature in every province. It is the function of the Legislature to deal with the question of taxation. As I have said, the possible sources of taxation are very well known, and the question as to what new sources should be added to those already existing is a question entirely for the Legislature. You wish to ask a few gentlemen, all very able men, to investigate the question of the possible sources of taxation from the academic point of view, and to record their opinions on the subject. But when the necessity for fresh taxation will be felt by the Legislature, a concrete proposal will have to be brought before it and it will have to debate and decide what particular tax should be added to those existing or where taxation should be increased? The question will have to be considered in all its bear-

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ings by the Legislature, either the Central or the Provincial Legislature, as the case may be. Every single proposition of that kind will have to be submitted to the consideration of the Legislature. Now, I ask, Sir, what will be the value of the recommendations of the Taxation Inquiry Committee under those circumstances? Every proposition relating to taxation must come before the Legislature; the Legislature must examine it by itself, and in a matter like this the fact that a few gentlemen have made certain recommendations will be of very little value. We have had other Commissions of a larger character; we had the Industrial Commission in 1916, there were very able men on the Commission, many recommendations were made by them, and what has been the fate even of those recommendations? That is why I think, Sir, that the appointment of the Committee has been a mistake. The money that will be spent upon it will to my mind be lost; the time which will be given by these gentlemen who have been asked to work upon it will be largely, if not entirely, wasted.

The second ground, Sir, upon which I object to this Committee is that the Honourable the Finance Member has usurped the functions of this Assembly. I submit that where a Legislature is in existence, it is due to that Legislature that the Finance Member should come to it with a proposal like the one under consideration, lay it for the consideration of the Legislature and take its opinion on it before he undertakes to spend public funds upon it. He has no right to do otherwise—I mean no disrespect to the Finance Member—but I submit he had no right to do otherwise. It was the function of this Assembly to decide whether a Taxation Inquiry Committee should or should not be appointed; he should not have appointed the Committee without consulting the Assembly, and I submit, Sir, he would be wise in withdrawing from that position. If the matter had been laid before the Assembly, it would have been considered by it, and it is possible that the Honourable the Finance Member might have recognized the wisdom of not pressing his proposal. Or it might have been that the Assembly might have arrived at the conclusion that there should be a broader inquiry, an inquiry into the economic condition of the people which would naturally show in its result what taxation might be reduced and what taxation might be added.

The third ground upon which I object, Sir, to this inquiry is, that it puts the cart before the horse. You cannot fairly come to a conclusion as to the sources of new taxation, or as to what increase of taxation might be put upon the people, without knowing the economic condition of the people. It is no good hiding the fact from ourselves that taxation has been increased to a very large extent. There has been a long-lasting cry that the economic condition of the people cannot bear this taxation. My Honourable friend, Mr. Willson, gets up and says, "oh! the country has been prosperous, it is thriving, look at the green fields, look at all the exports, look at all the work that has been going on, and be satisfied that the economic condition of the people is good." It is wrong to look at the condition of the people in that way—it is like the way some dairy-men look at the cows in their dairy; they feed the cows, they give them shelter, in order to extract all the milk they can from them. The main question to be considered is, what is the amount of milk that you leave for the calves. The question is, of the income which has been increased how much is left with the people? That is the question which must be looked into before you can decide whether the

taxation which exists at present is or is not beyond the capacity of the people. Such an inquiry has been asked for for a long time. You go back to the time when the Indian National Congress was first constituted. At its very first session it urged that there should be an economic inquiry into the condition of the people. That request was repeated times out of number, but Government have never responded to it. Why should not Government now undertake such an inquiry? The question is of very great importance from every possible point of view so far as the people are concerned. You have high taxation existing here, and you must know whether the incomes of the people are such that this taxation can be justly continued. There has been a great deal of increase in All-India taxation, and that is the reason why this inquiry should be an All-India inquiry. I have been told that Local Governments are, with the exception of the Government of Bombay, opposed to an All-India inquiry. I am not surprised at it. Provincial Governments are apt to look at the question from the provincial point of view. They may not look at an Imperial question, at an All-India question, from the right point of view. If you have expenditure of an All-India character of a huge amount, if you have All-India taxes which the people have to pay, it follows naturally that there should be an All-India inquiry into the economic condition of the people. And what does an All-India inquiry into the condition of the people mean? It does not mean, as was suggested somewhat unjustifiably, that you should take the average income of a man in one village and adopt it as the average for all India. No one suggested such a course as that. There was an inquiry ordered by the British Government in the year 1884 during Lord Dufferin's time. In partial response to a demand for an economic inquiry by the National Congress, the Government of Lord Dufferin ordered an inquiry. That inquiry was held in some Provinces, particularly in the United Provinces. Certain villages were selected, and the results of the inquiry in those villages were synthesized to form an idea of the general condition of the people. If you will have an All-India inquiry now, it will mean you will have an inquiry from Province to Province. A few villages will be selected in each Province; and it will be ascertained what the incomes of the people of different communities there is. That, when synthesized, would give you an idea of the general average income of the people of the different Provinces. It will enable you to have an idea of what the general economic condition of the people is, and that is essential in order that you may be able to judge whether the taxation, which is at present laid on the people, should or should not be maintained.

Sir, when reference was made by my Honourable friend Mr. Willson to the increasing prosperity of the people, I wish he had also remembered the increasing taxation which has been imposed upon the people, and I wish he could tell us, after some calculation, how the increased produce of the country, how the increased income of the country, compares with the increase in taxation which has been imposed. He referred to the increase of 41 crores of new taxation, and he did not tell us how much of the increased produce which he had in his mind had been absorbed in order to support that taxation. The truth is that taxation has been increased in a large measure. All the new lands that have come under cultivation, all the green fields which have been made greener by the help of irrigation, have contributed to this extra taxation. In 1914 the military expenditure, the Army expenditure stood under 30 crores. Now it has gone up to 60 crores. It had been more than doubled at one time,

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and even now it is nearly double of what it was in 1914. Other taxation has likewise gone up. Look at the income-tax, look at the super-tax, and all the taxes you have added, and try to find out how it compares with the poverty of the people. Sir, there is no criterion available to us—not one particular criterion available to us—which might help us to form some idea of the income of the people, with the exception of one, and that is the income-tax. Let my friends who talk so glibly of the increased prosperity of the country look at the figures of the income-tax. Let them find out what is the average income of the more prosperous section of the people as shown by the figures of the income-tax, how few are the men who have very large incomes and how many of those few are to be found in the European community, big merchants who are growing rich on the trade and industry of this country, and high officials. When you look at the number of Indians who pay income-tax, you will find that the increase in the wealth of the country has certainly not been one-fourth so great as the remarks of my friends would make us believe. That is the situation. Therefore you need an All-India inquiry in order that you may find out what the national average income of the people is, in order that you may consider whether the existing taxation is justifiable. Such an inquiry is urgently needed. An economic inquiry into the condition of the people is urgently needed, because unless the real facts about the average income of the people are established, the great stimulus which such knowledge ought to give for the Government to reduce their expenditure will be wanting. The Government are not at present paying sufficient heed to the demands of the people for a reduction of expenditure; but if the facts regarding the general average income of the people could be established to a reasonable extent, I think that would exercise a great pressure upon the Government to reduce the existing expenditure and taxation. It is therefore vital in the interests of the people that such a general economic inquiry should be held. A taxation inquiry at present looks like adding an insult to an inquiry. The people complain of this injury that you have gone on piling taxation upon taxation without making an honest, an earnest attempt to find out their capacity to bear that taxation. While they are complaining of that you appoint a Taxation Inquiry Committee to find out how taxation might be increased and made more systematic. I challenge anyone, including the Honourable the Finance Member, to suggest a practical scientific system of taxation. It is an utter impossibility. A scientific method of taxation or no scientific method of taxation, the question of what taxes should be imposed depends upon the capacity of the people to bear taxation. What are the objects which are capable of bearing taxation most? Those have been found out, examined and decided upon by the predecessors of the Honourable the Finance Member and by other public men. Not much good will result by spending public time and money over such an inquiry. The inquiry that is demanded by justice, by the interests of the Government themselves, as well as by the interests of the people, is a general economic inquiry; and I hope the Government will yet revise their opinion.

The Finance Member should not think that the opposition to his proposal means any personal disrespect to him. In this world we have to carry with us those whom it is our duty to serve. The people have to be served. The representatives of the people are willing to co-operate with the Government in having a general inquiry, the result of which will also

serve the purpose of the Finance Member by showing where taxation might be reduced and where it might be increased. But to hold such an inquiry without having a general economic inquiry will be a very wrong procedure. It has been said that this inquiry will take a very long time. I beg to demur. I do not think it will take an enormously long time. As matters stand an economic inquiry might well be finished within a reasonable time. A period of twelve months or two years should be sufficient to give the people enough data to be able to form reasonable conclusions and to act upon them. If the inquiry is not completed within that time, it will yet place the Government in possession of facts which might lead them to restrain their hands, so far as increasing taxation is concerned. It might lead the Government seriously to think of reducing expenditure. For all these reasons I support the proposal of my Honourable friend Mr. Goswami with the amendment which Diwan Bahadur T. Rangachariar has moved. I hope the Government will consider the matter seriously and see if they cannot accept it, and by accepting satisfy the people that they have the interests of the people truly at heart.

**Mr. N. M. Joshi** (Nominated : Labour Interests) : Sir, I was somewhat surprised to see the opposition from some quarters to an inquiry into the incidence of taxation and into the question of its equitability. Sir, personally for myself when I learnt that an inquiry into the taxation of this country was going to be made I was very glad to hear that news. During the last few years the taxation of this country has increased tremendously without any examination of the incidence of that taxation, and also without inquiring whether that taxation was equitable or not. Not only that but it was only in last May that on account of an alliance between Government and the representatives of the people the taxation was increased. Even to-day, if Honourable Members will read the amendments to one of the Resolutions that are going to be discussed, they will find that some representatives of the people are coming forward with proposals to increase the taxation. Is it not therefore right for Government before they increase the taxation any further to inquire whether the present incidence of taxation is just or not, whether there are any classes of people in India who have reached the last limit of being taxed or not? I therefore feel greatly surprised at the attitude of some people who wish to postpone, at least if not to oppose, the inquiry into the incidence of taxation. Sir, I was glad at the appointment of this Committee, not because I approved of the terms of reference to this Committee thoroughly—I do consider that the terms of reference are inadequate and I do not want to say that I approve of every name on this Committee—but, Sir, I was glad because I felt that this inquiry, which is urgently needed, was at last being undertaken. I do admit that it is not possible for the Taxation Committee to do its work well and decide whether a particular tax is equitable or not without going into the question of the income and expenditure of the average man in this country. I do believe that a certain amount of larger inquiry is absolutely necessary in order that the Taxation Committee should do its work well. But, Sir, that does not mean that the two inquiries cannot go together, or that the taxation inquiry should be suspended till the larger inquiry is finished. In the first place my fear is that, if this larger inquiry into the economic condition of this country is undertaken, and if the members of the Committee take it into their heads to do their work very thoroughly as some people said, I am afraid, as one Member of the Council of State

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stated, the inquiry may take fifteen years. (*Diwan Bahadur T. Rangachariar* : "Not at all"). I do therefore want this Committee to put a limit to the work which it may undertake and finish its work as early as possible. But, Sir, at the same time I do not want the Taxation Inquiry Committee to suspend its work. Let the two things go together and be finished as early as possible; because if the taxation inquiry is suspended, there are really great dangers of the poor people of this country being saddled with unjust taxation. There are already proposals to increase the taxation, and to reduce some. There is going to be a proposal discussed to-day that a certain tax should be removed. Now, if that tax is going to be removed and if there is no proper alternative suggested, I am sure Government and their allies, the rich people, will put certain taxes which will fall upon the common people for whom there will be nobody here to speak (*Sir Purshotamdas Thakurdas* : "Except you."). Sir, it is absolutely necessary at present to find out whether in the first place the taxation is equitable. My opinion is that there is a very large class of people in this country who ought not to be taxed at all. People whose income is below a certain minimum, whose income is not sufficient to keep their body and soul together and for their healthy maintenance, ought not to be taxed at all. Why these people should be taxed I cannot understand. I do not say that Government are not of any use to these people. But at the same time we must see that people who do not get sufficient money to maintain themselves are not deprived of what little they have; it is not a principle of humanity to deprive a man who has not got sufficient to eat, of what little he has got. Moreover, Sir, although I do not say that the Government are not of any use to a man of that kind, I do say this, that the costly machinery of Government is not of much use to such a man. The Government exists, especially a costly Government exists; to protect the properties of the rich people; and if the poor people have not got any property why should they pay to this Government? No doubt Government also protect the lives of these people; but, Sir, the poor people can protect their lives even without the assistance of Government. The real use of a Government is for the people who have got property to protect, and it is these people who want to protect their lives also from the other classes of people. I therefore think that it is in the first place absolutely necessary to find out what class of people there is in this country which ought not to be taxed at all. That is the first thing which the Taxation Inquiry Committee should do. After having done that (*Mr. K. Rama Iyengar* : "Can this Committee do that? That is the question.") I will come to that. The second question which I would like the Taxation Inquiry Committee to undertake is to find out an equitable distribution of the necessary taxation; and the equitability of the tax must be decided by two things; first, according to the ability of the people to pay the tax—and secondly, the tax should fall upon people according to the use which they make of the costly machinery of Government. If these two principles are borne in mind by the Taxation Committee, I think they will be able to give much relief to the people in this country.

I have made it clear, Sir, that I am not against any wider inquiry into the economic condition of the people. As a matter of fact I do admit that some inquiry into the economic condition of the people will be absolutely necessary. I do not wish to go into the question whether India has become poorer or richer after the arrival of the British in this country. Some people may hold that India is getting poorer; some may hold that India

is getting richer ; but there is one fact which is absolutely clear that the average annual income of the rural population in this country is indeed very small ; it is not large as my Honourable friend, Mr. Willson, said. I have not made any research but, Sir, when I consider this question there are two or three facts which always come to my mind. The first fact is the rate of wages on the Assam Tea Gardens. Sir, the labourers on the Assam Tea gardens get on an average Rs. 6 per month or Rs. 72 a year ; and I find that people from more than 200 miles go to Assam to earn this Rs. 6 a month or Rs. 72 a year. Naturally, therefore, their income in their own villages must be much smaller—it cannot exceed say Rs. 50—I might even put it down at less than Rs. 40, because no man will leave his home and go a distance of 200 miles in order to earn Rs. 72 a year, and that too under conditions which no self-respecting man will tolerate. In Assam, as everybody knows, a man is not as free as people are in other parts of the country. And that men can, after leaving their homes, go to Assam in order to earn Rs. 72 a year clearly shows that the average income of a man in India must be much less than Rs. 72. Then, Sir, there is another fact—the same fact practically. My Honourable friend, Mr. Rangachariar, the other day brought to the notice of this House that a large number of labourers leave Madras to go to Ceylon in order to get 5 annas a day. Sir, let us consider if a man goes to Ceylon in order to get Rs. 9 a month, what must he be getting in Madras ? Certainly his average income cannot be very much. (Mr. A. Rangaswami Iyengar : “ He is misled.”) Sir, there are some people who think that these labourers are misled. I do believe that some labourers are misled. But, Sir, thousands and thousands of people year after year for the last fifty years could not be going to Ceylon, to Malaya, and even to Assam, from Madras simply because they were misled. And, Sir, as far as Assam is concerned, I have made personal inquiries from people who go to Assam from Madras, and I have convinced myself of the fact that at least everyone of them was not misled into going to Assam. I feel, therefore, that some economic inquiry is absolutely necessary. But at the same time, I do not want this economic inquiry to be protracted and to be delayed so that in the meanwhile some taxes should be removed and some taxes should be added without inquiry into their incidence.

Sir, I do not wish to say much about the personnel of the Committee. Personally I do not believe that even by election you will get a much better Committee. But it is rather a difficult subject to discuss. There is only one point to which I would like to refer. The Honourable Member from Bombay, my friend Mr. Vithalbhai Patel, referred to Dr. Paranjpye, and he said that he may be a good teacher, but his choice was the worst which the Government could make. Sir, I do not know that there is any connection between teachership and membership of the Committee. But, Sir, I know this much that, if a good teacher is disqualified from being a member of a Committee like this, I cannot understand how a good barrister is quite fit to become a member of the External Capital Committee. Sir, I know it is not in good taste to refer to personalities in a House like this. But, Sir, I am quite sure that, even such a reference is not quite out of taste with my Honourable friend from Bombay. Moreover, Sir, my Honourable friend may say that he is elected, and Dr. Paranjpye was nominated by Government. But, Sir, I do not feel that, if a man is not quite suitable for one Committee, he can be made suitable even by election. The only difference is that this suitability or unsuitability is carried back to his

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electors. But, Sir, I feel the House will agree with me that the economic knowledge of Dr. Paranjpye cannot be less sound than the economic knowledge or the economic expertness of those people who, during the last few years, at the dictation of a masterful personality, not by their own conviction, tried to fool this country to believe in the wonderful economic panacea of the spinning wheel. Sir, Dr. Paranjpye is a better economist than any of these people. I do not wish to go any further into the merits of the personnel of this Committee. If some people want some addition to the Committee, let them have that addition. I am not opposed to that also. But, Sir, I am anxious that in any case an inquiry into the taxation should not be either suspended or postponed.

**Mr. M. K. Acharya :** I move, Sir, that the question be now put.

**Mr. President :** The House will now adjourn. I see there are a number of Members who wish to speak. This House will now adjourn till 2.30.

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

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. President in the Chair.

**Diwan Bahadur M. Ramachandra Rao :** Sir, during the course of this discussion many instructive and interesting observations have been made, both in regard to the points raised in the terms of reference to the Taxation Inquiry Committee and also in regard to a cognate matter relating to the economic condition of the people of this country. I do not propose, Sir, to refer to the many criticisms that have been made on this subject or to support everything that has been said in criticism of the measures taken by the Government in the past and in the present. Sir, on this occasion, many of the Honourable Members either struck a note of optimism or of intense pessimism. The Honourable Mr. Chatterjee has made some observations to which I should like to refer. Sir, it has been our purpose since the expansion of the Legislative Councils, to secure a thorough-going inquiry into the material condition of the people of this country. In Madras at any rate, since 1910, there has not been a single year during which Members of the Madras Council did not make an effort in connection with the resettlement schemes that came up for examination to secure this inquiry. We were, however, always unsuccessful in this attempt. I have no doubt and several Honourable Members who took part in those debates have no doubt, that the reason why these inquiries were not sanctioned by the Government was a fear that the results of an economic inquiry would be used to discredit the Government. On the present occasion, Sir, I am very glad to find from a statement made by the Honourable Sir Basil Blackett that at least one Local Government, namely, the Bombay Government, has welcomed an inquiry into the economic condition of the people of this country, and I trust that, whether this inquiry takes the comprehensive form we desire or not the Local Governments would be able to co-operate in the final decision that may be come to by this House and the Government of India in regard to this very important question.

Sir, so far as the subject matter of the reference is concerned, I should like at the outset to say that I agree with those Honourable Members who

said that there was in the terms of reference a great deal that meets with our approval. The terms of reference raise the very important question of the financial relations between the Local, Provincial and Central Governments. In regard to this matter again, we have had in various parts of the country municipal and local conferences which have demanded that there should be a readjustment of the financial relations between the local authorities and Provincial Governments more or less on the lines of the inquiry which is periodically undertaken in the United Kingdom. Honourable Members are aware that in regard to local taxation in the United Kingdom, beginning from the time of Mr. Goschen and ending with the departmental committee on Local Taxation in 1914 and of 1919, the whole subject of the classification of the services rendered by local authorities has come periodically under examination and the financial adjustment required to discharge those functions has always taken place. For example, in the matter of compulsory elementary education, which is regarded as a semi-national service in the United Kingdom, and for various other services which are classified as semi-national, the Central Government has always found some way of rendering them financial assistance to carry out those services which are placed within the purview of local bodies. Sir, since 1882, when Lord Ripon's scheme of Local self-Government was introduced, this financial adjustment has not taken place. Duties have been cast on local bodies and from time to time, in order to discharge those duties, doles have been given either by the Government of India or the Local Governments to these local bodies. In some provinces the Local Governments appointed committees to inquire into this question and in Madras there was a Committee known as the Financial Relations Committee just before the reforms for the purpose of deciding this very vital question of financial adjustment between the local bodies and the Provincial Governments. I was a member of that Committee and we sat for a whole year and made comprehensive recommendations which, as is usual in Madras, were held up for want of funds. For this inaction the Honourable the Finance Member and the Government of India are mainly responsible. The terms of reference raise the question, whether the whole scheme of taxation between the Central, Provincial and local bodies is equitable and in accordance with economic principles. Sir, so much for the local bodies.

Then, as regards the provinces, Honourable Members are aware that just before the introduction of the reform scheme, a settlement, known as the Meston settlement, was introduced. Most of the provinces have rebelled against that settlement. They contended that it contained no basic principle, that it proceeded mainly upon practically the past expenditure of the provinces and that the decision of Lord Meston's Committee was not based on any principle of taxation relating to the Provincial and Central Governments. We have therefore been asking for a re-examination of the basic principles of the Meston award and it is one of the objects of the second term of reference to bring about a more equitable arrangement between the Provincial and Central Governments. Sir, I am afraid that during the short time at my disposal it is not possible for me to examine or even briefly to set out what I have to say on this most complicated subject of the relations between the Provincial and Central Governments. I am in entire agreement with the Finance Member that the inquiry which is proposed to be undertaken in the terms of reference to this Committee should be undertaken either by this Committee or any other Committee that may be appointed, and

[Diwan Bahadur M. Ramachandra Rao.]

I do not wish that the matters, which are set out in the terms of reference, should be dropped.

Sir, there is only one other matter to which I would make a brief reference, and that is the question of the economic inquiry in regard to which a good deal of criticism has already been heard in this House. The point that has always been troubling us is not the question of going back centuries for comparison, as my friend Mr. Chatterjee has put it. The point on which we should like to have an inquiry is as to what really is the present material and economic condition of our people. In regard to this matter also, I might refer to recent literature of a most interesting character which has made many people think about the whole question. Perhaps my Honourable friend Mr. Chatterjee is aware of a book by Mr. Jack, one of the experienced settlement officers in Bengal, who brought under review the economic life of the district of Faridpur. I do not wish to refer to his conclusions at any length, but after reviewing the economic history of the district, Mr. Jack examined a number of domestic budgets; we have heard a great deal about domestic budgets of the Members of the Services in connection with the Lee Commission; Mr. Jack examined the domestic budgets of the very poorest of the poor. After examining the domestic budgets, he came to conclusions which, if perused by Honourable Members, would leave them in a very uncomfortable frame of mind. Mr. Jack says that the percentage of population free from debt according to his calculation is 55 per cent. of the total population of the district. He also arrived at the following conclusions: In debt for about one-fourth of the annual income, 24 per cent.; in debt for half the annual income, 13 per cent. He worked out the average annual incomes of different classes of people in that district which are as follows:

	Per annum per head of population.			Rs.
In comfort	..	..	..	65
Below comfort	..	..	..	43
Above want	..	..	..	32
In want	..	..	..	26

These are the figures which Mr. Jack has compiled after considerable trouble.

**The Honourable Mr. A. C. Chatterjee:** May I ask the Honourable Member to mention the date of those investigations?

**Diwan Bahadur M. Ramachandra Rao:** This one? 1910 I think, Sir. It is not a pre-historic period. The book was published in 1916.

**The Honourable Mr. A. C. Chatterjee:** May I ask the Honourable Member to state whether the value of the rupee has decreased or increased since then?

**Diwan Bahadur M. Ramachandra Rao:** The class of persons with which I am now dealing do not always look to the exchange. It may be that members of the Indian Civil Service have always an eye upon the rise and fall of the exchange. Then, again, I may also refer to the question of food problem, and to the conclusions recently arrived at by

an investigator, Mr. Dubey, one of the University Professors of Economics in the United Provinces. I do not wish to refer to the conclusions of Mr. Dubey at any length, but in regard to the food problem he concludes a most interesting article in the following terms :

“ From the above study we are forced to the conclusion that even in the best year from an agricultural point of view (i.e., 1916-17), and even with restricted exports of food-grains to foreign countries due to the war, so many as 160 millions of people in that year were in a position to get only 79 per cent. of the coarsest kind of food-grains to maintain them in health and strength ; and in a famine year (1913-14) the percentage fell to such a low figure as 62. Taking an average of all the seven years, it will be seen that 64.6 per cent. of the population lives always on insufficient food, getting only about 73 per cent. of the minimum requirement for maintaining efficiency. In other words, it clearly shows that two-thirds of the population always get only three-fourths of the amount of food-grains they should have.”

Sir, at this late hour I do not wish to detain the House with any more remarks. I believe that the prejudice which has arisen in regard to this Taxation Inquiry Committee is mainly due to the fact that the Government of India did not contemplate, or at any rate did not make it quite clear that the inquiry which they have in mind is a comprehensive inquiry both in regard to the income as well as the taxable capacity of the people. I do not wish to go into a discussion on other matters, such as, the personnel of the Committee. I am not quite clear in my mind whether we are right in unnecessarily criticising the personnel of any Committee, but I do hope that the Honourable the Finance Member will recognise that, so long as he is not responsible to this House, the personnel has to be settled in consultation with this House.

**Mr. M. A. Jinnah** (Bombay City : Muhammadan Urban) : The only justification for my intervening in this debate is that I desire to place before the House with the consent of the House an amendment which I submit is a most comprehensive amendment. With your permission, Sir, I will first read out my amendment :

“ This Assembly recommends to the Governor General in Council that he be pleased immediately to dissolve the present Taxation Inquiry Committee and appoint instead a Committee of non-officials and experts, in consultation with the leaders of the parties in the Legislative Assembly, to institute a thorough inquiry into and report on the following matters (with power to them to make an *ad interim* report) :

1. The economic condition of the various classes of the people of India ;
2. Their income per head ;
3. Their capacity to bear the existing burden of taxation (including land revenue) ;
4. The general resources of the country ;
5. The manner in which the burden of taxation is distributed at present between the different classes of the population ;
6. Whether the whole scheme of taxation—central, provincial and local,—is equitable and in accordance with economic principles ; if not, in which respects it is defective ;
7. The suitability of alternative sources of taxation without increasing the present level ;
8. The machinery required for the imposition, assessment, and collection of the taxes, old and new ; and
9. The general financial and economic effects of the proposals.”

Now, Sir, first of all, we, on this side of the House, are absolutely definite that the present Taxation Committee should be dissolved. It is said, and I think even the Honourable the Finance Member will not dispute it, that if this House, now that this question has been raised in this House, and as it is placed before us now, allows the Committee which is

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called the Taxation Inquiry Committee to continue the implication will be that this House favours the idea of new taxes being imposed upon the people of this country. (A Voice: "No.") Otherwise, there is no meaning. If this Committee recommends and says, "Here are the new sources of taxation which can be tapped for the purpose of further taxation," the Honourable the Finance Member will then come before this House and say: "Here is a Committee which has investigated the whole question. It has made these investigations, and now we have discovered these new sources of taxation. We shall now proceed to tap them." That is a very objectionable position that the Government have taken up. Therefore, Sir, what we say is this. First let there be a thorough general inquiry; we have added other matters which will be the subject of inquiry and investigation also by this Committee. Some matters may be taken up immediately, and those are not merely to find out new sources of taxation. One item which I shall mention is this, "whether the whole scheme of taxation, central, provincial and local, is equitable and in accordance with the economic principles; if not, in which respects it is defective." That is part of the reference to the Taxation Committee. That is a subject which may require immediate attention, particularly in view of the fact that with regard to the contributions that the provinces make there is a general all-round complaint. Well, for that purpose we say: "When you appoint this Committee which we are now recommending, let that Committee take up that particular matter, or any other matter comprised in this amendment, and if they deem it proper, let them make an *ad interim* report for the Government to take steps on those recommendations. But no further taxation, that is, to say, the present level of taxation should not be increased until we have had general thorough inquiry into the economic condition of the people of this country."

Now, Sir, I cannot understand how the Government can object to it. The Government themselves desire this inquiry. My friend Mr. Chatterjee and the Finance Member say, "We desire it. We have been doing our best. We are as anxious to proceed with the general inquiry as you are." Well, that will take some time. It may take a year, two years or three years, but surely you can appoint this Committee as soon as possible. Let this Committee proceed with those matters which require immediate attention. Let them make an *ad interim* report and let them continue with the rest of the inquiry. I therefore do not wish to take up any further time of this House. We feel that this is a proposal that the Government should accept.

**Mr. President:** For the purposes of the record, and to simplify matters, I should like to ascertain from the original Mover of the Resolution and from Mr. Goswami whether the amendment just now proposed by Mr. Jinnah meets their views and whether they are prepared to withdraw in its favour.

**Mr. T. C. Goswami** (Calcutta Suburbs: Non-Muhammadan Urban): I accept Mr. Jinnah's motion. Is that what you want me to do? (A Voice: "Yes.") I think it meets the wishes of those who are for a clear cut which is provided for in the word "dissolve" and I am quite agreeable to the more explicit Resolution of Mr. Jinnah.

**Mr. President :** Is it your pleasure that Mr. Goswami's amendment be withdrawn ?

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

**The Honourable Sir Basil Blackett :** I rise to ask for your ruling. I do not wish to make more than one speech this afternoon and I do not wish to lose my right of finally winding up on behalf of Government. I rise therefore to ask whether you propose to call on the original Mover and then give me my right of reply in the event of the closure being moved.

**Mr. President :** In the event of the closure being moved, I propose to treat Mr. Jinnah's amendment as an amendment to Mr. Rama Aiyangar's original Resolution, whatever Mr. Rama Aiyangar chooses to do in relation to the proposals now made by Mr. Jinnah. That will leave the Finance Member his final right of reply.

**Mr. C. Duraiswami Aiyangar :** May I ask for a ruling from the Chair ? I have given notice of an amendment which I intended to propose. I want to know whether I have the right to move that amendment or not.

**Mr. President :** The Honourable Member's amendment is covered, except perhaps in one part, by the more comprehensive amendment of Mr. Jinnah. I was led to understand that the amendment proposed by Mr. Jinnah represented the consensus of opinion on my left, not necessarily the opinion of every individual member, but a sufficient consensus of opinion to justify the Chair in taking it as a substantive alternative.

**Pandit Motilal Nehru (Cities of the United Provinces: Non-Muhammadan Urban) :** The statement that the amendment represents the consensus of any part of the House is to be taken with reservation and I am prepared to move a slight amendment to the amendment which has been handed to the Chair by my friend Mr. Jinnah. Upon my amendment I claim there is a consensus in this House. It is this. Where my friend Mr. Jinnah says that the Committee is to be appointed in consultation with the leaders of the House, I wish to substitute that the Committee should be appointed by the House. On that point I would refer to the proposal contained in Mr. Goswami's amendment, that is to say, that one-third was to be appointed by the Government and two-thirds appointed by the House. As Mr. Goswami explained in the course of his speech the idea was that there should be one-third of the Members of this Committee which was to consist of experts and two-thirds of persons who had the confidence of the country. That met the objection which was advanced from the Government benches as to the special technical knowledge required for the members of this Committee. I do not think, Sir, that this House will allow any Committee to be appointed in the appointment of which it has no voice, it may be one-third or two-thirds or a smaller proportion of the full Committee. I do not know if my friend Mr. Jinnah is now prepared to accept it but so far as I have been able to gather from the preliminary conversation we had, he and I have, I think, agreed to differ on this point. I do not see why I should concede that point unless it is the wish of the House that I should do so and I therefore beg you, Sir (I do not want to make a speech), to put this proposition to the House.

**The Honourable Sir Alexander Muddiman** (Home Member) : Before you put this proposition to the House I should like to make two points. The first is that it is entirely unconstitutional for the Legislature to appoint an executive Committee, as I understand my Honourable friend's proposal is that this House should elect a Committee to carry out the duties which are proposed. The second point is that this Committee is to inquire into all forms of taxation, central, local and municipal. Therefore the Central Legislature is going to force this on the Committee without consulting the Local Governments and the other parties concerned. Such a proposition cannot find favour with those who are advocates, in any form, of provincial autonomy. I do beg the House to consider these points. I do not want to make a speech but I desire to bring these two points forward for the consideration of the House.

**Mr. President** : I have not the terms of the amendment of Pandit Motilal Nehru before me and therefore I do not precisely know whether they would fit in with the terms of Mr. Jinnah's amendment. Mr. Jinnah's amendment, the House will observe, explicitly invites or recommends to the Governor General in Council to appoint the Committee.

**Pandit Motilal Nehru** : My amendment is that the Governor General in Council should appoint one-third experts and this House will appoint two-thirds. I have not got a copy of Mr. Jinnah's amendment with me.

**Mr. C. Duraiswami Aiyangar** : It is to avoid these difficulties that I framed my amendment. Both sides of the House might agree to a proposal of the kind that I have embodied in my amendment.

**Mr. President** : The proposal which Pandit Motilal Nehru has just read out before the House is actually contained in Mr. Goswami's amendment.

**Pandit Motilal Nehru** : With the amplification contained in Mr. Jinnah's amendment.

**Mr. President** : The point at issue I understand between Pandit Motilal Nehru and Mr. Jinnah is the manner of appointment of the personnel, not the scope of the inquiry. (*A Voice* : "No".) Well, the manner of the appointment of the Committee was contained in Mr. Goswami's amendment which has been withdrawn and cannot be moved again. I understood that Mr. Jinnah's amendment was the result of an arrangement between the parties and sections of parties on my left. Apparently it was not so. In that case Mr. Goswami was acting without his book, in withdrawing his amendment !

**The Honourable Sir Alexander Muddiman** : I move, Sir, that the question be now put.

**Mr. President** : The question is :

"That the question be now put."

The motion was adopted.

**Mr. K. Rama Aiyangar** (Madura and Ramnad *cum* Tinnevely : Non-Muhammadan Rural) : At the commencement of my opening speech I spent a considerable portion of my time in, as I thought, pinning the Finance Member down to previous statements made on behalf of Government by Mr. McWatters and himself and by the Honourable Sir

Narasimha Sarma. But in his reply he has taken up that question and has referred to a speech of the Honourable Mr. Lalubhai Samaldas which he indicated showed that even in the Council of State remarks were made against my proposal. No doubt there is a good deal of difference between a Government Member making statements as representing the Government and other Members making remarks in the course of a discussion. But taking those remarks, it will be clear that the Government accepted the proposal that this inquiry by the Taxation Committee should cover practically the whole ground, and in fact the Honourable Sir Narasimha Sarma said that it may not be necessary to make any further investigation in one contingency. That being the position, the Honourable Sir Basil Blackett in utilising the grant sanctioned for the purpose by the Assembly, as he said, was not entitled to go behind the statements made on behalf of Government. And if, as explained by the Honourable Mr. Lloyd, certain adjustments had to be made between the Local Governments and the Central Government, as I pointed out in the course of my opening speech, that would have been best made by the Honourable Sir Basil Blackett and the officers of the Finance Department sitting together with the finance officers of the various Governments. The whole thing would have been set at rest so far as this Taxation Committee business went as regards adjustments of incidence of taxation between this Government and the other governing bodies. On the other hand, if it was the intention, as it clearly was during the course of the Resolutions discussed in the Council of State, to have the economic condition of the people also examined, as well as their taxable capacity and the burden of taxation on particular sections of the people—in fact almost all the points I wish to have an inquiry into—my submission is that there is no reason why Government should not accept my Resolution and make a full inquiry once for all. Under the method adopted by the Government it is not only a question of duplicating expenditure, but it is a matter, as pointed out by Mr. Patel, of putting the cart before the horse. The investigation as to the materials must first of all be completed before the question of taxation or incidence of taxation can be examined and settled as between the several governing bodies. In fact, as I said in the course of my opening speech, I did not read that particular passage from the reply of the Honourable Sir Basil Blackett to the Chamber of Commerce in Bombay where he said that since he had landed in India his first task was to make the budget balance. That was his great trouble, and he wanted fresh sources of taxation to make the budget balance. That is what he said there. I did not read that passage but read other passages to indicate that the balancing of the budget had become almost a personal matter with him. As I explained before, the terms of reference of this Committee as also the personnel have been disappointing. He himself has in fact also been disappointed. He mentioned it openly in Bombay. I think the proper thing for the Assembly to do is to insist upon the carrying out of the views expressed before the Council of State during the discussions I have referred to and to add to them as I suggest. Therefore, as the Assembly sanctioned a grant on the understanding that the inquiry was going to be an almost complete economic inquiry—with the exception of some minor points which the Honourable Sir Narasimha Sarma pointed out could be dealt with later—in putting forward my Resolution I naturally impressed that point upon the attention of the Government, so that they may agree to the Resolution that I moved. The points of difference were very small when the Government accepted the

[Mr. K. Rama Aiyangar.]

Resolution of Sir Maneckjee Dadabhoy. All that indicated only one thing. And I submit that the Honourable Sir Basil Blackett in referring to this Assembly stultifying itself has not been quite accurate at all. My idea is that the Assembly will stultify itself if it does not bring home to the Government the view they took at the time these discussions took place in the Council of State. And it was on that understanding, if at all, that this money was allotted without a discussion at great length ; because it was clearly understood that we were going to have almost the whole inquiry. And all that is now put forward is the urgency of consulting other Local Governments. But as the Reform Act stands, practically the complete control of the whole business rests with the Secretary of State and the Government of India. And what is this Committee to do ? Why should they be roving round for months or years ? We do not know what time it will take, two lakhs have already been granted for one year, and they might expect to require more. And what are we going to get from a Taxation Committee whose personnel has been commented upon as unsatisfactory, when the Meston award and the whole of the land revenue incidence is excluded from its inquiry. (*A Voice* : " No. "). Now, of course, the proposition is different, but the reference explained that for certain purposes the incidence of land revenue is excluded ; and if the whole of the Meston award is excluded, what are they going to do ? And what, if, as has been pointed out by Mr. MacWatters, one revenue or other such as " Excise " or " Forests " is lost to a Local Government and it is not open to the Committee to examine and find other revenue ? Suppose the drink or forest revenue is lost to one province. How are they going to adjust it ? What is the use of making a half-hearted inquiry like that and spending a lot of money and having a personnel which really cannot go into the whole matter authoritatively and with competence. I think in all cases the Government claim that experts advised them, and therefore they could not go behind them in spite of opposition from this side,—that experts, they always thought, had to be respected. But we should be glad if we had the experts that we expect to have in a Committee like this, and our position has been explained. All that I say therefore is that the question comes to this. The position taken originally by the Government was that there would then be practically a whole inquiry ; as we wanted this expanded. In the view which has been put forward by Sir Basil Blackett, I should think this Committee ought not at all to be allowed to continue. That Committee's work might of course well be done by the Government of India and the Financial Members of the Provinces over whom they have for purposes of supervision complete control. They can adjust matters as they like and that would probably not be a matter in which any fresh taxation would have to be sanctioned by the Assembly ; and if no fresh taxation is to be sanctioned, an inquiry of the half-hearted nature put forward will not at all be satisfactory to the Assembly, and they therefore now ask for a complete examination of the whole position. That is where we stand, and I therefore am very glad to accept Mr. Jinnah's amendment to mine even though my original proposition contained certain clauses which are now cut out. As I pointed out at the commencement therefore, I submit, Sir, that taking every view into consideration it will not be proper for the Finance Member to expend money under the sanction that was accorded by the Assembly to the general grant in the course of the passing of the Budget. And of course it might be said, " here are persons who have been

announced, and all that". Certainly I for my part—that is my individual view that I express—for my part I should not mind it if these gentlemen that have been appointed sit together in Simla and Delhi and get on with the whole question as best they can and consider the incidence and so forth, and for that purpose they may certainly be employed for a certain time, but to allow them to go about the country, examine things in the villages and so forth, that will simply be out of the question, and the expenditure will not be allowable under the sanction given by the Assembly but under any extraordinary power Government might exercise in matters of this kind. I therefore accept the solution proposed by Mr. Jinnah and I hope that the Government will also accept it, so that the whole thing might be done satisfactorily and to the best interests of the masses of this country, whose cause it is always said Government have so much at heart.

**The Honourable Sir Basil Blackett :** Sir, this discussion over two days has ranged over such a variety of topics that I am afraid it will be difficult for me in the short time which you will allow me or which I desire to allow myself to go over a great part of the area that has been covered in the debate. With regard to the Honourable Mover, I despair of persuading him to understand something that he does not want to understand. He makes the statement again that the terms of reference which the Government originally had in mind were something quite different from what the Government now have in mind. The terms of reference as they now stand were announced in the Council of State on the 4th February, and they were announced in this House in answer to a question on the 18th February. It was a Committee with those terms of reference that was approved by the Standing Finance Committee, and it was money for a Committee with those terms of reference that was voted by this House. For this House now to say that they did not vote money for this Committee is, I think, quite out of the question.

The subjects, Sir, that have come up for discussion are many and various. I will take first of all the Taxation Committee, its personnel and its terms of reference. I do not want to say much about the personnel. It has just been stated that in Bombay in a speech I made there I expressed the view that the personnel was unsatisfactory. I did not. I expressed the view in Bombay that I had been a little unfortunate in certain instances in connection with the selection of the personnel, but that is quite a different thing. I agree with the Honourable Mr. Joshi that it is possible to pick holes in the personnel of any Committee but that this is probably a better Committee than you would have got by election in this House. (*Some Voices :* "No, no.") Who are the Members of this Committee? There is first of all the Chairman who has very wide experience in the machinery of taxation and has been for several years the Finance Member in the Madras Government since the introduction of the reforms. Two other members of the Committee have been either Ministers or Members of Executive Councils of Provincial Governments since the introduction of the reforms. They have very wide knowledge of the administrative difficulties, in particular where the shoe pinches a Minister who wants money to spend on education, and they have considerable experience of the day to day work of Governments under the reforms and of their relations with each other.

**Mr. Jamnadas M. Mehta** (Bombay Northern Division : Non-Muhammadan Rural) : Did not the Honourable Member say in Bombay that he was unfortunate in the selection of the Committee?

**The Honourable Sir Basil Blackett :** The Honourable Member has nearly had two days in which to make a speech if he desired to do so ; I really cannot consent to be interrupted now. I have got the speech in front of me and will show it to the Honourable Member afterwards if he wishes. The personnel I will leave with this one further remark, that I think it is very undesirable that in this House we should throw cold water on the personnel of any such Committee even on our friend, Dr. Paranjpye. I could not help feeling when Mr. Patel began to talk about the qualifications of this and that and the other of his friends for membership of this Committee that I sympathised with the prayer which I am sure must often be in the mind of his leader, " save me from my friend, Patel ". The terms of reference were those drawn up by the Finance Members of the Provinces in consultation. There is one phrase in the terms of reference proposed by Mr. Jinnah, though I am afraid it is a little too late to incorporate it in the terms of reference as they have already been announced for some time, which is I think an improvement. I should be very glad to accept that portion. It is the part about the suitability of alternative sources of taxation " without increasing the present level." I should have been very glad to have thought of those words at the time. I will now have them incorporated in the instructions to the Committee, and I hope that will bring home to Honourable Members that there is no ground for this suspicion that the Government, in spite of their very definite statement to the contrary, desire this Committee with no other idea but that of increasing the total expenditure of the country or the total amount raised by taxation. They desire it for the very purpose which Mr. Joshi said, that the incidence of the existing taxation may be examined, and if it falls too heavily in one direction, it may be lightened, with the consequence probably that it would have to be increased if it falls too lightly in another direction. It is a question of expenditure whether it will have to be increased correspondingly in the other direction or not, but there is no desire whatsoever in connection with this Committee to find new sources of taxation in order to raise a larger amount by taxation. The object is readjustment. The purpose of the Committee is to reconsider our existing system of taxation and see whether it is capable of improvement both in its incidence and in its machinery. The Honourable Pandit Madan Mohan Malaviya said that we have raised 40 to 50 crores of additional taxation in the last—I forget how many years—and therefore we do not want a Taxation Committee. I would like to ask him one or two questions. Does he know any other country in the world which has been deeply concerned in the world war which has not increased its taxation, both quantitatively and proportionately, more than India has ?

**Pandit Madan Mohan Malaviya :** Has not taxation been reduced in England during the last two years ?

**The Honourable Sir Basil Blackett :** Taxation has been reduced during the last two years but if you compare the total taxation in England before the war and the total taxation after the war you will find that the increase has been very much greater both quantitatively and proportionately, than it has been in India. The Honourable Member might be reminded too that taxation has been reduced in India also this year, though that is perhaps a controversial subject. The Honourable Pandit also went further and he said that I was usurping the functions of this House. Now the functions of this House are very clearly to vote this expenditure and

it was not till the House had voted this expenditure that the Government ventured to proceed with the appointment of the Committee ; so I cannot see how in that direction I am usurping the functions of this House. In choosing the personnel of this Committee the Executive acted, as I think, nearly all Executives act, in accordance with their proper functions by selecting the personnel after consultation with those who are likely best to be able to suggest a personnel. The leaders of parties in this House might be a little difficult to find always and I do not think it is a phrase that the Government would like to see enshrined in a Resolution of the House.

**Mr. M. A. Jinnah :** I am quite willing to withdraw that part if the Government will give us an assurance to that effect as is the practice in other Parliaments.

**The Honourable Sir Basil Blackett :** I do not think the Honourable Member has much justification for saying that it is the practice in other Parliaments to consult leaders of the House in regard to personnel of executive Committees. But as Government are unfortunately not able to accept the Resolution as a whole we need not perhaps dispute about that point, though I am sure I shall be glad to see the Honourable Pandit Motilal Nehru in the same lobby with us owing to his objection to this portion of the Resolution.

**Mr. M. A. Jinnah :** That hope is not going to be realised.

**The Honourable Sir Basil Blackett :** The personnel of this Committee was selected, as inevitably must be in the case of an All-India Committee of this sort, in close consultation with Provincial Governments.

Then another subject that has been raised is federal finance. As far as I understood Mr. Rangaswami Iyengar, he objected to our discussing the subject of federal finance because of King Charles's head—that is to say, we must not do anything until self-government has been introduced in the form in which he desires. I would suggest to him that if he wants the right sort of constitution drawn up by a round table conference or whatever other body is going to draw it up, they would be very well advised to have the results of an expert inquiry into the taxation system—central, provincial and municipal—before them when they are drawing up their constitution ; and indeed if I may venture the observation, the interesting discussion we have had for two days has impressed upon me one lesson and that is, that it is extraordinarily desirable that this House should have before it an authoritative and expert Committee's report on taxation in order that it may discuss the subject of taxation intelligently.

Let me now pass to the economic inquiry. It has appeared to me in the speeches that have been made that it is assumed that the Government have an objection to an economic inquiry. Mr. Patel thought that we had a strong objection to it. Personally, if I may speak for myself, I think that a really authoritative inquiry into economic conditions in India is one of the great desiderata. I should hope that it would have great results. I should hope that it would enable constructive plans to be built upon the foundations of an authoritative inquiry for improved medical, sanitary, and educational facilities for the people. In particular I lay stress on education. One of the deepest roots of the poverty of the masses in this country is that they have not had sufficient education to make

[Sir Basil Blackett.]

them ambitious for a better life and willing to work harder and longer in order to get it. I do not want to be controversial but in the book from which Mr. Willson quoted this morning, almost immediately after the passage he quoted and referring to the same village, is this passage :

“ If the land is extraordinarily productive, labour is extraordinarily unproductive. From a comparison of results in reaping and ploughing it might be estimated roughly that a week's work by a raiyat or cooly in the Madras Presidency is about equal to a day's work by a British agricultural labourer, if unaided by machinery.

\* \* \* \* \*

This comparison is not quite fair to the Indian worker, as he would doubtless be more expeditious over ploughing and reaping if it were necessary, but the fact remains that the Indian worker earns very low wages, has a very low standard of expenditure, and attains a very low level of efficiency, and these three characteristics of Indian life are so interconnected that it is impossible to say which is cause rather than effect. Indian employers do not believe in the economy of high wages ; and as yet only faint beginnings of trade unionism are to be found among Indian manual workers. Nor does Indian popular religion, which fosters submission, nor popular philosophy which inculcates the art of abstinence, encourage a revolt against the prevailing conditions. . . . . In fact various strands of economic, social and religious conditions and customs are strangely and deftly interwoven in the web of South Indian life, and low wages, low efficiency and high abstinence are the ground plan of the pattern.”

My belief is that it is education and more education which is the weapon with which all that is to be combatted. That could not result directly from the economic inquiry but the economic inquiry would I think reinforce the truth of that observation. The economic inquiry might also teach us the value of agricultural and technical education, the need for an extension of co-operative credit, for improved irrigation, better use of the underground waters of India, and things of that sort. Now what has all that got to do with taxation ? The fact is that these two subjects—the taxation inquiry and the economic inquiry—touch each other on the fringe of the same general subject, the economic condition of the people of India, but are only very partially interconnected. The taxation inquiry is required for our constitutional progress and in order that the Governments, including the municipal as well as the Provincial Governments and the Central Government,—the Governments of India may raise the money which they require for carrying on the services which they carry on by better machinery and at less cost to the tax-payer than I believe in certain cases they do at present. That being so the taxation inquiry must undoubtedly to a limited degree go into the general question of the economic condition of the people of India. In the terms of reference and in the Government of India's Resolution on the subject, every effort was made to indicate the limits to which that economic inquiry for the purpose of the taxation inquiry should extend in order that the taxation inquiry might not have a roving commission which might take years and might spend itself in wasted labour but a definite commission to make an economic inquiry with reference to the incidence of taxation, in so far as that economic inquiry was necessary for the purposes of the taxation inquiry. Quite independent of that is the general economic inquiry which, as I have said, the Government do not at all desire to oppose. They are doubtful as to whether it can properly be undertaken by a Central Government Committee.

Certainly it ought not to be undertaken by a Committee appointed by this House if it is to inquire into the economic conditions in each of the Provinces. I am inclined to agree that some kind of co-ordinating machinery set up by the Central Government might be desirable for the purpose of the conduct of this inquiry, but if it is to be effective it must be decentralised to a certain extent. The Government will await the replies of the remainder of the Local Governments which have not yet answered. In accordance with the Resolution accepted by the Government in the Council of State on the 4th February and in the light of the discussion which they have heard to-day they will I am sure be encouraged to press the Local Governments to agree to co-operate in some kind of co-ordinated inquiry into the economic condition of India. But there is no reason why for that purpose the proposed Taxation Committee should be dissolved. On the contrary, if that economic inquiry is to be fruitful in its results, the inquiry by the Taxation Committee will be a very relevant and important point in the conduct of the economic inquiry. It was pointed out, was quite rightly pointed out, by my Honourable friend Pandit Madan Mohan Malaviya that taxation is the function of the Legislature. Certainly; but does not the Legislature require some kind of expert advice in considering questions of taxation? There is no proposal that this Committee should be appointed and thereupon, in view of his special capacity to bear taxation decide that the income-tax of Pandit Madan Mohan Malaviya should be doubled. This Committee is not going to do any executive work; it is going to make proposals for improving the existing system of taxation; its proposals will be available to the Central Legislature and to the Provincial Legislatures when they come to discuss questions of taxation. I for one know that my own examination of taxation questions in India will be very much better conducted when I have the report of an expert inquiry of this sort before me than it can be at present, when, with the exception of the gentlemen who have recently been appointed to the Central Board of Revenue there is literally in the Government of India no one who has made an expert study of the subject of taxation. I therefore confidently appeal to the House not to accept this revised amendment of the original motion, but to allow the Taxation Committee to proceed on its labours in accordance with the decision arrived at by this Assembly last March, and to co-operate with the Government of India and with the Local Governments in seeing that a suitable programme is drawn up for conducting this economic inquiry on the desirability of which we are all apparently agreed.

**Pandit Motilal Nehru :** May I rise to a point of explanation? I am told that in my absence the Honourable the Finance Member was pleased to express a hope that he would find me in the Government lobby. I want to make my position quite clear. The amendment which was moved by Mr. Jinnah had my full concurrence and acceptance, except as to one little part; and if I had been allowed to put it I should have liked to take the decision of the House; but Mr. Jinnah's amendment is the next best thing to what I wanted and I am afraid therefore my Honourable friend will not have the pleasure of seeing me in the Government lobby.

**The Honourable Sir Basil Blackett :** May I say, Sir, that I am disappointed but not surprised?

**Mr. President :** The original question was :

“ This Assembly recommends to the Governor General in Council that he be pleased to suspend the Taxation Inquiry Committee and to appoint a Committee in its place for a close inquiry into the general conditions of economic life and labour in reference to the resources of the country and an estimate of the national income.”

Since which an amendment has been moved to substitute the following :

“ This Assembly recommends to the Governor General in Council that he be pleased immediately to dissolve the present Taxation Inquiry Committee and appoint instead a Committee of non-officials and experts, in consultation with the leaders of the parties in the Legislative Assembly, to institute a thorough inquiry into and report on the following matters (with power to them to make an *ad interim* report) :

- (1) The economic condition of the various classes of the people of India ;
- (2) Their income per head ;
- (3) Their capacity to bear the existing burden of taxation (including land revenue) ;
- (4) The general resources of the country ;
- (5) The manner in which the burden of taxation is distributed at present between the different classes of the population ;
- (6) Whether the whole scheme of taxation—central, provincial and local—is equitable and in accordance with economic principles ; if not, in which respects it is defective ;
- (7) The suitability of alternative sources of taxation without increasing the present level ;
- (8) The machinery required for the imposition, assessment, and collection of taxes, old and new ;
- (9) The general financial and economic effects of the proposals.”

The question is that the Resolution, as amended, be adopted.

The Assembly divided :

AYES—60.

Abdul Karim, Khwaja.  
 Abhyankar, Mr. M. V.  
 Acharya, Mr. M. K.  
 Aiyangar, Mr. C. Duraiswami.  
 Aiyangar, Mr. K. Rama.  
 Alimuzzaman Chowdhry, Mr.  
 Aney, Mr. M. S.  
 Badi-uz-Zaman, Maulvi.  
 Belvi, Mr. D. V.  
 Chaman Lall, Mr.  
 Chanda, Mr. Kamini Kumar.  
 Das, Mr. Bhubanananda.  
 Das, Mr. Nilakantha.  
 Duni Chand, Lala.  
 Ghazanfar Ali Khan, Raja.  
 Goswami, Mr. T. C.  
 Gour, Dr. H. S.  
 Hans Raj, Lala.  
 Ismail Khan, Mr.  
 Iyengar, Mr. A. Rangaswami.  
 Jinnah, Mr. M. A.  
 Kasturbhai Lalbhai, Mr.  
 Kazim Ali, Shaikh-e-Chatgam, Maulvi.  
 Muhammad.

Kelkar, Mr. N. C.  
 Lohokare, Dr. K. G.  
 Mahmood Schamnad Sahib Bahadur,  
 Mr.  
 Makan, Mr. M. E.  
 Malaviya, Pandit Krishna Kant.  
 Mehta, Mr. Jamnadas M.  
 Misra, Pandit Shambhu Dayal.  
 Misra, Pandit Harkaran Nath.  
 Murtuza Sahib Bahadur, Maulvi Sayad.  
 Mutalik, Sardar V. N.  
 Nambiyar, Mr. K. K.  
 Narain Dass, Mr.  
 Nehru, Dr. Kishenlal.  
 Nehru, Pandit Motilal.  
 Nehru, Pandit Shamlal.  
 Neogy, Mr. K. C.  
 Patel, Mr. V. J.  
 Piyare Lal, Lala.  
 Purshotamdas Thakurdas, Sir.  
 Ramachandra Rao, Diwan Bahadur M.  
 Rajan Baksh Shah, Khan Bahadur  
 Makhdum Syed.  
 Rangachariar, Diwan Bahadur T.

AYES—60—*contd.*

Ranga Iyer, Mr. C. S.	Singh, Mr. Gaya Prasad.
Ray, Mr. Kumar Sankar.	Sinha, Mr. Ambika Prasad.
Reddi, Mr. K. Venkataramana.	Sinha, Kumar Ganganand.
Samiullah Khan, Mr. M.	Tok Kyi, Maung.
Sarda, Rai Sahib, M. Harbilas.	Venkatapätiraju, Mr. B.
Sarfraz Hussain Khan, Khan Bahadur.	Vishindas, Mr. Harchandrai.
Shafee, Maulvi Mohammad.	Yusuf Imam, Mr. M.
Shams-uz-Zoha, Khan Bahadur M.	

NOES—42.

✓ Abul Kasem, Maulvi.	Hyder, Dr. L. K.
Ahmad Ali Khan, Mr.	Innes, The Honourable Sir Charles.
✓ Akram Hussain, Prince A. M. M.	✓ Joshi, Mr. N. M.
Bhore, Mr. J. W.	Lindsay, Mr. Darcy.
Blackett, The Honourable Sir Basil.	Lloyd, Mr. A. H.
Burdon, Mr. E.	Muddiman, The Honourable Sir Alexander.
Calvert, Mr. H.	✓ Muhammad Ismail, Khan Bahadur Saiyid.
Chalmers, Mr. T. A.	Nag, Mr. G. C.
Chatterjee, The Honourable Mr. A. C.	Naidu, Mr. M. C.
Cocke, Mr. H. G.	Parsons, Mr. A. A. L.
Crawford, Colonel J. D.	✓ Raj Narain, Rai Bahadur.
✓ Dalal, Sardar B. A.	Rushbrook-Williams, Prof. L. F.
✓ Datta, Dr. S. K.	Sams, Mr. H. A.
Duval, Mr. H. P.	Sastri, Diwan Bahadur C. V. Visvanatha.
Fleming, Mr. E. G.	Singh, Rai Bahadur S. N.
✓ Gidney, Lieut.-Col. H. A. J.	Sykes, Mr. E. F.
Hezlett, Mr. J.	Tonkinson, Mr. H.
Hindley, Mr. C. D. M.	Tottenham, Mr. G. R. F.
✓ Hira Singh, Sardar Bahadur Captain.	Webb, Mr. M.
Holme, Mr. H. E.	Wilson, Mr. R. A.
Hudson, Mr. W. F.	
Huesanally, Khan Bahadur W. M.	

The motion was adopted.

RESOLUTION *RE* ABOLITION OF THE COTTON EXCISE DUTY—  
*contd.*

**Mr. President :** Pandit Madan Mohan Malaviya. The Member is not here. The third Resolution is the resumption of the adjourned debate on the Resolution of Mr. Kasturbhai Lalbhai on the cotton excise, which he originally moved on the 20th of March 1924 in the following terms :

“ That this Assembly recommends to the Governor General in Council to take early steps to abolish the cotton excise duty as recommended by a majority of the Indian members on the Indian Fiscal Commission and to be pleased to direct the Tariff Board to further examine the question of protection to the Indian cotton mill industry at an early date.”

**Mr. Kasturbhai Lalbhai** (Ahmedabad Millowners' Association: Indian Commerce): Sir, it is after a comparatively long time that the debate on my Resolution is being resumed and I shall, with your permission, claim the indulgence of the House to touch on the salient features of my case:

“ The Indian excise on cotton ”, to quote the majority report of the Indian Fiscal Commission, “ raises issues which cannot be decided solely

[Mr. Kasturbhai Lalbhai.]

on economic grounds." The past history and the associations of this impost are too well known to need any recapitulation. The cotton excise has a political significance well understood by all concerned and the duty must therefore go as a first earnest of the changed angle of vision in the principles of the Government of India.

The matter has been discussed a good deal in the press and it needs no further proof to show what way the current of public opinion goes or how strongly the public feels in the matter. We have, however, the fact that the Government of India have already more than once accepted the principle of abolition of this duty, both prior to their acceptance of the principles of protection as also subsequent to that. Official memory, Sir, is believed to be short in the redemption of pledges and I may therefore be excused a repetition of the pledges just with a view to refresh the memory. A declaration was made by the Government of Lord Hardinge in 1916. In 1922 the policy underlying the declaration was not only reaffirmed but further the Government Member in charge of the Finance portfolio admitted all the theoretical arguments against the continuance of the duty. He also admitted that it is not a good tax because it is a tax on production and not on profits. He only wanted six months' time to have a scientific readjustment. In 1923 also definite hopes of an early abolition were given. But in 1924—a year of a balanced budget—the question of abolition was brushed aside as beyond the pale of practical considerations. If I were, Sir, pleading my case in a court of law, I would have immediately got judgment in my favour on such admissions of a defendant and the contention of Government would have been ruled out under the well-known legal doctrine of *res judicata*. No court of justice, I believe, would allow an unsuccessful defendant to put off or evade the execution of its decrees.

The duty is also undesirable according to the accepted canons of sound taxation. It is a tax on production and hits particularly inequitably in times of depression. Last year the Bombay mills made losses of 117 lakhs of rupees out of which the excise duty alone was responsible for 100 lakhs. But for this tax to-day we would be able to lower our prices of the poor man's cloth reduce accumulation of stocks and avoid the consequent closing of mills. Past experience has shown that in times of depression the excise tax which adds to his losses induces the manufacturer to close his business to minimise such losses, and that step brings in its train unemployment to poor labourers. It also leaves permanent marks by disorganisation of labour and consequent loss of efficiency. It is a tax on the poor man's necessity. It is a tax on the only industry which can be looked upon as an insurance against famine and its incidence falls unduly heavily on the poor classes of the community.

We may also here pause for a moment and compare the progress made by Japan and America during the past 30 years with the progress made by India. While these countries are supplying the needs of their home population and cater largely for foreign consumers, the Indian textile industry, though growing for the last 60 years with the help of steam and the oldest in the world if we take hand-loom into account, does not meet more than 60 per cent. of India's normal requirements. We have been steadily losing our foreign markets in China, East Africa and other

places. It would not be out of place, Sir, to mention here that just before the advent of British rule in this country, Indian cotton goods used to supply the demand of this country in full and commanded a large export trade throughout the civilised world. These days are no more and though the hand-loom industry is now relied upon as a plank to retain the iniquitous cotton excise impost the exponents of this theory conveniently forget that it was the fiscal policy imposed by Britain on this unhappy land that proved its ruin.

Sir, I may be permitted to assure this House that cotton millowners having spinning departments in their factories are particularly interested in the uplift and the welfare of the indigenous hand-loom industry. It provides a valuable outlet for our surplus yarn which has been shut out from China and Japan. I wish every encouragement to be given to this deserving cottage industry to which the villager is able to devote his leisure hours without being cut off from his home surroundings. But, Sir, has this industry received any consideration from the Government of India so far? I need only refer to the free list in the Import Tariff Schedule of the Government of India to convince the House of the treatment they give to this industry. Government have been pleased to forego import duty on a number of articles ranging from certain agricultural implements and dairy appliances of the improved type to hops which I imagine are used for the manufacture of beer. Uniforms for Government officials, the cloth of which will bear an excise duty if made in India, comes free of any duty if imported from abroad but I find no mention of hand-looms or their parts in the whole of the tariff. Nay, the House will be surprised to learn that cotton mill machinery parts, which otherwise pay an import duty of 2½ per cent., are charged at the full rate of 15 per cent. if by any chance the customs officer at the port finds that they can possibly be used on a hand-loom even though they may be imported by a cotton millowner. Sir, this plea of the hand-loom is only brought in to retain an unjust impost which cannot be supported on any other ground, moral or economic.

In view of these facts, Sir, I submit very pertinently to ask for the repeal of the cotton excise duty and more pertinently so when we remember that Indian cotton mills have to meet the inroads on our home market by bountyfed foreign competitors. This impost is more acutely felt in times of depression when even a small margin counts in keeping the industry going. As a matter of fact, the excise duty comes to 5 per cent. on the paid-up capital of the mills which every cotton mill is called upon to pay irrespective of profit or loss.

It is a shortsighted policy to stick to the duty only for the present revenue it may bring in. If the Government do not realise the danger of outside competition in its proper perspective, the responsibility for strangling the pioneer industry of the country will rest with the Government. Let the question be therefore not looked at from a narrow view point of the financial need of the hour. I would with all the earnestness I can command appeal to the Government to take a sagacious and farsighted view of the question and apply themselves to the task of adjusting their finances to the abolition of the duty.

**Pandit Shamlal Nehru (Meerut Division : Non-Muhammadan Rural) :**  
 Sir, I rise to support my Honourable friend Mr. Kasturbhai Lalbhai. It is a well known fact that the Indian manufactures in the 18th century

[Pandit Shamlal Nehru.]

were superior to the manufactures of other countries produced by the finest machinery. I do not propose to repeat the well-known reasons, which have been so often repeated in this House, but I only want to give you a few quotations from the speeches and writings of well-known persons and papers. Mr. Romesh Chandra Dutt, whose writings on the subject of Indian economic history probably had the greatest influence in India than that of any other author, remarks :

“India in the eighteenth century was a great manufacturing as well as a great agricultural country and the products of the Indian looms supplied the markets of Asia and of Europe. It is unfortunately true that the East India Company and the British Parliament, following the commercial policy of a hundred years ago, discouraged the import of certain Indian manufactures in the early years of British rule in order to encourage the rising manufactures of England. Their policy was to make India subservient to the industries of Great Britain and to make the Indian people grow raw produce mainly in order to supply material for the looms and manufactories of Great Britain. This policy was pursued with unwavering resolution and with fatal success.”

Now, how that success was attained can be gauged from the fact of the number of laws made in England for keeping away the manufactures of this country from England. I will quote only one or two instances. For instance, when the warehousing system came into force in England, the warehousing duties were :

	£	s.	d.
On Muslins, plain ; Nanquin cloths, Muslins, white calicoes, flowered or stitched, per £100 value .. .. .	7	10	0
(In addition 3 per cent.)			
Plain white Calicoes and plain white Dimity, per £100 value .. .. .	2	10	0
Cotton Manufactures not enumerated, per £100 value .. .. .	2	0	0
In addition to this, the duty for home consumption was :			
	£	s.	d.
Calicoes, plain white, for every piece .. .. .		0	6
and besides for every £100 value, the duty was .. .. .		20	19
Cotton manufactures, not enumerated, in addition to other duties, per £100 value .. .. .	122	0	0
Dimity, plain white the yard .. .. .		0	2
and besides per £100 value .. .. .	22	3	6
Muslins, plain ; Nanquin cloths, Muslins, white calicoes, flowered or stitched per £100 value .. .. .	19	13	9

If you work out the average, I think it will be very much over 100 per cent. for every £100 value of goods received from India. Even this was not successful in England. The wearers wore the Indian cloth only and the sellers always imported the Indian cloth. Later on, there was another law making it penal for anybody, for any inhabitant of England, to wear cloth manufactured in the East Indies, and the penalty was £500 for each offence, for the seller as well as the wearer. This is how the industries of this country were crushed. Again, when machinery was introduced in England on a larger scale, it was necessary to find a market for the products of England. India, as is always the case, was the easiest thing to manage. Unfortunately, there were some people in India who had started their mills and wanted to compete with the British manufacturers. To introduce English goods into India was not so very easy as they had imagined. It was easier to stop the sale of Indian goods in England, but it was not so very easy to compete in India with its cheaper labour and its shrewder *baniyas* than the English *baniyas*, and therefore this counter-

vailing duty was put on. Now, Sir, I am not giving my own opinion ; I am only giving you the opinions of a few well-known people as I have said before. Even the *Times* of London on the 5th March 1917 wrote :

“ The Indian cotton excise duty has always been politically, economically, and, above all, morally indefensible..... It has made a grave breach in the moral basis of the British control of India. It was deeply resented from the outset and has remained an open sore. At the bidding of Lancashire, the Hindu peasant has had to pay more for his clothing for twenty years because, although it is made in his own country, it is subject to an excise duty. The better classes, who wear Lancashire products, have gained the benefit because, until now, the cotton duties have been unduly low..... We have repeatedly sought to warn both Lancashire and past Governments that India, where public opinion is now awake and alert, would not for ever tolerate a tariff dictated by English considerations.”

It is no Indian that has written this. It was a greater “ friend ” of India than the *Friend of India* (the *Statesman* of Calcutta) which writes this. Mr. Bonar Law’s views are these :

“ We have imposed in India excise duties on cotton corresponding to the import duties. Lord Crewe, as a member of the Government which lives in a world of make-believe, is able to say to India, ‘ We put on these excise duties for your benefit ; everything is well ’—though he knows it is not true, and there is no Indian who does not know that it is untrue. How is it possible to believe it ? Everyone who has studied the Press, or who has studied the debates at the time these excise duties were introduced knows that they were put on for the protection of Lancashire, and it proves that our object was to prevent Indian manufacturers from getting any advantage. Otherwise excise duties would have been put on everything ;.... These excise duties are detested in India. They are detested not so much because they give us equality of treatment, but because of the annoyance and inconvenience which they cause, and every one in India would rejoice to see them removed.”

These are the opinions of very well-known people, one of them an *ex-Prime Minister* of the British Empire. I have given the opinions of so many people. Only yesterday, a friend of mine was telling me that by taking off these excise duties you will be enriching the Indian millowners at the expense of the poor. I do not know how that is possible. The poor will remain as they are, but if the excise duty is taken off they will get, I think, slightly richer. If the Indian millowner reduces the price of cloth correspondingly, the poor will have to pay less in future than what they are paying. I am no advocate for the Indian millowner, or for the matter of that, the British millowner. Both of them are profiteers and do not treat their employees well enough. I am siding with the Indian millowner for the simple reason that the cloth here will be slightly cheaper. Besides, the money which flows out of my country and which has no chance of ever being recirculated in the country, will stop in the country and there will be a chance of its recirculation among the people. As for the benefits to be conferred or which ought to be conferred on their employees by the Indian millowners, that question does not now arise. I hope however that it *will* arise in the Delhi session, and then we will have to say a lot as to what ought to be done. But at present this excise duty for many reasons very well-known to Government benches as well as to others, should be taken off immediately.

**Rai Sahib M. Harbilas Sarda** (Ajmer-Merwara : General) : I rise to support the Resolution. Sir, the Resolution consists of two parts. The first is a recommendation to abolish the cotton excise duty. The second is a recommendation that the question of protection to the cotton mill industry in India be examined. The first part has a sort of finality about it in that it recommends that the cotton excise duties should be finally abolished. The second part only asks that the question of protection being given to

[Rai Sahib M. Harbilas Sarda.]

the industry be examined, and does not recommend that protection be given to the cotton industry. It has been said, and it has been constantly dinned into our ears, that the abolition of the cotton excise duty is nothing more than the righting of a wrong done years ago when the excise duty on cotton was imposed not by the free will of the Government of India but at the dictation of Lancashire. If that is so, I am surprised that Honourable Members in this House should have made the acceptance of the motion to abolish this excise duty subject to certain conditions—a condition that the owners of mills who would profit by the abolition of this excise duty should either pay a certain amount to Government or give concessions to their employees. If this House is going only to right a wrong that was done, I do not see that the undoing of the wrong should be subject to any conditions. I will give a little illustration. Suppose a man is fined by a judicial court and pays Rs. 5,000 as a fine into the treasury. He appeals to the higher court and the appellate court remits the fine and sets aside the lower court's judgment. Will it be fair or just for the judge or the public prosecutor or for the spectators in the court to demand that before that man is reimbursed, before the fine is paid back, he shall pay a certain amount either to Government or the court officials, or to his servants, or to the public present in the court? In the present case the fine paid is not even returned. If we are only righting a wrong, if we are only doing now what should have been done long ago, there is no reason why we should attach any conditions to the abolition of the excise duty. The excise duty should, if it is wrong, be abolished. If the labour is entitled to concessions or entitled to certain rights, let that question be decided on its own merits. I think the righting of this wrong should not be subject to conditions of any kind.

**Mr. Ahmad Ali Khan** (Assam : Muhammadan) : The genesis of this duty must I think be known to the Honourable Members here but I venture to think it would bear repetition. In 1895 the Government of India were compelled by financial stress to re-impose the greater part of the 5 per cent. tariff on imports but they excluded the coarser cotton fabrics at that time. Later on those cotton fabrics had to be included and eventually the Government had to agree to the levy of a countervailing excise duty of 5 per cent. on cotton fabrics manufactured in the Indian power mills. In 1896 that duty was lowered to 3½ per cent. at which figure it now remains. Rightly or wrongly, most people believe that the excise duty imposed on India is for the selfish benefit of the British manufacturers and under pressure of the British politician. They believe that the Englishmen here have hitherto been able to find and always find some excuse to retain that excise duty. I strongly support the first part of the Resolution that the duty should be abolished at the earliest possible moment. My reason for taking up that position is this, that this duty has done great harm and that no measure has brought greater discredit to the British Government in this country than this excise duty on Indian manufactured cotton. It has formed the principal plank in the agitation in many quarters in this country and the sooner this duty is done away with the better for all parties concerned. An argument often urged in its favour is that the duty is a small one, only 3½ per cent. A Parsi gentleman, the late Mr. Jamssetjee Tata, worked out the figures and arrived at the conclusion that although the duty is a small one, its effect on capital is equivalent to a 7½ per cent. tax, that is to say, it has had the effect of retarding the

flow of capital into cotton mills in this country. Another argument in favour of the abolition of the duty is that it raises the price of cheaper Indian fabrics in this country without benefiting the Lancashire workers because it is a commonplace that the Indian mills in this country do not produce the finer fabrics that have to be imported from outside. The competition to the extent that exists is very slight indeed.

With regard to the second portion, in which Mr. Kasturbhai proposes to direct the Tariff Board to examine the question of protection, I am not in agreement with that portion of the Resolution. I believe the cotton mills here are well in a position to look after themselves and that now or in the immediate future they cannot need the assistance of a tariff wall. The market is near at home ; the raw material is at their door. Therefore, Sir, I cannot accept the second part of the Resolution. These are my reasons for supporting the first part to the Resolution.

**Mr. M. K. Acharya** (South Arcot *cum* Chingleput : Non-Muhammadan Rural) : I claim to come from a constituency in which not hundreds or thousands but hundreds of thousands are weavers by profession subsisting on their hand-loom alone. I refer to this because during the Delhi session Mr. Bell, who then happened to be in this House, from Bombay, stood up and claimed to speak as in special sympathy with the interests of the hand-loom weaver. I hope I shall not be failing in duty to the hand-loom weaver who, as I said, forms by no means an inconsiderable percentage in my own constituency and in fact I should think in any rural constituency in India. Therefore if on this occasion I do give my support to the Resolution moved by my Honourable friend Mr. Kasturbhai it is not that I am indifferent to the interests of the hand-loom weaver or that I wish that the mill-owner at the cost of the hand-loom weaver should be given any special facilities. I support this motion because I feel convinced from the facts and figures that I have had access to, that the motion on its own merits does deserve the support of every true Indian interested in national progress. I do not desire, and indeed I believe it is unnecessary at this moment, to go into the past history whether in general of the textile industries of this land, or into the past history even of this particular cotton excise duty. It is admitted on all hands that this duty has had a very iniquitous origin, it is admitted on all hands that its continuance for so many years has been quite indefensible. The question now before us is, taking the present conditions of the country into account, taking the fiscal arrangements at present obtaining in the country, whether it is necessary to keep on this duty which was, as I said, iniquitous in origin and indefensible in continuance for many years at least. There are only two or three issues that seem to arise in this connection. The first is whether any further increase of prosperity in the present condition of the mills would jeopardise the progress of the hand-loom industries ; whether the removal of this cotton excise duty will only be simply enriching those who are already rich, and lastly what exactly is going to be the gain to the country at large and to the labourers in particular. These questions have been more than once raised. Facts and figures were advanced as I referred to in Mr. Bell's speech ; it was a very interesting speech which many Members are likely to remember. I desire on this occasion to point out that some of the facts and figures laid before us during the debate at Delhi by Mr. Bell have been very well answered by my friend Mr. Manmohan-

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das Ramji of Bombay. I hope the pamphlet has been circulated to all Members of this House containing Mr. Bell's speech and the crushing reply to that speech. The points seem to be these. It is not denied by the millowners themselves that the mill industry in India has had a fairly progressive career, that the mills in India have been advancing in prosperity from year to year. It is not denied at the present moment, as everybody knows that there are three sources from which we get all the cloth that we want—the mills, the produce of the hand-loom and imports from foreign countries, and here are some figures that I have noted. It is true that in 1896-97 the mills in India produced only 275 million yards: the hand-loom contributed 800 millions and the imports amounted to 1,925 millions of yards. This was some 26 or 27 years ago, and the figures for 1921-22 are as follows: The mills have given us 1,525 millions of yards, the hand-loom 1,000 millions and imports 1,200 millions of yards. The percentage in 1896-97 was as follows: The mills contribute 9 per cent. the hand-loom 27 per cent, and imports 64 per cent, of the total consumption of cloth in India. In 1921-22 the mills contributed 41 per cent., the hand-loom 26 per cent. and imports 33 per cent. It is not denied, and I for one am glad of it, that the imports have fallen off considerably. They have fallen from 64 per cent. in 1896-97 to 33 per cent. in 1921-22; and it is apprehensively argued that the great prosperity of the mills has brought down the quantity of foreign imports. But I do wish to raise this question in the national interests whether or not it is desirable that India should produce all the cotton cloth that her children need. Is it a sin, is it a crime if the foreign imports have fallen from 64 to 33 per cent? I would ask most solemnly and seriously why there should be a single yard of cloth imported into my country which produces enough and more than all the cotton required for her children. It is a standing disgrace that this country which perhaps produces more cotton than any other single country in the world, and if not so much, at least more than her children need,—it is a standing disgrace that we should import 1,200 millions of yards of foreign cloth, or 33 per cent. of our requirements. Therefore I am not at all staggered by this fall in imports. I welcome it and rejoice over it. I would welcome the coming of the day when there will be no foreign imports at all. And if we can do anything to bring down the imports still further I would strongly urge upon every man who really loves this land and every Britisher who claims to really love this country although this is not his own country, to do his utmost to see that this country now, as in the ancient past, produces all the cloth that her children want. I want for a moment to dispel the illusion that some people have that the growth and prosperity of the mills will bring down the prosperity of the hand-loom. As I have said, here are the figures. In 1896-97 the hand-loom produced only 800 millions, and in 1921-22 1,000 millions of yards: There has been therefore, so far as bare quantity is concerned, a certain increase. There has been of course an all-round increase in the consumption. The percentage was 27 in 1896-97 and 26 in 1921-22. There has not been therefore any considerable fall such as should excite the fears of those who claim to be great supporters and sympathisers of the hand-loom industry. Now, I want to draw the attention of this House to one further point, namely, that the hand-loom produce fabrics of a kind which I think are not generally affected by mill produce. If I am not mistaken, my informa-

tion is that the yarn produced in the mills is of very much lower count, not above 24 ; while that in the hand-loom—at least I know in the most important town in my constituency, the ancient town of Conjeveram, where I believe there are not less than 10,000 hand-loom weavers—is of very much finer quality. In Salem, Coimbatore, Madura, and many of those noted places, the hand-loom weavers do not take up coarse yarn. They take very fine yarn and mix it up with silk and lace and manufacture fine cloths, especially the exquisite *saris* that our ladies wear. The yarn of the hand-loom, as I have said, is very fine yarn, while the yarn used in the mills generally is of a much lower count. Therefore hand-loom generally will not be affected considerably by the growth of the mill industry. In any case, Sir, I desire that as far as possible we should clothe ourselves with our own products.

Lastly, is it desirable that the mill-owners who are supposed to be already very rich should be made still richer ? Is it desirable that one crore and 86 lakhs should be taken away from the Government coffers and put into the coffers of these rich mill-owners of Bombay and Ahmedabad ? I do not fear the implication. It is asked, what is going to be the advantage to the labourer. I do believe that during the war and during those years when these mill-owners were making very large profits they did give some kind of special bonuses to the labourers, which I think were withdrawn in 1922-23. If I am not mistaken there was a committee appointed by the Government of Bombay to inquire into this very question, whether the profits made in 1922-23 were such as to warrant the continuance of the bonus. It was presided over, I think, by the Chief Justice of the Bombay High Court, and he came to the conclusion that the profits made during 1922-23 were not such as to warrant the continuance of the bonus. Now, even if the labourers want more—I am sorry my friend Mr. Joshi is not here, for he claims to be a great friend of mill labourers, though I can claim to be as great if not a greater friend to them than he—it is only when the mills make very good profit that the labourers can get a bonus or any other improvement in their status and condition and pay, etc. After all, Sir, what are the mill-owners of Bombay ? Is there any single millionaire in Bombay, any one single individual, any great rich man in India that can at all compare with the rich men of the west ? There are no Rothschilds or Rockefellers here, none of those fabulous rich men in India. I wish that there may be many more rich men in India, even though they may be mill-owners. It is not a sin to be a mill-owner. I do believe that the mill-owners of Bombay, many of them, did with a very good heart contribute very munificently to the Tilak Swarajya Fund of Mahatma Gandhi three years ago. I am confident that as long as they are rich—and I wish they should grow ten times richer than they are to-day—I am sure they will contribute amply to the national resources. I have also facts and figures to show that when they made good profits, they also reduced the price of the cloth they were selling. I do not propose to weary the House, but I think, generally speaking, the price per yard turned out in the mills has always been less than the price per yard of imported cloth. I find it has always been one anna, sometimes two annas, less than the cost of the imported cloth ; thus in the years 1914, 1915, 1916 and 1917, there have been considerable reductions ; and I doubt not that in the coming years, if the mill-owners are able to make really good profits—their books ought to be able to show how much they are making—they will be able to, they will be forced to, they will be willing also I hope, to reduce the price of cloth

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per yard so that the poorer people can get cheaper cloth ; and our endeavour ought to be to increase the output of the mills, to increase the output of the hand-loom factories also ; to ask these mill-owners also to spin sufficient yarn for sale and supply it to India's hand-loom weavers, so that the hand-loom weavers would not go and look for the imported yarn for keeping their hand-looms going. The mills therefore must spin more yarn for the use of hand-looms, and they must produce more cloth for the use of people in this country ; and I trust the time will soon come when we shall be able to have our own cloth ; and it is in that direction that I wish that this House should give every impetus. And it is because I believe that the removal of the cotton excise duties will give that kind of impetus towards this great national industry, this vital industry, the cloth industry of India, that I rise to support this motion.

Lastly, I shall say just one word, and that is that I sincerely believe that nobody will raise this bogey of Rs. 1,68,00,000, and say,—“ how are the Government going to make it up ”. I say, “ cut down expenditure ”. That will be a most welcome way so far as we on this side of the House are concerned. We must help the national cloth industry, and even if there is a loss of revenue, the Government must either cut down expenditure or they must find out other ways and means. (*Diwan Bahadur T. Rangachariar* : “ What other means ? ”). I am not concerned with that, probably Mr. Rangachariar may be able to find out ways and means in connection with the next Budget. I don't want to usurp the functions of the Finance Member. We are here now to protest against this iniquitous tax. Its iniquity has been admitted,—I will just quote a few lines from the speech of Sir Malcolm Hailey. Sometime ago the Honourable Sir Malcolm Hailey said in this House :

“ I will admit all the grounds against the cotton duty. I admit that it has an unhappy history. I admit that it is not a good tax, because it is a tax on production and not on profits.”

After that admission from a responsible Member of the Government, I do not believe it will be open to any Member to say that it is a tax which is not objectionable. The only thing that can be urged is that “ somehow or other, rightly or wrongly, viciously or righteously, the tax has been imposed for 20 or 30 years ; why not continue it some time longer ? ” If you are convinced that it is an iniquitous tax, you are wrong in continuing it, the sooner we do away with it the better ; and this House will not start upon a new and pure regime in a better way than by getting rid of this iniquitous tax. The mill-owners will then have the sense of justice and righteousness to do what they ought to do towards the labourers on the one hand and towards the country in general on the other. I trust and implore that every Member of this House who agrees in the general question, who feels strongly on the subject of the national prosperity of India so far as its most important and essential industry is concerned, will give his unhesitating and cordial support to the motion that is before the House.

**Mr. President** : I do not propose to ask the House to sit late tonight as this debate will be carried over in any case to the next day for non-official Resolutions, that is, Wednesday. This House now stands adjourned till 11 A.M. to-morrow.

The Assembly then adjourned till Eleven of the Clock on Tuesday, the 23rd September, 1924.