

6th March, 1925

THE  
LEGISLATIVE ASSEMBLY DEBATES  
(Official Report)

SECOND SESSION  
OF THE  
SECOND LEGISLATIVE ASSEMBLY, 1925



DELHI  
GOVERNMENT OF INDIA PRESS  
1925

CONTENTS—*contd.*

|                                                                                                                                                                   | PAGES.    |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| <b>Saturday, 28th February, 1925—<i>contd.</i></b>                                                                                                                |           |
| Railway Budget—List of Demands— <i>contd.</i>                                                                                                                     |           |
| Demand No. 8—Open Line Works: ... ..                                                                                                                              | 1798-1805 |
| (i) Upper Class Railway Carriages ... ..                                                                                                                          | 1798-1803 |
| (ii) Quarters for Railway Officers in the Superior Services                                                                                                       | 1803-1805 |
| Demand No. 9—Appropriation to Depreciation Fund ...                                                                                                               | 1805      |
| Demand No. 10—Appropriation from Depreciation Fund ...                                                                                                            | 1805      |
| Demand No. 11—Miscellaneous ... ..                                                                                                                                | 1805      |
| Demand No. 12—Appropriation to the Reserve Fund ...                                                                                                               | 1805      |
| Demand No. 14—Strategic Lines ... ..                                                                                                                              | 1805      |
| Demand No. 15—Strategic Lines ... ..                                                                                                                              | 1805      |
| Budget for 1925-26 ... ..                                                                                                                                         | 1806-40   |
| The Indian Finance Bill—Introduced ... ..                                                                                                                         | 1840      |
| <b>Tuesday, 3rd March, 1925—</b>                                                                                                                                  |           |
| Member Sworn ... ..                                                                                                                                               | 1841      |
| Questions and Answers ... ..                                                                                                                                      | 1841-60   |
| Unstarred Questions and Answers ... ..                                                                                                                            | 1860-66   |
| General Discussion on the General Budget ... ..                                                                                                                   | 1867-1926 |
| <b>Wednesday, 4th March, 1925—</b>                                                                                                                                |           |
| Member Sworn ... ..                                                                                                                                               | 1927      |
| Unstarred Questions and Answers ... ..                                                                                                                            | 1927-28   |
| Message from the Council of State ... ..                                                                                                                          | 1929      |
| General Discussion on the General Budget— <i>contd.</i> ...                                                                                                       | 1929-81   |
| <b>Thursday, 5th March, 1925—</b>                                                                                                                                 |           |
| Question and Answer ... ..                                                                                                                                        | 1983-85   |
| • The Indian Tariff (Amendment) Bill—Report of the Select<br>Committee presented ... ..                                                                           | 1985      |
| The Indian Income-tax (Second Amendment) Bill—Introduced...                                                                                                       | 1985      |
| The Indian Merchant Shipping (Second Amendment) Bill—<br>Passed, as amended ... ..                                                                                | 1985-2003 |
| The Cantonments (House-Accommodation Amendment) Bill—<br>Passed ... ..                                                                                            | 2003      |
| The Indian Ports (Amendment) Bill—Passed ... ..                                                                                                                   | 2003-04   |
| The Cotton Ginning and Pressing Factories Bill—Passed,<br>as amended by the Select Committee ... ..                                                               | 2004-14   |
| Resolution <i>re</i> Representation of the Legislative Assembly on<br>the Governing Body of the Lady Hardinge Medical College,<br>Delhi—Not proceeded with ... .. | 2014-17   |
| <b>Friday, 6th March, 1925—</b>                                                                                                                                   |           |
| Member Sworn ... ..                                                                                                                                               | 2019      |
| Questions and Answers ... ..                                                                                                                                      | 2019-41   |
| Statement laid on the Table ... ..                                                                                                                                | 2041      |
| Messages from the Council of State ... ..                                                                                                                         | 2041      |
| The General Budget—                                                                                                                                               |           |
| List of Demands—                                                                                                                                                  |           |
| Demand No. 16—Customs ... ..                                                                                                                                      | 2042-92   |
| (i) Reduction of expenditure by co-ordination of the<br>Staffs of the Customs, Income-tax, Opium and Salt<br>Departments ... ..                                   | 2042-45   |
| (ii) Abolition of the Cotton Excise Duty ... ..                                                                                                                   | 2045-92   |

# LEGISLATIVE ASSEMBLY.

Friday, 6th March, 1925.

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

## MEMBER SWORN:

Mr. Allan Hubert Lloyd, M.L.A. (Member, Central Board of Revenue).

## QUESTIONS AND ANSWERS.

**The Honourable Sir Alexander Muddiman:** Sir, with your permission I will answer the questions on behalf of Sir Charles Innes who is unavoidably detained elsewhere.

### APPOINTMENT OF INDIANS AS TRAFFIC INSPECTORS ON THE NORTH WESTERN RAILWAY.

1097. **\*Mr. Chaman Lall:** (a) Are Government aware that in the Council of State the Government of India accepted the Resolution of the Honourable Rai Bahadur Lala Ram Saran Das on the 28th February 1923, regarding appointment of Indians in the Traffic Inspector's cadre of each State Railway?

(b) If the reply be in the affirmative, will Government please state what practical steps have so far been taken to give effect to this reform on the North Western Railway and also state specific instances in which Indians have either been recruited or promoted to this cadre permanently?

**The Honourable Sir Alexander Muddiman:** (a) Yes.

(b) The Honourable Member is referred to the reply to parts (b) and (c) of Sardar Gulab Singh's unstarred question No. 65 of the 2nd February 1925.

### APPOINTMENT OF INDIANS AS TRAFFIC INSPECTORS ON THE NORTH WESTERN RAILWAY.

1098. **\*Mr. Chaman Lall:** (a) Are the Government aware that four vacancies of Traffic Inspectors occurred on North Western Railway after the Resolution of Rai Bahadur Lala Ram Saran Das was accepted?

(b) If the reply is in the affirmative, will Government please state whether Indians have been appointed to fill up these vacancies in pursuance of the spirit of this Resolution?

**The Honourable Sir Alexander Muddiman:** (a) and (b). The Honourable Member is referred to the reply to part (c) of Sardar Gulab Singh's unstarred question No. 65 of the 2nd February 1925.

APPOINTMENT OF INDIANS AS TRAFFIC INSPECTORS ON THE NORTH WESTERN RAILWAY.

1099. **\*Mr. Chaman Lall:** In reference to the reply given by the Honourable Commerce Member to the Honourable Sardar Kartar Singh, M.L.A., in the last session, namely, that the Resolution of the Honourable Rai Bahadur Lala Ram Saran Das was brought to the special notice of the Railway administrations and the demand for the advancement of qualified Indians to the position of Traffic Inspectors was impressed on them, will Government please state what effect this has had on the North Western Railway and what meaning is attached to the words "Qualified Indians"?

**The Honourable Sir Alexander Muddiman:** I am unable to trace the particular reply to which the Honourable Member refers and I must ask him to put another question down. But I would refer him to the reply given to Sardar Gulab Singh's questions Nos. 65 and 66 of 2nd February last.

PROSPECTS OF INDIAN GRADUATES ON THE NORTH WESTERN RAILWAY.

1100. **\*Mr. Chaman Lall:** (a) Are the Government aware that more than two dozens of Indian graduates of Indian Universities are working as subordinates in the head office of the North Western Railway at Lahore on the Non-Technical side, *i.e.*, the Traffic Department in the Rates, Claims and Establishment Sections amongst whom there are M.A.'s, B.A. LL.B.'s, and M.A. LL.B.'s also?

(b) If the reply is in the affirmative, will Government please state in each case the names with their educational qualifications, dates of appointment, the starting salary, the present pay and grade and since when each is getting this pay, the training given to each to rise in the higher rank of subordinate service, what is the designation and duty of each and lastly what future is in store for them?

**The Honourable Sir Alexander Muddiman:** Government have no information and do not propose to collect the particulars asked for.

**Mr. Chaman Lall:** Will the Government say, Sir, why they are not prepared to get the information on the subject?

**The Honourable Sir Alexander Muddiman:** Apparently the Government consider that it is not of sufficient importance to get this information.

**Mr. Chaman Lall:** Is the Honourable Member aware that we consider it to be of sufficient importance?

**The Honourable Sir Alexander Muddiman:** I am aware that the Honourable Member does.

**Mr. Chaman Lall:** Is the Honourable Member aware that more Members than one consider it important?

**The Honourable Sir Alexander Muddiman:** I am at any rate certain in saying that one does.

DISCONTENT AMONG INDIAN GRADUATES EMPLOYED IN THE TRAFFIC SIDE OF THE NORTH WESTERN RAILWAY.

1101. **\*Mr. Chaman Lall:** (a) Has the attention of the Government been drawn to the editorial "Indians in the Railway Department", which appeared in the columns of the *Tribune* dated 22nd August 1924?

(b) If the reply be in the affirmative, will Government please state what efforts are being made by the North Western Railway to allay the discontent among graduates in the Traffic side of the North Western Railway?

**The Honourable Sir Alexander Muddiman:** The Honourable Member is referred to the reply given to a similar question No. 66 asked by Sardar Gulab Singh on the 2nd February 1925.

EDUCATIONAL QUALIFICATIONS OF MR. HAMMIL, RATES INSPECTOR,  
NORTH WESTERN RAILWAY.

1102. **\*Mr. Ohaman Lall:** (a) Are Government aware that one Lala Diwan Chand, M.A., was appointed by the North Western Railway on Rs. 75 in 1918 as Rates Inspector?

(b) If the reply be in the affirmative, will Government please state the necessity of appointing an Anglo-Indian, Mr. Hammil, on Rs. 180 as Rates Inspector and reverting Mr. Diwan Chand, M.A., to the post of an Assistant Rates Inspector?

(c) Will Government please state the educational qualifications of Mr. Hammil?

**The Honourable Sir Alexander Muddiman:** (a), (b) and (c). Government cannot undertake to inquire into the propriety of the promotion or reversion of particular officers in the subordinate railway service.

RECRUITMENT OF INDIANS FOR CERTAIN SPECIFIED APPOINTMENTS ON THE  
NORTH-WESTERN RAILWAY.

1103. **\*Mr. Ohaman Lall:** (a) Are Government aware that on the North Western Railway only Europeans and Anglo-Indians are recruited direct as "C" Class Guards?

(b) Will Government please state why Indians on the North Western Railway are debarred from this appointment and others as for example the posts of Assistant Station Masters and Station Masters E, F and Special Class, Station Superintendents and Train Controllers?

**The Honourable Sir Alexander Muddiman:** Government have sent the question to the Agent of the Railway for his remarks.

PROMOTION OF INDIAN GRADUATES TO THE POSTS OF ASSISTANT TRAFFIC  
SUPERINTENDENTS ON THE NORTH WESTERN RAILWAY.

1104. **\*Mr. Ohaman Lall:** (a) Are Government aware that in all Public Services among Gazetted Officers and therefore in the Imperial and Provincial Traffic Service (Non-Technical Branch) the minimum qualification required of Indians is that a man should be a graduate?

(b) If the reply to the above be in the affirmative, will Government please state with regard to the North Western Railway:

- (i) What is the obstacle in the way of promoting these qualified Indian graduates in the North Western Railway working in the Rates, Claims and Establishment Branches and others, if any, to posts of Assistant Traffic Superintendents?
- (ii) Why they are not given preference over other outsiders when recruitment of Assistant Traffic Superintendents is done by the Railway Board?

- (iii) Why cannot they be promoted to posts of even Commercial Superintendents, Station Superintendents, Traffic Inspectors which are subordinate services and rank lower than the posts of Assistant Traffic Superintendents?

**The Honourable Sir Alexander Muddiman:** (a) Yes, this is normally so. Candidates for the Local Traffic Service of State Railways from sources other than Engineering or other Technical Colleges, or the Subordinate Revenue Establishment of State Railways have to be graduates of an Indian University or have passed the final or high standard (or equivalent) examination prescribed for European Schools.

(b) (i) There is no obstacle.

(ii) Provided they have given evidence of practical qualifications and capacity for the duties required and are otherwise suitable for promotion there is no reason why they should not be preferred.

(iii) Appointments to posts of this nature must necessarily be left to the discretion of Agents whose selection is based on practical qualifications and experience of the men concerned.

CASE OF AHMED SAYID, A GRADUATE EMPLOYED ON THE NORTH WESTERN RAILWAY.

1105. **\*Mr. Chaman Lall:** Is it a fact that one Ahmed Sayid, B.A., one of those graduates appointed in 1918 by the North Western Railway, is on temporary service, is getting the same pay on which he was appointed, namely, Rs. 95, and that all the applications that he made during six years have not been heeded?

**The Honourable Sir Alexander Muddiman:** The Honourable Member is referred to the reply given to question No. 1102.

GRIEVANCES OF INDIAN GRADUATES EMPLOYED IN THE CLAIMS SECTION OF THE NORTH WESTERN RAILWAY.

†1106. **\*Mr. Chaman Lall:** (a) Is it a fact that graduates appointed on the Claims side of the North Western Railway in 1921, were told that they had been appointed on Rs. 75—5—95 and that they would be confirmed after one year?

(b) Are Government aware that in an interview which the clerical staff of the Claims Office of the North Western Railway had with Mr. J. H. Chase, Deputy T. M. Claims, in 1921, at the time of appointment of the graduates mentioned in part (a) they were told that the North Western Railway had appointed qualified Indian graduates for higher posts who had, therefore, not superseded them as clerks?

(c) Are Government aware that Mr. V. H. Boalch, Traffic Manager, North Western Railway, in an interview which he himself offered to these graduates in 1923, told them that they had been appointed for the purpose of attaining higher ranks of Railway Service?

(d) If the reply to (b) and (c) be in the affirmative, will Government please state why the graduates were told that they had been appointed as clerks on Rs. 75—5—95 and also state whether it is a fact that they are still temporary, have got no increment contrary even to the terms of their appointment and all the applications made by them during three years are still pending?

†For answer to this question, see below question No. 1107.

GRIEVANCES OF INDIAN GRADUATES EMPLOYED IN THE CLAIMS SECTION OF THE NORTH WESTERN RAILWAY.

1107. \***Mr. Chaman Lall:** (a) Is it a fact that the reply given to these graduates now is that a certain circular issued by the Agent, North Western Railway, in 1924, i.e., 2½ years after their appointment, prohibits their confirmation and earning of all due increments of last years?

(b) Are Government aware that this is against the provision of the Civil Service Regulations and Fundamental Rules?

(c) Is it a fact that in the middle of 1922 when questions were being asked in the Assembly all the graduates in the Claims Section of the North Western Railway were compelled to note an order of Mr. J. H. Chase, Deputy T. M. Claims, which prohibited their rising even to the post of a Claims Inspector Rs. 150—10—190 and Senior Claims Tracers Rs. 105—5—140?

(d) Are Government aware that a copy of this order was placed on the personal file of each graduate duly noted by him as a permanent record?

(e) If the reply to parts (a) and (b) is in the affirmative, will Government please lay on table a copy of this order and explain also what necessitated its issue and its being placed on the personal file of each graduate?

**The Honourable Sir Alexander Muddiman:** I propose, Sir, with your permission to answer questions Nos. 1106 and 1107 together.

If the persons referred to by the Honourable Member have any grievances they should make representations to the Agent of the Railway, who, I am sure will consider them carefully.

**Mr. Chaman Lall:** Is the Honourable Member aware that representations have been made to the Agent of the Railway and that nothing has been done?

**The Honourable Sir Alexander Muddiman:** I was not aware of that, Sir.

**Mr. Chaman Lall:** Is the Honourable Member prepared to draw the Agent's attention to this particular matter?

**The Honourable Sir Alexander Muddiman:** A copy of the answer I have given will be sent to the Agent.

HONORARY ASSISTANT TRAFFIC SUPERINTENDENTS OF THE NORTH WESTERN RAILWAY.

1108. \***Mr. Chaman Lall:** (a) Will Government please lay on the table a statement showing the names and pay of Commercial Superintendents officiating and honorary A. T. S. on the North Western Railway, the date of their promotion to these posts, their educational qualifications and state also how many graduates are working under the immediate charge of each, on what pay and in what capacity?

(b) Will Government please state whether any lawyers (B.A. LL.B's and M.A. LL.B's.) are working under the immediate charge of any Commercial Superintendent, honorary and officiating, A. T. S. on the North Western Railway?

(c) If the reply be in the affirmative, will Government please state the officers' educational qualifications and his duty in each case?

**The Honourable Sir Alexander Muddiman:** Government have not got the information and cannot undertake to obtain it.

COMMERCIAL SUPERINTENDENTS ON THE NORTH WESTERN RAILWAY.

†1109. **\*Mr. Chaman Lall:** (a) Is it a fact that Messrs. P. F. Finnigan and A. Heath were appointed by the North Western Railway in 1918 and 1919, respectively on Rs. 150 each as Claims Inspectors and that they are now getting about Rs. 500 as Commercial Superintendents?

(b) If the reply is in the affirmative will Government please state their educational qualifications and state how many Indians have they superseded?

(c) Could not some graduates and other qualified Indians be promoted to fill up this vacancy?

QUALIFICATIONS OF MESSRS. H. E. GATELAY AND E. J. GATELAY, TRAIN CONTROLLERS ON THE NORTH WESTERN RAILWAY.

†1110. **\*Mr. Chaman Lall:** (a) Are the Government aware that Messrs. H. E. Gateley and E. J. Gateley were both appointed by the North Western Railway in 1923, as B Class guards on Rs. 65 each and that they are now getting Rs. 310, and are in the grade of Rs. 310—20—500 as Train Controllers?

(b) If the reply be in the affirmative will Government please state their educational or other special qualifications for such a speedy rise and also state how many Indians have they superseded and what was the period of service of each Indian in this case?

QUALIFICATIONS OF MR. L. C. RYAN, A TRAIN CONTROLLER ON THE NORTH WESTERN RAILWAY.

1111. **\*Mr. Chaman Lall:** (a) Is it a fact that L. C. Ryan was recruited by the North Western Railway as a C Class guard in 1923 on Rs. 125 and is now getting Rs. 310 and is in the grade of Rs. 310—20—500, working as a Train Controller?

(b) If the reply to the above be in the affirmative will Government please state:

A. The age of L. C. Ryan?

B. His educational or other special qualifications?

C. How many Indian guards of lower class have been debarred from rising to this post to which he was recruited direct?

D. What is the age and period of service of such Indian guards?

**The Honourable Sir Alexander Muddiman:** With your permission, Sir, I propose to answer questions Nos. 1109, 1110 and 1111 together. The answer is the same as that already given to question No. 1102, namely, that the Government cannot undertake to inquire into the propriety of the promotion or reversion of individual officers in subordinate railway employ.

OFFICERS DRAWING £200 A YEAR AND OVER EMPLOYED BY THE GOVERNMENT OF INDIA AT THE LAST BRITISH EMPIRE EXHIBITION.

1112. **\*Mr. S. C. Ghose:** (a) Will the Government state the names of the European and Indian officials drawing £200 a year and over who were employed by the Government of India at the last British Empire Exhibition at Wembley?

†For answer to this question, see below question No. 1111.

(b) Will the Government state the period of the employment of the above officials and the amount of salaries paid to them?

**The Honourable Sir Alexander Muddiman:** A statement giving the information asked for by the Honourable Member is placed on the table.

| Appointment.                                              | Tenure.                                       | Salary.                                                      | Names of Holders.                          |
|-----------------------------------------------------------|-----------------------------------------------|--------------------------------------------------------------|--------------------------------------------|
| I. Secretary to the Indian Advisory Committee.            | From 19th October 1922 to 31st December 1922. | £500 per annum.                                              | Mr. John Campbell, C.B.E., I.C.S. (retd.). |
| Ditto                                                     | January 1923                                  | £500 per annum                                               | Sir J. G. Cumming, I.C.S. (retd.).         |
| Ditto                                                     | From 1st February 1923 to 31st March 1924.    | £500 per annum.                                              | Mr. E. A. Kendall, I.C.S. (retd.).         |
| Organising Secretary                                      | From 1st April 1924 to 31st March 1925.       | £500 per annum.                                              | Mr. F. A. M. Vincent, C.I.E., M.V.O.       |
| Assistant Secretary to the Indian Advisory Committee.     | From December 1923 to March 1924.             | £300 per annum.                                              | Ditto.                                     |
| Assistant Organising Secretary.                           | From April 1924 to 1st week of November 1924. | £230 per annum.                                              | Major T. E. Gullick.                       |
| Commissioner for India for the British Empire Exhibition. | From June 1922 to March 1925.                 | Rs. 2,000 a month in India and Rs. 2,600 a month in England. | Dewan Bahadur T. Vijayaraghavacharya.      |
| Three clerks and Stenographers.                           | 1924-25                                       | £200—800                                                     | Not known.                                 |
| Officer-in-charge of the Geological Survey Court.         | From 28th December 1923 to 18th January 1925. | Rs. 550 a month.                                             | Mr. A. K. Banerji.                         |

| Appointment.                        | Tenure.                                       | Amounts paid. | Names of Holders.      |
|-------------------------------------|-----------------------------------------------|---------------|------------------------|
| II. Officers in the Railway Court - |                                               | £ s. d.       |                        |
| Supervising Officer                 | From 1st January 1924 to 30th September 1924. | 689 8 1       | A. E. Pearce.          |
| Officer in Charge                   | From 15th April 1924 to 15th May 1924.        | 71 17 0       | Capt. G. Walton.       |
| Ditto                               | From 15th May 1924 to 30th June 1924.         | 149 6 2       | Mr. M. C. G. Young.    |
| Ditto                               | July 1924                                     | 27 0 1        | Mr. W. T. Griffiths.   |
| Ditto                               | August 1924                                   | 124 13 11     | Mr. K. Preston.        |
| Ditto                               | September 1924                                | 86 17 6       | Mr. J. J. C. Paterson. |
| Ditto                               | From 1st October 1924 to 10th December 1924.  | 291 17 9      | Mr. A. H. Joscelyne.   |

| Appointment.                                                           | Tenure.                                                                                     | Amounts paid.       | Names of Holders.  |
|------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|---------------------|--------------------|
| II. Officers in the Railway Court— <i>contd.</i><br>Permanent official | From 1st April 1924 to 11th December 1924.                                                  | £ s. d.<br>229 16 1 | Mr. C. Tole        |
| Subordinates on duty                                                   | From 15th April 1924 to 15th May 1924.                                                      | 34 12 1             | Mr. A. Lindsay.    |
|                                                                        | From 15th April 1924 to 15th June 1924.                                                     | 13 1 6              | Mr. J. F. Hardie.  |
|                                                                        | From 15th May 1924 to 15th July 1924.                                                       | 113 14 2            | Mr. D. G. Granze.  |
|                                                                        | From 15th June 1924 to 1st August 1924 and from 1st September 1924 to 1st October 1924.     | 73 11 4             | Mr. E. Hall.       |
|                                                                        | From 15th July 1924 to 15th September 1924.                                                 | 14 16 1             | Mr. J. Moir.       |
|                                                                        | From 1st August 1924 to 1st September 1924 and from 1st October 1924 to 30th November 1924. | 64 9 2              | Mr. H. H. Veevers. |
|                                                                        | From 15th September 1924 to 1st November 1924.                                              | 87 19 1             | Mr. F. J. Brooks.  |

In addition a Captain Stanley was employed as Secretary to the Supervising Officer on £5 a week. The period of his appointment is not known.

The amounts shown under "Amounts paid" against the officers in the Railway Court were either amounts due on account of deputation or honoraria for work during leave.

#### RECRUITMENT OF DISTRICT AND SESSIONS JUDGES FROM THE BAR.

1113. \***Mr. S. C. Ghose:** (a) Will the Government state if the recommendations of the Public Services Commission presided over by Lord Islington as regards the recruitment of District Judges from the Bar have been accepted by the Government of India and the Local Governments?

(b) Will the Government make inquiries from the Local Governments as to the numbers of District Judges recruited from the Bar during the last five years and the years in which the recruitment took place?

(c) Will the Government inquire and state for what inexplicable reasons Local Governments have ceased to recruit District Judges from the Bar?

**The Honourable Sir Alexander Muddiman:** (a) I would invite the Honourable Member's attention to paragraph 11 of the Home Department Resolution No. 2559, dated the 1st December 1920, a copy of which I will send him.

(b) and (c). I am not aware that the facts are as stated by the Honourable Member, but I will make inquiries.

GOVERNMENT OF INDIA OFFICIALS SERVING OUTSIDE INDIA.

1114. **\*Mr. S. C. Ghose:** (a) Will the Government state the names of the Government of India officials serving outside India and what salaries and allowances they are receiving?

(b) Will the Government state what salaries the above officials were drawing before proceeding overseas?

**The Honourable Sir Alexander Muddiman:** The information is being collected and will be supplied to the Honourable Member in due course.

PROVISION OF A WAITING ROOM FOR WOMEN AT GOURIPUR STATION ON THE EASTERN BENGAL RAILWAY.

1115. **\*Mr. S. C. Ghose:** (a) Has the attention of the Government been drawn to the letter written by B. Sen Gupta in the *Forward* of the 10th February, 1925, as regards the want of a waiting room for women at Gouripur station?

(b) Are the Government prepared to direct the railway authorities concerned to construct a waiting room for women as soon as possible?

**The Honourable Sir Alexander Muddiman:** Railway Administrations have discretion to provide such facilities as waiting rooms, etc., at stations where the provision is justified by the traffic offering. A copy of the question and answer will, however, be sent to the Agent, Eastern Bengal Railway.

LABOUR CONTRACTORS ON THE EASTERN BENGAL RAILWAY.

1116. **\*Mr. T. C. Goswami:** (a) Are the Government of India aware that Rai Bahadur Nihal Singh and Lakshmi Chand have been labour contractors on the Eastern Bengal Railway for the last three years and that their agreement will expire on the 31st March, next?

(b) Is it proposed that, after the expiry of their agreement, the contract will be given to a European firm of Calcutta?

(c) Will the Government of India state whether the transfer of the contract is proposed to be made owing to the unsatisfactory management of the present Indian contractors?

(d) If not, will the Government of India state the reasons for transferring the contract to a European firm?

**The Honourable Sir Alexander Muddiman:** Government have no information. They do not admit the implication in the question and they have no doubt that whatever action the Agent has taken in the matter has been taken in the interests of the Railway.

DATES OF THE SIGNING OF THE WARRANTS OF PERSONS ARRESTED ON THE 25TH OCTOBER, 1924, UNDER BENGAL REGULATION III OF 1818.

1117. **\*Mr. Gaya Prasad Singh:** Is it a fact that the warrants of some of the persons arrested in Bengal on 25th October, 1924, under Regulation III of 1818, were signed on the 27th August, 1924, the day after the rejection of the Ministers' salaries by the Bengal Legislative Council?

If so, will the Government be pleased to give the names of the persons whose warrants were so signed?

**The Honourable Sir Alexander Muddiman:** I lay on the table a list of persons who were arrested on October 25th.

I am not prepared to make any statement as to the date on which the warrants were issued, except that there was no connection whatever between this and any proceedings in the Bengal Legislative Council.

*List of persons arrested on the 25th October, 1924, under Regulation III of 1818.*

Suresh Chandra Bharadwaj, Madan Mohan Bhaumik, Ramendra Nath Das, Hari Kumar Chakravarti, Girendra Nath Banarji, Angshu Prakash Banarji, Anukul Chandra Mukharji, Narain Chandra Banarji, Ananda Kishor Mazumdar, Surendra Mohan Ghosh, Amar Krishna Ghosh,, Anil Baran Rai, Satyendra Nath Mitra, Subash Chandra Bose, Ganesh Chandra Ghosh, Rangit Kumar Banarji, Naresh Chandra Datta Chaudhuri and Aswini Kumar Ganguli.

INTRODUCTION OF LEGISLATION IN THE LEGISLATIVE ASSEMBLY TO  
SUPPLEMENT THE BENGAL CRIMINAL LAW (AMENDMENT) ACT.

1118. **\*Mr. Gaya Prasad Singh:** (a) With reference to the statement made by His Excellency the Viceroy on the 20th January, 1925, in course of his speech in this House that "it may also become necessary for my Government to introduce in the Legislature a measure to define the powers of the High Court in relation to tribunals and proceedings under the special Bengal Criminal Legislation," will the Government be pleased to say if it is contemplated to introduce such a measure during the current session?

(b) Has His Majesty in Council signified assent to the Bengal Criminal Law (Amendment) Act?

**The Honourable Sir Alexander Muddiman:** I am not at present in a position to make any statement.

LEVY OF TOLL ON THE BENGAL AND NORTH WESTERN RAILWAY  
BRIDGE OVER THE GUNDUK AT SONEPUR.

1119. **\*Mr. Gaya Prasad Singh:** (a) With reference to my question No. 4 of the 22nd January, 1925, regarding the toll on the Bengal and North Western Railway bridge over the Gundak at Sonepur, will the Government be pleased to state whether the toll of one anna per head for foot-passengers was levied with the approval of the Secretary of State, in accordance with clause 36 of the Principal Contract between him and the Railway Company concerned, and which runs as follows:

"If the Company shall, with the approval of the Secretary of State provide on any of its bridges, roadways for foot-passengers, cattle, or carts, the Company shall have the right to charge during the continuance of the contract tolls on the traffic over such roadways according to Tariffs to be arranged between the Secretary of State and the Company"?

(b) If the answer to the above be in the affirmative, will the Government be pleased to state in what year did the Secretary of State give his approval?

(c) Is it a fact that the toll of one anna or more per head is not levied on any other railway bridge in India? If so, are the Government prepared to secure an abolition of, or at least a reduction in, the rate of the toll over the Sonepur bridge?

**The Honourable Sir Alexander Muddiman:** (a) and (b). The bridge was opened to public traffic in 1887. At this distance of time I cannot say whether the specific approval of the Secretary of State was obtained, but it can be assumed that it was given either by him or by some authority acting for him.

(c) The matter is primarily one for the Government of Bihar and Orissa.

**Mr. Devaki Prasad Sinha:** Are the Government of India aware that the Government of Bihar and Orissa have already sent in their recommendations to that effect?

**The Honourable Sir Alexander Muddiman:** I am not in a position to say that.

#### LEVY OF TOLL ON RAILWAY BRIDGES.

1120. **\*Mr. Gaya Prasad Singh:** Will the Government be pleased to furnish a statement of the railway bridges in India, which are free for foot-passengers' traffic, and also those on which tolls are levied, showing the rate of such toll on each bridge?

**The Honourable Sir Alexander Muddiman:** The Government have not got the information and they do not see what value it would have if they collected it.

#### RECRUITMENT OF APPRENTICES ON THE OUDH AND ROHILKHAND RAILWAY.

1121. **\*Mr. Gaya Prasad Singh:** (a) Has the attention of the Government been drawn to an advertisement which appeared in the *Wealth and Welfare* of Lucknow, dated the 13th February, 1925, over the signature of A. E. Pearse, Chief Mechanical Engineer, Oudh and Rohilkhand Railway, Lucknow, in which it is stated that "An examination will be held on Friday, the 20th February, 1925, to fill vacancy for European and Anglo-Indian Apprentices in the Locomotive, Carriage and Wagon and Electrical Departments"?

(b) Will the Government kindly state why the Indians have been excluded from the examination? Is there any rule on the subject; and if so, will the Government be pleased to quote it?

**The Honourable Sir Alexander Muddiman:** (a) Yes, Government have seen the advertisement referred to.

(b) The Honourable Member's attention is invited to the reply given to question No. 1068 asked by Mr. C. S. Ranga Iyer on the 27th May, 1924. There is no special reason for excluding Indians except that the existing arrangements were not designed for the purpose because an alternative in the Government Technical College was contemplated. This alternative has not materialised and the necessary change in arrangements is under consideration.

#### FIREMEN IN THE RAILWAY WORKSHOPS AT SUKKUR AND KARACHI.

1122. **\*Khan Bahadur W. M. Hussanally:** How many literates have been taken as firemen in the Workshops at Sukkur and Karachi, and out of how many?

**The Honourable Sir Alexander Muddiman:** Government do not know.

EMPLOYMENT OF MATRICULATES AS FIREMEN ON THE NORTH WESTERN RAILWAY.

1123. \*Khan Bahadur W. M. Hussanally: (a) Is it a fact that about a year ago a special allowance was sanctioned for Matriculates to join as firemen in railway locomotives on the North Western Railway?

(b) If so, will Government be pleased to lay on the table the rules framed under which such men were to be recruited?

(c) Was there sufficient response? If not, why?

(d) Are the rules still in force?

(e) Is it a fact that sons of men who had war service were recruited only?

**The Honourable Sir Alexander Muddiman:** (a) to (e). Government have no information on the subject and do not propose to obtain it.

RATES OF PAY OF EUROPEAN, PARSİ, CHRISTIAN, ANGLO-INDIAN AND INDIAN GUARDS ON THE NORTH WESTERN RAILWAY.

†1124. \*Khan Bahadur W. M. Hussanally: (a) Is it a fact that on the North Western Railway a European guard is recruited on Rs. 125 per mensem; a Parsi, Christian or Anglo-Indian on Rs. 75 per mensem; and an Indian on Rs. 40 only?

(b) If so, why these distinctions between (i) a European and others and (ii) between Indian and Indian?

EUROPEAN, ANGLO-INDIAN, CHRISTIAN, PARSİ AND INDIAN GUARDS ON THE NORTH WESTERN RAILWAY.

1125. \*Khan Bahadur W. M. Hussanally: (a) Is it a fact that seniority goes by pay and not by length of service and ability?

(b) Is it a fact that an Indian guard of 20 years' service still runs with goods trains while European, Anglo-Indian, Christian or Parsi guards with much less service run with mail and passenger trains? If so, why this distinction?

**The Honourable Sir Alexander Muddiman:** With your permission, Sir, I will answer questions Nos. 1124 and 1125 together. There is nothing in the rules, but I will inquire as to the practice.

HOURS OF DUTY OF RAILWAY GUARDS AND DRIVERS.

1126. \*Khan Bahadur W. M. Hussanally: (a) Are hours of duty fixed for drivers and guards? If so, how many hours a day are they to perform?

(b) Is it a fact that guards and drivers are kept ordinarily on duty for much longer than these fixed hours. What is the maximum time a guard or driver is kept on duty at a time?

**The Honourable Sir Alexander Muddiman:** (a) and (b). Owing to the nature of their work it is not possible to prescribe definite hours of duty for running staff. These must necessarily vary according to the class of train worked, the length of section over which it is run and the quantity of traffic offering at the time. Every endeavour is made to ensure that running staff are not kept unduly long hours on duty.

†For answer to this question, see below question No. 1125.

**Khan Bahadur W. M. Hussanally:** Are Government prepared to fix the maximum and minimum time?

**The Honourable Sir Alexander Muddiman:** I am not very conversant with duties of the running staff, and I would suggest to the Honourable Member that he should put down a question for the Honourable Member in charge.

RESTRICTION OF WORKING HOURS OF RAILWAY STAFF.

1127. **\*Khan Bahadur W. M. Hussanally:** (a) Is it a fact that the Government have accepted the Resolution of the International Labour Conference to restrict work to 8½ hours on ordinary days and no work on Sundays?

(b) If so, has that principle been extended to Railways? If not, do Government propose to extend it? If so, when?

**The Honourable Sir Alexander Muddiman:** (a) No Resolution in these terms has been adopted by the International Labour Conference.

(b) Does not arise.

GRANT OF OVERTIME ALLOWANCES TO RAILWAY EMPLOYEES.

1128. **\*Khan Bahadur W. M. Hussanally:** (a) Is it a fact that while drivers are allowed an extra day's pay when they go out on work on Sundays and other holidays the guards are allowed no such allowance? If so, why?

(b) Do Government propose to allow an extra day's pay to all employees of the Railway when working beyond 8½ hours a day, or on Sundays and other holidays? If not, why?

**The Honourable Sir Alexander Muddiman:** (a) and (b). I would refer the Honourable Member to the reply given to the Honourable Mr. Joshi's question on the same subject on 17th September last. The matter is still under consideration.

**Khan Bahadur W. M. Hussanally:** How long will the Government take to arrive at a decision?

**The Honourable Sir Alexander Muddiman:** Until the consideration is finished.

DUTIES OF JUNIOR AND SENIOR GUARDS.

1129. **\*Khan Bahadur W. M. Hussanally:** Is it a fact that while junior guards are employed on local passenger service, old and senior men who by reason of age and impaired health would be entitled to light work were still kept on on goods trains? If so, why?

**The Honourable Sir Alexander Muddiman:** Government have no information. Matters of this sort are left to the discretion of the Agent.

PROVISION OF QUARTERS FOR RAILWAY EMPLOYEES.

1130. **\*Khan Bahadur W. M. Hussanally:** (a) What class of railway employees are entitled to house accommodation?

(b) What is the accommodation each class of employee is entitled to?

(c) Are Government prepared to inquire if the accommodation offered is suitable?

**The Honourable Sir Alexander Muddiman:** (a) The general principle is that railway employees should be provided with quarters in places where suitable house accommodation cannot be obtained by them within a reasonable distance of their work. But there are a certain number of classes of employees whose work renders them liable to be called on duty at any time, and it has been in the past accepted as necessary that quarters should be provided by the railway for such classes in order that they can be quickly summoned when necessary. There has, however, been some lack of uniformity on different railways as to the classes which should be included in this category, and the whole policy in regard to the provision of quarters has lately been under the consideration of the Railway Board. Until a decision has been arrived at on this question of policy it is inadvisable to attempt to give an answer to the Honourable Member's question as the lack of uniformity would render it unsatisfactory.

(b) The accommodation provided for each class of employee is designed to be roughly proportionate to the rent they are liable to pay, but the accommodation provided for labourers and workmen is usually of a higher standard than the rent recoverable would justify.

(c) Government are not prepared to make the inquiry suggested which they consider can be more suitably done, and is in practice always done, by each individual railway administration to suit the different conditions of the climate in the area which is served by that railway.

#### RULES FOR TESTING THE EYESIGHT OF RAILWAY EMPLOYEES.

1131. **\*Khan Bahadur W. M. Hussanally:** (a) What are the rules for testing the eyesight periodically of railway employees?

(b) Is it a fact that if an employee passes this test with glasses, his services are dispensed with no matter what is the length of his service?

(c) What provision is made for his support if an employee is discharged for defective eyesight?

(d) How many such men have been discharged during the last 3 years for defective eyesight?

(e) What was the length of service of each?

(f) Was any compensation paid to such men? If so, what?

(g) Why could not these men be employed on other duty where perfect eyesight was not essential?

(h) What steps have been taken to compensate such men under the Workmen's Compensation Act?

**The Honourable Sir Alexander Muddiman:** (a) to (h). The rules and standards naturally vary to suit the particular class of appointment and detailed arrangements in this matter are left to Agents. Government have not got the details asked for by the Honourable Member and are unable to obtain them.

**Khan Bahadur W. M. Hussanally:** When is it likely that the Railway Board will come to a decision?

**The Honourable Sir Alexander Muddiman:** I should imagine that, as soon as all the facts are before them and they have been duly considered, they will come to a decision.

SCHEME SUBMITTED BY THE ARCHITECT OF NEW DELHI FOR THE ENCOURAGEMENT OF INDIAN ART.

1132. \***Mr. N. M. Joshi:** Will Government be pleased to state :

- (a) The precise date when the scheme for the encouragement of Indian Art was submitted by the Architect of New Delhi?
- (b) The names of the authors of the scheme?
- (c) Whether Mr. Baker was one of the architects of New Delhi who were consulted on the subject and whether he expressed his agreement with the scheme already presented to the Government by the Architect of New Delhi?
- (d) Whether the scheme was demanded by the public or by Government or whether it was undertaken by the Architect on his own initiative?

**The Honourable Sir Bhupendra Nath Mitra:** (a) On the 30th March 1922.

- (b) Sir Edwin Lutyens, Mr. H. Baker and Sir Hugh Keeling.
- (c) Mr. Baker signed the report with a remark that it did not embody his view of what is of immediate and essential importance.
- (d) A scheme was called for by the New Capital Committee after considering a Memorandum on a Studio by Sir Edwin Lutyens and a note by Mr. Baker on craftsmanship. The question arose in the ordinary course of business in connection with the New Capital.

SCHEME FOR THE ENCOURAGEMENT OF INDIAN ART.

1133. \***Mr. N. M. Joshi:** (a) Will the Government be pleased to state whether the scheme for the encouragement of Indian Art has been forwarded to the different provincial Governments, institutions and individuals interested for their opinion?

- (b) Will Government be pleased to state whether the scheme has been made available to the public? If not, why not?
- (c) Will they be further pleased to state if they are prepared to lay it on the table of this House? If not, why not?
- (d) Will Government be pleased to state whether they have promised any measure of support to the scheme? If so, how much?

**The Honourable Sir Bhupendra Nath Mitra:** (a) The answer is in the negative.

(b), (c) and (d). The scheme has not yet been considered by Government nor has any financial support been promised. I propose to discuss the scheme with the Standing Advisory Committee attached to the Department of Industries and Labour and I cannot make any pronouncement on the action that will be taken after that Committee have been consulted.

PROPOSALS MADE AT THE CONFERENCE ON INDIAN ART AT WEMBLEY.

1134. \***Mr. N. M. Joshi:** Will Government be pleased to state whether the India Society in London has approached the Government of India for the support of the proposals made at the Conference on Indian Art at Wembley?

**The Honourable Sir Bhupendra Nath Mitra:** The answer is in the negative.

#### MURAL PAINTINGS IN THE COUNCIL HALLS OF NEW DELHI.

1185. **\*Mr. N. M. Joshi:** Will Government be pleased to state whether they have arrived at any definite decision in regard to the mural paintings to be executed in the Council Halls of New Delhi? If so, what is it? If not, when will they come to a decision?

**The Honourable Sir Bhupendra Nath Mitra:** No decision has yet been arrived at, and I am unable to prophesy when a decision will be reached.

#### ESTABLISHMENT IN LONDON OF A CENTRAL INSTITUTE OF INDIAN ART AND ANTIQUITIES.

1186. **\*Mr. N. M. Joshi:** Will Government be pleased to state whether their attention has been drawn to the proposal for a Central Institute in London of Indian Art and Antiquities? If so, will they be further pleased to state whether they have promised any support to that idea?

**The Honourable Sir Bhupendra Nath Mitra:** The answer to the first part is in the negative; the second part does not arise.

#### EXTENSION OF GOVERNMENT PATRONAGE TO THE "INDIAN BRADSHAW".

1187. **\*Mr. N. M. Joshi:** (a) Will Government be pleased to state whether it is a fact that the "Indian Bradshaw" dealing with railway matters is issued under the patronage of the Government of India? If so, what kind of patronage, and to what extent, does that publication get from the Government?

(b) Will Government be pleased to state if their attention has been drawn to the fact that the "Indian Bradshaw" gave misleading information about railway fares, etc., in its issue of December 1924? If so, and if the answer to the earlier portion of part (a) be in the affirmative, have they taken any steps against those responsible for the publication of that issue for giving misleading information to the public? If so, what are those steps? If not, why not?

(c) Will Government be pleased to state whether their attention has been drawn to the fact that the said "Indian Bradshaw" is often very badly printed and that its printed matter is in many places unintelligible? If so, and if the answer to the earlier portion of part (a) be in the affirmative, will they direct the publishers of the "Indian Bradshaw" to make it more useful to those for whom it is intended? If not, why not?

**The Honourable Sir Alexander Muddiman:** (a) The only patronage extended to the publication in question is that a certain number of copies are purchased for Secretariat use.

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

#### NUMBER OF RUNNERS AND VILLAGE POSTMEN KILLED AND INJURED ON DUTY FROM 1914-15 TO 1923-24.

1188. **\*Mr. N. M. Joshi:** With reference to the supplementary question asked by me to question No. 498 which was replied to on the 30th January 1925, will Government be pleased to place on the table the statistics referred to by them in that question? If not, why not?

**The Honourable Sir Bhupendra Nath Mitra:** I place on the table a statement showing, for each of the last ten years, the numbers of runners and village postmen killed and injured on duty, together with the total numbers employed in these years.

*Statistics showing the number of runners and village postmen killed and injured on duty from 1914-15 to 1923-24.*

| Year.   | RUNNERS.               |                |                 | VILLAGE POSTMEN.       |                |                 |
|---------|------------------------|----------------|-----------------|------------------------|----------------|-----------------|
|         | Total number employed. | Number killed. | Number injured. | Total number employed. | Number killed. | Number injured. |
| 1914-15 | 17,030                 | 1              |                 | 8,213                  | 2              | ...             |
| 1915-16 | 16,926                 | 6              | 1               | 8,225                  | 1              | ...             |
| 1916-17 | 17,031                 | 2              |                 | 8,223                  | ...            |                 |
| 1917-18 | 16,844                 | 4              |                 | 8,299                  | 1              |                 |
| 1918-19 | 16,441                 | 6              |                 | 8,295                  | ...            |                 |
| 1919-20 | 16,898                 | 3              | ...             | 8,354                  | ...            |                 |
| 1920-21 | 16,657                 | 3              | 1               | 8,404                  |                | 1               |
| 1921-22 | 16,740                 | 4              | 8               | 8,527                  |                | 2               |
| 1922-23 | 16,339                 | 2              | 4               | 8,596                  |                | 3               |
| 1923-24 | 16,094                 | 4              | 2               | 8,478                  | ...            | ...             |

RENEWAL OF THE RECOGNITION OF THE OUDH AND ROHILKHAND RAILWAY UNION.

1189. **\*Mr. N. M. Joshi:** With reference to the reply contained in part (c) to the question No. 358 which was answered on the 28th January, will Government be pleased to lay on the table the conditions laid down by the Agent of the Oudh and Rohilkhand Railway under which he was prepared to recommend to the Railway Board that the recognition of the Oudh and Rohilkhand Railway Union should be renewed? If not, why not?

**The Honourable Sir Alexander Muddiman:** As already stated the conditions referred to were only mentioned by the Agent to the staff who took no action thereon. In the circumstances Government see no reason to furnish the information asked for.

SCHOOLS PROVIDED BY THE MADRAS AND SOUTHERN MAHRATTA RAILWAY FOR THE CHILDREN OF THEIR EUROPEAN AND INDIAN EMPLOYEES.

1140. **\*Mr. N. M. Joshi:** (a) With reference to the statement laid on the table on the 30th January 1924 in reply to my question No. 490 to the effect that there are 18 and 5 schools for (i) European and Anglo-Indian children and (ii) Indian children, respectively, provided by the Madras and Southern Mahratta Railway Company and that there are 817 European and Anglo-Indian students and 808 Indian students taking

advantage of their respective schools, will Government be pleased to state whether they are prepared to recommend to the said Railway Company to increase the number of schools for Indian students? If not, why not?

(b) Will they be further pleased to state the amounts which the Madras and Southern Mahratta Railway Company spends upon the 18 European and Anglo-Indian schools and the 5 Indian schools?

**The Honourable Sir Alexander Muddiman:** (a) Government will send the Honourable Member's question to the Agent, Madras and Southern Mahratta Railway, for such action as he may consider necessary.

(b) The expenditure during 1923-24 on the 18 schools for Europeans and Anglo-Indians was Rs. 49,737 and on the 5 schools for Indians Rs. 14,484.

#### SAVINGS EFFECTED BY THE OUDH AND ROHILKHAND RAILWAY BY THE REDUCTION OF INDIAN GUARDS TO THE RANK OF BRAKFSMEN.

1141. **\*Mr. N. M. Joshi:** (a) With reference to the replies given to my questions Nos. 726 and 727 which were answered on the 3rd February 1925, will Government be pleased to explain how the Oudh and Rohilkhand Railway Company could in 1922 appoint 4 European, 2 Anglo-Indian and 17 Indian *new* guards and in 1923 9 Indian *new* guards when "on account of retrenchment" the same Company was obliged in 1922 to reduce 18 Indian guards and 13 Indian guards in 1923 to the rank of brakemen?

(b) Will they be further pleased to state how much saving could the said Railway Company effect by the reduction of Indian guards in 1922 and 1923 to the rank of brakemen and what was the total amounts of salaries of the new guards appointed in the same years?

**The Honourable Sir Alexander Muddiman:** (a) and (b). Government have not got any further information and cannot undertake to inquire.

#### PAY OF THE SHROFFING STAFF IN CURRENCY OFFICES.

†1142. **\*Mr. N. M. Joshi:** With reference to the reply contained in part (b) to my question No. 738 which was answered on the 3rd February 1925, will Government be pleased to state the scales of pay of the Shroffing Staff of the Currency Offices in 1921 and the scales of pay of the same staff in 1922 after they were increased in that year?

#### REVISION OF THE PAY OF THE LOWER CLASS SERVANTS IN CURRENCY OFFICES.

†1143. **\*Mr. N. M. Joshi:** (a) Will Government be pleased to state whether it is a fact that the minimum pay of the lower class servants in the Currency Offices, called the "menials", is only Rs. 10 and their maximum pay Rs. 14 only? If so, in how many years do they get their maximum pay? If not, what are the correct scales of pay?

(b) Will Government be pleased to state when these scales of pay referred to in the above questions were fixed and whether they have ever been revised? If so, when? If not, why not?

(c) Will Government be pleased to state whether it is a fact that these lower class servants in the Currency Offices get some allowance in addition to their pay? If so, how much allowance do they get?

†For answer to this question, see below question No. 1144.

(d) If the answer to parts (a) and (c) be in the affirmative, will Government be pleased to explain why instead of giving an increase in their scales of pay they have adopted the system of giving allowances? Will they consider the feasibility of converting these allowances into their actual pay? If not, why not?

(e) If the reply to the second part of (d) be in the negative, will Government undertake to revise the scales of pay of these servants and increase them in proportion to the rise in prices in recent years? If not, why not?

REVISION OF THE PAY OF RECORD SUPPLIERS IN CURRENCY OFFICES.

1144. \*Mr. N. M. Joshi: Will Government be pleased to state whether it is a fact that the Record Suppliers in the Currency Offices get only Rs. 15 per month? If so, will they take immediate steps to revise their salaries and increase them in proportion to the rise in prices in recent years? If not, why not?

**The Honourable Sir Basil Blackett:** With the Honourable Member's permission, Sir, I propose to answer questions Nos. 1142 to 1144 together. Inquiries are being made and final replies to these questions will be given to the Honourable Member as soon as possible.

**Mr. Devaki Prasad Sinha:** I want to ask a supplementary question with reference to question No. 1143, Sir. Do Government propose to change the terminology of the Department according to which certain classes of officers are described as "menials"?

**The Honourable Sir Basil Blackett:** I should be happy to listen to any suggestions from the Honourable Member.

INTRODUCTION OF FREE AND COMPULSORY PRIMARY EDUCATION IN TERRITORIES UNDER THE CONTROL OF THE GOVERNMENT OF INDIA.

1145. \*Mr. N. M. Joshi: Will Government be pleased to state whether they have taken any steps or propose to take shortly in the direction of making primary education free and compulsory in those territories which are directly under the control of the Government of India? If so, what are those steps? If not, why do they not propose to do so?

**Mr. J. W. Bhore:** Primary education is free in the largest province directly under the control of the Government of India, namely, the North West Frontier Province. It is also free in municipal and certain other primary schools of Delhi. The Primary Education Act of the Punjab, authorising the introduction of free and compulsory education by local option, was, in January of this year, extended to the Province of Delhi and the question of making a beginning with compulsory education here during the year 1925-26 is under consideration.

**Nawab Sir Sahibzada Abdul Qayum:** Do the Government know that the classes in the primary schools of the North West Frontier Province have been reduced from 5 to 4 and that tuition fees have been raised, in the Middle Department, which affects the education very much?

**Mr. J. W. Bhore:** Yes, Sir, I am aware of the fact of reduction but unfortunately the reduction was the result of the recommendations of the Incheape Committee, which we were bound to accept.

**Mr. N. M. Joshi:** May I ask, Sir, why the Government of India do not want to consider the introduction of compulsory education in the other territories managed by them except Delhi?

**Mr. J. W. Bhore:** I am afraid, Sir, that I cannot satisfy the Honourable Member at this stage by giving him further information on this matter. I am sure he will realise from the action we have already taken in regard to Delhi that this subject is sure of receiving our most careful and sympathetic attention. I hope it may be possible to make some further move at no very distant date, but I can say nothing definite as to this.

**CANCELLATION OF THE CONTRACT WITH MESSRS. SHAMER CHAND AND BROS., FOR HINDU CATERING ON THE EASTERN BENGAL RAILWAY.**

1146. **\*Lala Duni Chand:** (a) Are the Government aware that Col. H. A. Cameron, lately Agent, Eastern Bengal Railway, had given a contract for Hindu vending and catering in general on the Eastern Bengal Railway to Messrs. Shamer Chand & Bros., contractors of Messrs. Incha Ram & Co., army bankers and contractors of Ambala for two years commencing from 1st April, 1924?

(b) Is it a fact that Col. Hearn the present Agent, Eastern Bengal Railway, successor of Col. Cameron has admittedly without any fault or breach of any of the terms of contract on their part, cancelled the contract from 1st January, 1925?

(c) Is it a fact that the said firm repeatedly requested Col. Hearn for an interview being granted to them in order to enable them to place their case before him and failing in this attempt submitted a representation to him on 7th November, 1924, which he rejected without informing them of any reasons for the rejection?

(d) Is it a fact that the said contract was given to the above firm in consideration, among others, of the heavy loss of several lakhs sustained by the firm in the Great War owing to the casualties in their debtor military officers?

(e) Are the Government aware that the contract extended to 20 railway stations of the Eastern Bengal Railway and the contractors had made necessary arrangements to carry on the contract on all the stations and had invested considerable sums of money in furniture, etc., and that the cancellation of the contract 15 months before the date of expiry will cause serious loss to them?

(f) Is it a fact that the above firm had greatly improved the vending and catering arrangements on the Eastern Bengal Railway, which were in a very unsatisfactory condition before they took up this business?

**The Honourable Sir Alexander Muddiman:** (a) The answer is in the affirmative.

(b) Government understand that the Agent, Eastern Bengal Railway, gave Messrs. Shamer Chand & Bros., notice of the termination of their contract in accordance with the terms of their agreement.

(c) Government have no information.

(d) Not so far as Government are aware.

(e) Government presume that the contractors were fully aware of the provisions of their agreement when they entered into it and that it was liable to termination at given notice.

(f) Government have no information. In this connection the Honourable Member's attention is invited to question No. 1463 asked in this Assembly on 11th June 1924.

CANCELLATION OF THE CONTRACT WITH MESSRS. SHAMER CHAND AND BROS.  
FOR HINDU CATERING ON THE EASTERN BENGAL RAILWAY.

1147. \***Lala Duni Chand:** (a) Will the Government be pleased to give the reasons why Col. Hearn has thought it fit to cancel the contract of his predecessor without the contractors being guilty of any default or breach of contract?

(b) Are the Government aware that a representation by the above contractors is pending before the Railway Board on the above matter and will the Government be pleased to draw the attention of the Railway Board to the facts as stated above?

**The Honourable Sir Alexander Muddiman:** (a) Government understand that the Agent considered it was preferable in the interests of the travelling public that vending contracts at the stations in question should be given to local men instead of being leased to one party.

(b) The answer is in the affirmative.

LIABILITIES OF THE ARMY CANTEN BOARD (INDIA).

†1148. \***Khan Bahadur W. M. Hussanally:** (a) Is it a fact that the Army Canteen Board owes a very large amount of money to dealers in the market for goods supplied to them?

(b) If so, what is the total amount due?

(c) What is the amount due at each station in India?

LIQUIDATION OF THE DEBTS OF THE ARMY CANTEN BOARD (INDIA).

†1149. \***Khan Bahadur W. M. Hussanally:** (a) Is it a fact that the Army Canteen Board has not been able to liquidate these amounts?

(b) If so, for how long?

(c) When will they be able to pay off their debts?

(d) Will they pay with or without interest?

(e) Are Government liable to pay their debts in case the Army Canteen Board fail?

FINANCIAL POSITION OF THE ARMY CANTEN BOARD (INDIA).

1150. \***Khan Bahadur W. M. Hussanally:** (a) Is it a fact that in the contract note issued by the Army Canteen Board at the start there used to be a specific promise to pay the value of the goods ordered within a particular time?

†For answer to this question, see below question No. 1150.

(b) If so, why has that promise not been kept up?

(c) Is it a fact that more recently this clause has been deleted from the contract note? If so, why?

(d) Will Government make a full statement as to the financial position of the Board and their liability for the Board's debts?

**Mr. E. Burdon:** With your permission, Sir, I propose to answer questions Nos. 1148, 1149 and 1150 together; and in the first place I wish to invite the attention of the Honourable Member to the reply given to unstarred question No. 119 put by Raja Ghazanfar Ali Khan and answered on the 9th February last. In this reply, I said that, owing to a largely increased turnover and shortage of capital, the Army Canteen Board have at present to trade upon credit terms to a larger extent than is desirable. The Government of India have since examined the matter in detail, and have satisfied themselves that the liquid capital available to the Army Canteen Board is not sufficient to enable them to finance the extended range of business which they have been required by Government to undertake. I am referring here to the expansion of the Army Canteen Board's activities over the Lahore District. Out of the total working capital, only some 6 lakhs are free to finance a monthly turnover of 7 lakhs; the remainder of the capital being locked up in various ways as can be seen from the audited balance sheet. The Government of India have accordingly decided, with the sanction of the Secretary of State, to increase the Government guarantee of capital by Rs. 5 lakhs, up to a total sum of Rs. 25 lakhs. The Government of India trust that, with this addition to the working capital and with the increased receipts from new business in the Lahore District, the Army Canteen Board will no longer find it necessary to trade upon terms of credit extended beyond the usual commercial practice. I note, in this connexion, that, as I have stated before in this House, the audited balance sheet for the last trading year of the Army Canteen Board shows that the undertaking is a profit-making concern, and the information available to me shows that since the end of the last trading year, a profit has continued to be made, and on a larger scale than the profits of the previous year. I note, further, that, as previously stated, the guarantee of Government has never yet been invoked and there is no probability that the increase to the guarantee recently sanctioned will involve any charge upon the tax-payer.

My Honourable friend has asked what would happen to the creditors of the Army Canteen Board if the Board were to fail. In reply to this, I can only say that, since according to the last audited balance sheet the Board is making a profit and since within the limits of the area prescribed and apart from the officers' shops it has a practical monopoly of business guaranteed by Government, there is, so far as I can see, no possibility of the contingency of failure arising. But if for any reason which we do not anticipate at present it were decided that the enterprise should not be continued, Government would make it their business to see that the operations of the Board were brought to an end in such a way as to prevent, so far as possible, any loss being suffered either by the creditors of the Board or by the general tax-payer.

If the Honourable Member finds that I have not replied specifically to some of the points raised in his questions, the reason will be found in the reply which I gave to starred question No. 985 answered on the 23rd February last where I said that the Government of India are prepared to give and have given the general public a great deal of information regarding the

Army Canteen Board (India) but they consider that the Board must be allowed to preserve the same secrecy as a private business firm would in regard to the details of its trading transactions. The Honourable Member will appreciate that I have met his concluding request by making a statement as to the financial position of the Board. I am arranging to furnish the Honourable Member separately with a copy of the last audited balance sheet.

---

STATEMENT LAID ON THE TABLE.

STATISTICS OF INLAND POST BOOK PACKETS.

**The Honourable Sir Bhupendra Nath Mitra** (Industries Member): Sir, I beg to lay on the table certain statistics of Inland Post book packets, promised on the 23rd February, 1925, in reply to Sir Purshotamdas Thakurdas's supplementary questions on his starred question No. 977.

---

*Statistics of Inland Post book packets, referred to in the reply given by the Honourable Sir Bhupendra Nath Mitra on the 23rd February, 1925, to Sir Purshotamdas Thakurdas's supplementary questions on his starred question No. 977—*

| Year.   | Estimated number of book packets posted. |
|---------|------------------------------------------|
| 1914-15 | ... 50,919,966                           |
| 1917-18 | ... 41,134,192                           |
| 1920-21 | ... 54,777,311                           |
| 1922-23 | ... 58,284,568                           |

---

MESSAGES FROM THE COUNCIL OF STATE.

**Secretary of the Assembly:** Sir, the following Message has been received from the Secretary of the Council of State:

"I am directed to inform the Legislative Assembly that the following motion was carried in the Council of State at their meeting on the 4th March, 1925, and to request the concurrence of the Legislative Assembly in the recommendation contained therein namely:

'That this Council do recommend to the Legislative Assembly that the Bill to amend the Succession Certificate Act, 1889, be referred to a Joint Committee of this Council and of the Legislative Assembly, and that the Joint Committee do consist of 12 Members.'

The following further Message has been received from the Secretary of the Council of State:

"I am directed to inform you that the Bill to amend the Prisons Act, 1894, which was passed by the Legislative Assembly at its meeting held on the 24th February, 1925, was passed by the Council of State at its meeting of the 4th March, 1925, with the following amendment:

In sub-clause (d) of clause 2 of the Bill, after the word 'and' the following words were added:

'the words 'as defined in clause (11)' shall be omitted; and'

2. The Council of State requests the concurrence of the Legislative Assembly in the amendment."

Sir, I lay on the table the Bill as amended by the Council of State.

# THE GENERAL BUDGET—LIST OF DEMANDS.

## SECOND STAGE.

### *Expenditure from Revenue.*

#### DEMAND NO. 16.—CUSTOMS.

**Mr. President:** The Assembly will now proceed to the consideration of Part II of the Budget—Demands for Grants.

The question is:

“That a sum not exceeding Rs. 71,66,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1926, in respect of ‘Customs’.”

#### REDUCTION OF EXPENDITURE BY CO-ORDINATION OF THE STAFFS OF THE CUSTOMS, INCOME-TAX, OPIUM AND SALT DEPARTMENTS.

**Mr. K. Rama Aiyangar** (Madura and Ramnad *cum* Tinnevely: Non-Muhammadian Rural): Sir, the motion standing in my name runs as follows:—

“That the Demand under the head ‘Customs’ be reduced by Rs. 100.”

My object in moving it is to place before the Government my view that in respect of particular heads which have been now taken over by the Government of India for administration through the Central Board of Revenue steps should be taken to see that the expenditure incurred on these departments is reduced. I have been for some time having a Resolution admitted against my name recommending that the expenditure in the three Departments—Customs, Salt and Income-tax,—should by reorganisation be reduced so that the total cost to the Government may become less. I have placed that Resolution before the Government for consideration for more than a year, but for some reason or other that could not be taken up in this House. When last time I had the good fortune to have a ballot in my name, I had to take up the question of the Taxation Inquiry Committee. I take this opportunity of placing my views before the Government so that immediate attention may be paid to it, especially as the circumstances are now more propitious than they were ever before. We have got the Central Board of Revenue organised, and practically all the Departments that I have referred to have been brought under its control. Therefore, this is just the time for the whole matter being considered in a proper manner.

Sir, I had not the opportunity of placing before the Honourable the Finance Member and the Assembly my views on this Budget during the general discussion. This is not the time to review the whole Budget. I will do it later when the Finance Bill comes up before us for consideration. I am of opinion that while the Honourable the Finance Member has got a grip on the whole situation he is himself not quite sympathetic to the recommendations of the Retrenchment Committee. I know, if he wills it, he can reduce the expenditure of the Government of India in all their Departments to a greater extent than what the Retrenchment Committee have recommended, but, as I have said before, he has not been quite sympathetic to those recommendations. On the other hand, the poor taxpayer deserves a better treatment at the hands of the Honourable the

Finance Member and a greater reduction in expenditure. The Retrenchment Committee have recommended a reduction in expenditure of about Rs. 19½ crores, and we have not given effect to more than Rs. 10½ crores within these three years including the Budget for the next year. My impression is that that is absolutely not satisfactory, and as I have said before, I shall deal with that matter later. The language used by the Retrenchment Committee as regards their recommendations under each head shows that while they were not willing to go as far as they would have liked they only placed before the Government such cuts as they thought were absolutely essential in the interests of the country and ought to be carried out at the earliest possible date. So far as the Department that I am now referring to is concerned, I mean the Customs Department, the Retrenchment Committee only suggested a reduction of about Rs. 47,000 in the pay of the Commissioner in Bombay and said that the rest of it need not be retrenched at that stage. But they observed that they would not be content to leave it at that and though they said that as the Department was expected to earn, they would not reduce expenditure, they were not willing that it should be left without being considered by the Government of India and the expenditure retrenched if possible. Where are we now? That is the question. Since the date of their recommendation we have added to the expenditure by more than Rs. 12 lakhs. The proposal is to put expenditure up at full Rs. 12 lakhs more by the end of next year, adding Rs. 4 lakhs to the expenditure incurred or expected to be incurred in the current year. The revised figures for this current year are put at Rs. 67 lakhs and they expect to put the expenditure for next year at Rs. 71 lakhs. It will be seen that in the Income-tax Department also they have similarly added to the expenditure of the current year by more than Rs. 10 lakhs. In the Salt Department also it is expected to spend more next year than this year. My present object is only to suggest to Government that steps may be taken to see that expenditure in all these Departments is combined wherever possible so that the total may show a considerably reduced figure. In all the three Departments the expenditure now comes to about Rs. 2½ crores, or very nearly Rs. 3 crores. I submit that the whole establishment in the various provinces is under the control of the Central Board of Revenue and there is no reason to keep the establishment in every place separately for each Department so that the total may come to Rs. 8 crores. As far as I have been able to analyse the budget in Great Britain, I find that the expenditure on the collection of customs and excise duties and income-tax is not of the proportion that you have here. I have got statistics as far as 1919 at the latest, but I have satisfied myself from the budget debates of last year that there is no addition to the expenditure column under these heads, though there is an increase in revenue, which is about £600,000,000 for income-tax and super-tax. In the case of excise and customs the income is about £400,000,000 with an expenditure of only £5,000,000. I find that proportionately the expenditure under these heads is much more here than what it is in Great Britain. My submission is that by carefully analysing the number of superior officers entertained by the Central Board of Revenue in each province for the three Departments and combining them it should be possible to show a saving of Rs. 1 crore. You are now spending about Rs. 2½ crores. By the method I suggest you ought to be able to reduce the total expenditure of the three Departments to Rs. 1½ crores. Again in the Presidency town of Madras you have got under Customs one Collector, 2 Assistant Collectors, 6 Appraisers as they are called and 265 clerks.

[Mr. K. Rama Aiyangar.]

altogether costing in establishment salaries alone about Rs. 8½ lakhs. In the same Presidency town you have got for Income-tax one Commissioner, plus one plus eight plus two officers, as also 89 income-tax assistants as they are called, costing in salaries alone Rs. 1·31 lakhs, and you have got also travelling and other allowances for those officers which come to a considerable figure. Similarly, in the case of Salt we have got amongst officers 17, paid 1·23 lakhs and 237 assistant inspectors and 161 superintendents, etc., the cost being 8·25 lakhs.

**Mr. A. H. Lloyd:** Are these all in Madras town?

**Mr. K. Rama Aiyangar:** I am only taking an instance. Take the Presidency towns one by one. In fact near Madras and in Tuticorin and other places you have salt pans. There are places which can be so combined that the superior officers could within the range of their duties do both works. That is the suggestion I make. I have no doubt that when it is looked into and worked up it should be possible to save considerable amounts. Then again in the case of Madras we find an expenditure of about 8 lakhs on the establishment in the case of district centres. We find about 8 lakhs on the higher establishment in the mofussil. I do not say that in every place the customs collections and the salt collections could be tacked on but there may be some places in which the work could be so arranged as to avoid repetition of higher officers or inspectors, or appraisers. For example, the Government of Madras had Salt and Abkari combined. You have been doing it till now in the Government of India. The salt duty was collected by the abkari staff in the provinces and a share was taken and it is now found that we have to pay considerably more. Income-tax work was combined before and in this case they should be able to make considerable reductions. Similarly, in Bombay I find that in the Presidency Division the expenditure on superior officers is 1·48 lakhs and ordinary supervising staff about 12·82 lakhs. . . . .

**Mr. President:** If the Honourable Member wishes to raise the question of the co-ordination of these three departments, the discussion will more properly come under the vote for the Central Board of Revenue. It is not in order under Customs. The Central Board of Revenue has a separate vote of its own and that is the body concerned with the co-ordination of all the tax-collecting agencies in India under the Central Government.

**Mr. K. Rama Aiyangar:** That has been only recently put in in the Demands. If that is your ruling, Sir, I have no objection to discuss the point on another occasion. My point was that in considering the reduction all these heads have to be taken into consideration. However, I am perfectly amenable to the suggestion you have made.

**Mr. President:** If the question relates to the co-ordination of the tax-collecting agencies in India it must be raised under the Central Board of Revenue. This demand affords an opportunity to criticise the administration of the customs collections.

**Mr. K. Rama Aiyangar:** Certainly I will take it at that, though for this question the other matters are relevant. Similarly, the district staff. There is the Sind customs where again the expenditure under the other departments might be combined. In the case of the United Provinces there is scope for bringing the opium staff also under Customs and there will be

considerable reduction in expenditure. As regards Bengal and Burma the scope is considerable to reduce expenditure under Customs by combining. I propose therefore that there should be reorganisation of this Department so that there may be considerable reduction and I wish that Government should take note of this. In the Finance Committee I raised this matter. The Honourable the Finance Member gave a sympathetic hearing and he said that this matter will be looked into. I have raised this so that the whole matter may be considered fully.

**The Honourable Sir Basil Blackett** (Finance Member): I am in some difficulty in replying to this motion for the whole of the Honourable Member's speech has been devoted to the question of effecting a reduction in the cost not only of Customs but also in the Income-tax, Opium, and Salt Departments, by some sort of co-ordination of the staff. I hope therefore that in view of your ruling the Honourable Member will be willing to withdraw this motion and bring the matter up again on the vote for the Central Board of Revenue. I may tell him at once that this is a matter to which the Finance Department and the Central Board of Revenue have been giving their attention from the moment that the Central Board of Revenue was amalgamated. In some directions amalgamation has been made but I think that he is mistaken in his view that it is possible to go very far in that direction. Your income-tax officer cannot be also your salt officer or opium officer. Your customs officer requires different training and his work is different and his place of work is frequently different. I cannot continue this debate, I am afraid, without going beyond the limits of your ruling. I must ask the Honourable Member to leave the matter for the moment at that.

**Mr. K. Rama Aiyangar:** I will withdraw the motion.

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

**Mr. President:** Motion No. 8 standing in Mr. Neogy's name appears to come under Demand No. 72, which relates to the subject of "Refunds".

#### ABOLITION OF THE COTTON EXCISE DUTY.

**Mr. Kasturbhai Lalbhai** (Ahmedabad Millowners' Association: Indian Commerce): I beg to move the motion that stands in my name that the Demand for Grant under "Customs" be reduced by Rs. 77,000. I would remind Honourable Members . . . . .

**Pandit Motilal Nehru** (Cities of the United Provinces: Non-Muhammadian Urban): May I ask, Sir, if you are going by the amount of the cut. If that is so, my motion is for a cut of Rs. 79,300. Will my motion be taken along with this? It relates to the same matter, item No. 7.

**Mr. President:** I took Mr. Rama Aiyangar's motion to reorganise so as to reduce cost, because it offers a general opportunity for the criticism of the administration of the Department. That apparently was not his purpose and therefore the debate failed. I then called on Mr. Kasturbhai Lalbhai, because his motion gives a definite indication of the proposal to raise the question of the cotton excise. There was no indication in the reductions Nos. 4, 5, 6 and 7 as to what the intention was there.

**Pandit Motilal Nehru:** May I now inform you and the House that it refers to the same matter as Mr. Kasturbhai's, namely, cotton excise.

**Mr. President:** Then the Honourable Member can proceed with it after Mr. Kasturbhai.

**Mr. Kasturbhai Lalbhai:** I would remind Honourable Members that this motion is only a logical corollary of the decision arrived at by this House after mature deliberation at Simla in September last. For we have all, I mean on this side of the House as well as the Government Members, had our full say on the subject, and I do not propose to argue at any great length the pros and cons once again. Thirty years ago when this unjust levy was enforced at the behest of Lancashire, the position was different from what it is to-day. Not only did the public support the commercial community but the Government of India were with them in opposing this levy. Since then till the year 1923 no responsible officer of the Crown has ever attempted to defend it. But the cat was out of the bag when during the discussions over my Resolution in September last Sir Charles Innes said:

"The proper thing to do is not to take off the cotton excise duty but also to reduce the import duties"

which means that the abolition of the cotton excise duty goes hand in hand with the reduction or abolition of import duties. That is to say, the pledge of Lord Hardinge and the findings of the Fiscal Commission must go as chaff before the winds and the Indian cotton mill industry must take its chance with imported cotton piece goods from Japan and elsewhere in respect of reduction of duty. Honourable Members are aware of the position of the Indian cotton mill industry during the last two years and over. It is a patent fact proved before the Chief Justice of Bombay that the losses of the Bombay mills alone for the year 1923 amounted to 117 lakhs of rupees, and yet they are paying over a crore in excise duties. I have taken some pains to find out what the position of the industry has been during the year just passed, and I learn on good authority that the losses will not be less than 150 lakhs. If the present trade continues, I do not know where the industry will be landed. When I say this, I may assure the House, that it is with no desire to exaggerate or to present purposely a dismal picture of the industry, but it is a bare statement of facts, and if I have thought fit to mention them here, it is only to apprise the House of the critical position through which the industry is passing and not that the case for abolition depends on it entirely. I can well imagine the Finance Member taunting me with the huge profits the cotton mills made during the boom. I do not deny that the cotton industry did make handsome profits, but the profits of that period were not a peculiar feature or the monopoly of the cotton industry alone. The profits made by a particular industry in common with other industries at a certain time is no argument for penalizing the industry for all time to come. Our imports of cotton manufactures went up from 68 crores in 1923 to 93 crores in 1924, an increase of 15 crores; while our total exports to all foreign countries did not exceed 10 crores of rupees. In 1924 Japan alone sent cotton manufactures to India of that value. The Honourable the Commerce Member assured us at the Simla session last year that he would watch very very carefully the competition from Japan. But what is the good of his watching, if no action is to be taken? The House will visualize the alarming nature of the strides that Japan is making in capturing the Indian market when I give them the following figures.

**Mr. President:** I cannot allow the Honourable Member to discuss Japanese competition on this motion.

**Mr. Kasturbhai Lalbhai:** Very well, Sir, I will not refer to Japanese competition. It does not matter to our Government if we have to pay import duties on our stores at 15 per cent, protective duties on iron and steel materials, higher freights on our coal, import duties on our machinery, in addition to an adverse exchange. The Government must have their pound of flesh, irrespective of the losses suffered by the industry. Sir, in no other country in the world except in Egypt and India under British rule is this policy of excising the indigenous manufacture of cloth being followed. A free Egypt did away with it only a fortnight or a month ago. But India cannot throw away the duty even with fiscal autonomy. It is up to the Government to accept and give effect to the declared wishes of the people's representatives in this respect. I feel confident that if the Assembly had any other method open to it to repeal this unjust impost, it would not have hesitated to adopt it at the earliest opportunity, and it is to be hoped that the Government Benches will not ignore the reiterated protests of this House to-day. Sir, I do not want to go on elaborating the argument in favour of my contention. Not even the stoutest champion of the Treasury Bench can deny that the imposition of this taxation was a crime against the cotton industry and a betrayal of India's interest to Manchester's clamour a generation ago. The present-day tactics of making the abolition of the cotton excise duty conditional upon the existence of financial facilities is entirely beside the point and ignores the vital issues involved. No civilized Government worth the name would have set at naught the pledge given by His Majesty's representative, Lord Hardinge, particularly in view of the fact that this is the third year of a surplus budget. Seventy-five lakhs of rupees are already there and about an equal amount can be had from the amount provided for the debt redemption fund, which is practically the amount required to wipe off these duties. If the Government Benches are using financial stringency as a cloak under which to take cover, I have nothing further to say. However, I cannot persuade myself to believe that financial considerations alone stand in the way of the Government doing away with this impost; for my Honourable friend Sir Purshotamdas Thakurdas and Diwan Bahadur Ramachandra Rao suggested in their speeches during the discussion the other day that this House will be prepared to consider any reasonable proposal which Government may make for taxing the profits of companies to make up for the loss in revenue. I hope and trust that all Honourable Members, whether European or Indian, who have the good of the country at heart will reject this grant, because it is the only means open to them under the present constitution to give expression to their emphatic determination that they shall not be a party to the continuance of this iniquitous impost. The cotton excise duty must go because politically it is a crime, economically it is an offence and administratively it is an abuse.

**Pandit Motilal Nehru** (Cities of the United Provinces: Non-Muhammadan Urban): The motion that stands to my name is:

"That the Demand under the head "Customs" be reduced by Rs. 79,300."

I have in the first place to explain how I arrive at that figure. At page 5 under the head 'Cotton Excise Establishment' we have a total of Rs. 77,000 for Bombay. Then at page 8 we have similarly  
 12 Noon. the cotton excise establishment for the Central Provinces totalling Rs. 2,300. The amount by which I propose that this Demand should be cut is therefore the total of these two figures, namely, Rs. 79,300. I am afraid it was my Honourable friend Mr. Kasturbhai Lalbhai's parochial

[Pāndit Motilal Nehru.]

patriotism which confined his attention to Bombay. I am interested in the total abolition of this tax and have therefore taken whatever establishment exists in any province for collecting this tax.

Now, Sir, so far as the merits of the motion are concerned, I am sure that this House, at least the non-official element in it, does not need to be convinced of the imperative necessity of adopting this motion. The reason why I sent up this motion and why I am now standing to support my friend Mr. Kasturbhai Lalbhai, is that I desire to express my admiration of the high and mighty attitude adopted on this question by the Honourable Finance Member. Here is an iniquitous tax which has disgraced this civilized administration for nearly 30 years. It is a tax on production of one of the most essential necessities of life. But in spite of the deep and continued resentment of the people, in spite of the ceaseless war waged against it by the Indian National Congress in the Press and on the platform, in spite of the fact that Prime Ministers, Secretaries of State, Governors General and even Finance Members have admitted the nefarious character of this impost, in spite of the fact, Sir, that this House very recently passed a Resolution condemning it, we find the Honourable the Finance Member absolutely unmoved. I congratulate him on this most wonderful feat. It needed all the courage that he could command to introduce a Budget which has all the appearance of a prosperity Budget without offering the least explanation why this obnoxious tax was retained. In his long speech introducing the Budget not a word was said upon that point. Then followed the general discussion on the Budget. Speaker after speaker rose in his place and condemned the tax. But all that had no effect upon the Honourable the Finance Member. He rose and made a speech in reply but did not meet the arguments advanced. Not that he did not attempt to wriggle out of many other uncomfortable positions in which he found himself; for instance, he referred to the thorny question of exchange and currency, he referred to the political loan to Persia, or was it a loan to the Anglo-Persian Oil Company (*The Honourable Sir Basil Blackett*: "No, no") to enable them to declare big dividends? My Honourable friend says, "No." Had it not that effect indirectly? There is no answer. (*The Honourable Sir Basil Blackett*: "No.") There is a belated answer—"No" (Laughter.) Well, I shall leave it at that. The Honourable Member also attempted to answer certain serious charges made by my Honourable friend, Sir Purshotamdas Thakurdas, about hiding away crores of surpluses in the darkest recesses of his Budget, and when Sir Purshotamdas Thakurdas and some other Honourable Members were ungenerous enough to interrupt him by questions, the Honourable Finance Member suddenly discovered the value of time, although, Sir, you will remember that you were pleased not to include him in the time limit imposed upon this House. Whenever an inconvenient question was put under those heads, an answer was attempted and when it failed at a certain stage, it was given up to be dealt with on some future occasion. But the excise duty never came in for a single observation (*An Honourable Member*: "Of course it did") in his reply. Well, it was just a passing reference. No attempt was made to justify the tax. At least, as far as I was able to follow my Honourable friend's speech I saw no justification of the cotton excise in it nor even a serious attempt to justify it.

Now, Sir, it is unnecessary for me to go into the history of the question. It has been discussed threadbare on the floor of this House and elsewhere. I will not detain the House by quoting the authorities I have already

referred to, namely, the Prime Ministers, Secretaries of State, and so on. But I shall act on the principle that one gentleman in office is better than ten out of office. In saying so I am merely putting a common saying in parliamentary language. I will therefore deal with such explanation as has been given on a former occasion by both the Honourable the Finance Member and the Honourable Member for Commerce. What is that explanation? I shall first refer to the speech of the Honourable Sir Charles Innes in which he says—that was in the September session at Simla:

"I say that there is no Britisher in India who does not regret that this tax was ever put on, and I say with confidence that that is the feeling of everyone of us on this side of the House. Also, Sir, I should like to say that we on this side of the House recognize that there is a natural desire on the part of Indians that the cotton excise duties ought to disappear from the face of the Statute-book. But, Sir, I must safeguard myself. I do not wish to be misunderstood. I regret very much that this tax was ever put on because I believe that the tax has done us great political harm. But I am not prepared to go further and say that I believe that this tax has seriously harmed the Bombay cotton industry."

Now, Sir, that last observation is a matter which I leave to be settled between the Honourable Sir Charles Innes and my friend, Mr. Kasturbhai Lalbhai. I am not at all concerned with what has harmed the industry or what has benefitted it. All that I am concerned with is that this obnoxious tax, which is a disgrace to the administration and a humiliation to the people of India, must go at any cost whatever happens. Then, we have the Honourable Sir Basil Blackett at the same Session. He says:

"It was, I think, a tax bad in its origin, bad in its incidence when first imposed, and, when the Taxation Committee comes to inquire into it now, I think it will very likely say that it is a tax which even now is not altogether desirable in its operation." Then, he proceeds:

"I should not be averse to being the Finance Member in whose period this historic wrong was righted."

Now, that being so, what was it that prevented my Honourable friend from righting that historic wrong? The answer is, want of funds. He says that there is no hope this year, and goes on:

"There is no hope next year, or the year after next, or the year after that that we shall be in a position both to get rid of the cotton excise duty and to give up the provincial contributions . . . We are not in a position to-day to consider on its merits whether it is the first tax that in the interests of the people of India ought to be got rid of, or whether it is desirable to get rid of it and put another tax in its place. We are not in possession of the facts, nor would it be in order to discuss that sort of question in full here. We are asked therefore on political considerations to tie ourselves to a point of view which it is impossible for us to discuss fully and which I do urge this House to consider may not be in the interests of the people of India as a whole."

So that it comes to this, that both the Honourable the Finance Member and the Honourable the Member for Commerce expressed very noble sentiments and entirely agreed with all that had been said by their predecessors as well as other high functionaries and the public, but they said there was a difficulty which could not be overcome, and that was that they did not know which of the two things, namely, provincial contributions or this tax, must go first. Now, Sir, I do not for a moment mean to be understood to say that I desire the omission of the reductions which have already been made in provincial contributions; on the contrary, I say that these contributions too must wholly disappear at the earliest possible moment. But it does not follow that because there are two wrongs, therefore we must partially right one and leave the other entirely alone. It comes to this, that the tax is a bad one; it is bad in its inception, bad in application, bad in incidence, bad altogether. But we cannot remove it because we are short of funds. May I, Sir, suggest a revival of the slave trade and making it a commercial concern, just like the

[Pandit Motilal Nehru.]

Railways? That would bring much more money than this tax can. What have we got to do with the history of the shortage of funds in the past? As I have said on the present occasion that question does not arise. We have the hidden away crores. We do not know where they are.

**The Honourable Sir Basil Blackett** (Finance Member): Nor do I.

**Pandit Motilal Nehru:** My friend does not know and I can understand the reason why. It is because he is so constantly in the habit of hiding it away that he has forgotten where he put it on each occasion. The whole point is whether this House will submit to be flouted in the manner it has been, whether this House will be a party to a continuance of this policy of the Government which sets public opinion at naught and treats with contempt the considered opinions and Resolutions of this House. I stand here, Sir, in order to press the total abolition of the excise duty on no other consideration than this. I ask the House, at least the non-official Members, each and every one of them, to dismiss every other consideration from their minds and to vote for this motion on the sole ground I have taken, namely, the highly objectionable nature of this tax and connected with it the treatment which this House and public opinion has received at the hands of the Government. I would ask even those who on the last occasion during the September Session of this House voted against the Cotton Excise Resolution to vote in favour of this motion. The reason why I ask them to do so is that however much any Honourable Member may be against any particular proposition which is put before the House, when that proposition is once passed by the House, it is as much a point of honour, a point of self-respect, for him who voted against it as for those who voted for it to enforce the decision of the House. It is on that point that I rest my case to-day. I may at once say that if my friend cannot find the crores that are lying about here and there, let him tax the incomes of these very mill-owners as much as he pleases and I can give him my promise that, if it is a reasonable tax, he will have the heartiest support of myself and my party. Let him do anything which is reasonably called for under the circumstances to allow of the abolition of this duty and we shall be satisfied, but I would not for a moment let it be understood that I mean any alteration in the position which provinces have taken and have been taking for some time past in the matter of their contributions to the Central Government. Nor do I mean to say that fresh taxation should be such as would kill the industry. My friend Mr. Kasturbhai Lalbhai, has given rather a sad account of the prospects of the industry. I have no materials, Sir, nor have I the necessary facts before me either to support or to contradict him, but if he is right then certainly no measure taken by the Government which will kill the industry will have any assistance from us. Within reasonable bounds tax the rich man as much as you can and we shall always be found standing by you. But when the poor man is taxed or it becomes a question of the honour of the country, the honour of this House, you shall find no support from us.

**Sir Campbell Rhodes** (Bengal: European): Sir, I had not the privilege and pleasure of being in the House last September when this subject was exhaustively discussed, but I have read that debate with very great interest and I confess that I am very pleased that that debate no longer took what I may call a racial line. I read with great interest the support given to the abolition of the excise duty by my friend and colleague Mr. Cocke from Bombay and I hope that I shall be able to induce him

to rise to his feet to answer me when I have finished. I was also interested when my Honourable friend Mr. Willson the other day showed me a telegram from a European Chamber of Commerce in which he was asked to use his influence with me to get me to support the motion before the House. Mr. Willson has done his best. In moving this motion Mr. Kasturbhai Lalbhai half-heartedly, because after all he is a business man, and the Honourable Pandit wholeheartedly have chosen the battle ground of the political arena. He bases his claim entirely on the history of this tax. Now, Sir, on the history of this tax there are no two opinions, I think, in this House. I suggest that that chapter in the Fiscal Commission's report, which I shall always be proud to have assisted to have written, is probably, if I may say so with due modesty, the finest condemnation of this tax, because it is based on historical events and does not spoil the case by using unduly extreme language. But, Sir, by choosing the political battle field my Honourable friends cannot get away from the economic effects of this motion. That they want to do so, I can quite understand after that extraordinarily able exposition of the whole subject by Sir Charles Innes in the September session. But those economic results remain. May I quote from a distinguished Member of this House, Diwan Bahadur Ramachandra Rao. He says:

"Sir, so far as I am concerned, I represent a constituency of agriculturists who are interested in seeing that their wants are supplied with as little cost to them as possible. Therefore from that standpoint I am convinced that a remission of this duty will not necessarily be followed by a reduction in the prices of cloth, and therefore to that extent I am in agreement with the conclusion of my Honourable friend, Sir Charles Innes, that, unless the present duty on imported cloth is reduced, the prices of cloth in this country will not be brought down."

Then he goes on to say:

"Sir, after expressing my agreement with that conclusion, I am still of opinion that the political aspect of this question cannot be ignored."

I think, therefore, that the Honourable Mover would have been on stronger grounds if he had proposed a corresponding reduction in the import duty, but that, of course, lies within his own discretion. I submit, Sir, that the political issue is a dead one; and, when the duty ceased to be countervailing then it became purely an economic issue. But in one respect I will join hands with the Honourable Pandit in my appeal to Government. This is either a political issue or it is an issue which lies within the competence of this House and, therefore, I am at one with him in asking the Government to give effect to our wishes, whatever those wishes are. The fact that I myself will not be able to support this motion does not affect my view that, if it is carried, Government should at once give due consideration to the views of the House. (Hear, hear.) The only point that I do want to make is that the House should thoroughly understand what they are doing. Sir Purshotamdas Thakurdas in speaking on this subject in the September session went against the argument I have just used, namely, that since the import duties were raised to 11 per cent. this has ceased to have any political issue whatever and has become a purely economic one. I would like to read his words:

"The Honourable Member wound up, or very nearly wound up, his case by saying that when the Honourable the Finance Member is able to spare the money, he will put the subject before the House to decide whether they want the excise duty off or provincial contributions off. What connection, Sir, is there between the two? And may I ask if the House is prepared even to tolerate the idea of touching this tainted money of cotton excise duty? It is tainted money—tainted without the least doubt—in spite of the Honourable the Commerce Member laughing it out, money which comes from the dishonour of the people of India."

[Sir Campbell Rhodes.]

Those words, Sir, have been repeated to-day by my Honourable friend the Pandit, the sense of them at any rate. Well, Sir, that is the problem before the House. Is this tainted money or is it not? If it is tainted money, then I would appeal to Madras to wait another year for its 126 lakhs. (*Cries of "No" from the Madras Benches.*) I will appeal to the United Provinces not to touch this abomination and wait for its 56 lakhs. I would appeal especially to that home of the free trade agriculturist, the Punjab, to give up their 61 lakhs. I have no doubt that the prosperous province of Burma will readily give up those few six pences which make up its 7 lakhs. (*Cries of "What about Bengal?"*) Honourable Members ask about Bengal. Well, Sir, it is unfortunate that a bird of passage, as my Honourable friend Mr. Neogy called me the other day, should have to stand up and save the people of Bengal from the birds of prey. I should like to ask him to get up and raise his voice in favour of the interests of Bengal, even if it be a question of the poor if he cannot do so when it is the question of our Howrah Bridge. I ask Mr. Joshi to come out of his third class carriage for once and support the interests of those he is nominated here to represent. Well, Sir, if Government will listen to my appeal, I will say that we can, at any rate to-day, kill the political issue. We can definitely decide whether this money is tainted and, if it is tainted, whether we will touch it. (*Pandit Sham Lal Nehru: "Do you know the Prime Minister's opinion?"*) I once asked a clergyman whether he would touch tainted money and he said that the only money he regarded as tainted was when he put his money into his pocket and "t-aint" there. If Madras will give up their money, Bengal will certainly take it. (*Laughter.*) Sir, I stand where I stood when I helped to compile the Fiscal Commission's Report. I do not know quite why the Bombay mill industry, that poor struggling industry, will not put their case, as we suggested, before the Tariff Board. Let me read the words of the Fiscal Commission:

"The Tariff Board should be directed to examine at the earliest possible moment the claims of the Indian cotton mill industry to protection. That body will then be in a position to decide the real point at issue."

And this I commend to Mr. Joshi:

"which will no longer be a matter between Bombay and Lancashire but between the Indian producer and the Indian consumer."

That, Sir, is the issue to-day. At the present moment the consumer of cotton goods in India pays about Rs. 3 for every one rupee that finds its way into Sir Basil Blackett's pocket. In other words the cost of collecting the import duty on cotton piece goods, the cost to the country, is 66 per cent. That fact has often been stated, and so far as I know, it has not been contradicted. The cotton excise duty, like the consumption tax of that country which this House ordinarily regards as the paragon in all things, I mean Japan, is avowedly a tax on the people. There are only two methods of taxing the people of this country, salt and cloth. (*An Honourable Member: "What about the land revenue?"*) Those two taxes reach all. The objection to taxing either is that these burdens do fall on the people; but this House has I think taken the line, certainly most of my leading Indian colleagues take the line, that the people should be taxed for their own benefit, and the money spent on those nation-building departments whose work is so much in arrear. I personally refer the spreading of taxes wherever possible, and I would give the humblest in the land the choice of whether he pays his tax

through his purchase of salt or through his clothing. By limiting one and buying more of the other, he distributes the tax, quite unconscionably of course, as he wishes. And I believe myself that economically considered, and considering the circumstances of India, which are in many respects similar to those of Japan, the consumption tax, which is what the excise tax is, is economically sound. But as I say there is no political significance in it now. (*An Honourable Member*: "Why do you not introduce it in England?") I would like to see the whole subject investigated by the Tariff Board. You, Sir, have ruled that in the particular form in which this Resolution has been moved, we cannot discuss some of those difficulties, those very real difficulties which concern the Bombay mill industry. Personally I should like to see those difficulties investigated and the export trade of piece goods from India cultivated. But, Sir, we cannot go into that question, and I think it is a question on which the Tariff Board might give us some light. In conclusion, Sir, I would only like to say this, that whilst opposing, as I do, this motion, which after all is chiefly in the interests not of the Bombay Presidency, but of certain interests in the Bombay Presidency, I do feel very keenly that the Bombay Presidency has come badly off in regard to the loot which the Honourable the Finance Member has placed on the table for us to scramble for. (*Mr. V. J. Patel*: "Has he placed it? He has only earmarked it.") I consider the question is one between the Bombay mill industry and the people, between the Indian producer and the Indian consumer, and I shall wait with considerable interest to see on which side the House comes down.

**Mr. H. G. Cocks** (Bombay: European): Sir, my Honourable friend and colleague Sir Campbell Rhodes has invited me into the arena in connection with this question. He opened by stating that he was not present at the debate last September, but that he had read the report. Well, it is very unfortunate, I think, that he was not present at that debate because reading cold print afterwards is a very different matter to being present in the course of the discussion, and had he been there possibly some of the views he has expressed to-day might not have been held by him. But, Sir, I was very glad to hear him support the Honourable Pandit to the extent of saying that he considered Government should give consideration to the decision of the House to-day. This House I suppose must be considered as representative of the country as a whole, and if this House comes to the decision that, for one reason or another (I will not put the political issue *before* any other issue), this tax should no longer exist, then I agree that the Government might very well yield and alter the disposal of the surplus which they have suggested. (*An Honourable Member*: "Alter the disposal? How?") I will leave that to the Honourable Member to work out. There are various ways in which it can be altered. I am not going to suggest them here, but I do suggest, if this House is in favour of the withdrawal of this duty, due consideration should be given to it. I am quite sure a large number of the Members of this House are prepared to consider the point of view of the tiller of the ground, the man who to-day may be taxed an anna or two for his cloth, and if they, in their judgment, consider that the tax should remain, then I say, let the House proceed to reject this motion for reduction. But I, having regard to all the aspects of the question, and having regard to the wishes of my own constituents, am bound to support the Honourable Member behind me. Sir Campbell Rhodes mentioned that cloth and salt were the only two heads through which you could reach the people in methods of taxation. That is

[Mr. H. G. Cocke.]

bringing it down to very narrow limits. Apart from other articles in more or less daily use, such as kerosine oil, you have got to realise that you are also reaching them through the land revenue, not directly but indirectly. Land revenue has an obvious effect on the price of foodstuffs, and in that way you reach the consumer, (*An Honourable Member*: "No"), in rent or land revenue, or both. Sir, I quite agree that this tax is not as bad a tax as it was. No one can argue against it to-day in the same way as they could argue some years ago. But it does not to my mind affect the real issue to-day. The real issue is that this tax is an objectionable tax from the point of view of history; but apart from that altogether, it is an objectionable tax because it is imposed on the production of an article which is in daily use, and on the production of an industry which unfortunately is carried on mainly in one province. If the cotton mills of India were more widespread it would be different, but the mills being situated as they are, and Bombay being taxed so highly as it is, it is practically impossible to consider this question without some consideration for the Bombay taxation point of view. It is therefore very difficult to separate this question from the question of provincial contributions and other taxes. We are not to consider under your ruling, Sir, Japanese competition, but I think I might be permitted to say that if a foreign country by forced labour is importing articles into this country, unfairly to compete with the output of Indian mills, then that is a matter which we are entitled to take into consideration in considering the removal of this duty. I should also like to make one remark on the general term "millowner". Colonel Crawford, speaking last September, was very angry with what he termed the "Bombay millowners". To have listened to him and to have listened to other speakers, one would have imagined that half a dozen men overwhelmed with wealth were waiting to grab any rupees they could possibly find. What are the facts, Sir? The facts are that to-day almost the whole of the Bombay mills are joint stock companies, and there are thousands and thousands of part-millowners and not only a few men overburdened with wealth. It may be true that a certain number of millowners still hold substantial blocks of their own shares. I suppose I am a millowner. I have a few preference shares the dividend on which is in arrears. I am a part-millowner and many thousands of people are in the same position, and therefore I think it is misleading the issue to put it forward that the Bombay millowners are going to reap the benefit if this tax is withdrawn, that the benefit will go into only a few pockets. It is difficult to trace the exact effect of the withdrawal of this tax. I quite admit it is very easy to argue that it is all going into the coffers of the mill companies. It may be more difficult to argue that it is going to have some effect on the price of cloth, but I am quite sure it will have that effect, not the whole of the 3½ per cent., but the effect of withdrawal should be to some extent to bring down the price of cloth.

**Diwan Bahadur M. Ramachandra Rao** (Godavari *cum* Kistna: Non-Muhammadan Rural): Sir, my Honourable friend Sir Campbell Rhodes did me the honour of quoting my views when the question now under consideration was under discussion in September last and I am bound to explain what I feel to-day in this matter as fully as I can. Sir, the Honourable Member expressed himself in such a way on this occasion that I am not able clearly to understand his views. He expressed his general sympathy with the cause of the millowners of Bombay. He said the question

should be examined by the Tariff Board in view of what he and his colleagues on the Fiscal Commission had said on the subject, that there are difficulties in regard to the position of the millowners in India which require investigation by the Tariff Board. Sir, this may be so, so far as my Honourable friend is concerned, but the question is a very urgent one for a variety of reasons. At the outset of my remarks, however, I should like to make it quite clear, specially in view of what has fallen from my Honourable friend Mr. Cocks, that so far as we from Madras are concerned, we shall not be a party to any deviation from the scheme of provincial contributions foreshadowed in the Honourable the Finance Member's speech; my Honourable friends from Bombay themselves have, during the course of the general discussion on the Budget, given us the idea more or less unanimously that they on their part do not desire any deviation from that scheme. Therefore, the remarks of my Honourable friend Mr. Cocks that a vote on this question would mean a deviation from that scheme is certainly against the unanimous opinion of Bombay. (*Khan Bahadur W. M. Hussanally*: "Will the Honourable Member share his windfall with Bombay?") So far as Bengal is concerned, I do not wish to say anything further on this question. I am certain there is no Member in this House, either from Bengal or Bombay, the United Provinces or the Punjab, that desires the nation-building departments in the provinces to be starved or would be a party to dissuading the Government of India from maintaining and even accelerating the speed at which they should wipe out these provincial contributions. Sir, the Honourable Sir Basil Blackett has announced that so far as this year is concerned a remission of 2½ crores is to be made to the provinces, and in answer to my Honourable friend Mr. Jinnah he has set out details of the scheme which, if adhered to for the next 4 years, would completely wipe out these contributions at the rate of a crore and a half or so a year every year. We desire that provincial contributions should be wiped out as early as possible in the manner suggested by the Honourable Sir Basil Blackett, if it cannot be done earlier.

There are one or two other matters to which I should like to refer. I have felt since the debate on this question in March last, that there must be a solution of this question as early as possible, that the political aspect of it cannot be ignored and that this question has become a kind of running sore in Indian politics for the last 30 or 40 years. There is no other question of importance which requires immediate attention as this and the Government of India are bound to apply their healing balm to this running sore as soon as possible. After we dispersed in March last I wrote a letter to my Honourable friend Sir Charles Innes to initiate an inquiry by the Tariff Board such as my Honourable friend Sir Campbell Rhodes has suggested to-day. Apart from this, as soon as the discussion in September last was over, I suggested in private discussions with both my Honourable friends Sir Basil Blackett and Sir Charles Innes that this question should be taken up without any further delay, and that, if the relief could not come out of the surplus of the year or if there was any difficulty they should devise some alternative method of relieving the cotton mill industry. The one suggestion that I made which was referred to in my speech to which my Honourable friend Sir Campbell Rhodes has not paid any attention is as follows:

"So far as I am concerned, I am willing, speaking for myself, to examine his proposals." (*That is, the Finance Member's proposals.*) "The only way in which

[Diwan Bahadur M. Ramachandra Rao.]

he could make up the revenue would be by some kind of additional burden on all those who are making profits in industrial concerns. I do not wish to go further than that. We are not anxious to line the pockets of mill-owners and, if Government can bring forward proposals which, while unconditionally accepting the abolition of cotton excise duty, would if necessary make up the revenue thus lost by further taxing the profits of all industrial concerns, we may be willing to look at them."

Sir, I stick to this opinion which I expressed in September last. I contend that if in present circumstances it is not possible for the Honourable the Finance Member to find the required funds out of surpluses, he must raise the revenue lost by the remission of the excise duty by levying an additional tax on all companies which are now making a profit. I contend, Sir, that in that manner the amount of nearly 2 crores which will be lost by giving effect to the Resolution of September last can be made up by imposing an additional super-tax of half an anna on all industrial concerns which are making profits in this country. (Mr. M. A. Jinnah: "Including jute and tea"). Certainly by all means on those and other companies. I may mention the oil trade of Burma which is making very handsome profits; and if you include the jute trade my Honourable friends from Bengal would come under it. Then there is the woollen trade and various other industrial concerns in this country which are making very handsome profits. That is a solution which I expected the Honourable the Finance Member to adopt in regard to this matter . . .

**Mr. President:** If I allow the Honourable Member to go on, he will cover the whole trade of India which is entirely out of order.

**Diwan Bahadur M. Ramachandra Rao:** I do not wish to pursue the subject further, Sir, except to say that on this matter there is absolute unanimity of opinion that the Government should take action without delay. Finally, the exact proposals which the Honourable the Finance Member may make are not matters for me or for other Honourable Members at present. It is essentially a question of taxation and is within his jurisdiction. But we do feel this, that any proposals he may make immediately will receive our most earnest consideration. But they should not interfere with the position of the provinces. These two points are absolutely clear in my own mind, and I therefore wish this matter to be taken up by the Government at once.

**Mr. V. J. Patel** (Bombay City: Non-Muhammadian Urban): Sir, we are all agreed that this tax must go. The Members on the other side as well as the Members on this side are agreed that this tax is bad and it must go. It is all a question of funds, Sir, and I beg to point out that if my Honourable friend the Finance Member has a wish to abolish this duty he can do so; he has got plenty of funds, I submit. I rise merely to point out how he can not only abolish the excise duty this year, but he can go further and reduce the postage as well as the salt tax. He has got crores of rupees with him. My friend Pandit Motilal Nehru has pointed out that my Honourable friend has put in money here, there and everywhere, so that when he wants it he does not find it. I am afraid it is not correct to say that he cannot find it if he wants, but that he does not want to find it. That is the question. He has deliberately devised the Budget in such a way that those claimants, the man in the street who wants the postage to be reduced, the millowner who wants the excise duty to go, the ordinary man who wants the salt tax to be reduced, would not come forward to

press his claim. He has got crores of rupees, I submit. Take, for instance, the 74 lakhs estimated balance he has got; that surplus cannot be denied. Then my Honourable friend, Sir Charles Innes, will give him 80 or 83 lakhs, because we have cut down the railway expenditure by about a crore and out of that crore he is bound to give one-third or 33 lakhs to general revenues. Thus he can make up one crore of rupees and odd. There can be no question about it. Then my Honourable friend Sir Basil Blackett has written off 82 lakhs on the rupee loan of 1923 which he need not do. You are not justified in doing it. You can spread it over a number of years, as you yourself stated as your policy that with regard to the rupee loan discount it will be paid off in course of time, year by year, by making some provision. You can do that now if you wish to do it. If you wish to relieve the tax-payer you can do it.

**The Honourable Sir Basil Blackett:** That would decrease the amount of this year's surplus.

**Mr. V. J. Patel:** Certainly not, you can have the additional 82 lakhs in your estimated surplus.

**Mr. President:** This conversation is entirely out of order. We are considering the motion to omit the provision for the Cotton Excise Establishment and nothing else.

**Mr. V. J. Patel:** And I am here to point out, Sir, that Sir Basil Blackett could find the money to meet the deficiency caused by such abolition.

**Mr. President:** If the Honourable Member succeeds in carrying this motion he will have saved Rs. 77,000 of the money to be found.

**Mr. V. J. Patel:** That is not enough. He will have to find the entire estimated revenue of 2 crores and odd. Then my friend has got 50 lakhs which he has provided in this year's budget for the service of the new rupee loan. He has, I submit, no business to do that. He could very well have spread it over a number of years and pay it in course of time. He should have consulted the Assembly before appropriating it. It is neither a sinking fund nor interest. It is what you call—I do not know what you have called it (Laughter) (*An Honourable Member:* "Discount")—no, not discount (*The Honourable Sir Basil Blackett:* "Service for the loan")—you have called it the service of the new rupee loan.

**Mr. President:** The Honourable Member's discussion of alternatives is not in order; he may be in order in referring to them incidentally, but the Honourable Member is making it the substance of his speech which is quite wrong.

**Mr. V. J. Patel:** Sir, my submission is that the only difficulty, so far as I can understand it, is the difficulty about funds. Both sides of the House are agreed that this tax must go; there can be no question about it, and the main thing that stands in the way of the solution of this difficulty is the difficulty about funds. And I submit that this question should be tackled by this House as best it can, and therefore I am pointing out the ways and means as to how this question can be tackled. The difficulty of my Honourable friend is imaginary.

Then there is a sum of 3 crores and 51 lakhs which he wrote off against  
 . . . . . (Laughter.)

**Mr. President:** My Honourable friend's difficulty in keeping in order is not imaginary.

**Mr. V. J. Patel:** I submit, Sir, . . . .

**Mr. President:** The Honourable Member can take another opportunity to discuss his difficulties. This is not the opportunity to discuss the whole Budget.

**Mr. V. J. Patel:** Then, Sir, I shall merely state that my Honourable friend has got crores of rupees and he can therefore not only abolish the excise duty but he can also reduce the postage and salt tax if he has the desire to do so. Besides, the House I am confident will give large and substantial cuts in the Demands for Grants and he will have no difficulty in giving relief to the mill industry. But, will he do it? That is the question.

**Mr. President:** In view of the fact that to-day is Friday, I propose to adjourn this House a little earlier than usual.

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

---

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

**Pandit Madan Mohan Malaviya** (Allahabad and Jhansi Divisions: Non-Muhammadan Rural): Sir, so far as arguments are concerned, I think all the arguments that were necessary have been supplied in support of the proposition that this item of Rs. 79,000 should be done away with. I do not think it would be right to take up the time of the Assembly by repeating those arguments. This publication on the Indian cotton excise duty, which has been submitted I believe to all the Members of this Assembly, supplies all the facts and figures and arguments which bear upon this question. There are two points which were made by Sir Campbell Rhodes in his speech to which I specially want to refer. Sir Campbell Rhodes said that we should bury the political aspect of this question and that we should look at the economic aspect only in dealing with it to-day. I wish, Sir, the political aspect of it were buried, and I wish that the matter were considered only in its economic aspect. Both from the political aspect and the economic aspect it is high time that the request made in the motion before the Assembly were adopted. The condemnation of this excise duty was nowhere more pithily and forcibly expressed than in an article in the *Times* in 1917 to which I will again draw attention. Writing on the 5th March, 1917, the *Times* said:

"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."

I don't think, Sir, that the condemnation of this duty could be more complete than it is here. So far as the economic aspect is concerned, the writer in the *Times* is perfectly right when he said that it was a great

wrong that the Indian peasant had to pay for twenty years more for his cloth than he would have done but for this duty. Sir Campbell Rhodes observed that the question lay between the consumer and the producer. The question does lie between the producer and the consumer, but I don't think the interests of the consumer and the producer conflict in this matter. The interest of the consumer also lies in having this national industry developed. And this industry cannot be developed if this handicap is continued on it. There is no justification for it. If this duty is removed the industry will have a better chance for growth than it has at present. How unsatisfactory the growth of this industry has been in this country is evident from the fact that three-fifths of the cotton produced in this country is still exported out of India to be manufactured into cloth and yarn outside it, and that only one-third of the cloth which is used by the people of this country is produced by the power looms of this country. Does or does not the industry stand in need of encouragement and development? It certainly does. (*Sir Campbell Rhodes*: "Put it to the Tariff Board.") I am coming to the Tariff Board. I submit, Sir, the fact is obvious. It is a reproach to the Government and the people that this state of things should continue, that three-fifths of the cotton produced in this country should go out of the country to be manufactured outside.

Sir my Honourable friend Sir Campbell Rhodes says, "Go to the Tariff Board." Now, Sir, that is a very unsatisfactory suggestion. What will the Tariff Board tell us about the cotton excise duty that this Assembly does not know? What can they tell us which this Assembly cannot discuss and decide upon in this debate. The Tariff Board is required to consider questions of policy when there is any doubt about it. My Honourable friend, Sir Campbell Rhodes, has not cited one opinion to show that there is in support of the continuation of this duty a single authority which is worth consideration. In this House, in the earlier Assembly and in the old Imperial Legislative Council the question has been debated many a time, and opinion has always been in favour of the abolition of this excise duty. In 1911 there was a debate in the Imperial Legislative Council as it then was. A motion was brought forward by the Honourable Sir Muneckji Dadabhoj. That was supported by every single Indian, but it was defeated by official votes because the officials were then in a majority in the Council. But an English writer wrote that but for the fact that Government had asked the official Members to vote against the motion, it would have been carried by the votes of official as well as non-official Members. That was in 1911. Since then many a time efforts have been made to get rid of this duty but it is still there. In fact, there has unfortunately been weakening in the attitude of Government so far as this duty is concerned. The Government were more clearly in favour of abolishing this duty before than they have been during the last few years. (*The Honourable Sir Basil Blackett*: "No.") I am very glad to hear the Honourable Sir Basil Blackett say that that is not a correct statement. I am glad to accept that statement from him. But why I said it is this. Lord Hardinge's Government definitely promised that this duty would be removed as soon as funds permit. Since that time there have been opportunities when the Government have expressed their opinion on the subject; but the debate in September last in Simla showed, as it seemed to me and many others, that the Government's attitude was not as firmly in favour of removing this duty at an early date as it was before. Even to-day, on this occasion we find that the attitude of Government

[Pandit Madan Mohan Malaviya.]

is not as strong in favour of removing this as it should be. The question does not lie between provincial contributions and the cotton excise duty. The provincial contributions ought to go. It is right that they should go: they must go. But this duty also ought to go, and I agree with those Honourable Members who have spoken before me, and have urged that, if the Honourable the Finance Member could make up his mind to see this duty removed, he has money enough, he can find money enough in this Budget, to carry out that wish. I wish he would say that he can do so. Rs. 74 lakhs which has been reserved out of the surplus which he expects as a margin can certainly be given up. What is the justification for reserving it? In his speech the Honourable the Finance Member said:

"That Government of India, therefore, propose that Rs. 74 lakhs out of the surplus of Rs. 3-24 crores should be kept in hand as a margin against possible disappointments or misadventures during 1925-26 and by way of security against any deterioration in the position of the Central finances in 1926-27."

That is an over-cautious provision and it is not justified. I do not know that if we have to provide against possible disappointments or misadventures to the extent proposed, any budget can be considered to be a satisfactory one from the people's point of view. The estimates that have been made are on all heads, one might say, not merely sufficient but ample. I do not think that there is any department in which there has been a failure to provide against any possible disappointment of an ordinary kind. As regards any extraordinary disappointment, we cannot foresee it, but we can see that the chances of it next year are very few. Therefore, I do not think that it is right to reserve Rs. 74 lakhs out of the surplus against possible disappointments. Nor do I see why by way of security against any deterioration in the position of the central finances in 1926-27 this sum should be kept in hand. Then there is also Rs. 33 lakhs more likely to come from the Railway revenues, and that can easily give us a crore of rupees. And certainly another crore could be found by reductions in other departments. If there was a determination in the mind of the Finance Member and his colleagues to find money in order to wipe off the cotton excise duty, I say with great respect that this could be done, and it ought to be done. Sir, a reference to the Tariff Board will only delay the day of relief and I think that that delay ought not to be allowed. The House has clearly expressed its opinion and I do hope that the Government will see their way to accept the motion and remove the cotton excise duty in this very year.

**Mr. N. M. Joshi** (Nominated: Labour Interests): Sir, till yesterday evening I felt inclined to vote for the motion which the Honourable Member for the Ahmedabad Millowners' Association had brought forward before this House this morning. The one reason which made me inclined to take that view was that unless and until the cotton excise duty is removed it is not possible to get any section of the Indian public to discuss the import duties on cotton goods as well as the labour conditions in the cotton industry in Bombay on their merits. Whenever the question of the import duties on cloth is discussed, a political feeling is brought in the question and the whole issue is clouded by the feelings roused on account of the cotton excise duties. Only this morning the Honourable representative of the Ahmedabad Millowners' Association tried to make out that the reduction of import duties on cloth was perhaps as great a crime as

the imposition of the cotton excise duty. Now, Sir, he is enabled to do this simply because the history of the cotton excise duties is a very objectionable one. I feel quite sure that if there had not been the cotton excise duty it would have been much easier for a man like me or any other Member of this House who does not believe that a high import duty on cotton goods is a good thing to persuade a number of Members in this House to go with us, but unfortunately the existence of the cotton excise duty and the history behind it makes our position very difficult in this matter. The same thing happens when we try to get the labour conditions in the cotton textile industry improved. Whenever we talk of the improvement in labour conditions the bogey of the cotton excise duties is thrown in our face. Feeling is roused and it is difficult for us to get sufficient opinion in favour of the improvements which we hope for. It was this consideration which made me inclined to support the motion which the representative of the Ahmedabad millowners brought forward this morning. I do not believe in the various arguments that have been brought forward against the cotton excise duties. I know there are people who hold that the reduction of the cotton excise duties may benefit the Indian consumers. I do not believe in that argument. I believe that the reduction of the cotton duties will benefit the cotton textile industry only and not the consumer. Unfortunately again political prejudice clouds the issue and we do not get people to consider this question dispassionately.

Then, Sir, I have heard it said that the cotton excise duties must be removed because they are a sign of our bondage to a foreign country. Sir, there is no doubt that when the cotton excise duties were imposed they were imposed because we are not a free country; we are under the dominion of Great Britain. But, Sir, when the import duties on cotton goods were raised to 11 per cent. the sting in this argument has gone to a great extent. At present there is a difference of  $7\frac{1}{2}$  per cent. between the duty levied on the Indian goods and the British piece-goods. But Sir, if we are to consider the cotton excise duty as a sign of bondage, are there no other duties in India which are a greater sign of the enslavement of our people than the cotton excise duties? Sir, take the salt tax. The salt tax is a tax on manhood. It is a poll-tax hated by this country since a very long time. It is a worse duty than the cotton excise duty. Therefore, if at all we have to remove any duties on the ground that that duty is a sign of our bondage, I say, Sir, the removal of the salt duty is more important than the removal of the cotton excise duty.

Then, Sir, it was said that the cotton industry is at present making great losses and therefore we should remove the cotton excise duty. In order that this argument should be regarded as valid it is necessary to show that the losses of the cotton industry are due only to the excise duty. Moreover, if the cotton excise duty falls upon the consumers, it need not cause any loss to the millowners. Moreover, Sir, if any relief is to be given to the millowners on the ground that they are making losses it is necessary for this House to find out the causes of those losses. There may be various factors in the industry which may be responsible for the losses which are caused to the industry. The prices of cotton may have gone up and caused losses. The industry may not be managed under a proper system. I know as a matter of fact that a great many cotton textile factories in India are managed on a most pernicious system of management by agencies where the agent's commission is based not upon profits but upon the production. I know also as a matter of fact that a great number of

[Mr. N. M. Joshi.]

people who are at present managing the cotton textile industry come from the ranks of your rivals. Hundreds of Lancashire men are managing the cotton textile factories in India. If you keep your industries in the hands of your rivals I think there may be a good reason for making losses. Sir, I do not wish to go into the causes of the losses made by this industry. But, Sir, I want to make one further point and it is this. If the cotton textile industry wants to come to this House and asks for relief on the ground that they are making losses, I feel Sir, that this House should take steps to conserve the profits which are made by the industry in prosperous years. The millowners made a profit of sixteen crores of rupees during recent years. If those sixteen crores of rupees had been conserved, I am quite sure that the millowners in India need not have come to this House at a time when they are making losses. (Mr. C. S. Ranga Iyer: "I hope the Honourable Member will make it clear whether he is opposing the Resolution or supporting it.") Sir, I shall make my attitude quite clear to Honourable Members if they will have a little patience to hear my speech to the end. Now, Sir, the main question upon which my attitude to-day is going to be decided is the attitude of the millowners which they have very recently taken on this question. Sir, the cotton excise duty may be removed. As one who represents the interests of labour, and especially as one who is interested in the welfare of the workers in the mill industry in Bombay, Sir, I have nothing to fear from the removal of the cotton excise duty. (Mr. A. Rangaswami Iyengar: "Everything to gain.") It is possible that the workers in Bombay and elsewhere may also gain. But, Sir, when we consider questions in this House, we feel that it is not right that we should consider questions from the narrow point of view of the interests which we represent here but from the broad point of view of the whole country. Sir, it would have been possible for me, as I have said, to vote for this motion if the Bombay millowners had put this question before the public in the right spirit. On the one hand, they say that this duty will benefit the public because the public may get cloth cheaper and the duty will be transferred to the consumer. But, Sir, if the duty can be transferred to the consumer, why are the millowners of Bombay making it a condition that if the cotton excise duty is not removed, they will reduce the wages of the workers in the mill industry in Bombay by 20 per cent.? If the duty falls upon the consumer, there is no connection between the reduction of wages by 20 per cent. and the abolition of the cotton excise duty. But, Sir, the millowners of Bombay believe very firmly that the duty falls upon them and therefore they want to take advantage of this opportunity to impress upon the public that they are the benefactors of the workers in the mill industry in Bombay. Sir, the millowners of Bombay have very skilfully stage-managed the deputation to the Governor of Bombay, and they have given a threat that if the cotton excise duty is not abolished, they will reduce the wages of the workers in Bombay by 20 per cent. Sir, if I had been sure that the removal of this cotton excise duty would prevent the wages of the workers in Bombay being reduced for about three years' time, I might still have voted in favour of this motion. But, Sir, will anyone here standing for the millowners of Bombay say that if the cotton excise duty is abolished by the vote of this House to-morrow, the wages of workers in the cotton textile industry will not be reduced for the next three years or for at least one whole year? Sir, if I get that guarantee, I shall be

very willing to go into the same lobby and vote with the millowners of Bombay. But, Sir, I feel quite sure that even if the cotton excise duty is abolished, the millowners of Bombay will not fail to reduce the wages if they can do so. But, Sir, I feel very strongly and I consider that the millowners of Bombay have taken a very objectionable step by holding out a threat to the Members of this Assembly and to the public outside that if this cotton excise duty is not abolished, they will reduce the wages of the workers in the mill industry in Bombay. Sir, it is this circumstance that has changed my attitude between yesterday evening and this morning. Sir, I cannot support the motion of the Honourable Member from Ahmedabad.

**Mr. H. Calvert** (Punjab: Nominated Official): Sir, I only wish to intervene in this debate to attempt to remove one or two little misapprehensions which have crept in in the course of it. I think, Sir, the issue is really a very clear one between the relief of provincial contributions and the abolition of the excise duty. (*Honourable Members*: "No, no; not at all.") The sole question we have to decide is which of the two goes first. (*An Honourable Member*: "Not at all.") I understand that probably no one in this House will be better pleased to see the excise duty abolished than the members of the Government of India and it is probably merely the question of meeting the insistent demands from provinces which has led them to defer the abolition of this duty for a short time longer. Now, Sir, this question unfortunately is very largely a sentimental one and those of us who have tried to study the causes of Indian poverty realise that the attraction of sentiment is one of the main causes of the poverty of this country. That sentiment, Sir, arose from the action of a certain part of England and I am not going to defend the action of the Lancashire members of Parliament. The real reason now behind this demand for abolishing the excise duty arises more from competition from Japan than from competition from Lancashire. Now, Sir, I should like to remind the House that in so far as the cotton industry is concerned, India is still a free-trade country. Sir, from a purely economic point of view where the State by its action enables any body of men to earn from their enterprise a higher profit than it otherwise would do, the State has the right, and indeed the duty, to take measures to get back for public uses the money which their action has enabled that section of the population to make. The excise duty is merely a device to get back for public purposes so much of the extra profits accruing to the millowners which arises from the import duty on cloth. The real question after all is not the abolition of the excise duty but the retention of the import duty on foreign cloth. If that import duty goes, the excise duty goes with it. I think it should be clear to all that the import duty on cloth is paid by the consumer while the excise duty is paid by the manufacturer. I think my Honourable friend, Sir Campbell Rhodes, made a slight slip this morning in which he seemed to suggest that it was the consumer who was paying the excise duty.

**Sir Campbell Rhodes**: If my Honourable friend will allow me to explain, Sir, I think this morning I rather jumped an argument. It was the intention when putting on the excise duty and it is the intention of the Fiscal Commission that it should be a consumption tax. But the Fiscal Commission clearly laid it down that so long as the import duty was high and regulated internal prices, the excise duty would be paid by the mills out of the consequent excess profit that accrued to them owing to the import duty. I think my Honourable friend will remember that further

[Sir Campbell Rhodes.]

on in my remarks I pointed out that this motion would mean the relief not of the people of India (or the people of Bombay I think I said), but of a particular interest.

**Mr. H. Galvert:** I quite agree that the main point is that the excise duty is not paid by the consumer. And if this excise duty is abolished, it does not necessarily follow that the prices of cloth will come down. They may or they may not. But any alteration in the price of cloth will be due to internal competition and not to the removal of the excise duty. I should like, Sir, to take this opportunity of correcting what I think was a slip made by my Honourable friend, Mr. Cooke, who suggested that the land revenue affected prices. I think that suggestion was fairly exploded some 40 years ago after a careful inquiry and the suggestion that has now been accepted is that a differential land revenue, a land revenue that is based on the profits of cultivation, does not affect prices which are entirely fixed by the supply and demand in various markets. I should also like to correct one further little slip made by my Honourable friend Pandit Madan Mohan Malaviya. He regretted that a very large portion of cotton grown in India was exported from India. Now, Sir, if we are to try and raise the general economic standard in this country we must try and make our soil produce crops of higher value than they do now and the one crop of higher value which the soil of India can produce is long staple cotton. At the present moment, I understand the mills in India are not prepared to buy that long staple cotton. The new 289 cotton now grown in the Punjab cannot find a market in India at all. Some of the cotton that is being exported from India is the long staple cotton which the local mills do not consume and I think it is not a matter for regret. Sir, I only hope that my Punjab friends at least will vote solid for the retention of this excise duty for a few years longer until the provincial contribution is entirely remitted.

**Sir Purshotamdas Thakurdas** (Indian Merchants' Chamber: Indian Commerce): Sir, of all the speeches that I have heard delivered till now in this House on this motion, I think the one that requires my greatest attention first, as being one which comes from one of the most esteemed Members of this House and also from a representative of an interest which clashes with the interests of the industry for the protection or for the betterment of which this motion is before the House, is the speech of my Honourable friend Sir Campbell Rhodes. Sir, a newspaper in Bombay commenting on Sir Basil Blackett's speech said that he had there initiated the policy of divide and rule. I do not know whether I agree with that comment of the Budget. But I certainly feel that Sir Campbell Rhodes tried to throw out this motion by dividing the Assembly. I will give you a few instances. He was first, Sir, not satisfied with the racial, communal and religious differences by which unfortunately at times we suffer. He added one more to it, namely, he tried to arouse provincial jealousies and appealed to Madras, the Punjab and the United Provinces to down this motion. I wish he had some better arguments than this undesirable appeal to Members from these various Provinces to fly to his banner. But, Sir, that was not enough for him. He went out of his way to appeal to Mr. Joshi, who never loses a single opportunity of doing his duty according to his lights, to oppose this motion and stand by Manchester in his last effort to justify before this House the retention of this excise duty. Sir Campbell Rhodes then referred to what he has said as one of the members in the Fiscal

Commission's Report. I admire the great labour which he devoted to that report. But he overlooked the fact that there were five esteemed members of that Commission who differed from Sir Campbell Rhodes and his friends very materially. Sir Campbell Rhodes had not even a word to say about this important minute of dissent and the very strong lines on which the five Indian members differed from what Sir Campbell Rhodes attributed to the report. Sir Campbell Rhodes admired Sir Charles Innes' speech at Simla on the Resolution of Mr. Kasturbhai last September. He said he had studied that speech with great care. Sir Campbell Rhodes I think conveniently overlooked the reply of the millowners of Bombay and of all over India, if I may say so, to Sir Charles Innes' speech. I understand a copy of the reply was sent to Sir Campbell Rhodes as one of the M. L. As. He did not think it necessary to refer to it . . . .

**Sir Campbell Rhodes:** I was not an M. L. A. then; I do not think I got it.

**Sir Purshotamdas Thakurdas:** If he did not get it I have not anything more to say, but I understand every Member of the Assembly had a copy of this reply. Do I understand Sir Campbell Rhodes did not borrow a copy from some other Member and read it? I pause for a reply.

**Sir Campbell Rhodes:** No, I have not seen it.

**Sir Purshotamdas Thakurdas:** I understand Sir Campbell Rhodes has seen this (showing a copy of the pamphlet) only for the first time. In that case I will not proceed further on that point now. But Sir Campbell Rhodes absolutely excelled himself when he quoted me. I thought he was going to pay a compliment to me. He quoted from what I said at Simla in regard to this excise money being tainted money coming out of the industries of India to help Lancashire. Sir Campbell Rhodes reminded the House that Pandit Motilal Nehru to-day was catching the main points of his speech from what I said at Simla last September. Sir Campbell Rhodes forgets that Pandit Motilal Nehru, before he became leader of the Swaraj Party, was a very strong National Congress man himself. In fact when Pandit Motilal Nehru was doing his duty in Congress before the Swaraj Party days, I was at school and college; and I refuse to accept the compliment that Sir Campbell Rhodes wishes to put at my door, that Pandit Motilal Nehru borrowed the ideas of his speech to-day from me. He must have thought of it; he must have pressed these ideas of the political infamy hurled at India long before I knew anything of the excise duty. Sir, I give back to Sir Campbell Rhodes that compliment and he can hand it out to somebody else at a more convenient time. May I say to Sir Campbell Rhodes that by these methods he is asking to be told that Sir Campbell Rhodes echoes here what Lancashire and England want to be retained. I did not want to say that, but I say, and I repeat it, that Sir Campbell Rhodes with all sorts of plausible arguments is trying to divide this Assembly on grounds of provincial and other undesirable jealousies and is trying to divide this Assembly on the question of capital and labour. He is trying to enforce here, under the guise of the financial needs, etc., of India what Lancashire wants and what Lancashire actually thrust down India's throat in spite of the opposition of the Government of India. I have finished, Sir, with Sir Campbell Rhodes and his kind. I do not think anything more in his speech deserves my further attention.

I now come to my esteemed friends on my right. It was Sir Campbell Rhodes who asked for the help of Madras, and it was my Honourable friend Diwan Bahadur Ramachandra Rao who asked for a categorical

[Sir Purshotandas Thakurdas.]

declaration from such Members of the House who are interested in the removal of the excise duty which is now said to be Bombay's look-out. As if Cawnpore is not going to share in it; as if my friends' mills in Madras are not going to have a share in it. I am sure Sir Basil Blackett is not going to declare "no excise duty for Bombay." But Diwan Bahadur Ramachandra Rao asks for a categorical declaration that the excise duty is not going to disturb the provincial contributions. I say, and I have the authority of my Chamber in saying it, if I may take it for granted after the conversations I have had with leading members of my Chamber here, that I assure them that the question of the excise duty is not going to affect the question of provincial contributions. The provincial contributions stand on their own merits, and must be granted on their own merits. The excise duty need not have precedence over the provincial contributions. Both are evils.

The latest is the provincial contributions; the one that will give relief to the largest number, that will help most the nation-building departments of the various provinces; and to that extent we support the remission of provincial contributions first, second and last. But what we do claim and what I ask not only Madras but also the Punjab to support in spite of my Honourable friend there, the Government representative of the Punjab.— what I ask of this House and of all the representatives of the various provinces is this, treat your provincial contributions on their own merits; we do not wish to come in the way of them; in fact, we will press with you the Government to remit these provincial contributions as early as possible. On the other hand do not overlook the great handicap that the cotton excise duty puts on India. Leave on one side the political question as everybody is agreed on it; think of its effect on the cotton industry of India. Because the cotton industry happens to be largely implanted in the Bombay Presidency, let that not prejudice you and let that not be an artificial handicap to us.

I shall therefore having cleared this ground and having given my Honourable friends from Madras, the Punjab, the United Provinces and Burma the assurance that when this Resolution comes up for discussion on the 18th instant their contributions shall not be under dispute so far as I am concerned, I will now consider the question why the cotton excise duty should now be taken up for serious consideration as to its being removed. I understand, and I mention it because I am told that the Madras Government are so very uncertain and doubtful about the provincial contributions not being in any way affected by any discussion on the cotton excise duty that an Honourable and responsible member of the Madras Cabinet has publicly said that he is not quite sure yet whether the provincial contributions will not suffer by coming into the discussion on the excise duty. If there is going to be anything more from the Government of India, I do not know. I am not in their secrets; but as far as the non-official Members are concerned, they will stand by the remissions that have been notified till now; and if anybody from Madras will not trust the Honourable Members here to look after their interests, the fault will not be ours.

Sir, it has been the fashion of the last few weeks, I see, for Government Members when they get up to reply to a debate not to reply, or, to overlook to reply, perhaps under the stress of pressure, to the most important

points raised in the course of a debate. I will mention one case which related to that cut of 50 lakhs which was ultimately reduced with the consent of Government to 35 lakhs when it came to the Demand for Grants. The Honourable the Commerce Member did not think fit to refer in his reply on the Railway Budget debate to this by a single word. Supposing that part of the Grants for railways had come under the guillotine the 50 lakhs would have been there undisturbed although the Government Member could not defend the figure and had to reduce it by Rs. 35 lakhs. I am afraid I have to remind the Honourable the Finance Member of a somewhat similar lapse. My Honourable friend from Ahmedabad distinctly said in the course of his speech on the general debate on the Budget that he had overestimated the cotton excise duty revenue. Mr. Kasturbhai Lalbhai distinctly stated that the Honourable Sir Basil Blackett was counting upon 14 months' duty. He further pointed out that since last year or very lately the Government have made a reduction of 15 per cent. in the price. Well, Sir, if that is true, and as Sir Basil Blackett has not challenged it I may take it it is true (*The Honourable Sir Basil Blackett*: "I challenged it at the time.") I wish then you could have said what are the correct figures. If the duty was taken for 14 months, then you have to knock off 2 months' revenue. If 15 per cent. has been reduced in the price, 30 lakhs go off. Mr. Kasturbhai Lalbhai pointed out that the amount was too much and he estimated the correct amount would be 1 crore 60 lakhs. Therefore, as far as this item is concerned, the difference is between finding 2 crores 15 lakhs and 1 crore and 60 lakhs. With deference to the Honourable the Finance Member I submit that in view of the fact that the excise duty is one which interests the House so much, he might well have given a little more attention to this question in his reply on the general debate instead of concentrating it on my Honourable friend to my right who addressed the House last on the Budget debate.

The whole question boils down to this: The House apparently is agreed that the excise duty must go. The Government have indeed  
 3 P.M. said so. The question now is whether the excise duty should go when there is a normal surplus out of the revenues which will enable the Government to do away with a recurring revenue of a crore and a half, or whether there should be some substitute put in for the excise duty which will keep the Honourable Finance Member perfectly at ease regarding his successive revenues hereafter. I submit, Sir, that when reduced to this the question becomes a very simple one. It is now for the House to say whether they would like to substitute some other tax and, if so, what tax. It is not a question which can be decided in the House, it is a question which perhaps is a matter for some little consideration in Committee or by the Finance Member whichever he likes. But why not go to the root of the whole thing? Why not really begin to come to grips with the proposition? If the excise duty must go, the Honourable the Finance Member may say "I must have a substitute"; in which case my Honourable friend from Madras, Diwan Bahadur Ramachandra Rao, indicated one such; there may be several such suggestions. (*Diwan Bahadur T. Rangachariar*: "Increase the duty on hides.") There is another one offered by Madras again. The whole question, Sir, to my mind boils down to this: Is the House prepared to say that a tax on production of one of the necessities of life is a thing which the House would really like to confirm? It is not like a tax on the production of

[Sir Purshotamdas Thakurdas.]

liquor or a tax on the production of alcohol or the production of something which is a luxury. It is a tax on the production of one of the necessities of life. Sir, I wish that those who support this excise duty under one guise or another, on one excuse or another, under one irritation or another, as my Honourable friend, Mr. Joshi, evidently seems to have been irritated, I wish that they will say they would like to put a duty on the production of a necessity of life. I do not think, Sir, the time at my disposal will permit me to go further into this question. All I say is that this amendment has been submitted, I take it, with a view to get a definite pronouncement from the House whether they would like the excise duty to go now or whether a substitute is required for it. This latter is a question for the Finance Member to consider and to come up with proposals before the House and I am sure the House would give them its most careful and impartial consideration. I have great pleasure, Sir, in recommending this amendment for the acceptance of the House.

**The Honourable Sir Basil Blackett** (Finance Member): Sir, I should like to bring the House back to a consideration of exactly what is the point before it. A motion has been moved to reduce the provision in the Demand for "Customs" by Rs. 77,000. Pandit Motilal Nehru would have liked to have made it Rs. 79,300; and in view of the object which the Honourable Member who moved this stated to be his, it is clear that the Honourable Pandit's motion would have been a little more logical, because his motion is to remove all provision from the Customs Demand for the collection of the cotton excise duty as from the 1st April 1925. That is to say, the House, if it votes for that motion, will be expressing the view that the Government should cease to collect cotton excise duty altogether from the 1st April 1925. The consequence of any such action would clearly be a reduction of 215 lakhs in our estimate for the coming year. The correctness of that figure has been challenged. I do not know on what basis it is suggested that the last year's receipts contained 14 months' collections. My information does not support that. So far as I am aware, that estimate is as good an estimate as can be made, but I recognise that Mr. Kasturbhai Lalbhai has some strong claim to be in a position to estimate the receipts from this tax. He says the receipts will be 160 lakhs. If the receipts should be 160 lakhs and not 215 lakhs, 55 lakhs out of my surplus of 74 lakhs are already gone and I have nothing to distribute. But I should prefer to stick to my figure. I have no reason to suppose either that this estimate is very wide of the mark, or that our total estimate of receipts from Customs will not be realised, provided that we have a reasonably normal year.

I have been challenged from several quarters on the assumption that I go about with crores in my pocket or up my sleeves. I should almost be afraid to meet Mr. Patel on a dark night because he might try and get hold of those crores from me, but I assure him that if I had them I should get rid of them myself at the first opportunity. It is suggested that our surplus of 74 lakhs is unnecessarily large as a reserve. It is also suggested that it has been increased by the course of the debate on the Railway Demands for Grants. Now, the House will remember that, in respect of nearly all the important cuts that were made on the Railway Demands for Grants, we were definitely invited to come back with a supplementary estimate if we found that the money was required. It is extremely difficult, therefore, for a Finance Member who is making the best estimate

he can of the amount that he will require to spend and the amount that he will receive in the course of a period of twelve months which has not yet begun, to take cuts of those sorts and say that they add to the total of the surplus in any way. After all, what they really represent now is to some extent a provision against probable supplementaries or possible supplementaries. I do not want to put it stronger than that. All that I am saying is that you cannot by cuts of this sort say that I am entitled to alter my estimates and that I have got 25, 30 or 40 lakhs to give away. The point, therefore, comes to this, that it is proposed by this House quite clearly that Government should cease to collect the cotton excise duty as from the 1st of April 1925. The Honourable Pandit Motilal Nehru made it quite clear that he did not desire any reduction in the provincial contributions that have already been recommended by the Government. Diwan Bahadur Ramachandra Rao was even stronger in saying that he regarded any raid on provincial contributions as entirely out of the question. We have got, therefore, to find 215 lakhs if this motion is carried and accepted by the Government. We have got to find 215 lakhs without going to the provincial contributions. I say quite clearly to the House that these 215 lakhs do not exist, and I cannot possibly estimate that we shall receive anything like that sum in addition to the sum that is required to meet the expenditure of the year. We cannot get that without reducing the provincial contributions or without having a deficit. Sir Purshotamdas Thakurdas who spoke last was, I think unintentionally, even stronger than Diwan Bahadur Ramachandra Rao in what he said about the provincial contributions. He said: The excise duty does not take precedence over the provincial contributions; first, second and last, the provincial contributions have preference. Does he mean to say the whole of the 9.83 crores of provincial contributions have preference over the cotton excise duty?

**Sir Purshotamdas Thakurdas:** I mean as far as the declaration by Government went for remissions of these contributions.

**The Honourable Sir Basil Blackett:** Therefore he meant first, and not second and not last. What Sir Purshotamdas means is first, and not second and not last and that the cotton excise duty is to have preference over any further reductions.

**Sir Purshotamdas Thakurdas:** Sir, let me make it quite clear, this is very important. If the Government of India propose to give a remission of provincial contributions, whether it is the first, second or third time, the remissions of provincial contributions will have precedence over every other consideration. Is that clear?

**The Honourable Sir Basil Blackett:** Sir Purshotamdas says we can afford 215 lakhs.

**Sir Purshotamdas Thakurdas:** May I ask his pardon if I try to get clear about one thing more, Sir? What does the Honourable Member say with regard to prices having been reduced by 15 per cent.? He has not replied to that question raised by Mr. Kasturbhai.

**The Honourable Sir Basil Blackett:** I am perfectly well aware that the valuation has been reduced by 15 per cent. But Sir Purshotamdas says that, as from the 1st of April 1925, we can cease to collect cotton excise duty. That is the meaning of his motion.

**Sir Purshotamdas Thakurdas:** If the Government of India are obdurate.

**The Honourable Sir Basil Blackett:** That means, if that motion is carried and given effect to, that my estimates of receipts and revenue for the current year are Rs. 215 lakhs too high. If my estimates are already too high, that does not matter. But it does mean that we lose 215 lakhs from our revenue for the present year. (Sir Purshotamdas Thakurdas again interrupted.) I have given way to the Honourable Member so often that I think he might let me continue. The Honourable Member says that we can afford 215 lakhs out of this year's estimates. If I can afford it and the provincial contributions come first, ought we not to add that to the provincial contributions? I am putting the position simply and perfectly straight, as it is. I do not want to put in anything but just to put the facts before the House. The House are therefore by this motion, first of all, as I say, endangering the 250 lakhs of reduction of provincial contributions this year. Secondly, they are definitely voting that any further surplus that we have this year or indeed at any future time should go first to a reduction of the-cotton excise duty and only thereafter to the provincial contributions. I am trying to put the position perfectly clearly and logically before the House. The Honourable Pandit and Mr. Ramachandra Rao I think realised this fact and they suggested that we should get over the difficulty by some substitute taxation. Now, that was a suggestion that was made last September and was very carefully considered by the Finance Department. We considered one alternative after another but you are up against this difficulty—I do not want to provoke Sir Purshotamdas again but even Mr. Cocks stated that only a small portion if any of the  $3\frac{1}{2}$  per cent. cotton duty if reduced would go to the consumer, that most of it would go to the millowner. It must be so. My view is that the whole of it will go to the millowner. That is to say, substitute taxation puts us up against this real difficulty that we have got to come before the House and ask them to put a tax on somebody else in order to put money into the pockets of the millowners. It is a real difficulty. I therefore come back to this that the only solution of this problem is the complete abolition of the cotton excise duty without substituting other taxation. I should have liked to have had substitute taxation but it does seem to me extremely difficult for the Government and for this House to propose that we should put a new tax on particular individuals even if some of them are the same individuals as the millowners in order that the proceeds of that tax may go into the pockets of the millowners. It is an unavoidable difficulty. I do not abate one jot or one tittle of what I said last September as to the undesirability of this tax. I repeated it in another place yesterday and I now say again that the Government of India have every intention of fulfilling in the spirit and in the letter the pledge that was given by Lord Hardinge that the cotton excise duty would be abolished as soon as financial considerations permit. That promise was made in 1915 at a time when there was only one purse, when the Provincial Governments' finances had not been separated from the Central Government's. It is said that we have a surplus this year. So we have from the point of view of the Central Government, but if you were to put India back into the position in which she was in 1915 from the point of view of finances, that is, having one purse for the Central Government and Provincial Governments, there would be a deficit equivalent approximately to the amount of provincial contributions, that is we are still in deficit. The House accuses me—or I rather have been accused in various quarters outside the House—of trying to set province against province, of trying to divide and rule. No such thought is in our minds. We are simply up against the logic of facts . . . .

**Sir Purshotamdas Thakurdas:** I hope the Honourable Member does not refer to me.

**The Honourable Sir Basil Blackett:** I am referring to the quotation which the Honourable Member made from a paper.

**Sir Purshotamdas Thakurdas:** I say I agreed with it?

**The Honourable Sir Basil Blackett:** I know it and that is why I corrected myself and said that I have been accused in certain quarters. As I said, we are simply up against the logic of facts. So long as the provincial contributions exist, there is this difficulty that you cannot reduce any central taxation without *pro tanto* postponing the reduction of the provincial contributions. I regret that it should be so, because it is very difficult to get a really satisfactory debate on this subject so long as that dilemma exists. If you wanted a really satisfactory debate on this subject it would only be in this position—that there was a surplus in the Government of India Budget available for reduction of taxation and the question before the House was, shall we reduce the cotton excise duty or shall we reduce some other tax? Speaking for myself, though I may be unwise to answer a hypothetical question, I am quite sure that on political grounds I should vote for a reduction of the cotton excise duty.

I should like to say a word about what Sir Purshotamdas Thakurdas said on the subject of Manchester. He was betrayed into saying something which I hope he had not meant. He quoted from some of the very voluminous documents which have been published by the supporters of the abolition of the cotton excise duty. He complained that Sir Campbell Rhodes had not spent his time in reading a particular pamphlet. I doubt if many people have read all the pamphlets, but I have one here in which the millowners directly contradict the statement which Sir Purshotamdas Thakurdas was betrayed into making in regard to Manchester. This is what they say:

"If there is no competition between the English and Indian piece-goods (and this is an acknowledged fact admitted by Sir Charles himself), then it follows that these two markets are quite independent of each other and the rate of import duty can hardly affect the local market in one way or another."

**Sir Purshotamdas Thakurdas:** If the Honourable Member is prepared to give way I should like to explain myself, as I have no right of reply. That has nothing to do with the point of view I was looking at it from.

**The Honourable Sir Basil Blackett:** The Honourable Member was saying that Manchester stood in the way of the abolition of these duties and that Sir Campbell Rhodes was trying to get people to vote for Manchester. But here the Millowners themselves confess that there is no competition between the two.

**Sir Purshotamdas Thakurdas:** That is the joke of the whole thing. In spite of there being no competition Lancashire still wants the duty to remain so that the Indian cotton industry may not advance.

**The Honourable Sir Basil Blackett:** Lancashire is not standing in the way. I am afraid the Honourable Member has convicted himself out of his own mouth of inconsistency. However, I do not want to take up that matter any further.

If the House vote for this, they are voting for the abolition of the cotton excise duty as from 1st April next. They are voting that, except to the

[Sir Basil Blackett.]

extent of the remissions already proposed by the Government in the case of the provincial contributions, the cotton excise duties should have preference over any further reduction of the provincial contributions. They are voting further that we should budget this year for a deficit. I cannot naturally anticipate at this stage what decision the Government would arrive at in reference to a vote of that sort. Government are necessarily awaiting in all these matters the discussions that will take place on the Demands for Grants and on the Finance Bill. That the Government would be put in a very difficult position by the carrying of this motion is quite clear because in spite of what has been said by Pandit Motilal Nehru, in spite of what has been said by Mr. Ramachandra Rao, they would have to take it that it was an expression of opinion by this House that the cotton excise duty should be abolished in preference to the provincial contributions. It is unavoidable. That is clearly what the House are expressing if the House vote for this.

**Mr. A. Bangaswami Iyengar:** That is not the opinion of the House. I know that it is not the opinion of the House. That is my difficulty. I am quite sure that it is not the opinion of the House. The House are asked by this motion to vote for something which obviously carries that necessary expression of opinion. I know it is not the opinion of this House. That is exactly the difficulty and I put it to the House that they should think twice before carrying a motion which conveys clearly that opinion although it is not the opinion of the House.

**Mr. M. A. Jinnah (Bombay City: Muhammadan Urban):** \*I am not a millowner. I happen to hold very few shares and most of them are not paying much of dividends for a long time. Now, my friend Mr. Chaman Lall lives in the Punjab and not in Bombay.

**Mr. Chaman Lall:** I know a good bit about Bombay and the millowners.

**Mr. M. A. Jinnah:** What about the millowners?

**Mr. Chaman Lall:** They are rogues of the first water.

**Mr. M. A. Jinnah:** Sir, it is admitted on all hands that this excise duty is historically wrong. It is also admitted by everybody in this House that it was a blunder politically. There are two questions about which there is a certain amount of doubt, one whether it is economically sound or whether it is not sound. My friend the Honourable Sir Campbell Rhodes from Bengal is a champion of the salt tax and I believe that he thinks that two of the best and most excellent methods of taxing the people of India are the salt tax and the tax on cloth. The Finance Member does not endorse that because I did not hear any argument coming from the side of the Government that economically this is the best method of taxation. The only argument and the only stand that the Finance Member has taken up is this, "I have no money," and the question is whether we should reduce the provincial contributions at this moment or whether we should do away with this excise duty. Now, Sir, this House does not desire to interfere with the proposal of the Government which they have put forward with regard to the reduction of provincial contributions but, while we say that, the matter does not end there. Does the Finance Member say that he wants to convey to this House that he is not prepared to show in any manner whatsoever the earnestness on the part of the Government, their intention and their determination to do away

\*Not corrected by the Honourable Member.

with this excise duty? All that we get from the Finance Member is this. "We stand by the pledge which was given by Lord Hardinge." What is that pledge? "We shall do away with the cotton excise duty as soon as funds permit." Sir, that was the pledge which was given 15 years ago. (*Cries of "10 years; 1917: 1916"*). Then, Sir, I shall go further back still. That was not the first time. Previous pledges were given during the time of Lord Minto, and I remember, Sir, because I happened to be then a Member of the Imperial Council, a definite pledge was given on behalf of the Government of India in 1910. Therefore, Sir, what is the good of repeating this formula over and over again when this question is brought before the Government, that "Yes. (*A Voice: "15 years."*) Yes, quite right. Only 15 years ago. (*Laughter.*) And to-day what do we get? "Oh, we stand by that pledge as firm and as strong as we were 15 years ago." Sir, I do ask the Government, is it not high time that they translated that pledge into action? That is the question I put to them, Sir. I cannot search the pockets of the Honourable the Finance Member. He may have crores, he may have millions. I do not pretend to be a financial expert and I therefore cannot perform that function which a financial expert can; nor can I perform the function of a policeman and search his pockets and find out how many crores he has got. But I do feel, layman as I am on the subject, that if the Government are so minded and if they really wish to mark their intention by their action, they can certainly meet us in reason and come forward and say—and there the Finance Member knows better than anybody else—come forward straightforwardly and say, "We are not going to advance arguments any more. We are not talking of pledges any more; we are not talking of history or politics or economic grounds; we are determined to put an end to this odious excise duty; and as an earnest we are willing to translate that decision of ours into action." Come out with your proposal and say this is what you are prepared to do this year. That is what I want from the Finance Member. If, Sir, the Government come forward and meet us in that spirit and come with a reasonable proposal and say, "Here we are. Our finances will permit us this year to do away with the excise duty by so much." then, Sir, I shall be satisfied with that as an earnest of their intentions, and we can feel confident that the rest will come next year or the year after that. But that is what I want the Government to state.

**Colonel Sir Henry Stanyon** (United Provinces: European): As a Member from one of the provinces which are to benefit by the reduction of provincial contributions I have a few words to say. I think it is obvious to everybody that the desire of the House is unanimous that the provincial contributions, which have been designed upon the basis of this Budget, should not in any way be interfered with. But the desire of the House, or at all events of a very large majority of the House, is equally strong that an objectionable tax should be abolished. I do not attempt any discussion on either the political or the economic merits or demerits of that tax. More capable speakers have done that already, and will continue to do so hereafter. But here Government are confronted with what is undoubtedly the wish of the House on a matter as to which this House has the power, if it has any power at all, to express an opinion. That opinion should have the very careful consideration and, if possible, the acceptance of Government, as stated by my friend, Sir Campbell Rhodes. But the Honourable Finance Member has told us, "You cannot have your pudding and eat it. Either you must allow my Budget to stand, with its estimate of 2½ crores from the excise duty on cotton, or you must give up the award I have made, as a result of that Budget and based on it, of a

[Sir Henry Stanyon.]

reduction in the provincial contributions." My friend, Mr. Jinnah, has suggested a course of compromise—some reduction of the duty this year, without any interference with the provincial contributions. I have also a suggestion to offer which, if accepted all round, might, in a way, overcome the *impasse* which seems to have been reached. I believe that if Government gave this House, not merely a hope but a definite pledge that, from the 1st of April 1926 all receipts from the excise duty on cotton would go out of the next Budget altogether by reason of a total abolition of the duty, it would be accepted, I at all events, speaking for myself, would be prepared to recommend that the matter be settled in that way, and the present Budget be allowed to stand. (*An Honourable Member*: "An unconditional pledge.") It must be a clear, unconditional pledge that this duty, being odious to the country, will be left out of account altogether in future Budgets, whatever may be the consequences of introducing that abolition. That I think would be very much better than any attempt made by the House to introduce alternative, hasty, ill-considered taxation to replace what would be lost by the immediate abolition of the excise duty. We have heard from the Finance Member that the Standing Finance Committee have given the matter their most careful consideration and that they were unable to find any alternative to the cotton excise. It may be that next year they may again be unable to find any alternative. Well, then my submission would be, let them do without the alternative and make the best of the position, but this tax should go. In these circumstances, I think if this understanding can be reached, if Government can give that pledge and assurance, not merely a hope but a definite promise, I think that the House would be disposed to accept such an assurance.

**Mr. W. S. J. Willson** (*Associated Chambers of Commerce: Nominated Non-Official*): Sir, a somewhat sore throat prohibits my making any lengthy speech, so I will endeavour to be very brief and to the point. I have heard arguments both from the Members from one province and from the others, and I find that the Members from Bombay, where the mill industry predominates, are all in favour of the immediate reduction of the cotton excise duties. Sir, when I first came to this country I came to Bombay and in Bombay I soon became interested in and a shareholder in Bombay cotton mills, which I am to this day. When I came out it was natural that I should absorb the feeling which existed in Bombay in those days that the cotton excise duty was a scandal. I absorbed it and for many many years I believed the excise duty in Bombay was a scandal.

I took no part in the September debate, because I realised that it was rather unreal. To-day we are faced with it in what seems to me to be a very practical proposition, namely, that the Finance Member has a surplus and what is to be done with it? A year ago the position was the same. There was a surplus and the question was what was to be done with it. Owing to the unfortunate turn events took, I believe the House made a very unfortunate decision, the eventual consequence of which was such that the money we might have had last year towards provincial contributions disappeared. So far, therefore, from taking then the first available steps in the reduction of provincial contributions, we find ourselves to-day in the very first stage.

I sympathised with my friends from Bombay in feeling that the excise duty was a scandal. But, Sir, the point which is always glossed over in the House and is never to my mind sufficiently emphasised, although it was touched upon by Mr. Kasturbhai Lalbhai last September, is this.

Mr. Kasturbhai said :

He recognised that it was urged by some that whatever the case for the repeal of the excise duties, when the customs duties stood at 3½ per cent., the raising of the import duty to 11 per cent. took the wind out of his sails.

That, Sir, is my emphatic belief. I say that of all the Chambers that I represent in this House there is not one which would not gladly see the cotton excise duty abolished. But that is from a political standpoint, because they know that a large section of Indian opinion persists in still regarding this excise duty as a scandal, but my own personal point of view, as a large share-holder in Bombay and other cotton mills, is that that scandal *was* removed when the import duty was raised to 11 per cent. The scandal is no longer there, but there is some political sore and on those grounds I would be glad to see the abolition of the duty in the interests of future peace. But, Sir, you cannot make bricks without straw and you cannot abolish a duty of Rs. 2,15,00,000 and at the same time reduce provincial contributions if the money is not there to do it. If some Honourable Members want to say that the Finance Member has the rupees, then will they kindly show during this budget debate where they are or where we are going to get them from? I will concede you a point in assuming that he has some. I still say most emphatically that he has not got Rs. 9,00,00,000 and that is the figure you want for the abolition of your provincial contributions, which, as Sir Purshotamdas Thakurdas said himself, if he really meant it, even Bombay wishes should come in first, second and last before the excise cotton duty. Mr. Ramachandra Rao, who is usually very reasonable, threw out a hint that the money might be raised by some other means of taxation. That is merely a foggy hint at the moment, because we are not considering it. I would merely remind him that two years ago when we had a deficit budget to balance, the whole of the non-official Members of this House who met in the lobby were unable to evolve any single tax which could balance the Budget. The whole combined talent of the lot of us could not produce that tax. Now he says "Put it on to other Companies." The law knows little or no difference between a company and an individual, but apart from that, my friends from Bengal have just reminded me to say that Bengal already contributes no less than Rs. 3,75,00,000 to the central revenues from the jute industry apart altogether from income-tax. (Mr. A. Rangaswami Iyengar: "What profits does it make?") If the excise figure is not Rs. 2,15,00,000 and if Rs. 55,00,000 of it have already gone, where is the money to come from? As I said, I have listened to the provincial sides and I am myself rather in the position of a lone Member like Mr. Joshi, who has to look at the matter from the point of view of his constituents all over India. I have asked the House not to make a similar mistake to the one we made last year by cutting the ground from under our feet in regard to these provincial contributions. It is no use toying with the matter by trying to get a bit off for Bombay. Even Mr. Jinnah's 1 per cent. would cost 60 lakhs, if he means 1 per cent.

**Mr. M. A. Jinnah:** I never mentioned any percentage at all.

**Mr. W. S. J. Willson:** No. I give you the percentage. If we made it only 1 per cent. it will come to 60 lakhs, and that 60 lakhs would be reduced from the provincial contributions. (Mr. M. A. Jinnah: "Certainly not.") I say most emphatically that we should profit by the mistake we made last year and try unhesitatingly for the extinction of the provincial contributions before attempting to deal with the excise cotton duty. The scandal was, as I have already said, removed some years ago and

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

that is the point I wish most emphatically to reiterate here. Sufficient importance has not been attached to it and I think it is very very largely overlooked.

**Mr. Bipin Chandra Pal** (Calcutta: Non-Muhammadan Urban): I have been fortunate enough, Sir, this morning to find myself for once in close and intimate association with the leader of the Swaraj Party. (Hear, hear.) Whether it will continue for long or not, remains to be seen. Now, Sir, while I was listening to this debate, I was reminded of an old story to which I had the privilege of listening personally from the lips of the late Sir Wilfred Lawson. The story is this. A man was hauled up before a sturdy and honest British jury and a judge for stealing a pig. After all the evidence was put forward and the case was proved, as conclusively as any case might possibly be proved, against the accused, the jurors brought in a unanimous verdict of not guilty. The judge was helpless; he had to let the man out. Meeting these same jurors, or some of them later on in some social function, the judge asked: "How is it gentlemen that in the face of that clear evidence, you could bring in a verdict of not guilty?" And one of the jurors scratched his head and said, "Now, Sir, the truth of it is, each one of us had a slice of that pig." And Sir Basil Blackett and my Honourable friend Sir Campbell Rhodes, and my Honourable friend Mr. Willson, and the whole host of them have this morning placed or tried to place that stolen pig in front of us, hanging a slice of that pig now before Bombay, now before Bengal, now before Madras, and asking them to vote for this iniquity of the excise duty for lure of that slice of pig. Now, Sir, it has not been a fair thing to hold out to us this temptation, or throw out this challenge, "If you do not vote for this," this is practically what Sir Basil Blackett says, "you will have none of the relief which I have promised in regard to your provincial contribution and for the building up of your national departments in the provinces." It is not fair, Sir. Either this excise duty is right or it is not. There are no three categories before me, neither when I consider the position of my Swarajist friends nor when I consider the position of the Government. There are only two categories: right and wrong, just or unjust. Is it just or is it not just; is it right or is it not right? That is the question. If this excise duty be right, I say, vote for it. If it be not right, then, pig or no pig, provincial contribution or no provincial contribution, I am bound to vote against it. That is the whole question. We have been reminded of the pledge, and the pledge is this: "As soon as finances permit this excise duty will be removed." Now the question here is, when you imposed this duty, was it for financial considerations? Was it for revenue purposes? If it was imposed for revenue purposes, this duty on our home produce, if this excise duty had been imposed for revenue purposes, then I might have accepted your plea as an honest plea when you said, when finances permit we shall repeal this duty. Finances do not as yet permit its repeal. But you did not impose it for financial reasons; you imposed it, you frankly admitted it, you imposed it with a view to equalise the chances of Manchester and our cotton mills in Bombay and elsewhere in India in the Indian market and particularly the Asiatic market. That was your ground. I have heard of that ground ever since this excise duty was imposed, and when that was your ground, it is a mere pretence to bring in financial considerations now. Excise is meant to reduce consumption. That is the universal meaning of all excise. Duties on imports and exports

are meant purely for revenue purposes except when these are protective duties. We imposed an export duty on jute. I am glad, Sir, we had an export duty on jute, and that has made us so very proud of our contribution to the general finances from Bengal to the tune of Rs. 3,75,00,000. (*Pandit Shamlal Nehru*: "You can increase the duty on jute.") When you are Finance Member I dare say you will increase it; but till then we must take things as they are. Now this export duty on jute one can understand. Even the import duty on cotton, that is imposed purely for revenue purposes, one can understand that. If you are a protectionist, and you think that an import duty on foreign piece-goods is necessary to offer protection to Indian home industry, that also is a position which one can understand. But this is different. Every yard of cotton textile produced by the Bombay mills has to be paid for by the millowner whether he is able to sell it or not. That is what I understand is the actual working of the excise duty. Now you do not do it in Manchester. Manchester is taxed only when she brings in her textiles to our shores. (*Sir Campbell Rhodes*: "It is paid by the consumer.") I thank you very much, Sir. It is paid by the consumer. I forgot that fact. And my Honourable friend Mr. Willson said that the scandal of the cotton excise duty was removed when the import duty on cotton goods was raised to 11 per cent., that is, when we paid 11 per cent. more for our cloth; (*Mr. M. A. Jinnah*: "Or the consumer paid"); then the scandal was removed. That is to say, when the poor Indian consumer is fleeced then the injustice and the scandal of a duty on his home produce in the interest of Lancashire is removed. The more you can fleece the consumer the less scandal it is for the exploiter! But the whole question seems to be very simple. The simple question is this—this excise duty of  $3\frac{1}{2}$  per cent., does it or does it not fall upon the consumer? That is the question. The 11 per cent. falls upon the consumer and this excise duty of  $3\frac{1}{2}$  per cent. does it fall upon Sir Campbell Rhodes or Mr. Willson and his Chambers of Commerce? Does it fall upon the jute kings of Bengal or the coal kings of Bihar and Orissa? It falls upon the poor consumer. (*The Honourable Sir Basil Blackett*: "No, no.") When doctors disagree, when there are so many wise economists on both sides—here is one expert economist who says it falls on the consumer; there is another expert economist who says it does not fall on the consumer, I do not know what to think (*Mr. K. Ahmed*: "The patient must die.") Like some coffin it hangs between heaven and earth and falls on nobody. Now, Sir, the whole question is this. Are we going to be lured by Sir Basil Blackett's slice of pig and refuse to vote for this motion in the hope of financial relief to the provinces, or rather out of fear of losing our provincial relief? I do not see why we should lose our provincial relief. That is a promise, I hope it is a pledge. It is an I. O. U. which you give to the House (*The Honourable Sir Basil Blackett*: "No, it is a recommendation to this House.") Yes, and this House has already accepted your recommendation with thanks and they will have all that money you are prepared to pay to Bengal and the other provinces. At the same time, we want you, Sir, to find ways and means to give us relief in the matter of this excise duty also. I will not emulate my Honourable friend Mr. Patel, (*Mr. Jamnadas Mehta*: "You cannot") and follow him into the mazes of figures and statistics and economics. It is not my duty; I am not paid for it; you, Sir, are paid for making the revenue and the expenditure balance. (Laughter.) And it is for you to find out how you are going to meet these two crores and odd to remove this excise duty; you and the Benches behind you there are paid for it [*Mr. Gaya Prasad Singh*: "Not all the benches, Sir." (Laughter)].

[Mr. Bipin Chandra Pal.].

One word more, Sir. My friend, Sir Campbell Rhodes, referred those who support this motion and the Bombay millowners to the Tariff Board. If the Bombay millowners were out to ask for protection from the Government they would have gone to the Tariff Board; they do not ask for protection (*Sir Campbell Rhodes*: "Because they have got it")—Because of the excise duty? Well, that is a conundrum for economists to solve how excise duty affords protection to the industry to which that duty is charged.

Now, Sir, I am not a millowner. I hope I shall never be one and I hope none of those who are coming after me will have anything to do with the ownership of mills and industries. So I have no partiality for the mill industry. I have rather a complaint against the Bombay millowners. I know what they are. They are very amiable when they have to do their business with you; when they find you are in their grip, then you know they are, like all the industrialists, all the world over. I know, Sir, that the Bombay millowners are responsible for killing the boycott movement in Bengal. While we tried our best to revitalise the cotton industry of this country they put up their prices. When we were making all sorts of sacrifices with a view to oust Manchester and Lancashire from India, they put up their prices and tried to make hay while the boycott shone. That was what they were doing, and I am not sorry that for that sin of theirs they have had to suffer all these years and they have to suffer even now. But I think in future they will be careful about profiteering and try to help those who are helping them to-day.

**The Honourable Sir Alexander Muddiman** (Home Member): Sir, into the merits of the Act which is being so hotly debated I do not propose to enter. I desire to put for the consideration of the House a point directly relevant to the motion before it from the constitutional point of view. We are considering an amendment which will cut away all provision for the payment of the establishment for the collection of the excise duty. Whether that is a good or a bad duty, I do not propose to express an opinion. It is at any rate a tax imposed by Statute and this House is now asked totally to reject the establishment that collects the tax. (*Mr. V. J. Patel*: "Grievances before supplies") The result of that is in effect, if the amendment were to be carried, to repeal the Act, because if you have not got the machinery you obviously cannot collect the tax. It is in effect a repeal of the Act. Now, this is one of those Acts which under our constitution is protected by special provisions. It is protected by special provisions. It is protected by section 67 (2) of the Government of India Act. No private Member could intro-

duce a Bill without sanction to repeal this Act. I would therefore suggest to the House that in endeavouring to attain its object, it should do so with due regard to the constitutional position. I would also suggest to this House that in enforcing on the Government its views, its very strongly expressed views, in relation to this tax, it would do so with greater regard to the constitutional position and with equal efficacy if it passes a vote for reducing the establishment charges. The passing of an amendment taking away the whole of the establishment is, as I have said, in effect to repeal the Act. Unless, therefore, the Government are prepared to repeal the Act, this provision must be restored. That is the point that I wish to mention. Now, is it wise, is it sound, to create a position of that kind from the constitutional point of

view? (*A Voice*: "Why not?"). Well, that is a matter I submit for the consideration of this House. No doubt, it is not for me to dictate to the House and I know the House is at times impatient of advice. I merely wish to put a definite point of view for the consideration of Honourable Members. The constitutional position is a circumstance which Honourable Members of this House should consider before they proceed to vote on this motion.

As I have said, Sir, if this motion for total reduction is carried, it is in effect a repeal of the Act. Now is this a right exercise of power? What do you expect to gain? What virtue is there in carrying a motion of that kind? You will get to this position, that you are proceeding to force on the Executive Government a reduction regarding which they can have one and only one course. You would have registered your protest with equal, I may say with greater effect, if you had adopted the course which I venture to suggest is the proper one in the circumstances.

**Pandit Motilal Nehru**: May I ask for your ruling, Sir, whether the constitutional point raised by my learned friend is correct? He says it is not a constitutional course for us to move this motion and to make a cut because it will have the ultimate effect of repealing an Act. I submit, Sir, that no constitutional difficulty arises on the question at issue. On the contrary, the motion that is made is a perfectly constitutional one. I think that, even if it went to the length of throwing out the whole Budget, it would be quite constitutional.

**Mr. President**: The question of constitutional practice is not one on which I can pronounce an opinion. That depends upon the interpretation of the section of the Act to which the Honourable the Home Member has referred. Fortunately, I am not the interpreter of that Act in that respect.

**Mr. M. Webb** (Bombay: Nominated Official): Sir, I rise on behalf of the Government of Bombay to associate them with the request for the abolition of the cotton excise (*Hear, hear*), and to state that they desire to impress very strongly on this House and on the Government of India the necessity for the abolition of the duty, because it is their considered opinion that it is a heavy and unfair burden on a very important industry and is likely to lead to very serious industrial unrest. Mr. Joshi has just stated that he has heard of a threat on the part of the Bombay millowners to reduce wages, and so it is hardly necessary for me to enlarge on the prospects of industrial unrest in Bombay. That, Sir, is the position of my Government.

On my own behalf, I should like to lay a few considerations before the House which appear to me to apply to the case. The immediate effect of the abolition of the cotton excise duty would be, as the Honourable the Finance Member has estimated, a loss to Government of revenue to the extent of 215 lakhs. As the House has gathered from Mr. Bipin Chandra Pal, there is a good deal of dispute as to who should collar the loot, but whoever it is, I venture to think that the people of India will benefit considerably. (*Hear, hear*). It may be that the Bombay millowners will intercept the spoil before it reaches the consumers. If they do it will help the industry through a very difficult time and will materially increase the prosperity of the industrial population of Bombay. If, on the other hand,

[Mr. M. Webb.]

the benefit is passed on to the consumer, the tax-payer of India, who in my own Presidency is more heavily taxed than in others, will benefit to the extent by which the prices are reduced. The depression of the cotton industry in Bombay is very fairly reflected in the figures of super-tax and income-tax contained in the Explanatory Memorandum by the Finance Secretary. The actuals of super-tax in Bombay in 1921-22 were Rs. 3,80,00,000. They are estimated in the revised estimates for 1924-25 to be Rs. 1,30,00,000. That is they have gone down by two-thirds. Of income-tax actuals in 1921-22 the figures were Rs. 5,59,00,000. The revised estimates in 1924-25 show Rs. 3,17,00,000. They also have gone down by over a third. If the effect is, as the Government of Bombay anticipate, to restore a certain measure of prosperity to the cotton industry in Bombay, I think it may be fairly said that the Government of India will in future get back a fair proportion of what they lose in cotton excise in the form of taxes on income. If, however, the Government of India find it impossible for financial reasons to abolish the duty entirely, I would still associate myself with Mr. Jinnah in proposing that some practical steps should be taken to reduce it and thereby to give an earnest instead of a mere verbal expression of their approval of the principle of abolition in the future. This would show definitely that they approved the principle of abolition and would pave the way to the final abolition of the tax in the not too distant future.

**Mr. K. Rama Aiyangar:** Sir, I only want that the points raised by the Honourable Sir Basil Blackett and the Honourable Sir Alexander Muddiman should not be allowed to continue to exist against the motion because Mr. Kasturbhai Lalbhai's Resolution says that "the cotton excise duty be omitted", so that that has been taken advantage of by the Honourable Sir Basil Blackett for the view he has put before us. However, Pandit Motilal Nehru's motion runs like this:

"That the Demand under the head 'Customs' be reduced by Rs. 79,300."

No doubt it was pointed out by the Honourable Sir Basil Blackett that that was intended to cover the excess money that had been spent on such establishments elsewhere also. But the motion is such that the wording could be construed merely as a motion of censure against the Government. The wording is sufficiently wide to give scope to the Honourable Sir Basil Blackett to only reduce the 75 lakhs balance by one lakh or less than a lakh and actually find some other method of finding the money. That is the object of the motion before the House. So that, if the wording of Pandit Motilal Nehru's motion is moved instead of Seth Kasturbhai Lalbhai's and the clear explanation that I have placed before the House is given, it will be seen that the amount Rs. 79 thousand and odd is not meant to be applied to the abolition of establishments.

**Mr. V. J. Patel:** May I rise to a point of order, Sir. Pandit Motilal Nehru has made it perfectly clear that his amendment applies to the abolition of the establishments both in Bombay and the Central Provinces.

**Mr. K. Rama Aiyangar:** My Honourable friend, Mr. Patel, falls into the same error which has been exposed by the Honourable Sir Basil Blackett with great force. In fact, Sir Basil Blackett explained that you are involving not only the Bombay excise establishment but also the Central

Provinces excise establishment, so that immediately these go the fight will be between those provinces which are benefitting by the remission of provincial contributions and Bombay . . . .

**Pandit Motilal Nehru:** May I interrupt my Honourable friend for one moment? I think I am more competent to explain my own meaning and my own intention than my Honourable friend. I have made it clear that I mean to cut the excise establishment in the Central Provinces and in Bombay. I do mean a general cut.

**Mr. K. Rama Aiyangar:** Then I have to say that I oppose the motion, and I would ask my Honourable friend from the other provinces also to agree to oppose this motion for the reason that the effect of carrying the motion as it is would mean that you want the Rs. 2½ crores to be immediately taken away from the Government of India, and tell the provinces that they shall not have any remission of provincial contributions and that the abolition of the cotton excise duty is to be the first charge upon the revenues of the Central Government. (*Voices:* "No.") You may hold your own views. I hold mine, and I think it is patent that you are falling into an error. There is nothing wrong in your adopting the course suggested that the amount referred to in the motion should not be treated as the amount available for the excise establishment in these provinces but as a general cut for the purpose of enforcing our view on the Government that they must find funds for the abolition of this duty. I do not approve of Sir Basil Blackett's statement that he cannot find funds. In fact, I am going to show when the time comes that he has got much more money than he wants. I am quite clear on that. But I do not want to give a handle to Government. If you say that the motion refers to the provision for the excise establishment in those two provinces, there will be trouble, and I do not want that the House should give a loophole to the Government. I beg of my Honourable friends to reconsider the position because I feel that if you pass the motion as it is the Assembly will be stultifying itself.

**The Honourable Sir Basil Blackett:** May I just say a word on that point? It is desirable that I should point out that this is a motion to cut a definite figure out of a particular place in the estimates and I think under any system of appropriation, when there is a vote of the House, which cuts a particular sum out of the estimates in order to cut out a particular establishment, the Government are bound either to respect the will of the House by getting rid of that establishment or to use their constitutional powers of restoring it. They cannot regard it as a general cut.

**Mr. Chaman Lal:** I move that the question be now put.

**Mr. Devaki Prasad Sinha** (Chota Nagpur Division: Non-Muhammadan): A few minutes back we heard a suggestion from the Honourable Leader of the Independent Party that a gesture should be shown in this direction by reducing the excise duty even nominally. Sir, we have heard of gestures in political actions, but gestures when they enter the field of economics are really very dangerous. Rs. 60 lakhs to be taken out of the taxpayer's money and to go where? Not to relieve the distress of the consumers but to fill the pockets of those whose pockets are already full! Whatever justification there may be for the entire abolition of the cotton excise duty either on political grounds or on grounds of public finance, what justification is there I ask for claiming a nominal reduction merely by way of gesture? I can understand the argument against the existence of the excise duties

[Mr. Devaki Prasad Sinha.]

based partly upon political reasons and partly upon economic reasons, but I confess I entirely fail to understand the suggestion that my Honourable friend Mr. Jinnah has put forward and which has been supported by the representatives of the Government of Bombay. I understand this motion is a protest against the Government not carrying out the recommendations contained in a Resolution passed in Simla. Well, Sir, whatever view I may hold regarding the cotton excise duty I think that for more reasons than one it would not be possible for me to oppose it. But, Sir, if I have been able to understand the purpose of those who are very anxious for the abolition of the excise duty, it is mainly to remove a tax the incidence of which is economically unsound, because it is tax on production and not a tax on profits. Well, Sir, if its incidence is unsound its chief objection ought to come from consumers and the relief which a remission of this duty ought to give should go to the consumers. I ask, Sir, is this the purpose which we are going to achieve by merely recommending a complete abolition of our cotton excise duty? Is it not a fact that the price of cotton cloth is regulated considerably if not entirely by the price of imported cotton articles which constitute nearly 60 per cent. of the total consumption of Indian piece-goods in India? Sir, if the cotton excise duty is inequitable then the consumers are the first persons who ought to get relief in this direction and if that relief has to come it will come by an abolition of the cotton excise duty side by side with a reduction of the import duty on cotton piece-goods corresponding to the amount of the cotton excise duty. Well, Sir, I support this motion for reduction because it is meant to wipe out a tax which is a tax on production. But I support it entirely on this condition that the benefits arising out of the remission of this taxation ought to go to the consumers and that benefit to my mind can only be derived by them, by reducing the corresponding sum from the import duty on cotton piece-goods. I know there is a very strong political feeling in favour of this Resolution and I also know that a very strong agitation has been worked up by certain people who are interested in the abolition of the cotton excise duty. I do not blame any Honourable Member who sits in this House, but I feel alarmed when I find that a certain section of business men in season and out of season exploit the patriotic feelings of Members of this Assembly and want to get benefits out of the Members of the Assembly which really they do not deserve.

**Pandit Shamlal Nehru:** None of them have come to me.

**Mr. Devaki Prasad Sinha:** My Honourable friend is one of those lucky few whom very few people can approach, but, Sir, most of us have been flooded with literature which apparently cost something and I feel . . .

**Mr. A. Rangaswami Iyengar:** May I know, Sir, if the question of the import duty on foreign cloth is now before us?

**Mr. Devaki Prasad Sinha:** I am much obliged to my Honourable friend for having reminded me but I hope, Sir, I am not out of order in referring to how the feeling in favour of a motion like this is being worked up. Sir, I know that capitalists are adepts in the art of making their economic necessities appear as moral virtues. Well, Sir, I entirely agree that the history of this tax is a dark history, that it was bad in its origin and it continued to be bad for a long time. But Sir, if we go through that

history we will find that the objection lay chiefly in the fact that it placed the manufacturers in Lancashire and manufacturers in India on the same footing. As has been pointed out by some Honourable Members of this House the difference that exists in the amount of the excise duty and the amount of duty imposed upon imported cotton goods actually does give protection to the cotton manufacturers of India. Therefore the historical objection has vanished though the taint of history still remains. Well, Sir, it is an old saying in public finance that an old tax is a good tax and a new tax is a bad tax, and a new tax when it becomes old becomes also a good tax. This tax has existed for such a long time that the cotton manufacturers in India have naturally adjusted themselves to this difficulty. Therefore while we are considering the advantage or the disadvantages of this tax to-day, we should not be guided merely by facts contained in the political history of this tax, but we should also take into consideration the effect that it would produce upon the finances of the country at the present time. Well, Sir, it has been said by the Honourable Mover of this motion that the cotton manufacturers of Bombay and Cawnpore are alarmed by the increasing competition of Japan. Well, Sir, the advantage which Japan derives from this competition has been attributed to Japan's exploitation of labour, particularly of women labourers. The report of the Indian Industrial Commission and particularly the report of the Honourable Pandit Madan Mohan Malaviya says that Japan has other advantages too. The Japanese industries are more up to date than the industries of our country; and here in India our Indian manufacturers have been trying to compete with cotton industries in Japan and in England with machines that are out of date, and with methods of work that are really uneconomic. Well, Sir, I do not know why our Indian manufacturers always suffer in competition with Japan. Evidently the prices at which cotton goods sell in India are prices which give some profit to Japan, although their goods have to come from a very long distance. Here let us suppose, Sir, that this duty is abolished to-day. Let us also suppose that my suggestion for reducing the cotton import duty to the same extent as the excise duty is not carried into effect. What will the result be? The result will be that the price of cotton goods in India would remain the same as it was last year. Another result would be that Japan would still find it a profitable business to sell its articles in India and our friends the cotton manufacturers of India would still find themselves in difficulty in competing successfully with Japan. Would they then suggest that here in India in the name of protecting a national industry they should be allowed to exploit their labourers in the same way as the Japanese are exploiting their labourers? Sir, that this insinuation is not merely supposititious can be seen from a representation which was made by the millowners of Bombay to the Government of India. Here is an extract from that representation:

“The committee trusts in Government to give a definite assurance that in future they would not attempt a ratification of any of the Conventions which would directly or indirectly increase the cost of production in the Indian cotton industry unless Japan has previously ratified such Convention and introduced the necessary legislation.”

Therefore, Sir, our apprehension is that even if we remove the cotton excise duty, the manufacturers of Bombay would be unable to combat successfully the competition of Japan, and their next prayer and their next canvassing for votes in the Legislative Assembly would be for suspending the ratification of those Conventions of the International Labour Conference

[Mr. Devaki Prasad Sinha.]

by which the Government of India are in honour bound. Well, Sir, we know, that what our friend, the Mover of this motion, is anxious for is to reduce the cost of cotton goods. Sir, if the cost of cotton goods that are sold in the Indian market has got to be reduced, how is that going to improve the financial position of the millowners in Bombay? I believe, Sir, that the whole of this complaint of want of facilities for manufacturing cotton in India is a bugbear placed before the country in order to frighten Members of this Assembly who are actuated by patriotic ideas. If we examine the figures of the excise duty collected during the last three years, we shall find that there is a continuous rise. In the year 1923-24 the amount was 1 crore 56 lakhs. In 1924-25 the amount was 2 crores 10 lakhs, and in 1925-26 the amount is estimated to be 2 crores 15 lakhs. In the face of these figures, how can anybody say that the cotton manufacturers of India are in danger of going to the wall? I submit, Sir, that if they go to the wall, they will suffer not for the sins of their countrymen but for their own sins. We have in this Assembly received repeated proposals for granting protection to Indian industries. The Honourable Mover of the motion in his Budget speech described the cotton industry in India as a great national industry. I will retort by saying that it is neither great nor is it national, and it is very doubtful whether it is a well organised industry at all. Sir, we have to look at this problem not merely from the point of view of sentiment. We ought not to be carried away by the past history of this tax, but we have to examine its effects upon the tax-payer. If it should at all reduce the price, if it makes it possible for the poor peasants in my province and of the province of the Punjab to obtain cloth at a rate cheaper than what prevails to-day, I shall be the first man to support it; and my support for this motion is only conditional upon taking the other necessary step for reducing the price of cotton goods that are sold in India, and that step, the only step I submit, is the reduction in the cotton import duty by an amount similar to that which represents the cotton excise duty.

**An Honourable Member:** I move that the question be now put.

**Mr. Gaya Prasad Singh** (Tirhut Division: Non-Muhammadan): Sir, as I come from the same province, Bihar and Orissa, I will say one word . . .

**Mr. President:** Maulvi Abul Kasem.

**Maulvi Abul Kasem** (Bengal: Nominated Non-Official): Sir, I rise to support the motion now before the House, but I do it not in an unqualified manner. I, Sir, shall speak not on the political or the financial or the economic aspect of it. Better men have done so. I want to speak, as the phrase goes, like the man in the street. I say, Sir, that this cotton duty has to be abolished and abolished as early as possible, and I say so in the interests of the poor consumer. But I must qualify my support by saying, like my friend from Bihar and Orissa, that the consumer can never have the advantage of a portion of this excise duty unless and until the import duty on cheap cotton piece-goods is also comparatively reduced, because in that case alone will the consumer benefit. I feel, Sir, that ordinary cloth is as much a necessity of life to a human being as food itself, and it is the duty of Government to facilitate the sale and purchase of these necessities of life at the cheapest possible rates. And there should not be any obstacle in the way of reducing the prices of those commodities which are essentially necessary for the poorer people.

Then, Sir, I regret that in this discussion a little heat was introduced from all sides, and we have been told that if this excise duty has to be abolished then the provinces must forego the remission of their Provincial contributions. I am sorry, Sir, that this has been done and I agree with Sir Purshotamdas Thakurdas that it was not right to introduce provincial jealousies in considering this question. The question has to be considered on its own merits. The principle that the cotton excise duty was bad has been accepted, but a pious acceptance of a principle and practical steps being taken to give effect to it are two different things, and I want that pious opinion expressed and repeated time after time should now be given effect to. I am sorry, Sir, that the learned Mover of this motion has put a large figure and I am afraid that if that is given effect to, there may be some difficulty in the way of the arrangement as it stands, and it will not be practical. I am neither a financier nor an expert in Government business, but I am afraid that if it is done it may create difficulties and that even if this House rejects, some portion of it will have to be restored. But at any rate I hope the Government will take note of the fact that there is a strong opinion in this House that the cotton excise duty should be abolished. My friend Mr. Devaki Prasad Sinha said that at the same time import duty should be reduced. Unless that is done the consumer will not be benefited. It has been asked whether this 3½ per cent. excise duty is paid by the consumer or by the millowner. I say that the consumer has to pay much more than the 3½ per cent. excise duty that is levied because the consumer has got to pay both for the 3½ per cent. excise duty and the 11 per cent. import duty, whereas the State takes altogether 7¼ per cent. if you take it that 50 per cent. of the cotton is imported and 50 per cent. is of local manufacture and the consumer has to pay 11½ per cent. So, that is the situation. In order to relieve the consumer I think the excise duty should be abolished and the import duty reduced, so that it may reach every individual and more particularly the poorer sections. We have been told, Sir, that there is great economic unrest and that the economic unrest is of more grave a character than the political unrest. If you want to remove that economic unrest, the first step you ought to take is to make available to the people their necessities of life at the cheapest possible price wherever the article is found available in the world.

**The Honourable Sir Charles Innes** (Commerce Member): Sir, I had not intended to intervene in this debate at all, but I must just say a few words with reference to the speeches of the Honourable Member behind me and of Maulvi Abul Kasem. Both Honourable Members have made it clear that their vote in support of Mr. Kasturbhai Lalbhai's motion is conditional upon an equivalent reduction being made in the import duty on foreign cloth. They both say that they will not agree merely to the abolition of the excise duty, because that would not help the consumer. Now, the point I wish to make clear is this, that we on the Government Benches cannot hold out any hope whatsoever that if this motion is passed and if the excise duty were taken off, we should be able to go further and make a reduction of 3½ per cent. in the import duty on cloth. We cannot do it because that further reduction would cost the Government another 180 lakhs of rupees. I agree that, if we look into this matter purely from an economic point of view and if we do not take protectionist considerations into account at all and if we are to take off the excise duty, we should go further and reduce the import duty to an equivalent extent. That is the only way in which by this action of yours you would

[Sir Charles Innes.]

help the consumer in India. I know that I have been challenged for the statement I made on this subject in September last. But it is impossible to dispute what is an economic fact. This excise duty—I am sorry Mr. Bipin Chandra Pal is not here—falls upon the producer who is, however, able to meet it from the enhanced price that he obtains for his goods owing to the duty upon imported cloth. Therefore, if you leave the duty on imported cloth where it is at present and if you take off the excise duty, the millowners of Bombay and the cotton trade generally will still be able to get that enhanced price. Perhaps Sir Purshotamdas Thakurdas will explain to me why it is that the millowners at the present time are complaining so much of the competition with Japan? What is the meaning of their complaint? It means that they have to sell their goods at such a price which will compete with the price of the imported goods from Japan. If we take off this cotton excise duty they will still sell their goods at such a price which will be just below the price of the imported goods from Japan. That is the point I wish to make. As Mr. Cocks remarked, the consumer may get just that fraction off which will enable the cotton trade in Bombay just to undersell the imported goods from Japan. But the greater part of the benefit of this reduction of the cotton excise duty must and will go to the cotton trade itself. Sir Purshotamdas Thakurdas said that Sir Campbell Rhodes has not referred to the criticisms made by the Bombay millowners on my speech of September last. I have got that book here. In this book 62 pages have been devoted to the history of the cotton excise duty and only about 20 pages to an examination of my speech. Further, Sir, I must confess that I am not very greatly impressed by this critical analysis of the speech which I made. To begin with the millowners' very first remark is:

"Another point which strikes the reader on studying the speech of Sir Charles Innes is that it concerns not so much the Resolution being debated at the time but a claim for protection made by the Bombay Millowners' Association."

Then it goes on to suggest that I deliberately meant to mislead the Assembly. But the Resolution that we were discussing at the time contained a request to the Government to direct the Tariff Board to consider the question of protection for the mill industry. Then, again, Sir, in this book an attempt is made to controvert my statement that the taking off of this cotton excise duty would not help the consumer. The statement is as follows:

"The reliability of Sir Charles' statement may be judged from the fact that at the present time contracts for the sale of piece-goods for future delivery are being negotiated which provide for delivery at a lower price in the event of the Excise Duty being abolished."

We all know the text "Cast your bread on the waters and it will return to you after many days". There is another very common expression about throwing a sprat to catch a whale. It is true no doubt that the contracts made in the last few months for deliveries make this proviso. It may help the dealers but it will not help the consumer. The price of this cloth will still continue to be governed by the price at which imported cloth is sold in Bombay. That is to say, the small imports from Japan will continue to raise the price of the Bombay piece-goods. I showed in my speech in September that the competition now-a-days is not

between Lancashire and Bombay. The competition now-a-days is between Japan and Bombay. I gave figures to show, and those figures have never been challenged anywhere, that in so far as Bombay and Japan come in competition, Bombay supplies 93 per cent. and Japan supplies 7 per cent., and I say that that small 7 per cent. coming from Japan is the factor which regulates the price for the Bombay millowner, and whether you take off this excise duty or whether you do not, the price which the Bombay millowner and the millowner in India will continue to get will continue to be regulated by the price at which that small proportion of cloth comes in from Japan. We have been told that the mill industry in Bombay is in a critical position, and it has been suggested that this excise duty is the cause of that critical position. As Mr. Devaki Prasad Sinha pointed out, that excise duty has been in force for 30 years. The mill industry have had time to adjust themselves to it. They have passed through their ups and downs just like any other industry. At present they are having what I may call one of their downs, but surely it is carrying matters a bit far to say that what has caused this state of depression, what is rendering that depression even a little more acute, is this cotton excise duty. Every one who knows anything about it can tell you what the cause of the depression in the cotton trade is. The cause is this. The war checked imports of cloth into India. The consequence was that the Bombay mill industry, the mill industry,—I apologise for always saying Bombay—(*Sir Purshotandas Thakurdas*: "I am very glad you have got rid of Bombay now"), got the business more and more into their control. Imports dropped considerably by 1917-18. Imports which in 1913-14 had been 3,197 million yards of piece-goods, dropped by half. As to the price of raw cotton, taking the figure of 1913-14 to be the index figure of 100, by 1917-18 the price of raw cotton had risen to 172. It had risen by 72 per cent. The price of longcloth and the price of *chaddars* had risen by 93 per cent. and 73 per cent. respectively.

**Mr. Kasturbhai Lalbhai:** Sir, I rise to a point of order. I was not allowed to discuss the competition between Japan and India. The Honourable Sir Charles Innes is just giving figures by which he is trying to prove. . . .

**The Honourable Sir Charles Innes:** Sir, I understand that what we are really discussing to-day is whether or not the cotton excise duty should be taken off. The Honourable Member proposes that the excise duty should be taken off because he is asking the Government not to have any establishment for the collection thereof. I am endeavouring to show that his statement that the fact that the mill industry at the present moment is in a critical position is due to this excise duty is in no way correct. In 1918 imports dropped further to 1,123 million yards. The price of cotton had risen by 135 per cent. The price of cloth had risen by 188 per cent. and the price of *chaddars* by 161 per cent. In 1920-21 a break came. The price of cotton dropped to 131, that is to say an increase of only 31 per cent over the figures of 1913-14, but the price of longcloth remained up at 186 per cent. in excess of what it was in 1913-14. The price of *chaddars* was 165 per cent. in excess of what it was in 1914. That is why they got these attractive profits in those years. . . .

**Mr. H. G. Cocks:** Does the Honourable Member mean it rose by 165 per cent? He started by taking an index figure of 100.

**The Honourable Sir Charles Innes:** Yes, 186 per cent.; the increase in the price of cloth was 186 per cent., taking 100 as your index figure. (Full statement printed below.)

And since then this is what has happened. The price of cotton has slowly been rising. At the same time the mill industry in India has been faced with heavy additional expenditure on account of its labour; and, owing to imports beginning to come in in larger quantities, the price of cloth is slowly going down. And that is why for the moment the mill industry is in a bad way. I sincerely hope it is only temporarily. I am not criticising the mill industry. I have not the slightest intention of doing so; but that is the true explanation of what Mr. Kasturbhai Lalbhai called the critical condition of the mill industry. It has nothing whatsoever to do with this small excise duty.

Now let me just go back for one moment to the debate in September. In September, though I could not say so, I had an inkling of what the position would be to-day, I had an idea that the House might be faced with the dilemma with which it is faced to-day. I thought that we might have a surplus and I knew it would be for the Government and the House to decide how that surplus should be disposed of. On the one hand, we have that pledge of Lord Hardinge's, and not one of us would like to go back on it, that as soon as financial considerations permit the excise duty would be removed (*Mr. M. A. Jinnah*: "When will that be?") On the other hand, we have got this other pledge, an obligation which has been laid upon us by the Joint Select Committee's Report and by the speeches of many members of the Government, namely, that our finances must be ordered towards a reduction of the provincial contributions. I knew that we and the House would be faced with that difficulty and I knew that we would have to choose between the two; and that is why in my speech of September last I endeavoured to balance the considerations. I gave the fullest possible weight to the sentiment, which Sir Purshotamdas Thakurdas, if I may say so, has given such eloquent expression to,—the sentiment which India feels against this tax because of its history and its associations. On the other hand, there has been a change in the situation of recent years owing to the fact that the duty is no longer a countervailing

*Statement of Index figures of prices of (a) raw cotton M. G. F. G. Broach, Bombay and (b) certain kinds of Indian made cloth, taking the average prices of 1913-14 as 100.*

|                         | Total Imports of piecegoods in millions of yards. | Price of raw cotton per candy. | Price per lb. of longcloth 36" x 37½ yds.=9½ lbs. | Price per lb. of chaddars 54" x 6 yds.=2½ lbs. |
|-------------------------|---------------------------------------------------|--------------------------------|---------------------------------------------------|------------------------------------------------|
| 1913-14 . . . . .       | 3,197                                             | 100                            | 100                                               | 100                                            |
| 1917-18 . . . . .       | 1,556                                             | 172                            | 108                                               | 178                                            |
| 1918-19 . . . . .       | 1,123                                             | 285                            | 268                                               | 261                                            |
| 1919-20 . . . . .       | 1,081                                             | 179                            | 265                                               | 251                                            |
| 1920-21 . . . . .       | 1,510                                             | 131                            | 246                                               | 272                                            |
| 1921-22 . . . . .       | 1,090                                             | 139                            | 253                                               | 242                                            |
| 1922-23 . . . . .       | 1,503                                             | 161                            | 241                                               | 229                                            |
| April 1923 . . . . .    | ...                                               | 178                            | 220                                               | 206                                            |
| " 1924 . . . . .        | ...                                               | 197                            | 229                                               | 208                                            |
| February 1925 . . . . . | ...                                               | 136                            | 201                                               | 105                                            |

duty. There is a difference of  $7\frac{1}{2}$  per cent. between the import duty and the excise duty. And now it seems to me that we are robust enough in these days to look at this matter quite dispassionately, to attach the fullest possible weight to all the objections which for historical reasons we take against this tax but at the same time to look at the matter in the light of what we must consider the interests of India as a whole. That is what we have to do and when we made the proposal in Sir Basil Blackett's speech we had definitely arrived at the conclusion that the proper course for us to take in regard to the money available was to use it for the reduction of provincial contributions. I am glad to see that every Member of this House has endorsed that decision. But unfortunately they will not stop there. We had from my Honourable friend Mr. Patel a good example of what I may call "frenzied finance". Mr. Patel has got an even greater admiration for Sir Basil Blackett than I have myself, and that is saying a lot. We all of us regard Sir Basil Blackett as an exceptionally able Finance Member. Mr. Patel goes further. He regards him as a financial wizard, a man who can bring crores out of his pocket in the same way as a conjuror brings rabbits out of a hat. But that is not the way for us to consider a problem of this kind. The money is not there. It does no good to say that we can find it, if we tax somebody else—or if we raid our sinking funds. I am afraid we are up against a real dilemma and it is for the House to decide whether or not the money is to go towards the reduction of provincial contributions or whether it is. . . . (Diwan Bahadur T. Rangachariar: "What about a graduated reduction?") That is a matter with which I am not at present concerned. In that view I hope the House will not accept this Resolution of Mr. Kasturbhai Lalbhai. His motion, I venture to think, is a bad motion. It is a motion which tries to force a Resolution upon the Government of India. Now a Resolution is merely a recommendation to the Governor General in Council. It is for us to consider such Resolutions and we consider them most carefully; but when Mr. Kasturbhai Lalbhai says, "We will force you to accept this Resolution because we shall cut away the establishment required for the collection of this tax", the only answer that can be given to a threat of that kind is to refer to the provisions of section 67-A (7) of the Government of India Act.

**Mr. A. Rangaswami Iyengar:** I move, Sir, that the question be now put.

**Mr. M. A. Jinnah:** I would like to know, Sir, what the Government have got to say, before we are called upon to vote, with regard to the proposal I made. Are the Government going to consider this question or are they not, whether in this connection they are prepared this year to make some provision—(Diwan Bahadur T. Rangachariar: "Some beginning")—some beginning and give us practical proof of that beginning?

**The Honourable Sir Basil Blackett:** Sir, the Government will be in duty bound to consider with the utmost care every suggestion that has been made during the course of this debate. We are often accused of riding roughshod over this Assembly, but I can assure this House that every debate and every expression of opinion is very carefully considered. Mr. Jinnah has made a suggestion, which is undoubtedly an interesting suggestion, that the Government should endeavour to meet the wishes of this House by making what has been called a gesture or an earnest of their intention to carry out Lord Hardinge's pledge by making a beginning this

[Sir Basil Blackett.]

year of a reduction of the cotton excise duty. A suggestion for alternative taxation in order to do it has been put forward; other suggestions have been made. The Government will of course very anxiously consider these suggestions; and I do regret very much that the House should be going to divide on a motion of this sort, and, if it carries it, as I said before, should be voting for something which it by general consent does not desire, namely, the reduction of the amount we have set aside for the provincial contributions, and voting at the same time for something which without such reduction of the amount set aside for the provincial contribution is impossible, namely, the complete abolition of the excise duty. I do regret that the House should be in that position. I cannot say more on behalf of Government than that we are most anxious to consider very carefully every word that has been said on this subject to-day.

**Mr. M. A. Jinnah:** Do you want a division or do you want time? That is my question really.

**The Honourable Sir Basil Blackett:** If the Honourable Member wishes to propose that the vote be not now put or that it should be adjourned, this is not a case in which I could make any such motion on behalf of Government; but if it is made it is not one which we should object to.

**Diwan Bahadur T. Rangachariar:** Will you use it?

**The Honourable Sir Basil Blackett:** Obviously we shall have to use it.

**Khan Bahadur W. M. Hussanally:** May I know, Sir, if the debate is adjourned till to-morrow, whether there is any chance of any agreement being arrived at? (*Cries of "No".*)

**Pandit Madan Mohan Malaviya:** I beg to move, Sir, that this debate stand adjourned to enable the Government and the House to consider (*Cries of "No" and "Yes"*) where we stand, after the many other amendments of which notice has been given have been disposed of. I expect, Sir, that when the many amendments of which notice has been given have been considered and disposed of, we shall be able to show to the Government that by possible reductions the amount needed to abolish the cotton excise duty can be found, and I think it will be fair to them and to us that the final voting on this motion should be adjourned in order that those of us who believe that it is possible to reduce some charges in the present Budget in order to carry out the wishes, practically the unanimous wishes of this House, on the question of the abolition of the excise duty, might be able to show this. If we vote now, strong considerations have been put forward which require to be taken into account. On the other hand, there is a very strong feeling in many of us,—and I share that feeling to the full,—that this cotton excise duty should be abolished outright. I also share the conviction with several other friends that it is possible, when the amendments of which we have given notice have been discussed, that the Government will find themselves in a position to make such reductions in the Budget that they will be able to carry out the wishes of the Assembly in the matter of the cotton excise duty. Particularly,

Sir, for this reason I suggest that this matter do stand adjourned until the last day for the discussion of the motions for reduction. (*Some Honourable Members*: "Thursday"). It may be Thursday.

**Mr. President:** The question is that this debate be adjourned till Thursday, the 12th.

(*Some Honourable Members*: "No, no.")

**Pandit Motilal Nehru:** I am sorry to differ from my Honourable friend Pandit Madan Mohan Malaviya. I do not think any useful object will be served by the postponement of the vote on this motion. The motion now before the House stands on an entirely different footing from all other motions that will come before the House from time to time during this week or the next. The decision on this question, I submit, on the grounds which I have put before the House does not depend upon any of the considerations which my Honourable friend Pandit Madan Mohan Malaviya has mentioned. It must be decided on its own merits. For these reasons, Sir, I object very strongly to the adjournment.

**The Honourable Sir Alexander Muddiman:** Sir, on behalf of Government, I will not oppose the motion, but I wish to make it clear that in doing so I commit Government to nothing.

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

"That this debate be now adjourned till Thursday, the 12th March."

I think the Noes have it.

(On Mr. Gaya Prasad Singh saying repeatedly "the Noes have it".)

The Honourable Member from Bihar and Orissa has been long enough in this House to know that when the Chair says "I think the Noes have it", unless he wishes to claim that the Ayes have it, he should remain silent.

The original question was:

"That a sum not exceeding Rs. 71,66,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1926, in respect of 'Customs'."

Since which an amendment has been moved:

"That the provision for Rs. 77,000 for the Cotton Excise Establishment be omitted."

Further motion moved:

"That this debate be now adjourned till Thursday, the 12th March."

The question I have to put is that the debate be adjourned till Thursday, the 12th March.

## The Assembly divided:

AYES—62.

Abdul Mumiz, Khan Bahadur  
Muhammad.  
Abdul Qaiyum, Nawab Sir Sahibzada  
Abul Kasem, Maulvi.  
Ahmad Ali Khan, Mr.  
Ahmed, Mr. K.  
Aiyangar, Mr. K. Rama.  
Aiyer, S'r P. S. Sivaswamy.  
Ajab Khan, Captain.  
Akram Hussain, Prince A. M. M.  
Almuzzaman Chowdhry, Mr.  
Ashworth, Mr. E. H.  
Badi-uz-Zaman, Maulvi.  
Bhore, Mr. J. W.  
Blackett, The Honourable Sir Basil.  
Bray, Mr. Denys.  
Burdon, Mr. E.  
Calvert, Mr. H.  
Clarke, Sir Geoffrey.  
Cocke, M. H. G.  
Cosgrave, Mr. W. A.  
Datta, Dr. S. K.  
Fleming, Mr. E. G.  
Ghose, Mr. S. C.  
Ghulam Abbas, Sayyad.  
Graham, Mr. L.  
Hira Singh Brar, Sardar Bahadur  
Captain.  
Hudson, Mr. W. F.  
Hussanally, Khan Bahadur W. M.  
Hyder, Dr. L. K.  
Innes, The Honourable Sir Charles.  
Jinnah, Mr. M. A.  
Joshi, Mr. N. M.  
Lloyd, Mr. A. H.

Makan, Mr. M. E.  
Malaviya, Pandit Madan Mohan.  
Marr, Mr. A.  
McCallum, Mr. J. L.  
Mitra, The Honourable Sir Bhupendra  
Nath.  
Moir, Mr. T. E.  
Muddiman, The Honourable Sir  
Alexander.  
Muhammad Ismail, Khan Bahadur  
Saiyid.  
Mutalik, Sardar V. N.  
Naidu, Mr. M. C.  
Nambiyar, Mr. K. K.  
Pal, Mr. Bipin Chandra.  
Rajan Bakhsh Shah, Khan Bahadur  
Makhdum Syed.  
Raj Narain, Rai Bahadur.  
Ramachandra Rao, Diwan Bahadur M.  
Rangachariar, Diwan Bahadur T.  
Rau, Mr. P. R.  
Reddi, Mr. K. Venkataramana.  
Rushbrook-Williams, Prof. L. F.  
Sarda, Rai Sahib M. Harbilas.  
Sastri, Diwan Bahadur C. V.  
Visvanatha.  
Sotalvad, Sir Chimanlal.  
Stanyon, Colonel Sir Henry.  
Tonkinson, Mr. H.  
Venkatapatiraju, Mr. B.  
Webb, Mr. M.  
Willson, Mr. W. S. J.  
Wilson, Mr. R. A.  
Yakub, Maulvi Muhammad.

NOES—49.

Abhyankar, Mr. M. V.  
Acharya, Mr. M. K.  
Aiyangar, Mr. C. Duraiswami.  
Chaman Lal, Mr.  
Chanda, Mr. Kamini Kumar.  
Chotty, Mr. R. K. Shanmukham.  
Crawford, Colonel J. D.  
Das, Mr. B.  
Das, Pandit Nilakantha.  
Duni Chand, Lala.  
Dutt, Mr. Amar Nath.  
Goswami, Mr. T. Q.  
Govind Das, Seth.  
Gulab Singh Sardar.  
Hans Raj, Lala.  
Hari Prasad Lal, Rai.  
Iyengar, Mr. A. Rangaswami.  
Kasturbhai Lalbhai, Mr.  
Kazim Ali, Shaikh-e-Chatgam Maulvi  
Muhammad.  
Kelkar, Mr. N. C.  
Kidwai, Shaikh Mushir Hosain.  
Lohokare, Dr. K. G.  
Mahta, Mr. Jamnadas M.  
Misra, Pandit Shambhu Dayal.  
Misra, Pandit Harkaran Nath.

Murtuza Sahib Bahadur, Maulvi  
Sayad.  
Narain Dass, Mr.  
Nehru, Dr. Kishenlal.  
Nehru, Pandit Motilal.  
Nehru, Pandit Shamlal.  
Neogy, Mr. K. C.  
Patel, Mr. V. J.  
Phookun, Mr. Tarun Ram.  
Piyare Lal, Lala.  
Purshotamdas Thakurdas, Sir.  
Ranga Iyer, Mr. C. S.  
Ray, Mr. Kumar Saunkar.  
Rhodes, Sir Campbell.  
Roy, Mr. Bhahendra Chandra.  
Sadiq Hasan, Mr. S.  
Samiullah Khan, Mr. M.  
Sarfaraz Hussain Khan, Khan  
Bahadur.  
Shafee, Maulvi Mohammad.  
Singh, Mr. Gaya Prasad.  
Sinha, Mr. Ambika Prasad.  
Sinha, Mr. Devaki Prasad.  
Sinha, Kumar Ganganand.  
Syamacharan, Mr.  
Sykes, Mr. E. F.

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Saturday, the  
7th March, 1925.