

16th September, 1925

THE  
**LEGISLATIVE ASSEMBLY DEBATES**  
**(Official Report)**

THIRD SESSION

OF THE

**SECOND LEGISLATIVE ASSEMBLY, 1925**



SIMLA  
GOVERNMENT OF INDIA PRESS  
1925

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# LEGISLATIVE ASSEMBLY.

*Wednesday, 16th September, 1925.*

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

## QUESTIONS AND ANSWERS.

### CONTRACT WITH MESSRS. SPEDDING AND COMPANY FOR THE SUPPLY OF SLEEPERS.

979. \***Lala Duni Chand** : With reference to the reply of the Honourable Sir Charles Innes on the 3rd September 1925 to question No. 666 put by Lala Hans Raj, will the Government be pleased to state :

- (1) (a) If the requirements of the various Railways in the North Western Railway Group were intimated to the Chief Engineer, North Western Railway, at the time when the tenders in September 1922 for coniferous sleepers were called for ?
- (b) If the reply to (a) be in the affirmative, will the Government be pleased to lay a statement on the table showing the number of Deodar, Chir and Fir Sleepers required by each of the Railways in the North Western Group for 5 years for which the tenders were called for, and whether these Railways are taking them as indented ? If not, why ?
- (2) (a) Will the Government be pleased to state if any tenders were called for when the contract in advance for any future supply to Messrs. Spedding & Co., during the period of their monopoly contract was given in February 1923 for supply of 1 to 1½ lakhs of Deodar Sleepers on the same conditions and at the same price, viz., 7/15/- per Deodar B. G. and other concessions amounting to 5/- per sleeper as admitted by the Government ? If not, why ?
- (b) Will the Government be pleased to state if they are aware that in February 1923, there was a strong feeling amongst the public over the monopoly contract given in November 1922 to Messrs. Spedding & Co., by the North Western Railway and that the contract is calculated to bring Spedding & Co., over forty lakhs as middleman's profit ?
- (3) Will the Government be pleased to state the reasons why this additional contract was made with Spedding & Co., privately in advance for future supply which may not have been required and without calling for tenders ?
- (4) Will the Government be pleased to state when they intend to take the Deodar B. G. Sleepers from Spedding & Co., which they had agreed to buy in February 1923 ?

**Mr. G. G. Sim :** 1. (a) The Honourable Member is referred to the reply given in this Assembly to his question No. 347 (3) on 27th January 1925.

(b) The railways originally estimated their annual requirements of coniferous sleepers from the North-Western Railway group as follows :

|   | Lakhs.       |
|---|--------------|
| North-Western Railway .. ..                 | 8.00         |
| Bombay, Baroda and Central India Railway .. | 1.75         |
| Oudh and Rohilkhand Railway .. ..           | 1.70         |
| East Indian Railway .. ..                   | 0.50         |
| Great Indian Peninsula Railway .. .         | 0.25         |
| <b>Total</b>                                | <b>12.20</b> |

The numbers actually taken or to be taken by each railway concerned in each year, up to 1925-26, have already been stated in reply to part 2 of the Honourable Member's question No. 347 on 27th January 1925. The reason, why railways did not take the full number of sleepers in accordance with their estimated annual requirements, is that their actual requirements fell short of their estimated requirements.

2. (a) No tenders were called for when the contract in question was given to Messrs. Spedding and Company and Bawa Dinga Singh because it was not considered that there would be any advantage in inviting fresh tenders in February 1923, as the market had been tested by a previous call for tenders as recently as October 1922.

(b) The Government are aware that the unsuccessful contractors were not pleased. As regards the latter portion of the question, Government do not consider that the North-Western Railway Administration can be held responsible if the contract results in Spedding and Company making a large middleman's profit, as public tenders were called for in the first instance and the lowest satisfactory tender was accepted in accordance with the usual procedure in such cases.

3. The additional contract was made because it was anticipated that supplies under the contracts already entered into would fall short of the requirements of all the railways concerned. When those railways cancelled part of their demands, the additional contract in question was deferred, as stated in reply to part 2 of question No. 666 by Lala Hans Raj on 3rd September 1925. The reason for not calling for tenders has already been stated in reply to part 2 (a) of this question.

4. If and when the supplies under the other existing contracts fall short of requirements, sleepers will be taken from Spedding and Company under the contract of February 1923, in accordance with the arrangement under which that contract was held in abeyance.

**Lala Duni Chand :** With reference to paragraph 2 (a), granting that the market had been already tested, and there was no necessity for calling for tenders, why is it that the choice again fell on Messrs. Spedding and Company and upon no other ?

**Mr. G. G. Sim :** I have replied to that in part 2 (a) of the question already.



**Lala Duni Chand :** With reference to 2 (b) the Honourable Member has stated that the lowest tender was accepted. In the reply to question No. 347 in 1925, the quotations of tenders as given by the Honourable Member then were 7-8-0, 7-12-0, 7-14-0, that is lower than 7-15-0. How does the Honourable Member reconcile the statement made now with the statement made in reply to question No. 347 in 1923 ?

**Mr. G. G. Sim :** I said that the lowest satisfactory tender was accepted.

CONTRACT WITH MESSRS. SPEDDING AND COMPANY FOR THE SUPPLY OF SLEEPERS.

980. **\*Lala Duni Chand :** With reference to the statement by the Government in their reply to question No. 666 of Lala Hans Raj, that the present market rate for Deodar B. G. Sleepers was between 6|8|- and 7|-, will the Government be pleased to state the reasons for their making a gift of over a lakh of rupees of the public money to Messrs. Spedding & Co., by making a contract privately in advance when there was no immediate demand ?

**Mr. G. G. Sim :** The Honourable Member is referred to the reply given to part 3 of his previous question. Government do not admit that the execution of a forward contract, when prices were expected to rise, as in this case, can be considered as making a gift of public money to a contractor because prices eventually happened to fall instead of rising, any more than the previous long-term contract with Spedding and Company, which resulted in a great saving to the railways and a loss to the contractor owing to a rise in the price of sleepers, can be considered as a gift of lakhs of rupees by the contractor to the railways.

**Lala Duni Chand :** Will the Honourable Member be pleased to state in what year the North-Western Railway made a profit while Messrs. Spedding and Company suffered a loss and, if so, will the Honourable Member be pleased to give the amount of profit made by the North-Western Railway and the amount of loss suffered by Messrs. Spedding and Company ?

**Mr. G. G. Sim :** I have already informed the Honourable Member that the saving occurred in connection with the long-term contract but if he wishes information to be collected I would ask him to put down a question.

CONTRACT WITH MESSRS. SPEDDING AND COMPANY FOR THE SUPPLY OF SLEEPERS.

981. **\*Lala Duni Chand :** (1) Will the Government be pleased to state if it is a fact that Spedding & Co. could not make a full supply from their resources to complete the monopoly contract orders that had been placed with them in November 1922, and consequently they had entered into a contract with the Punjab Government and others for the supply at lower rates than those at which the North Western Railway had contracted to buy from Spedding & Co., as admitted by Government in their reply to question No. 350 of Mr. Samarth ?

(2) If the reply to the above be in the affirmative, will the Government be pleased to state the reasons for placing this additional contract

with the firm which had not sufficient resources of its own to make a supply under the monopoly contract of November 1922 ?

(3) Will the Government be pleased to state if it is not a fact that this additional contract in February 1923 was given to Spedding & Co., to keep the Indian firms at the mercy of Spedding & Co., during the period of the monopoly contract and help indirectly Spedding & Co., in the completion of the monopoly contract of November 1922 ?

(4) Will the Government be pleased to state what steps they propose to take in regard to the findings of the Central Advisory Committee about the monopoly contract, and the giving of the 1923 contract privately ? Are Government prepared to appoint a committee of inquiry of the Members of this House to go into this matter ?

**Mr. G. G. Sim :** (1) and (2). The Honourable Member is referred to the replies given to question No. 296 of Mr. K. C. Neogy on the 23rd July 1923 and to question No. 350 of Mr. N. M. Samarth on the same date.

(3) No.

(4) The Honourable Member is referred to the statement made by me in this Assembly on the 22nd January 1925, when I laid on the table a copy of the minutes of the meeting of the Central Advisory Council held on the 4th September 1924, and a copy of the Railway Board's letter to the Agent, North Western Railway, on this matter. Government do not intend to appoint any fresh committee of inquiry.

#### IMPERIAL CADET CORPS.

**1932. \*Mr. Gaya Prasad Singh :** (a) Will the Government be pleased to say when was the Imperial Cadet Corps formed ? What were the rules for admission ? Whether it still exists ? And if not when did it cease to exist ?

(b) What was the total amount of expenditure (if any) which it entailed on the Government ?

**Sir Denys Bray :** (a) The Imperial Cadet Corps was formed in 1901 and ceased to exist in 1915. A copy of the rules which regulated admission to the defunct Corps is placed on the table.

(b) The information desired is being collected and will be communicated to the Honourable Member in due course.

#### *Extract from the Rules for the Imperial Cadet Corps.*

VII.—Selected youths between the ages of 17 and 20 will be admitted to the Corps as Imperial Cadets. Education at one of the Chiefs' Colleges of Rajkot, Ajmer, Indore, and Lahore will, with rare exceptions, be made the basis of selection. At the start, the age limit may be somewhat relaxed, but it will be strictly adhered to in future :

(a) Ruling Chiefs will not be excluded.

Medical Examination.

(b) Cadets will be required, before joining, to pass a medical examination.

VIII.—The selection will be made personally by His Excellency the Viceroy, in consultation with the Principals of the Colleges, with the Selection of Candidates. Local Governments, and with the authorities of the States to which the Cadets may belong.

\* \* \* \* \*

# ESCAPE FROM INDIA OF TWO AMERICANS SENTENCED TO IMPRISONMENT IN THE MURREE ASSAULT CASE.

983. **\*Mr. Gaya Prasad Singh :** (a) Have the Government of India received any report from the Local Government that the two Americans, who were lately convicted and sentenced to imprisonment in what is known as the Murree assault case, have escaped, and have left this country ?

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

**The Honourable Sir Alexander Muddiman :** The Government of India have received a report. The matter is still the subject of correspondence with the Local Government and I am unable at the present stage to lay any papers on the table.

**Mr. Gaya Prasad Singh :** Have any steps been taken by the Government to arrest these two Americans who have escaped out of this country ?

**The Honourable Sir Alexander Muddiman :** Every possible step is being taken to secure the return of these men.

**Mr. Chaman Lall :** Who were the police officers who were responsible for allowing these people to get out of this country without their knowledge.

**The Honourable Sir Alexander Muddiman :** If the Honourable Member desires information as to the police officers concerned in the case he should put down a question. I do not know the names of the officers.

**Mr. Chaman Lall :** Will the Honourable Member see that suitable and adequate action is taken against these persons.

**The Honourable Sir Alexander Muddiman :** As I have said, I am now in correspondence with the Punjab Government. When the Government of India are in possession of the facts, we shall be able to arrive at a conclusion on the matter and I shall be able to answer the question.

# CONSTRUCTION OF A RAILWAY BRIDGE OVER THE GANGES AT MOKAMEH GHAT.

984. **\*Mr. Gaya Prasad Singh :** Will the Government be pleased to say what progress, if any, has been made in the project of building a railway bridge over the Ganges at Mokameh Ghat, since the statement made by the Railway Member in this House in the course of the discussion on the last Railway Budget Demands ?

**Mr. G. G. Sim :** It is not considered that further consideration of this project is required at present.

## GRANT OF PENSIONS TO NON-OFFICIALS.

985. \*Khan Bahadur Sarfaraz Hussain Khan : Will Government be pleased to state :

- (a) Whether under any Resolution of the Government of India, the Government of India and the Provincial Government have full powers to sanction the grant of pension to non-officials for exceptional services ?
- (b) If so, will Government please state what kinds of exceptional services are contemplated by the Resolution referred to, or to what description of public services the Resolution may be properly applied ?

**The Honourable Sir Basil Blackett :** At present there are no restrictions at all on the powers of the Government of India or Provincial Governments to sanction pensions to non-officials. The question of defining the word "exceptional" does not therefore arise. Each case has obviously to be decided on merits.

## RATES OF PAY IN CURRENCY OFFICES.

986. \*Mr. B. Das : (a) Will Government be pleased to state whether they are aware that several former Controllers of the Currency (Messrs. Cook, Gubbay, McWatters and others), have expressed the opinion that the work in a currency office is not wholly of a routine nature and the work in accounts, claims and other branches compares favourably with that in an account office ?

(b) If the reply be in the affirmative are Government prepared to bring the scale of pay in Currency Offices into line with that of the Account offices ?

**The Honourable Sir Basil Blackett :** The work in a Currency Office is not wholly of a routine nature but it is not similar to that in an Accounts Office, and comparisons between the two are impossible. The Government are not prepared to lay down that the rates of pay in Currency Offices and in Accounts Offices should be the same.

## PROVIDENT FUND AND GUARANTEE CONTRIBUTIONS BY THE CURRENCY OFFICE STAFF.

987. \*Mr. B. Das : (a) In reference to the reply of the Honourable the Finance Member to starred questions Nos. 731-737 of Mr. N. M. Joshi, during last Delhi session, will Government be pleased to state if they have reached their decision on the question of Provident Fund and guarantee contributions by the Currency Office staff ?

(b) Are Government aware that the present system of contribution by the Currency staff is materially different from those in practice in the Railways, and Port Trusts, not to speak of commercial houses in Bombay or Calcutta ?

(c) Are Government aware that much discontent is felt amongst employees of the Currency staff :

- (1) for their not being credited Government contribution simultaneously every month,

(2) for their losing the accrued interest on such Government contributions ?

(d) Will the Government state whether the present practice that only after a full period of 30 years' service can an employee receive Government contributions applies in the case of those who accidentally die or leave service beforehand ?

(e) Are Government prepared to do away with these unusual hardships to the Currency office staff and introduce systems of contribution in vogue in Railways, Port Trusts, etc. ?

**The Honourable Sir Basil Blackett :** The question is still under consideration.

#### CONSTITUTION OF A LOCAL ADVISORY COMMITTEE ON THE BENGAL NAGPUR RAILWAY.

988. **\*Mr. B. Das :** (a) In reference to the reply of unstarred question No. 7 of 25th August 1925, will Government be pleased to state the reasons why the Bengal Nagpur Railway has not so far constituted a Local Advisory Board for itself ?

(b) What pressure did the Railway Board apply to the Bengal Nagpur Railway on this matter ?

(c) Was this subject discussed in the Central Advisory Board and if so, will Government be pleased to inform the House of the result of such deliberations ?

(d) Will Government be pleased to lay on the table of the House all correspondence between the Railway Board and the Bengal Nagpur Railway on the formation of a Local Advisory Board ?

**Mr. G. G. Sim :** (a) and (b). The matter is under correspondence with the Railway Administration whose reply is expected shortly.

(c) The subject was not discussed with the Central Advisory Council.

(d) No.

**Mr. B. Das :** Will the Government be pleased to state the reason for this inordinate delay in this matter ?

**Mr. G. G. Sim :** I have said that we are in correspondence with the company.

#### LOCAL ADVISORY COMMITTEES ON RAILWAYS.

989. **\*Mr. B. Das :** (a) Will Government be pleased to state which of the major railways besides the Bengal Nagpur Railway have not so far had their Local Advisory Board ?

(b) Will Government be pleased to state if this subject was raised in the discussions of the Central Advisory Board ? If so, with what results ?

(c) Will Government be pleased to lay on the table the correspondence of the Railway Board with these railways on the subject ?

(d) Will Government be pleased to state what unavoidable reasons led these railways to avoid formation of their Local Advisory Boards ?

**Mr. G. G. Sim :** (a) All the principal railways except the Bengal Nagpur Railway have formed their Local Advisory Committees.

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

**Mr. K. C. Neogy :** Is the Honourable Member answering these questions in his independent capacity as the Financial Commissioner of Railways or as an apologist for the Railway Board ?

**Mr. G. G. Sim :** The Honourable Member can draw his own conclusion.

#### AMENDMENT OF THE GRATUITY RULES ON RAILWAYS.

990. **\*Khan Bahadur W. M. Hussanally :** (a) Are Government aware that railway men desire that as soon as a railway man has put in 15 years of faithful service he should be given the gratuity he has earned ; and that a fresh period should commence again for further gratuity ; so that the chance of his forfeiting the same later on, on flimsy grounds be eliminated ?

(b) Do Government propose to take action to amend the gratuity rules as suggested ?

**Mr. G. G. Sim :** Gratuities are not forfeited on flimsy grounds and Government do not propose to amend the gratuity rules in the manner suggested.

#### PRESENT POSITION OF THE INDIAN MATCH INDUSTRY.

991. **\*Mr. B. Das :** (a) Have Government received a representation from the Indian match manufacturers regarding some of the hardships that the match industry is passing through ?

(b) Have Government taken any action on the same ?

(c) Is it a fact that match woods in logs when imported from abroad pay nominal duties and not the same duties as are levied on splints, match boxes, etc., imported ?

(d) Will Government be pleased to state if they contemplate raising duties on logs to the same rate as on splints, etc., to enable the indigenous industry to have adequate protection ?

**Mr. G. G. Sim :** (a) Yes.

(b) and (d). The Government are watching developments.

(c) It is a fact that the duties on splints and match boxes are higher than the duty on logs.

**Mr. B. Das :** Are the Government going to put a heavier duty on logs imported for the purpose of manufacturing match sticks ?

**Mr. G. G. Sim :** I cannot tell the Honourable Member. I am not replying either in my capacity as Financial Commissioner or as member of the Railway Board, but in the place of the Honourable Member for Commerce, and I should advise the Honourable Member to put his question when the Honourable the Commerce Member is here.

**MANUFACTURE OF MATCHES IN INDIA BY FOREIGN COMBINES.**

992. **\*Mr. B. Das :** (a) Is it not a fact that a Swedish combine have already taken advantage of low duties on match wood and have opened various factories all over the country ?

(b) Have Government seen press comments regarding another American syndicate that intend to start match manufacture in India taking advantage of low duties on timber imported from foreign land at low rates ?

(c) Do Government intend to take adequate steps to allow the development of the indigenous match industry ?

**Mr. G. G. Sim :** (a) and (b). The Government have seen reports in the Press, but are only aware of two large factories having so far been started by the Swedish Company, namely, one near Bombay and one near Calcutta.

(c) The Honourable Member is referred to the reply given to Mr. Jeelani on 7th September last by the Honourable Sir Charles Innes.

**RECRUITMENT OF LASCARS AS STRIKE BREAKERS.**

993. **\*Mr. B. Das :** (a) Has Government's attention been drawn to the strike of seamen in South Africa and the invitation extended to Indian lascars to join steamers stranded in South African Ports ?

(b) Do Government propose to take measures to stop the despatch of Indian seamen to that Dominion, to replace the strikers ?

(c) Are Government aware that public opinion in India is against India's or Indians' rendering any assistance to the Dominion of South Africa in her troubles or distress owing to her policy of discrimination against Asiatic races ?

**Mr. G. G. Sim :** I would refer the Honourable Member to the answers given to short notice questions on the same subject asked by Mr. A. Rangaswami Iyengar and Mr. N. M. Joshi on the 10th September 1925.

**BANNING OF GOODS PRODUCED ABROAD UNDER SWEATED LABOUR CONDITIONS.**

994. **\*Mr. Kasturbhai Lalbhai :** Have the Government seen the report of the Joint Committee of the Parliamentary Labour Party and International Executive Committee of the Labour Party recommending the banning of all imported articles produced abroad under sweated labour conditions ?

**The Honourable Sir Bhupendra Nath Mitra :** No.

**Mr. Kasturbhai Lalbhai :** Do the Government recognize that tariff manipulation is of little use against a country which utilises sweated labour ? The only method by which they can face competition from the country which uses sweated labour is the banning of imports from such country ?

**The Honourable Sir Bhupendra Nath Mitra :** That is a matter of opinion, Sir.

**Mr. N. M. Joshi :** May I ask the Honourable Member whether piece-goods produced in India are produced under sweated conditions or not ?

**The Honourable Sir Bhupendra Nath Mitra :** That again, Sir, is a matter of opinion.

**Mr. Devaki Prasad Sinha :** What, according to the Government of India, Sir, is sweated labour ?

**The Honourable Sir Bhupendra Nath Mitra :** I shall require notice of that question, Sir.

**Mr. Chaman Lall :** May I ask whether in giving his reply to this question the Honourable Member's attention had been drawn to this Resolution passed by the International Executive Committee of the Labour Party.

**The Honourable Sir Bhupendra Nath Mitra :** The Honourable Member can read any meaning he wants to into the answer I have already given to Mr. Kasturbhai Lalbhai.

#### ACTION AGAINST COUNTRIES PRODUCING GOODS UNDER SWEATED LABOUR CONDITONS.

995. **\*Mr. Kasturbhai Lalbhai :** (a) Is it a fact that the Peace Treaty of Versailles provides the machinery for international action against the country where sweating conditions of labour exists ?

(b) Do Government propose to utilize that machinery ? If not, why not ?

**The Honourable Sir Bhupendra Nath Mitra :** (a) No.

(b) Does not arise.

**Mr. Chaman Lall :** Is it a fact that the Executive Committee of the Labour Party have announced their intention of utilizing the machinery set up by the Versailles Treaty, namely, the International Labour Office, for the stoppage of imports of sweated goods into a particular country ?

**The Honourable Sir Bhupendra Nath Mitra :** I have no information on that point, Sir.

**Mr. Chaman Lall :** Will the Honourable Member, whenever the occasion arises, make a similar proposition with regard to sweated goods, namely, in connection with the mills in this country ?

**The Honourable Sir Bhupendra Nath Mitra :** That, Sir, does not arise out of this question. If the Honourable Member will give me notice of the question, I shall certainly look into it.

**Mr. N. M. Joshi :** May I ask whether Government will be ready to inquire into this matter ?

**The Honourable Sir Bhupendra Nath Mitra :** Government are always ready to make inquiries into matters in regard to which a reasonable case for investigation is placed before them.

#### RAILWAY FREIGHTS.

996. **\*Mr. Kasturbhai Lalbhai :** Will Government be pleased to state the method whereby they determine that a particular rate for a particular traffic is paying or non-paying commercially ?



RAILWAY FREIGHTS ON COAL.

997. **\*Mr. Kasturbhai Lalbhai :** Will Government be pleased to state on what data they arrived at the conclusion that "the policy of the Railway Board always has been that coal should be carried at the lowest rates which are *commercially possible* ?

**Mr. G. G. Sim :** I propose to answer this and the preceding question together.

The Honourable Member is referred to the remarks of the Honourable Sir Charles Innes during the debate on the Railway Budget in this House on the 26th February 1925, as printed on pages 1589, 1590, 1595 and 1596 of the Legislative Assembly Debates, Volume V, No. 24.

RAILWAY FREIGHTS ON COAL IN SOUTH AFRICA AND JAPAN.

998. **\*Mr. Kasturbhai Lalbhai :** (a) Are the Government in a position to state at what rate coal is transported in South Africa and Japan and what relation it bears to the freight on other commodities ?

(b) If the Government have not this information in their possession are they prepared to inquire into the matter ?

**Mr. G. G. Sim :** The reply to both parts of the question is in the negative.

INDIAN CONTRIBUTIONS TO FOREIGN COUNTRIES.

999. **\*Mr. B. Das :** (a) Will Government be pleased to state the names of countries to which India contributes money by arrangement besides the Government of Nepal ?

(b) If the answer be in the affirmative, will Government be pleased to give the amounts of contributions in each case ?

**Sir Denys Bray :** As the countries in question are either Foreign States or territories of Princes and Chiefs under the suzerainty of His Majesty, I am not quite sure how far I can give a detailed answer. But the Honourable Member will find the information he requires in Aitchison's Treaties.

**Mr. B. Das :** Is it not a fact that the Government of India pay a subsidy of Rs. 10 lakhs to.....

**Mr. President :** The Honourable Member for Government has already answered the question. The Honourable Member might get the information he wants from the published records.

DAMAGE TO THE RAILWAY LINE BY THE RECENT FLOODS IN THE SHAHABAD DISTRICT OF BIHAR AND ORISSA.

**Mr. Devaki Prasad Sinha :** 1. (a) Will the Government be pleased to state what portion of the railway line has been damaged by the recent floods in the Shahabad District of Bihar and Orissa.

(b) Will the Government state for how many days train service on the main line of the East Indian Railway was stopped on account of the floods ?

(c) Will the Government be pleased to make a statement regarding the present arrangement for train service along the main line of the East Indian Railway ?

**Mr. G. G. Sim :** (a) At Bihta between Dinapore and Arrah.

(b) and (c). The breach took place on the 9th September 1925 and temporary arrangements were made to run the Punjab Mails and 5 Up

and 6 Down Express trains *via* the Grand Chord. 11 Up, 29 Up and 17 Up ran up to Dinapore and returned as 12 Down, 30 Down and 18 Down from there. 18 Down and 30 Down ran up to Arrah and returned as 47 Up and 29 Up from there.

Single line working between Bihta and Koilwar was introduced on 14th and with effect from the same date through running was resumed.

I have just received a telegram announcing that through communication was restored on both lines to-day.

**Mr. Devaki Prasad Sinha :** Do the Government realize that the Railway Board is partly responsible for the recurrence of flood in the district of Shahabad ?

**Mr. G. G. Sim :** No, Sir.

**Mr. Devaki Prasad Sinha :** Has the attention of the Government of India been drawn to a report submitted through the Government of Bihar and Orissa by an engineer who was specially deputed to inquire into this question complaining that the existing condition of the railway lines is responsible for the recurrence of flood in Shahabad ?

**Mr. G. G. Sim :** I am afraid I have no information, Sir.

**Mr. B. Das :** Do Government realize, Sir, that the breach on this railway is due to the insufficiency of waterway provided on the railway line in that area ?

**Mr. G. G. Sim :** I am not aware of that, Sir.

### UNSTARRED QUESTIONS AND ANSWERS.

#### EMPLOYMENT OF MUHAMMADANS IN THE OFFICE OF THE DIRECTOR OF THE BUREAU OF PUBLIC INFORMATION, HOME DEPARTMENT.

191. **Haji Wajihuddin :** (1) Will Government be pleased to state if it is a fact that in the Office of the Director of the Bureau of Public Information, Home Department, there are in all 18 ministerial posts including that of the office superintendent and the photographer and that not one of these 18 posts is held by a Mussalman ?

(2) If so, why and what steps do Government propose to take to facilitate the employment of Mussalmans ?

**The Honourable Sir Alexander Muddiman :** (1) Yes.

(2) I am informed that Muhammadan candidates with the required qualifications have hitherto not been forthcoming. I have issued orders which will secure that in future the claims of Muhammadan candidates will receive the most careful consideration.

#### PROVINCIALIZATION OF SALT IN BURMA.

**Mr. E. G. Fleming :** Will the Government of India be pleased to state whether final orders have been passed on proposals for the provincialization of the subject of " Salt " in Burma submitted by the Government of that Province (as stated by the Honourable the Finance Member in the Burma Legislative Council in his reply to question No. 258 given on the 11th March, 1924) ? If so, what are the orders passed ?

**The Honourable Sir Basil Blackett :** In September 1924 the Government of Burma submitted detailed proposals for the provincialization of the subject of "Salt", both imported and locally made, in Burma, basing their case upon a recommendation of the Burma Reforms Committee. The Government of India examined these proposals carefully; they recognised that the scheme put forward by the Burma Government was so designed as to protect fully the immediate fiscal interests of the Government of India, but they came to the conclusion that the proposal must be resisted on general principles. It ran directly counter to the policy that has been deliberately pursued by the Government of India, since the reforms, of disengaging central finance and the functions of the Central Government from provincial finance and the functions of the Provincial Governments. The proposal involved differential treatment of one of the Provinces, and the Government of India could not agree with the view that the position of Burma was so different from that of other provinces that it would be permissible to grant Burma differential treatment that would be denied to other provinces. If, therefore, the proposal was accepted, it would establish a precedent that might prove exceedingly embarrassing, particularly as it impinged upon the subject of Customs, a subject which affects the external relations of the Government of India. The Government of India did not underrate the economic and political advantages of giving encouragement to the salt industry in Burma which the Burma Government proposed to give by differentiating between the duties on imported and locally made salt, but held that the objections to putting the Local Government in the position to apply that particular expedient were insuperable and that other expedients should be sought. The Government of India forwarded the Burma Government's letter to the Secretary of State with their observations. The Secretary of State in Council has replied that he accepts the views of the Government of India.

#### MESSAGE 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 you that at a meeting of the Council of State held on the 15th September, 1925, the Council rejected a motion that the Bill to provide that, when fire-arms are used for the purpose of dispersing an assembly, preliminary warning shall, in certain circumstances, be given, as passed by the Legislative Assembly, be taken into consideration."

(Cries of "Shame.")

#### THE CONTEMPT OF COURTS BILL.

##### PRESENTATION OF THE REPORT OF SELECT COMMITTEE.

**The Honourable Sir Alexander Muddiman** (Home Member) : Sir, I present the Report of the Select Committee on the Bill to define and limit the powers of certain courts in punishing contempts of courts accompanied by numerous minutes of dissent. (Laughter.)

#### RESOLUTION *RE* AMENDMENT OF THE RULES FOR ELECTION TO THE INDIAN AND PROVINCIAL LEGISLATURES.

**Pandit Sham Lal Nehru** (Meerut Division : Non-Muhammadan Rural) (The Honourable Member was greeted with applause on rising to address the House) : Sir, the question of disqualification.....

**Mr. President :** The Honourable Member must begin by reading his Resolution.

**Pandit Shamlal Nehru :** I thought, Sir, that I had moved the Resolution formally the other day, but I will do it again to-day. The Resolution, which I have already moved, Sir, runs as follows :

“ This Assembly recommends to the Governor General in Council that the rules made under the Government of India Act, 1919, for election to the Indian and provincial Legislatures be so amended as to remove all the disqualifications which are at present imposed upon any person against whom a conviction by a criminal court involving a sentence of transportation or imprisonment for a period of more than one year is subsisting.”

Sir, the notice of this Resolution was given early last year. After the notice was given, this question was referred by the Government of India to the Parliamentary Joint Committee. (*Mr. K. Ahmed :* “ How do you know ? ”) I know that because I have read their report. (Laughter.) I do not know whether it was on account of this Resolution that the Government of India referred the subject to the Parliamentary Joint Committee. Perhaps it was that, or perhaps (I would like to give the Government credit for it) it was due to their thinking that an offence should not carry more than one penalty. This question was taken up by the Parliamentary Joint Committee, and it was discussed at several meetings for over a month. It was resolved by the Committee to invite the Secretary of State for India to give them the reasons for the amendment proposed by the Government of India. At the second meeting at which the Secretary of State was present he made a statement as to the necessity for the proposed amendments. After deliberation it was moved by the Earl of Middleton :

“ That the Committee do not recommend the Secretary of State to make the proposed amendments to the qualifications for candidature for Indian Legislative bodies.”

The same was objected to and votes were taken. Votes for the Resolution were 4 and against the Resolution of not recommending were 11.

The proposed motion was disagreed to. Then another motion was made by Mr. Wardlaw Milne :

“ That the Committee accept the view of the Government of India as to the necessity for the amendment, but suggest that, if the Government fear the continuance of persistent demands on the part of persons convicted, the period of disqualification should be reduced from five to two years.”

This also was objected to. The contents were 5 and the non-contents were 10. Then it was moved by Lord Clwyd :

“ That the Committee shall advise the Secretary of State for India to adopt the proposal of the Government of India to amend the Rules made under the Government of India Act, 1919, so as to remove the disqualification for five years which the rules at present impose upon any person ‘ against whom a conviction by a criminal court involving a sentence of transportation or imprisonment for a period of more than six months is subsisting.’ ”

This was also objected to.

On the votes being taken the contents were 10 and the non-contents were 5. You will see, Sir, that the Secretary of State was advised to remove these disqualifications altogether as suggested by the Government of India. According to English law there is only one penalty for one offence, and even a murderer there is qualified to stand for the Legislature. I do not think any criminals, real criminals I mean, were allowed by the public to get any votes at all in England and the same thing, I

am sure, will happen in India if a real dacoit or a real thief stands for election here. (*An Honourable Member* : " Why are you here ? ") I am here because Government failed and could not help my getting in. Now, Sir, in England where they have got a representative Government people who go to jail deserve the punishment. In India thousands and thousands of people who, if they had their own Government would have been "honoured" for their patriotism, have been sent to jail and declared convicts and declared unfit for any work for the good of their country through the Legislature. In England, Sir, if an offence is punishable with a 10-shilling fine, in India the same offence means six months' rigorous imprisonment or perhaps a year. In India, Sir, people go to jail for offences for patriotism and sometimes for displeasing some powerful people. In 1920-21 Sir, as we all know, about 30,000 people went to jail voluntarily. By voluntarily I do not mean to say that they went and locked themselves up in the jail, but they took no objection to their being sent to jail. There were about 30,000 of them, of whom Mr. Gandhi was one. Of these people, Sir, nearly every one was no offender against any law, real law, not a lawless law. Cases were tried in courts, punishments were given right up to 5 years rigorous imprisonment, for " offences " which in a self-governing country will be considered patriotism and rewarded accordingly. In 1921, Sir, many people, high and low, the favourites of the people of the country were sent to jail on manufactured evidence. Take the case of my Honourable Leader who happens to be my uncle also (Laughter) or my Honourable uncle who happens to be my leader, whichever way you like to have it. (Applause.) He was arrested at 5 o'clock, taken to jail and the next morning tried by the Magistrate. He refused to answer questions. His signature, or his so-called signature, on a paper had to be proved before a conviction could be obtained. The paper was there all right, but somebody had to prove the signature because he had refused to answer questions. A person was forthcoming immediately who said that he had served Pandit Motilal Nehru for a large number of years as his servant and who knew his signature in Hindi well. Now, Sir, Pandit Motilal Nehru had never seen that man's face before, nor had I for the matter of that. (*An Honourable Member* : " Why did you not disprove it ? ") I do not think he has ever signed his name in Hindi. But all the same he got six months' simple imprisonment and Rs. 500 fine. This is how convictions are manœuvred in India. There is another case of my cousin Pandit Jawahirlal Nehru. He heard of the firing in Jaito. He went there. No objection was taken to it. He went to the city and met the Superintendent of Police on the roadside. The Superintendent of Police seeing there was a foreigner asked his name. His name was well known to the Superintendent. He asked him as a special favour to wait where he was, until he went and saw the Administrator. My cousin obliged him and waited. He came back with the Administrator's orders that my cousin should leave the State immediately. Pandit Jawahirlal Nehru informed the police that he was going by the first train which was leaving Jaito that evening. The police said " My orders are that you should leave immediately." Pandit Jawahirlal Nehru said " That is the only train by which I can leave and that is the earliest. I cannot evaporate in the air." He got 2½ years' rigorous imprisonment for refusing to evaporate in the air. Is that an offence, Sir ? Mr. Gandhi's case is well known and I need not therefore say anything about it. (*Mr. S. Sadiq Hasan* : " What about your own case ? ") My friend wants to know my own case. My own case, Sir, is this. I was arrested 10 minutes after my Honourable uncle. I was taken to jail the

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same evening. The next morning I was tried in jail. The Magistrate asked me questions, I refused to answer them. My case was a warrant case. I was arrested on a warrant. The charge was changed to another section, which was a summons case. But although the charge was a summons case, I was locked up by the orders of the Magistrate forthwith for 9 days, because I would not answer questions. I thought it was useless being locked up for ever and ever. So I decided to have a definite term of imprisonment. After 9 days I said that I had committed the offence and I was proud to do it and would do it again. I got six months for that. (Laughter.) This is how convictions are manœuvred in India. This is how respectable people of India, people who are loved by Indians, are treated. I dare say it serves administrative purposes. But it shows to the country that you are nonentities and you dare not put up your head. But, Sir, if you look at it from the real administrative point of view and not from the vindictive point of view, it is undermining the foundations of that very administration which is behaving in that way. Sir, I do not want to prolong my speech. I just want to warn the Government as a very loyal subject of His Majesty the King and as a very loyal subject of the bureaucracy in this country. (Hear, hear.) I say it is a bad thing. It is not a sensible thing to treat a large number of people in that offhand and callous manner. It is dangerous for their own administration and it is dangerous for their own Government. They want co-operation. Can they expect co-operation from a man who is given 2½ years' rigorous imprisonment for the offence of not evaporating in the air on the orders of the Administrator of Nabha State. The same man, Sir, my cousin, was given six months in another case. He did not appeal. A special judge was appointed to revise the judgment. He was let off without any defence by that judge. The third time he was given 18 months. Altogether, Sir, he has received 4½ years' imprisonment. He cannot come to this Assembly. Why? Because he is a patriot and because he refused to evaporate in the air. There are many other cases into which I need not go.

There is one more case which I should like to mention. That case was from Benares. A Muhammadan gentleman, a doctor by profession, was given a year's rigorous imprisonment. I do not exactly remember under what section, but it was either under theft or some such other offence. When the orders were issued by the Government for the better treatment of the political prisoners, that man who was convicted under that disgraceful section was put on political prisoners' rations. The Government acknowledged, Sir, that he was a political prisoner although he had committed theft. But can you, Sir, send a political prisoner to jail under the charge of theft? That very thing shows that the Government acknowledged that they were doing things which no honest man can think of ever doing. I am sorry, Sir, to have used strong words because I do not believe in using strong words. But, if what I have said is considered to be strong, I am sorry for having done it. But I have only stated the facts.

Sir, the Honourable the Home Member must know what the Maharaja Sahib of Mahmudabad said in his evidence before the Reforms Inquiry Committee. I am sorry I have forgotten the page of the report and therefore cannot refer to his statement.

**Mr. K. Ahmed :** He sent a written statement to the Reforms Inquiry Committee which was drafted by you !

**Pandit Shamlal Nehru** : It was not supplied by me, but I do not know whether he asked my friend Mr. K. Ahmed for it. However, the Maharaja Sahib is absolutely of the same opinion as we, the convicted and non-convicted Swarajists.

Sir, I will not say anything more at the present moment but if any Honourable Member says anything which requires a reply I will deal with it fully in my reply. (Applause.)

**The Honourable Sir Alexander Muddiman** (Home Member) : Sir, if I rise at this early stage of the debate it is for the purpose, if I can, of bringing Honourable Members back more closely to the Resolution actually before the House. My Honourable friend will pardon me if I say that many of his remarks seem to me rather to deal with criticism of the courts than to refer to the actual terms of his Resolution. If I have not misunderstood him, I gather that he at any rate pleaded guilty to the charge against him.

Sir, the Resolution as framed by my Honourable friend involves two things, I think. Not only does it involve there being no disqualification at all in the case of a person convicted for any offence whatever by a criminal court but it would also permit a person actually in prison to stand as a candidate. Now, the existing disqualifications on this matter are as follows.

As the rules were originally framed, they prevented a person convicted by a criminal court who had received a sentence in excess of six months' imprisonment from standing as a candidate. The only way in which this disqualification could be removed was by a pardon, a difficult thing to obtain and a difficult thing occasionally to grant. Well, Sir, this question of disqualification has been raised, as my Honourable friend pointed out, on several occasions. It was, in fact, as he says, considered by the Standing Joint Committee on Indian Affairs in the session of 1924. My Honourable friend read the motion moved by Lord Clwyd, but I think he appeared to gather from it that the Joint Committee recommended the abolition of all restrictions in this matter. That is not the case. What the Joint Committee recommended was that the proposal of the Government of India should be adopted and that proposal has, in fact, been adopted by the Government of India. The matter was again considered by the Reforms Inquiry Committee last year. I will read to the House a passage dealing with their recommendations on that point.

**Pandit Shamlal Nehru** : May I interrupt the Honourable Member, Sir ? The motion made in the Standing Joint Committee was :

*" That the Committee shall advise the Secretary of State for India to adopt the proposal of the Government of India to amend the Rules made under the Government of India Act, 1919, so as to remove the disqualification for five years which the rules at present impose upon any person, etc."*

**The Honourable Sir Alexander Muddiman** : Sir, the Honourable Member has been misled by the wording of the motion, but the Government of India made no such proposal.

**Mr. A. Rangaswami Iyengar** : It is certainly the recommendation of the Joint Committee.

**The Honourable Sir Alexander Muddiman :** It is not the recommendation of the Joint Committee. It was moved by Lord Clwyd :

“ That the Committee shall advise the Secretary of State for India to adopt the proposal of the Government of India to amend the rules made under the Government of India Act, 1919, so as to remove the disqualification for five years which the rules at present impose upon any person ‘ against whom a conviction by a criminal court following a sentence of transportation or imprisonment for a period of more than six months is subsisting ’.”

The recommendation of the Government of India did not propose the abolition of all disqualifications as seems to be thought. There was no such proposal of the Government of India. I think the House will accept that when I tell them that that is so.

**Pandit Shamlal Nehru :** Will the Honourable Member read the recommendation sent to the Committee ?

**The Honourable Sir Alexander Muddiman :** I have not got that, Sir. It was based on our letter no doubt.

When I was interrupted I was saying that this matter was considered by a Committee that met last year, the Reforms Inquiry Committee, and their recommendations are to be found both in the majority and minority reports. I think I am justified in saying that though the minority were not very warm in support of any of our recommendations, they did support this or at any rate said they had no objection to the change. This was a recommendation that was discussed at considerable length in the majority report and was a unanimous recommendation. The majority report said :

“ At present any conviction which involves a sentence of more than six months constitutes a bar to election, unless the offence has been pardoned, for a period of five years from the date of the expiration of the sentence.”

They went on to say :

“ We are not prepared to recommend the introduction of any provisions in the rule which would differentiate between offences involving, and offences not involving moral turpitude. We consider that the attempt to provide such a distinction is unsound in theory and almost impossible in practice. We however consider that it is inadvisable to require that the offence should be pardoned before the disqualification is removed. The disqualifications under other provisions of the rule can be removed by order of the Local Government in this behalf and provided arrangements are made to secure that there shall be uniformity of action in regard to particular persons in different provinces we consider that similar provisions should suffice in regard to this disqualification also. We also consider that the period of six months is too short, and that it should be increased to one year. This period has a precedent in the similar provision in the South African constitution.”

**Mr. A. Rangaswami Iyengar** (Tanjore *cum* Trinchinopoly : Non-Muhammadan Urban) : May I know whether the proceedings of the Joint Parliamentary Committee were placed before the Muddiman Committee ?

**The Honourable Sir Alexander Muddiman :** No, Sir, I do not think we had it at the time, nor would it have influenced the Reforms Inquiry Committee if it had been placed before them.

My friend behind me (Mr. Tonkinson) informs me that the Joint Committee finished their business in July and the Government of India did not receive their proceedings till last February.

**Mr. M. A. Jinnah** (Bombay City : Muhammadan Urban) : Will the Honourable Member read what the minority say ?



**The Honourable Sir Alexander Muddiman :** The minority say :

“ It is recommended that a sentence of six months which constitutes a bar to election should be increased to one year. We have no objection.”

**Mr. M. A. Jinnah :** May I just say a word on the point. The minority took this view that it was certainly better than what it was before. We therefore had no objection to any improvement being made.

**The Honourable Sir Alexander Muddiman :** If Mr. Jinnah feels that that was his view in the Committee it is not for me to contest it. I do not desire to take the minority a bit further than the report takes it. If the Honourable Member thinks that I have overstated the case, I regret it. I would say that I have no desire to take his recommendation one inch further than it goes.

**Mr. M. A. Jinnah :** I think it is no recommendation at all. They simply say, “ We have no objection ” because they think that they had something better.

**The Honourable Sir Alexander Muddiman :** On that report we approached the Government at Home and in the Home Department Notification, dated the 23rd July 1925.....

**Mr. A. Rangaswami Iyengar :** The new Government, the Conservative Government ?

**The Honourable Sir Alexander Muddiman :** Our Notification was dated the 23rd July, 1925. The Honourable Member can judge from that. The effect of the amendment was to provide that the period of sentence which constitutes this disqualification should be one year, and we also provided that pardon would not be necessary, that the disqualification could be removed by order of the Local Government with the previous sanction of the Governor General. We have provided two things, we have enlarged the period of imprisonment to one year and also enabled some discretion to be exercised by the Local Government in regard to that imprisonment. It is open to the Local Government to say that in its judgment the offence committed was not such as to require disqualification. I am not personally greatly enamoured of an arrangement by which power in this matter is given to a Local Government. I would much prefer some entirely automatic arrangement, but for reasons I will give, unless you attempt to apply some such test as moral turpitude—and I agree entirely with what the Reforms Inquiry Committee say that it is an impossible test to apply, since moral turpitude is a matter for divines rather than administrators..... (*Several Honourable Members :* “ Leave it to the constituencies.”) In that connection I would like to read an observation made by a very distinguished Law Member many years ago. He was pressed to insert in a statutory regulation or law some definition referring to offences involving “ moral turpitude ”. He said on that :

“ Is there any precedent for the phrase ‘ moral turpitude ’ ? I know of none. Is it ‘ moral turpitude ’ to put arsenic in a Viceroy’s tea for political purposes ? Is it ‘ moral turpitude ’ to murder all the English in a mufassal settlement in order to provoke a mutiny ? Is it ‘ moral turpitude ’ to publish articles in newspapers calling on Indians to do either of these things or to rise and assassinate their rulers ? These seem nice conundrums for divines, but as a mere lawyer I give them up. The amendment would provide employment for the honourable and deserving profession to

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which I belong, but from any other point of view it seems, at any rate at first sight, to be difficult to defend."

That was the opinion of a very distinguished lawyer, and the reason I quoted it was to show that the provision, which I myself consider rather objectionable that Local Governments should have this power of distinguishing different kinds of offences, is in fact a way out of inserting some phrase such as "moral turpitude" in the statutory rules. If you did put in moral turpitude, then the question arises, who is to define what is "moral turpitude"? We hold very different views on that. Many Members on the other side of this House think things which I might regard as perfectly legitimate to involve tremendous "moral turpitude". On the other hand, it is possible that I consider certain things to come under that definition, though my friends on the other side may not agree.

I go back to the main question. We have done a good deal in the way of advancing in the direction the House wishes. We have extended the term of imprisonment and have provided a way round this difficulty which you would meet whatever phrase you inserted.

Then the question remains, is it justifiable to impose any restrictions at all. That is the question which I will now deal with. I think you will agree with me that something in that nature is essential. (*Honourable Members* : "No.") It is perfectly true that in England a man who has served his term is purged. It is also true that the House of Commons has power to expel a Member; this House has no power to expel. There is an amendment on the paper which proposes to confer that power on this House but when that power is conferred I hope I shall not be Leader of the House. It is an amendment I am perfectly certain will take some years to get through, therefore I feel comparatively safe. It is not a fact that in other countries no restriction of this kind exists. In many countries the matter is dealt with in rather a different way, that is to say, instead of having what I may call an automatic disqualification of this kind, it is left to the discretion of the judge trying the case. Certainly in some continental countries the court in addition to the imprisonment, whatever the term may be, may impose loss of civil rights which may be for life or for a considerable period according to the gravity of the offence. There are those two ways of dealing with the question. I do not think it has ever been dealt with in the way I have just referred to in any English-speaking country, or in any country which draws its institutions from the law of England. Therefore I do not suppose the House would consider we should move in this direction in revising our system. That a criminal offence should operate in certain circumstances as a disqualification for election to a legislature seems to me fairly easy to defend. Now the latest constitution which has been evolved by the British Parliament is the South African Constitution (*An Honourable Member* : "Oh!") and that provides for this matter in this manner. The South African Constitution was not evolved in South Africa entirely; it is based on the best constitutional opinion of the time. It has often been quoted against me in connection with our own constitution in this country, so Honourable Members must not be prejudiced against the Act because the words "Africa" occurs in it.

**Mr. A. Ranganawami Iyengar** : Leave it to us.

**The Honourable Sir Alexander Muddiman :** Section 53 of the South Africa Act of 1909 runs as follows :

“ No person shall be capable of being chosen or of sitting as a senator or as a member of the House of Assembly who,

(a) has been at any time convicted of any crime or offence for which he shall have been sentenced to imprisonment without the option of a fine for a term of not less than 12 months unless he shall have received a grant of amnesty or a free pardon, or unless such imprisonment shall have expired at least five years before the date of his election.”

That is in fact our rule here ; I do not think there is any substantial difference between them. Our rule is a little more favourable because it has, as I say, left power to the Local Government to take into consideration the nature of the offence committed. I think it is of some importance to consider this particular provision because, as I say, that was the last constitution brought forward by the experts in these matters. They might have left it as it exists in England, but they deliberately took the other course. Now as far as India is concerned, as far as I am aware, some qualification of this sort has existed from the time of the old Councils, and the main opposition to it is undoubtedly based on, and the object of this Resolution and the reason why the House is taking the matter up is entirely connected with, events in recent years. It has been thought that it is the deliberate intention, quite wrongly I may say, to use this power for the purpose of excluding political opponents who have had the misfortune to fall within this claws of the law.

**Mr. M. A. Jinnah :** Clutches of the criminal law.

**The Honourable Sir Alexander Muddiman :** Clutches of the criminal law. On the other hand, however reasonable, or I should say rather, however natural that feeling may be, I trust the House, in approaching this matter, will not be led away by circumstances of that nature from considering that they are dealing with a proposition for the protection of their own Legislature. It has been said that those who break the laws should decide whether the laws they have broken are valid or not. I have never been able to assent to that proposition. It seems to me a very dangerous proposition, and as I have said the rule as it stands does provide a door by which the quality of the offence may be looked at. If you have no restrictions at all you will be taking away what I think the House ought to consider to be a proper safeguard. If you have the restrictions as they stand now you will not be shutting the door to any person whose claims could be put forward legitimately.

**Mr. A. Rangaswami Iyengar :** Of course.

**The Honourable Sir Alexander Muddiman :** The Honourable Member says “ of course.”

**Mr. A. Rangaswami Iyengar :** Because it would be in the hands of a Government which have behaved in the past in a way which does not deserve our confidence.

**The Honourable Sir Alexander Muddiman :** Well that may be the Honourable Member's view. It is not mine. As I say if you are going to have any restrictions at all, the restrictions that now exist are reasonable ; they deal with the matter in the only way it can be dealt with. I trust the House will accept the fact that we have made a step forward

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in response to the demands of this House and that we have arrived at a position which is not unreasonable. I trust the House will support this view.

**Mr. M. K. Acharya** (South Arcot *cum* Chingleput : Non-Muhamadan Rural) : Sir, I desire to move a very small amendment which runs as follows :

“ That after the words ‘ recommends to the Governor General in Council ’, the following be inserted :

‘ with special reference to the repressive policy adopted by Government against non-co-operators during the past five years ’.”

In a word, Sir, I desire that this Resolution should be considered on two grounds, (1) general, relating to what may be called the general ethics of punishment, and (2) special, relating to anomalies that have been brought into existence by the policy of repression that has been pursued by the Government of India during the past five years. The Honourable the Home Member has just admitted practically that the latter special consideration is probably the consideration weighing most in the minds of the Members of this House ; and that would be in my humble judgment a very good reason for adding the words that I have proposed.

Sir, referring to this part of the Resolution, I am sure it requires very little detailed explanation from me to remind this House of what every Member of this House ought to be familiar with, namely the very hard, terrible events of the past few years. The Honourable the Home Member, Sir, the other day, in making in his own way an appeal to this House calling upon this House to follow the advice given by the Viceroy and Governor General of India, said that that Viceroy was none other than Lord Reading, “ than whom probably in the British Empire there is none more wise and more skilled in arriving at a correct appreciation of the political position.” And when he spoke those words, Sir, I was almost tempted—the words were almost on my lips—to interrupt and ask “ in what was none more wise and none more skilled ? ” Surely not in furthering the legitimate aspirations of the people of India towards full responsible government. None perhaps has been more wise, none more skilled in preserving the powers and the privileges of the bureaucracy undiminished by any one jot or tittle.....

**The Honourable Sir Basil Blackett** : Order, order.

**Mr. M. K. Acharya** : None perhaps has been more wise, none more skilled than he who has been the Governor General in office for nearly five years, in denying to the citizens of this country what they regard as their birthrights in the British Empire. None perhaps has been more wise and none more skilled than he who has been presiding over the Government of India during the past five years in speaking sweet words and in striking hard blows....

**The Honourable Sir Basil Blackett** : Sir, is this in order ?

**Mr. President** : Order, order, the Honourable Member is not entitled to criticise His Excellency the Governor General.

**Mr. M. K. Acharya** : I am not criticising him personally.

**Mr. President** : Order, order.

**Mr. M. K. Acharya** : I submit to your ruling, Sir, but I simply said that I was reminded of all this by the eulogy that was uttered in this House the other day. However,

12 noon.

I am not concerned with the person ; I am concerned only with the policy of repression which was pursued during the past five years by the Government of India, and that, Sir, has formed the subject of debate more than once in this House. From the reported proceedings of this House for 1922 I find that this question of the reversal of the policy of repression formed the subject of a very huge debate in this House on the 18th January, 1922 ; and anybody reading through the proceedings of that day would hardly doubt that there was a policy of repression that was inaugurated by Government and put through in all its rigour. The Government made no apology for it and did not deny it. They rather justified it and said that that was thought to be necessary in the circumstances of the country then prevailing. But all the same the results are there—that the best men, the noblest men in the country, have been brought under the rigorous operation of that policy. It is within the knowledge of every body in this House as well as within the knowledge of every man who has been following the trend of events during the past five years, that the best and the greatest in the land have been made to suffer for their patriotism during that period. Sir, it is no exaggeration to say that probably, among those who suffered thus, and who are still outside this Assembly, there are men for whom the people of this country, and indeed the people of the whole world at large, have the greatest reverence. We are aware of how a Roman Governor of Palestine nineteen hundred and odd years ago immortalised his name by directing the Son of Man to be hung on the cross. Very similarly it has happened to a British Governor General by whom the greatest man living of the age, the most non-violent man of the world was visited with an imprisonment of two years. And why ? Because, of his sin that he was thoroughly non-violent, that he had so killed every lower impulse within his heart as to be able to love his enemies verily to bless those that cursed him and love those that hated him ! In return for such love he was sent to jail ; and not only he, but many an another. The Government put the best men of the country into jail. When my friend Pandit Sham Lal Nehru was talking and referring to the unfortunate circumstances of those days, it was a pity that many laughed where they should have wept. It is a matter of great grief, it must be a matter of lasting grief to one and all who have any desire for serving the country that such noble patriots have been dealt with in the manner in which they were dealt with. Theirs are names we could conjure the country with—Lala Lajpat Rai, Arabinda Ghose, though he was perhaps a very old victim, Pandit Jawahirlal Nehru, Varadarajulu Naidu in my own province, and many an another, who would be an honour to any Assembly or Council whatsoever under the Sun. The question now is this :—because the Magistrates in their madness in those days chose to inflict terms of imprisonment exceeding six months, is this House to set a brand eternally upon their foreheads and say that they should not come into any respectable House ? Sir, the Honourable the Home Member has admitted that in England a man who undergoes imprisonment and comes back is purged of his sin. I should consider that that is a very very sound rule. Who dare say, who can say, that a man should be eternally branded ? Who dare say that a man, even a murderer for that matter, once he has served his term of imprisonment, once he comes out, is not purged of his sin ? The object of all punishment is to purge the man of his evil. The object of all punishment is to make the man better. After the man has undergone his punishment, he comes back and enjoys his property ; he pays his

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taxes ; and so long as he pays his taxes he becomes a respectable citizen. Whose is the power on earth to say that he ought not to exercise the full rights and enjoy the full privileges of citizenship, such as being a voter to an Assembly or a Council ? The matter seems to be so simple. It is unfortunate that the Honourable the Leader of the House should rely upon the example of South Africa rather than of England. He has admitted that South Africa cannot really carry much weight with this House. The iniquities of South Africa with respect to India are indeed too well-known. It seems to be somehow the curse of nature that the white man who goes there gets a black heart. However, we are not concerned with the example of South Africa. There are better examples. There is the example of England which has been called the mother of freedom. I therefore do not believe, Sir, that it is worth while to quote the example of a country where people are still unable to concede that India is also a part of the British Empire and deserves to be treated as a part of the British Empire. That is quite beside the question. My whole point is this, that as a result of the repressive policy pursued by Government which nobody can deny, several very respectable men, who will be an ornament to any Assembly, have been imprisoned. One of them is Mahatma Gandhi. He is venerated to this day as an incarnation by thousands of people and is worshipped as almost a second Christ by thousands of people. According to your rules, according to these man-made rules, he is unable to enter into this House. Any rule that brands Mahatma Gandhi as unable to come to this House is a rule that ought to be got rid of. Sir Alexander said that he might get through the back door. He might ask the Bombay Government or some other Government to forgive him. Forgive him for what ? For having served his country ? For having been a patriot ? For having declined to subordinate himself to man-made laws which he considered iniquitous ? Sir, it is adding insult to injury. It is bad enough to say that Mahatma Gandhi should not come into this House. It is bad enough to say that Jawahirlal Nehru should not come into this House. It is worse, it is adding insult to injury, to say that he must go, fall on his knees before the Governor of the United Provinces and say, " Pardon me for the offences I have committed and permit me to go into the Council." The suggestion seems to me to be preposterous. It cannot carry any weight with any reasonable Member of this House. And now, Sir, should anybody at all be kept out, or be deprived of the franchise ? Sir, I myself wanted to move an amendment—it is on the agenda ; but I do not propose to move it with your permission—I myself thought of adding a few words—" not involving moral turpitude". But, very rightly it has been pointed out, who is to judge what is moral turpitude and what is not ? Can anybody say who the sinner is ? In our prayers we are taught to confess our sins and not sit in judgment on others. All religions teach man not to usurp to himself the functions of the Almighty, and to say " This man is a sinner : he shall be branded for eternity ". Even God in His infinite Grace does not brand man eternally. Through God's grace, man is purified of all evil. It is unfortunate that people who are supposed to belong to a religion hallowed by the name of Christianity, in which religion the doctrine of Grace is the most cardinal creed—it is unfortunate that they should come and say that any man who is convicted should be branded for eternity and should be deprived of his civic rights. The law in England seems to be very much wiser. Their view seems to be that a

man suffering punishment is purged of his sin when he comes back and that he must have all the rights which any other man could have. It should be left entirely to the electorate to decide whether they will elect that man as their leader or representative or not. Surely the electorate can always be expected to know whom to send as their representative. It cannot be decided for them by any other body. For these reasons, I do think it is wrong to say that any condition should be placed upon the man who should be elected, whether it is one year or two years or 30 years for that matter. If the man has gone through the punishment, he comes back purified. Who can say that his heart is not purified, is not repenting? Who dare say he does not repent? Indeed when he comes back purified of his sin, he must be given an honourable place in the community. I am reminded of a very old stanza of prayer that I am used to repeat from my childhood :

*“ Aparadhasahasrabhajanam  
Patitam bhimamaharnavodare,  
Agatim sharanagatam, Hare !  
Kripaya kevalam—atmasat-kuru.”*

which I would perhaps translate in these feeble lines :

*“ A thousand sins in hell-floods huge  
Engulf me helpless ; yet in Thee  
I seek, Oh Lord ! my sole refuge ;  
For thro' Thy grace forgiven shall be  
All sins of mine ; Thy grace alone  
Can truly help me to atone.”*

In other words, he that has gone through punishment, that has suffered for the crimes that he has done, he that has atoned for his sins stands pure in the sight of God. How dare any man say that he is for ever to be denied the rights of citizenship? Therefore, I appeal to this House to pass this Resolution with the few additional words I propose, namely, “ with special reference to the policy of repression adopted by Government during the past five years.” I repeat, Heaven alone knows who is really moral and who is not ; and none of us can presume to sit in judgment on others. Remember the words of the poet :

*“ We all do pray for mercy, and that prayer  
Doth teach us all to render the deeds of mercy.”*

**Khan Bahadur Sarfaraz Hussain Khan** (Patna and Chota Nagpur *cum* Orissa : Muhammadan) : I agree with much that my Honourable friend, Pandit Shamlal Nehru has said. In his speech he has referred to very distinguished gentlemen, gentlemen whose hearts were burning with intense patriotism, but he has not referred to men who have been convicted of very heinous offences. So, although I do not oppose his Resolution and I wish it to be passed, as it is, I wish to make some observations before the House. It seems to me that the Resolution is a bit incomplete and a little bit vague, because men who have been guilty of offences such as dacoity, rioting, etc., have not been separated from the object of the Resolution. I think even Mahatma Gandhi would not have allowed such men to come in. His cult was non-violent non-co-operation and he would not allow violence. Therefore I hope that my Honourable friend will think over the matter and approve of my suggestion that men who have been guilty of violence or men whose guilt involves moral turpitude, should not have those disqualifications removed.

**Pandit Shamlal Nehru** : How will you define moral turpitude ?

**Khan Bahadur Sarfaraz Hussain Khan** : Everybody knows that. But with all that I support your Resolution. I am not against it. I am simply expressing my views before the House. If you agree with me, well and good. If you do not, I support your Resolution.

**Pandit Shamlal Nehru** : Then support me.

**Khan Bahadur Sarfaraz Hussain Khan** : I do support the Resolution. I say that even Mahatma Gandhi, who was the apostle of the movement and who was the teacher, and who is respected not only in India but throughout the world—he himself would not tolerate men who were guilty of rioting at Chauri Chaura. You may have read his observations. He never tolerated violence. He never tolerated the men who were guilty of rioting at Chauri Chaura and he also did not sympathise with the men who rose in the Moplah rebellion. If he did not sympathise with such men, why should I sympathise with them ? Simply because you have moved the Resolution it does not mean that I should necessarily agree with you in every thing you say. I must express my own views. I have placed my views before the House and if they do not agree with me, I support the Resolution.

**Mr. A. Rangaswami Iyengar** : I desire to move an amendment which would remove the first objection which the Honourable the Home Member had to the Resolution as originally framed. As a matter of fact, the words of the Resolution are identical with the words used by the Joint Committee of Parliament in regard to this matter. However, to remove the doubt which he has raised as to whether a man who is actually serving his term of imprisonment could be elected or not—that question, I say, can be settled by the acceptance of the amendment which I have the honour to move, namely :

“ That at the end of the Resolution the following be added :

‘ after he has endured the punishment to which he was adjudged or been pardoned for the offence concerned ’.”

This, I submit, is exactly the state of the law in England and the words, in fact, are actually taken from the statute law. So long as a man who has been sentenced to imprisonment by a court has endured that punishment or so long as he has been pardoned by Government, the law in England, and the law I take it in all really civilised countries, imposes no bar whatever—I do not include the South African Government among civilised Governments—the law imposes no bar whatever on the choice of the electorate. The punishment that is imposed, as my Honourable friend, Mr. Acharya has well pointed out, is intended to reform the man and when that man is reformed, it must be perfectly open to him to seek to do public service by the suffrages of his countrymen. Whether he has been reformed or not, it is not for those sitting in the seat of authority in India, much less for those who represent the bureaucracy in this country to sit in judgment over him and say “ This is not a reformed man, this is an unregenerate man and therefore I shall not allow him to stand for the Councils or to represent his countrymen, however much his own countrymen may think fit to elect him without opposition and by a unanimous vote.” That this should be the unfettered right of the constituencies is the proposition which has been the accepted law in England from the earliest days of freedom and my Honourable friend has no ground whatever to say that the law should be different in this country. So far as we are concerned, I do not think that we in this



country are more criminal than the criminals in England. We are as good or as bad as the people in England and I do not want to draw comparisons to-day. But I do say that there is absolutely no justification shown why we should be deprived of our elementary political rights in this respect. My Honourable friend Sir Alexander Muddiman has referred to the proceedings of the Joint Committee. He tried to explain that what the Joint Committee really did was what the majority of the Muddiman Committee did. I join issue with him at once on that matter. I say that if it was true that the Joint Committee did think so at the time, there is no reason why they should have worded the Resolution which they passed in the terms they did. I accept my Honourable friend's statement that the decision of the Joint Committee was not in the hands of the Government of India, but I certainly do not admit that the Joint Committee did not, when they passed this Resolution, mean more than what the Government of India meant. I would again refer him to the actual words of the Resolution. Whether the Joint Committee thought that they were dealing with a recommendation of the Government of India or not, their own specific recommendation was to remove all the disqualifications that were involved in the rule as it existed before.....

**The Honourable Sir Alexander Muddiman :** I am sorry to interrupt the Honourable Member. Will he read the words "to adopt the proposal of the Government of India to....."

**Mr. A. Rangaswami Iyengar :** The recommendation is there described in words, not merely by reference.

**The Honourable Sir Alexander Muddiman :** There was no such proposal as he suggests.

**Mr. A. Rangaswami Iyengar :** We want to know exactly what the proposal then was. I asked by means of a question the Honourable the Home Member to place the whole correspondence on the table, but he declined to do so. He is again asserting it, Sir, and we want to know what the Government of India said before we can accept this statement. The proposal is referred to as under consideration and they continue to give their recommendation in words which are quite clear and specific and do not require any reference to the proposal to be understood and would indeed become unmeaning if they are correlated what the Government of India purport now to have proposed. I submit that the fact that it emanated from the Government of India or did not emanate from the Government of India, is absolutely irrelevant to know whether the Joint Committee did not mean what they said. I therefore say that so far as the Joint Committee which has been set up as the authority in this matter is concerned, they have definitely given an opinion to the Government of India that this disqualification should be wholly removed. Since then, it may be under a more favourable atmosphere to themselves, the Government of India managed to get the sanction of the Secretary of State for the new rule that they have now framed. I submit, Sir, that the report of the Joint Committee stands and it ought to be accepted by this House and by the Government. Then, Sir, the Government in this country published the notification on this matter on the 25th July last in the Gazette of India just on the eve of the meeting of this Assembly for carrying out what they say is the recommendations of the majority as well as the minority of the Muddiman Committee. So far as the opinion of the minority is concerned, my Honourable friend Mr. Jinnah has made it plain that what

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they meant was that they had no objection to the little improvement that was made. He made it perfectly clear that he was not a party to the recommendation at all. Therefore I say, Sir, that the Government cannot claim the unanimous support of all the members of the Muddiman Committee to this. But, Sir, the Government had the opportunity to place the whole of this matter before this House. The great Lord Birkenhead stated in the House of Lords that he was going to consult on the Muddiman Committee's recommendations the very "representative body" of the Indian Legislative Assembly before he took decisions thereon. Why was the Government in a hurry to take this matter up and deal with it piecemeal just on the eve of the meeting of this Assembly? Then, Sir, my friend referred to this notification and pointed out that the notification left it quite open to those who would still be affected by this rule to apply to the Local Governments and that the Government of India, as I should say in effect, constituted the Local Governments the moral censors of those patriots whom the people may want to elect to represent them in these legislatures.

Now, Sir, my Honourable friend in the majority report was perfectly clear on the question as to what amounts to moral turpitude and what does not amount to moral turpitude—that it was very difficult of definition. If it was so difficult for the Muddiman Committee, if it was so difficult for the distinguished lawyer who was Law Member of the Government of India, to know what is and what is not moral turpitude, I ask, Sir, whether the Local Governments could be proper judges of what would or would not constitute moral turpitude in the case of those whom the people may desire to elect to represent them in this Legislature. I say, Sir, not only that the task set before the Local Governments is admittedly an impossible task, but that it is expressly put in their hands for the purpose, until the Government show to the contrary, of repressing the people. It is one of the series of acts of repression which this Government have been steadily maintaining in this country with a view to rob us of our liberties. Sir, if it is true that what amounts to moral turpitude and what does not amount to moral turpitude is a question very difficult of definition, I want to know whether any imprisonment which has been given of more than one year would necessarily brand a man with moral turpitude. Reference has been made by my friend Mr. Shamlal Nehru to the case of a distinguished and noble patriot of this country, the son of our distinguished and worthy leader—Pandit Jawahirlal Nehru. That great patriot, Sir, was honoured in all with imprisonment of over four years. In no case did the magistrate or the court in question consider him to be guilty of any offence of moral turpitude and yet he is disqualified under the rules. Now, Sir, what is his offence?

**The Honourable Sir Alexander Muddiman :** What is the section?

**Mr. A. Rangaswami Iyengar :** He was charged with the offence of abetment of intimidation and of abetment of conspiracy to extort. Now, the facts of this case were merely these. First I will read from the judgment of the magistrate himself :

"First came the Resolution in the minute-book of the Town Congress Committee passed at a meeting at which Jawahirlal Nehru was presiding. Then came the speech of Jawahirlal Nehru in which he announced that they had tried persuasion until he was tired of it and would now compel the cloth dealers to carry out their so-called pledges."

Then, Sir, the magistrate himself admits in the very next passage :

"It is true that in his speech of the 25th April, Jawahirlal Nehru does not explicitly threaten extortion but it is extremely improbable that he was ignorant of the threat made by the Secretary of the Town Congress Committee in his letter of the 26th April 1921. In any case, in the circumstances of the case it was clearly a probable consequence of this instigation."

Now, Sir, this is the only evidence against him and he was sentenced to six months' imprisonment at this time. Sir, that is not the real offence with which my friend Pandit Jawahirlal Nehru was charged. The real offence for which he was sent to jail, once, twice and thrice, was stated by Pandit Jawahirlal Nehru himself in the memorable statement which he made before the magistrate on that occasion. He said :

"I stand here charged with criminal intimidation and abetment of an attempt to extort. The warrant of my arrest bears also the familiar section 124A, although I am not being tried for it to-day. I propose however to make a comprehensive statement. I cannot divide myself into various compartments, one for picketing, another for sedition and yet another perhaps for volunteering....."

The Honourable Sir Alexander Muddiman : May I ask what book you are reading from ?

Mr. A. Rangaswami Iyengar : I am reading from a cutting relating to the judgment. I will present it to the Honourable the Home Member when I have done with it.

"All my activities have but one end in view and that end I have striven to attain with all the strength and energy that is in me. Less than ten years ago I returned from England after a lengthy stay there. I had passed through the usual course of public school and university. I had imbibed most of the prejudices of Harrow and Cambridge and in my likes and dislikes I was perhaps more an Englishman than an Indian. I looked upon the world almost from an Englishman's standpoint. And so I returned to India as much prejudiced in favour of England and the English as it was possible for an Indian to be. To-day, ten years later, I stand here in the dock charged with two offences and with a third hovering in the background—an ex-convict who has been to jail once already for a political offence and rebel against the present system of government in India. That is the change which the years have wrought in me. It is not necessary for me to recite the reasons for this change. Every Indian knows them. Every Indian has felt them and has hung his head in shame for them and if he has retained a spark of the old fire in him he has taken a solemn pledge to strive unceasingly for India's freedom, so that his countrymen may never again be subjected to the miseries and humiliations that are the lot of a subject race. To-day, sedition against the present Government in India has become the creed of the Indian people, to preach and practise disaffection against the evil which it represents has become their chief occupation," and so on.

That is really the position and those who now demand their elementary rights should at least be respected in this year of grace 1925. I say, Sir, that the real reason why this disability is maintained, why this disqualification is put on the Statute-book, is to give power not only to the Government of India but all Local Governments to exclude whomever they think to be politically undesirable from being elected to the Legislatures in the land. Unless that be the case, I do not see why any discretion should be given to the Local Governments. After all, it is not really a question of judging what is and what is not moral turpitude. If it is a question as to whether a particular man should or should not become a Member of the Legislatures, the best judges are the constituencies. They know who is a patriot and who is a vagabond. They know who is a toady and who is a fighter for the people's liberty and therefore I say it is a deprivation of the rights of the constituency so

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far as the patriots are concerned to impose this kind of disqualification. They are not going to beg of you for these little liberties. They will not come to you on their knees and say that they want the honour of sitting in glory in this Assembly. They will not ask you anything of that kind ; but I say, Sir, the tax-payers, the voters in this country, in their thousands, in their millions, have a right to demand that their liberty of choice should not be fettered. I do not therefore base my case upon the proceedings of the Joint Committee or upon the correspondence which the Government of India decline to place at our disposal. The sacred rights of mankind are not to be rummaged for in old parchments or musty records. They are to be gathered from the very nature of man ; as Alexander Hamilton put it, they are written as with a sunbeam upon the whole volume of mankind, and we, Sir, cannot be deprived of it except by the most wanton and aggravated acts of oppression on the part of the bureaucracy in India. Sir, I move the amendment.

**Mr. President :** Colonel Crawford.

**Pandit Shamlal Nehru :** I have only one word to say, Sir. I accept the amendment moved by Mr. Rangaswami Iyengar.

**\*Colonel J. D. Crawford (Bengal : European) :** Sir, I do not desire to take up the time of the House at any great length, but I rise to make the position of myself and my non-official European colleagues in this House clear with regard to the present Resolution under discussion. As the Resolution stands, Sir, we are not able to accept it, because the feeling amongst ourselves is that an actual criminal as such is not a suitable representative of the people. On that point I do not think, Sir, that there is any difference of opinion between the Indian Members and ourselves.

**Pandit Motilal Nehru (Cities of the United Provinces : Non-Muhamadan Urban) :** There is.....

**Colonel J. D. Crawford :** In due course, Sir, no doubt we shall be able to adopt the practice which exists in England, but I think this House are of the opinion that such a step would be premature. (*Honourable Members :* "No, no.") When I look at some of the amendments, Sir, we find ourselves in very considerable sympathy with the intention underlying those amendments ; that is, that persons who have been convicted of offences not involving moral turpitude or violence should be eligible for election to the provincial Councils and to this Assembly. Our difficulty, Sir, is to find some practical method of making some automatic provisions of this sort. Is it possible to frame any electoral rules which would place the position beyond doubt ? Moral turpitude is a very difficult thing to define, and political offence is also a very difficult thing to define. If, for instance, somebody attacks me because I happen to be a European and then calls that a political offence, is he guilty of assault, or is he not ? If he attacks me, he becomes guilty of a crime ; so it is rather difficult to understand how you can frame any practical, automatic provision of this nature. I have no doubt Government will consider what is possible in this matter. Personally, we are only too

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\* Speech not corrected by the Honourable Member.

ready to forget the past, and we hope that those who in the enthusiasm of their political convictions overstepped or offended against the law will join with us in endeavouring to further the political progress of India. But we do not find ourselves in a position at the moment to support either the original Resolution or any of the amendments as framed. But we do desire to say that we are entirely in sympathy with the intention of this House that any disqualification against these persons shall be removed, and we hope that Local Governments will make special endeavours to remove any disqualifications that exist of this nature. With these words, Sir, I oppose the Resolution.

**Mr. Abdul Haya** (East Punjab : Muhammadan) : Sir, I rise to give my whole-hearted support to the Resolution of my Honourable friend, Pandit Shamlal Nehru. In doing so I want to strike a personal note.

*“ Dāstān meri suno gissai majnun na sano,*

*Woh bhi kiya gissa ke jis gissa ki bunyad na ho.”*

Sir, I hope my Honourable friend, the Home Member, will translate this. (Laughter.) If he expresses his inability to translate it, I make bold to say, Sir, “ You are here not to understand us, not to translate our feelings but to govern us and to lord it over us. ”

Sir, the main reason that has actuated me in supporting this Resolution is that I am firmly convinced that in almost all political cases the evidence brought forward is false ; either it has been manufactured or it is highly exaggerated. I have never been in prison, Sir. (Laughter.) Perhaps it is due to the fact that I have no uncle in this world, for the practice in this country is that a person is arrested ten minutes after his uncle is arrested. But, Sir, although I have never actually been convicted yet theoretically I have been convicted twice. What I mean to say is that during the last six or seven years I have been twice in trouble. In the days of the Rowlatt agitation, Sir, after having served my King Emperor for five years as the Secretary of the District Recruiting Committee and after having won the title of M. B. E. from Government, I chose to preside over a public meeting to protest against that legislation. A conspiracy was engineered by a person who was an ex-councillor, and I have no hesitation in mentioning his name. The conspiracy, Sir, was to.....

**The Honourable Sir Alexander Muddiman** : I know nothing about this, Sir, but I do think it a pity that names should be introduced into this House—the name of a man who has no power of defending himself against a very serious charge. I merely call attention to this.

**Mr. President** : It is not possible for the Chair to bring in these people here to defend themselves, but it is permissible for a Member to criticise any person he likes, provided he keeps himself within the rules.

**Mr. Abdul Haya** : I have no desire, Sir, to mention names, but whatever I say, Sir, I say with the fullest sense of responsibility—the then District Magistrate of Ludhiana is now-a-days the District Magistrate of Simla, and if any gentleman has got any doubt about what I have said he has got the option to go and ask him quietly—he lives somewhere near Chaura Maidan. Sir, it was represented to the District Magistrate that there was a conspiracy for the murder of the Christian population, and it was said that I was at the head of that conspiracy.

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'Two approvers were produced before the District Magistrate. Approver No. 1 gave damaging evidence against me and my friends, and approver No. 2 when he came stood absolutely dumbfounded. When he was questioned, he was unable to reply when the statement of approver No. 1 was read out to him, and he was asked to nod his approval. He said, 'yes'. This is the sort of statement we are required to make for implicating innocent persons. Sir, if it had not been for that approver No. 2, God knows what would have happened to this gentleman that stands here. (Laughter.) He would have been in jail for some years and he would not have been here to-day to entertain you. (Laughter.) On the second occasion, Sir, there was a similar conspiracy and one of the members of that conspiracy summoned me through his real brother to his house at mid-night and he disclosed the conspiracy to me and confessed before me that he was a party to it. He is a member of the local Bar at Ludhiana. When I questioned him as to why, being a member of the conspiracy, he took me into his confidence. He said : "I would have certainly seen you in jail and would have been glad, but my chief who is responsible for this conspiracy is now secretly trying to implicate my brother along with you." It was under these circumstances, Sir, that I escaped my second conviction. Sir, you ought to approve of our conduct in this Assembly. We are not selfish. We do not want to stick to our seats here. (Applause.) If this Resolution is carried, there are persons in this country for whose sake I would gladly go out of this Chamber. I would like to see my friend Maulana Muhammad Ali sitting here where I am. I do not know whether the then President will allot him a seat in the back Benches or there where Pandit Motilal Nehru sits. Sir, when we desire to sacrifice this privilege, you ought to realise that we are out not for mischief, but we are actuated by the highest motives and we are as patriotic as you would have been if you had been in our place. Sir, with these few remarks, I support the motion.

**Shaikh-e-Chatgam Maulvi Muhammad Kazim Ali** (Chittagong Division : Muhammadan Rural) : Sir, I should like to say a few words in support of the Resolution, but I am afraid I will not be able to deal with the subject at length, for I have been suffering from asthma. Sir, I shall try to say a few words on the subject. I have the good fortune to have been convicted and sentenced to 4 months' imprisonment in Chittagong. (Loud Applause.) My fault was that I always took a prominent part in the Khilafat and Congress movements, being the President of the Khilafat Committee and the Vice-President of the Congress Committee. The police always tried to prevent me from attending these meetings, but they could not do so. They always tried to bring me into trouble. Afterwards when Mr. Sen Gupta and his companions were being brought to Alipore jail, a procession was formed of some 30,000 to 50,000 people. I was charged with being in the procession and having beat 82 armed Gurkhas with a *lathi*, though I went to the station some two hours before the procession started fearing that I might be pressed on the way by the crowd. There were some 50 gentlemen with me in the station. Still I was prosecuted for being in the procession and beating the Gurkhas. On my way home I heard that many people were beaten by the Gurkhas and being afraid of being prosecuted by the people whom they had beaten, the police manoeuvred to bring this case against me.

However, I was prosecuted. Though the case was continued for 4 months, I never engaged a pleader, nor made any statement before the court nor did I cross-examine the witnesses. Still I was convicted and sentenced to 4 months' simple imprisonment. I do not know why 20 days after I entered the jail I was released. Up to this day I do not know why I was released. One day the then Superintendent and the Jailor came to me and asked "Will you go home if you are released?" Then I asked "What is the meaning of this? I do not understand. There is no meaning in it. This is not my home and I have not come here to take shelter in the jail. If I am released without any condition, I will go home." I thought that they would make a report and some days after I might be released. But on the following morning the warder came to me and said that a *gharry* was ready and that I was ordered to go. When I came I saw the *gharry* there and the matter was not allowed to be known to anybody else. When I was released, I went home. You may imagine, Sir, how a man 82 years old can beat 82 persons with a *lathi*. Such was the case and I was in this way convicted and I had the good fortune to suffer. Up to this day I do not know why I was released, though no exertion was made on my behalf. I support the motion with these remarks..

**Colonel Sir Henry Stanyon** (United Provinces : European) : Sir, I am in entire sympathy with the spirit underlying the Resolution. (Laughter.) I believe that the true object of the Honourable the Mover is to ensure that no one who has been incarcerated for over-stepping the boundaries of the law by an overzealous prosecution of his political views should be disqualified from election to the Legislature; and that it was never the purpose of the Resolution to make eligible persons found guilty of dishonest or immoral offences. Such persons are excluded, not because of their convictions but, because such convictions reveal them to be by character unfitted to be trusted with the duties of a Legislature. Representation by such a person would be as disgraceful to the constituency concerned as it would be derogatory to the status of this House. But, as originally framed, the Resolution would make every convicted murderer (if alive), dacoit, thief, receiver, forger, coiner and adulterer eligible to sit in this House and to be called "my Honourable friend." (*An Honourable Member* : "Provided he is elected.") (*Another Honourable Member* : "Read the Resolution as amended.") I am coming to that. As amended by Khan Bahadur Sarfaraz Hussain Khan, the Resolution reads more in accordance with what I have stated to be my belief as to its real idea and object.

Now, Sir, it has been argued that no man should be subjected to more than one penalty for one offence; and no one can contest the soundness of that proposition from a purely penological point of view. But there are consequences which are beyond legislative control. The argument was strongly used before a bench of Honourable Judges in England some centuries ago in connection with the question whether a solicitor who had been branded for forgery and undergone his sentence should be struck off the rolls. It was strongly contended that to strike him off the rolls would be to inflict a second punishment for the same offence. The Judges exploded the fallacy of that argument. They pointed out that the striking off was not a punishment for forgery but an inevitable consequence of the conviction which had revealed that the Solicitor had

[Colonel Sir Henry Stanyon.]

a character which disqualified him from being allowed to remain on the rolls of an honourable profession. And so here I would disqualify a criminal, in the proper sense of that term, not because he had been convicted but because I had found out his bad character. A confessed dacoit may become an approver and be pardoned. But he would be as unfit to sit in this House as if he had been convicted.

**Pandit Motilal Nehru :** He will not be disqualified.

**Colonel Sir Henry Stanyon :** That shows the fallibility of rules. But the holding of particular political views is neither an offence nor dishonesty. Where a zealous enforcement of those views brings a politician up against the barriers of criminal law, and he goes to jail for breaking through that barrier, his punishment by the court exhausts his wrong doing, and he emerges still an honest politician, possibly of the highest *moral* character, and as fit as my friend the Mover or my old and esteemed friend, his Honourable uncle and leader, to sit in this House. Here, then, we have a broad dividing line. It seems in every way desirable that an impulsive politician, whose unconstitutional methods of enforcing his policy have only led him to jail, should be given an opportunity of following constitutional lines as a Member of the Legislature. He may, by that course, help his country forward, and may raise himself even to the presidential chair.

The argument that because there is no restriction or disqualification in England such as we have in India there should be none here leaves me cold. I have heard analogies drawn between the two countries which are as futile as they are misleading. Only a few days ago in the course of the reforms debate I heard one Honourable and learned Member argue that because there are political differences between England and Ireland therefore my friend Colonel Crawford was wrong in saying that India is not a nation. Again, it was urged that India should have Dominion Government because that is the form of Government allowed by the British Parliament to the European settlers in the Colonies. In matters of the kind before us, let us consider India only, and its own facts ; and let us face those facts courageously. There is no rule of disqualification in England because it is not necessary. We have there a responsible and enlightened electorate embracing a vast majority of the population wide awake to their own interests and fully conscious of the duties of franchise. As the Honourable the Mover candidly admitted, the electorate in England can be trusted to see that no immoral or dishonest criminal shall be represented in the Legislature.

**Mr. Devaki Prasad Sinha :** What about Horatio Bottomley ?

(Pandit Shamlal Nehru rose to speak, but Sir Henry Stanyon did not resume his seat.)

**Mr. President :** Order, order. The Honourable Member (Sir Henry Stanyon) is not willing to give way. Will the Honourable Member (Pandit Shamlal Nehru) resume his seat. Colonel Sir Henry Stanyon.

**Colonel Sir Henry Stanyon :** I hear the question regarding Horatio Bottomley. I have still to learn, Sir, that Horatio Bottomley has, since his conviction, been re-elected. In fact, he is still in prison. Can any one



claim that these factors are present in India? The greatest optimist must answer that question in the negative. Their creation constitutes the goal of our present efforts and ambitions for India. But to-day we have to face the facts that the electoral roll is a minute fraction of the population. I believe it is less than one-hundredth, though I speak subject to correction. And even of this small number the majority of the constituencies are wholly inexperienced and even unconscious of the responsibilities of franchise. They are mere shuttle cocks of various party organisations. We have to educate these electors and to teach them that it is not desirable to send up violent or dishonest or immoral criminals as their representatives. Therefore, some rule of disqualification is necessary. (*An Honourable Member* : "No.") The Resolution of Pandit Shamlal Nehru would have no rule at all. The amendment of Khan Bahadur Sarfaraz Hussain Khan attempts to limit the disqualification to proper cases, but it is rather too vague. Who is to decide what is "a political offence" when the conviction is for murder or riot or rebellion or sedition? Who is to decide whether or not moral turpitude is involved?

**Mr. President** : Perhaps the Honourable Member is aware that that amendment is not before the House.

**Colonel Sir Henry Stanyon** : I am sorry, Sir. The fact is that no general rule is practicable. Every case must be decided on its own merits. Though I cannot support the Resolution because it is too wide, and the amendment because it is too vague, I say, without hesitation, that the Government should endeavour to devise some rule or convention to draw clearly the line that lies between the dishonest, immoral criminal whose character unfits him to become a legislator, and the over-zealous and unwise politician who has had to pay the penalty of the law or enjoy the martyrdom, resulting from illegal action; but whose character contains no such defect.

**Lala Duni Chand** (Ambala Division : Non-Muhammadan) : Sir, without complaining that I am a back bencher—and there must be back benchers—I at once proceed to discuss the issue before the House. Sir, I rise to support the motion moved by my Honourable friend Pandit Shamlal Nehru as it stands. At one time I had thought that I should move the amendment which stands in my name in order to win over to my side Members like Sir Henry Stanyon and Colonel Crawford. But on further consideration I have decided not to move it. If it is the question of having the robbers and the dacoits as Members of the Legislative Assembly or of provincial Councils, I may at once say that I myself do not want them. Further if it were the question of being left to the idiosyncracies of any particular individual, I would have pressed my amendment. But, as I know that the choice of returning a member lies in the hands of a large body of voters, there is this guarantee against any undesirable man being elected either to the Indian Legislature or to the provincial Legislature. While discussing the Resolution that is before the House, I beg to claim the indulgence of the House for a few minutes in placing certain considerations before it which, in my humble opinion, ought to weigh with the House when the Resolution is voted upon.

The first consideration I place before the House is that we are suffering from a number of disabilities and disqualifications. The disability which forms the subject matter of the

[Lala Duni Chand.]

present Resolution is only one of them. I consider this disqualification or disability to be humiliating and galling to self-respecting Indians. I consider this restriction a most humiliating restriction, and I therefore submit that no such restriction should be placed upon the selection of candidates for the Assembly or provincial Legislatures. I know the majority report of the Reforms Inquiry Committee has made a recommendation to the effect that the period of imprisonment, which disqualifies a man from being on any Legislature, should be raised from six months to one year ; but I submit that the so-called improvement is, to use the famous words, " extremely disappointing, inadequate and unsatisfactory." It is impossible for anybody to satisfy us with an improvement of that character.

I also beg to submit another consideration before the House, and it is this. I have given a good deal of thought to this question and am unable to find any principle that would commend itself to any reasonable man so far as this disqualification is concerned. The mere fact that a person is imprisoned for more than one year now disqualifies him to be a Member either of the Assembly or of the provincial Legislature, regardless of the nature of the crime and of the character of the conviction. Sometimes a man is sent to jail for doing a very manly act. Take the case of a person who attacks me. I return the attack, and while returning the attack I exceed the right of private defence and am sentenced to six months or to one year's imprisonment and become disqualified. Take another case. The Government sometimes does very foolish things.

**Mr. H. Tomkinson :** No, no.

**Lala Duni Chand :** Suppose the Government pass an unjust measure. There is an agitation against it and I take it to be my patriotic duty to write strongly against it or to speak strongly against it. I am run in under section 420-A and get a year's or two years' imprisonment. At once I become disqualified to become a Member of the Assembly or of the provincial Legislatures. I can go into numerous cases in which a man by mere conviction does not become unfit to be a Member of the Assembly or of the provincial Legislatures. Therefore there is no principle that is behind this disqualification or this restriction.

An argument has been advanced by a number of speakers. I would not have repeated that argument but for the fact that a repetition of that argument adds force to the debate and I cannot resist the temptation of repeating that argument. Under your rule, men of the character and of the position of Mahatma Gandhi, Pandit Jawahirlal, Maulana Muhammad Ali, Maulana Shaukat Ali, Sardar Mehtab Singh and Sardar Sardul Singh and many others, too numerous to mention, stand disqualified. I say the fact that your rule bars men of this character from coming to the Assembly or provincial Legislatures should shame any Government that has got any pretensions to call itself civilised. You know there is still in the country a powerful section of the people who are opposed to Council entry. That is a fact. So long as this restriction stands, I say it is a bar against them. The only way to reconcile them to Council entry is to remove this disqualification and in that case so far as your part is concerned you can say " We have played our part, we have removed this disqualification that stood in your way, and it is now for you to come to the Assembly or provincial Legislatures."

It has already been said that there are a large number of people for whom it would be very humiliating to ask for permission to stand as candidates. I submit that the Government should extend an invitation to all those people who stand under the existing rule disqualified, to stand, and then of course it would be open to them whether they would avail themselves of that invitation or not. Therefore any rule that disqualifies a large number of patriotic people to represent the people of the country on the Assembly and provincial Legislatures should be at once removed. It is dinned into our ears every day that it is very bad on the part of the people of India not to co-operate. I say so long as humiliating restrictions of this kind are in existence it is unreasonable on your part to say that the people do not co-operate. Restrictions of this kind cannot invite co-operation. I say this is a very small thing, but there are many other restrictions like this. I make bold to say that so long as you do not pave the path to reconciliation and do not clear the atmosphere by removing humiliating restrictions of this kind, it is hopeless to expect any real co-operation.

The Honourable the Home Member thinks that similar restrictions exist in other countries. So far as I have been able to learn—and I will be only too glad to be corrected if the Honourable the Home Member can correct me—there are no such restrictions in any country where representative institutions flourish. So far as I know the people of free England will not tolerate for a single moment any restrictions of this character. You would not dare to make any rule like that in England, or for the matter of that in any free country. It is only in a country like India that you can.

As I have already said, I want that the best men should be here. I place before you one aspect of the question in this connection. In moving this Resolution before you we are not actuated by any selfish motive. We would like that abler men should adorn the Benches of this Assembly, and if you remove this restriction you will find that far better people will come here, and the distinguished Government Members will have opportunity in their own sweet manner to invite them to co-operate. (*An Honourable Member* : “That is what they are afraid of.”) With all the earnestness that I am capable of, I appeal to the House to accept this Resolution. I also appeal to the European Members of this House to co-operate with us in passing this Resolution. I say this will be proof of their desire to co-operate with us if they vote with us. If they do not vote with us on a Resolution like this, I shall say there is no desire on their part to co-operate with us. With these words, I strongly support the Resolution.

**Prince A. M. M. Akram Hussain Bahadur** (Bengal : Nominated Non-Official) : Sir, I rise to raise my voice against this Resolution. (Hear, hear.) I am very glad I have been cheered. I wish it to go down on record that the mentality of Indians wholesale is not such that they are unable to understand the wording of this Resolution. The Resolution as it reads, Sir, is one by which we propose to throw open the doors of the Legislature, both Central and local, to people who are criminals. There is nothing about political criminals or otherwise mentioned in the Resolution itself, nor in the amendment which has been moved. Personally, Sir, I think it will be highly undesirable to remove all restrictions and to let this House and the other Houses of Legislature be composed

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of men who do not know the art of self-restraint, and are always more or less forward in breaking prescribed laws, however those laws may be harsh in their consideration and estimation. In society, Sir, any person who is a criminal is boycotted. We do not want to have anything to do with a person who is a proved criminal, and it seems to me quite absurd that in Houses of Legislature, where much self-restraint is wanted and where we want people of sober judgment, of steady temperament, to take part in the serious business of legislation, we should have people who are always apt to break the law. I do not know, Sir, if there is much that is required to be said on this Resolution. I have only got up, as I said, to have it on record that I for one am against this Resolution and the amendment. I will not take up more time. Sir.

**Khan Bahadur Ghulam Bari** (West Central Punjab : Muhammadan) : Sir, as you know I am not in the habit of taking part in political debates for the reason that, I usually sit there at the farthest end of the Chamber away from the desk of the President, who is always addressed by the Honourable Members, and thus the sound waves are strong enough in that direction. I have to struggle with the reflex action of those waves, without being able to hear others clearly. In the second place, the importance of the question and the peculiarity of my views on the subject have induced me to lay my views before the House expecting that, if they find my views sound, they will follow them. I would be greatly disappointed if, in spite of the soundness of my views, Honourable Members still go the other way. The qualifications which we are discussing to-day really form part of the programme of repressions. Sir, political repressions are not such a bad thing as they are generally supposed to be. In so far as our politics are concerned and our future political progress is concerned, they are taken in a wrong light. They are supposed to be an evil and a calamity. Ordinarily, they may be so, but considered with regard to our political situation they are not so. It is idle to suppose that the Government will consult us with regard to their repressive or any other policy. It was a natural result, rather it was the resultant of two antagonistic forces, that is the forces of the Government on one side and the force of public opinion on the other. Both parties have to see now, which way the resultant lies and everything has to be decided on the inclination of the resultant. If the country wants Swaraj, it is their duty to bear all such things very calmly and perseveringly and in a way showing great determination, because if they go deep into this matter and consider it very carefully, they will see that such actions on the part of the Government are doubly blessed from the public point of view. Such repressions really are an instrument to fathom the depth of our feelings, and also to test the strength of the public movement on its onward march. I am glad that Government have found the public steadfast and resolute in so far as they have not been disturbed by the first acts of repression. The Government may now like to fathom still deeper and test the strength of the public movement by still stronger instruments to see how far our demand is real and genuine. If you stand another test, whether it be like the first one or stronger, Government would be only too ready to announce in the near future that His Most

Gracious Majesty the King Emperor has been pleased to confer upon his most favourite Indian subjects the blessing of home rule, etc., etc.

**Mr. President :** Order, order, we are not considering the question of constitutional reform. The question is whether the political disqualification imposed by rules should be removed in the case of all persons convicted of any offence.

**Khan Bahadur Ghulam Bari :** If you stand the test of repressions, the result will be as I have stated. India should not be afraid of repression ; they should know that they are simply being put to a test. Get through the examination, and everything will be all right. If you can pass the examination with credit, why ask for exemption ? Repression taken in this sense is a blessing if we can stand the test. In the second place repressions prove a blessing in so far as they are serving the public considerably in giving fresh strength to every movement of the country. In the absence of repressions you could not expect to gather so much strength for your political movements and views. If we think carefully we will find that these repressions serve us doubly ; they are a double blessing from the public point of view. I think, the House would agree with me in welcoming these things as very useful for the purposes of the country. If the Honourable the Mover agrees with me, it would be his duty to withdraw the Resolution. We must gird up our loins for the second examination. If the public gets through the second test, there will be no obstruction to their getting what they want. For these reasons I do not think this Resolution is a proper one at this stage of political development. It is simply begging instead of demanding in the proper way.

**Mr. C. S. Ranga Iyer :** What do you want to do ?

**Khan Bahadur Ghulam Bari :** Demand Swaraj.

**Mr. President :** Order, order, the Honourable Member must address the Chair.

**Khan Bahadur Ghulam Bari :** With these words I say the Resolution is not a proper one at this stage, so I oppose it.

**Pandit Shamlal Nehru :** Sir, I have heard all the speakers, both against and for my Resolution. I have heard with little surprise—I must say that I expected what I have heard—my friend the gallant Colonel Crawford. Colonel Crawford says that he does not consider that there should be any difference between Indians and Europeans in a case like this, but, at the same time, he wants a different rule in India to what there is in England. Colonel Crawford wants us, Indians, to join with Europeans and he promises forgetfulness. I do not know of what. Perhaps of our past misdeeds. My friend Colonel Sir Henry Stanyon has mentioned the case of a solicitor in England who was struck off the rolls, and probably, I suppose, re-elected there by the “enlightened” English electorate. (*Colonel Sir Henry Stanyon :* “He was not elected.”) My friend informs me that he was not elected, but Mr. Horatio Bottomley, a man convicted for dishonesty.....(*An Honourable Member :* “He was not elected.”) It was said by somebody just now that he was elected. I am glad to hear that he was not elected. My point was, Sir, as I said in my opening speech, that no constituency, either in England or in India, will ever elect a dacoit or a robber for its representative on

[Pandit Shamlal Nehru.]

the Legislature, which my Honourable friend Colonel Sir Henry Stanyon has perverted into this, that I said that English constituencies will not do it, meaning that Indian constituencies were capable of doing it. Sir, I have never been to England, but I know human nature all the world over, simply because I have met people from all the world over. I have met Englishmen from England, very good people—(Laughter)—but they change after six months in the country. From my experience I say that no constituency in any civilised country will ever elect a robber or a thief for its representative on the Legislature. This is what I said, Sir. But Colonel Stanyon's point is that English constituencies consist of "enlightened" people, and I suppose he means just the opposite of the Indian constituencies. I should like to tell him that there are no more gentle, more sensible, more honest people on the face of the earth than the Indian villagers. Sir, they know the rights and wrongs of everything. They only do not know how to read and write, and that is not their fault, but the fault of the bureaucracy. Sir, in India, if a person is known to be an immoral person, to be a thief or a dacoit, the Indian, the real Indian, could never have any respect for him, and without respect, you cannot be elected to any Legislature, or even to any local body. My friend Colonel Stanyon talks of the Indian politician. Sir, there are no politicians in India. My opinion is that unless you have your own government, you cannot have any politics. We are called politicians. I for one have never been a politician. We come here to safeguard as much as possible our interests. That is not politics. We come here to minimise the exploitation of the country to as low a degree as possible. I, however, thank my friend for small mercies. He has recommended us to the good graces of the Government, to see to it that if we apply to be declared as qualified persons to stand for election, they may be pleased to accept our application. My friends, the non-official Europeans of this Assembly, with whom I have been working here for nearly two years, have always in their speeches been talking about the sympathy they have with our cause in India. I think, Sir, that is purely—lip sympathy,—tall talk, nothing else but tall talk. I have not in these two years come across a single non-official European who has ever gone into the same lobby with us..... (*Several Honourable Members* : "What about yesterday?") .....except when their own pockets were concerned. They talk of "forgetfulness" and "forgiveness." Who wants their forgetfulness? Who wants their forgiveness? We certainly do not. They talk as if they were the Home Member themselves. (Laughter.) Sir, the Home Member has never talked in that way in my hearing. I will give him credit for that. But my friends, the non-official Europeans, have very often done so. Then, Sir, Prince Akram Hussain, the son of the King of Oudh, talks of our "mentality." Sir, I have very great respect for the family of the King of Oudh and I do not want to say much or criticise the Prince. But I must tell him to look to his own mentality. The Prince acknowledges—I am glad to see that he acknowledges—that Indians will never have any sympathy with convicted robbers or dacoits. If he is sure of that, why is he opposing my Resolution? He is sure that robbers and thieves will not be elected. At the same time he is afraid that the constituency might return them. Is that the reason? If he thinks

that no robbers and thieves can ever come in, he should go into the same lobby with me.

Now, Sir, I come to the Honourable the Home Member. I agree with him that "moral turpitude" cannot be defined. There is no distinction between any class of persons in the criminal law of the country. Unfortunately for us, we are herded together with the robbers and thieves and treated by our superior bureaucracy in the same way as robbers and thieves are—like dust beneath their shoes. The Honourable the Home Member has made a very able speech. I am prepared to acknowledge that, although I am not prepared to acknowledge that there were any reasons in it—any arguments that any sensible man can possibly agree to. The Honourable the Home Member is prepared to refer the matter to Local Governments. (*The Honourable the Home Member* : "No.") That is what I was told by some of my non-official European colleagues. I am glad to find that he is as strong as ever and has not given way. However, may I inquire from the Honourable the Home Member, is Pandit Jawahirlal Nehru a criminal, is Mahtama Gandhi a criminal, is Maulana Muhammad Ali a criminal, is Maulana Shaukat Ali a criminal, is Lala Lajpat Rai a murderer? Does he want them to co-operate, does he want them to come to this House, or is it only the tall talk of co-operation and nothing else? Sir, I want them to come here, to work with me, to go into the same lobby with me. They are bound to do that if they come here, and I submit that that is the reason which is troubling Government, that is the reason why Government want to keep them away. Ex-prisoners, ex-convicts, but respectable men in our view are dirt in the view of Government, worse than dirt. As I have said in my first speech, if the Government want co-operation they must show a change of heart be it ever so small indeed. The acceptance of this Resolution will not be a big change but it will be a small, a very small change, but a change all the same. A man who ought to have been rewarded by a just Government for his patriotism, a man who has given his all, an honourable man—what would he feel when you treat him like dirt beneath your feet? Do you expect him to fall in love with you? I submit human nature makes it impossible, human nature compels him to work against you. (*An Honourable Member* : "Are you in love with Government?") I am in love with the whole House. I am an exceptional person. Sir, if Government want co-operation, let them show a change of heart, let them begin here. We will show a change of heart of the same degree as they do. Let them lead the way and we will follow them to any extent that way. With these words I hope that the House will go into the same lobby with me.

**The Honourable Sir Alexander Muddiman** : Sir, I do not propose to detain the House at any length as I made rather a long speech when I was first dealing with the Resolution. There are one or two points that struck me in this debate. One is that the disqualification as it stood before we diminished it has not prevented a large number of gentlemen who took part in political movements from sitting in this House. That is the first point.

**Mr. A. Rangaswami Iyengar** : There are many more fish in the sea.

**The Honourable Sir Alexander Muddiman** : The second point is although I am accustomed to attack from all quarters, which attacks I receive, I hope at any rate more in sorrow than in anger, I did not expect to be attacked for having taken action in advance of the Reforms

[Sir Alexander Muddiman.]

Inquiry Committee on a matter which has been debated in this House and elsewhere for some time and in which the action taken is certainly in the direction the House wishes. My Honourable friend, Mr. Rangaswami Iyengar thought that was a good enough stick to beat Government with, but I do not think he is quite reasonable. We put forward a proposition which is considerably in advance of the existing law and we got it put through and action was taken. And then we are charged with having neglected to consider the views of this House because we took action as soon as we could !

**Mr. A. Rangaswami Iyengar :** "If you had consulted us, we would have given you something more.

**The Honourable Sir Alexander Muddiman :** Something was done and that is what we are always charged with failing to do. It was far more considerable than the House is apparently prepared to admit. My Honourable friend the Mover has pointed out very rightly that you cannot have a definition of "moral turpitude" and the House has accepted that view. I have told the House that I do not myself regard the present arrangement as entirely satisfactory by which the discretion, I may put it like that, is left to the Local Governments. I should have preferred some automatic arrangement, but I really do not see how else it is to be done. One Honourable gentleman has proposed an amendment which is on the paper but which he has not moved—that the test should be "in the eyes of the general public." The House recognizes I think that it is very difficult even for an elected Member to ascertain what the general public think on these matters. Of course any such phrase is too vague to need further consideration. Then, Sir, it is said that no constituency would elect a dacoit. I do not think that there is any great danger of that. After all, Honourable Members have umbrellas and I think that they themselves will be against the election of such a person. (Laughter.) But I have pointed out that in most constitutions there is some provision made to prevent undesirable persons coming forward as candidates, and in most constitutions there is a provision of one kind or another for taking into consideration the fact that a man who breaks the law of his country is *prima facie* not a man who should make them. I have not really heard that answered. My Honourable friend opposite referred to a Roman Governor. But may I remind my Honourable friend that there is one very famous historical occasion where a Roman Governor was concerned. And on his referring a question to a gathering of the people, the populace did elect a dacoit. (An Honourable Member : "They were right.") If my Honourable friend had been familiar with the case in question, he would hardly have made that interruption. I have endeavoured to meet this Resolution in a sympathetic way. I do recognise the desirability of bringing in as far as possible all the persons who are willing to co-operate in a constitutional manner, but I must say that I do not think that the rule as it now stands is unreasonable. That it does give a certain amount of discretion is admitted. It is also admitted that it is difficult to give that discretion in any other way, and therefore I am compelled to oppose the very wide and sweeping Resolution of my Honourable friend which will bring in not only persons who have been sentenced to imprisonment, but persons actually serving. Sir, I reluctantly oppose the Resolution.



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

“ This Assembly recommends to the Governor General in Council that the rules made under the Government of India Act, 1919, for elections to the Indian and provincial Legislatures be so amended as to remove all the disqualifications which are at present imposed upon any person against whom a conviction by a criminal court involving a sentence of transportation or imprisonment for a period of more than one year is subsisting.”

Since which the following amendment has been moved :

“ That at the end of the Resolution the following be added :

‘ after he has endured the punishment to which he was adjudged or been pardoned for the offence concerned ’.”

The question is that that amendment be made.

The motion was adopted.

**Mr. M. K. Acharya :** I ask for leave to withdraw my amendment.\*

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

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

“ That the following Resolution as amended be accepted :

‘ This Assembly recommends to the Governor General in Council that the rules made under the Government of India Act, 1919, for elections to the Indian and provincial Legislatures be so amended as to remove all the disqualifications which are at present imposed upon any person against whom a conviction by a criminal court involving a sentence of transportation or imprisonment for a period of more than one year is subsisting after he has endured the punishment to which he was adjudged or been pardoned for the offence concerned ’.”

• The Assembly divided :

AYES—48.

Abdul Hayo, Mr.  
Abhyankar, Mr. M. V.  
Acharya, Mr. M. K.  
Aney, Mr. M. S.  
Bhat, Mr. K. Sadasiva.  
Chaman Lall, Mr.  
Chanda, Mr. Kamini Kumar.  
Chetty, Mr. B. K. Shanmukham.  
Das, Mr. B.  
Duni Chand, Lala.  
Dutt, Mr. Amar Nath.  
Ghazanfar Ali Khan, Raja.  
Govind Das, Seth.  
Gulab Singh, Sardar.  
Hans Raj, Lala.  
Iyengar, Mr. A. Rangaswami.  
Jinnah, Mr. M. A.  
Joshi, Mr. N. M.  
Kartar Singh, Sardar.  
Kasturbhai Lalbhai, Mr.  
Kazim Ali, Shaikh-e-Chatgam Maulvi  
Muhammad.  
Kelkar, Mr. N. C.  
Lohokare, Dr. K. G.  
Majid Buksh, Syed.

Malaviya, Pandit Madan Mohan,  
Mehta, Mr. Jumnadas M.  
Misra, Pandit Shambhu Dayal.  
Misra, Pandit Harkaran Nath.  
Murtuza Sahib Bahadur, Maulvi Sayad.  
Mutalik, Sardar V. N.  
Narain Dass, Mr.  
Nehru, Dr. Kishenlal.  
Nehru, Pandit Motilal.  
Nehru, Pandit Shamlal.  
Neogy, Mr. K. C.  
Phookun, Mr. Tarun Ram.  
Purshotamdas Thakurdas, Sir.  
Rammachandra Rao, Diwan Bahadur M.  
Rangachariar, Diwan Bahadur T.  
Ranga Iyer, Mr. C. S.  
Samiullah Khan, Mr. M.  
Sarfaraz Hussain Khan, Khan Bahadur.  
Singh, Mr. Gaya Prasad.  
Sinha, Mr. Devaki Prasad.  
Syamacharan, Mr.  
Venkatapat raju, Mr. B.  
Yakub, Maulvi Muhammad.  
Yusuf Imam, Mr. M.

\* “ That after the words ‘ recommends to the Governor General in Council ’, the following be inserted :

‘ with special reference to the repressive policy adopted by Government against non-co-operators during the past five years ’.”

## NOES—47.

|                                     |   |
|-------------------------------------|---|
| Abdul Mumin, Khan Bahadur Muhammad. | Graham, Mr. L.                            |
| Abdul Qaiyum, Nawab Sir Sahibzada.  | Gurner, Mr. C. W.                         |
| Abul Kasem, Maulvi.                 | Hiru Singh Brar, Sardar Bahadur Captain.  |
| Akram Hussain, Prince A. M. M.      | Innes, The Honourable Sir Charles.        |
| Alimuzzaman Chowdhry, Khan Bahadur. | Langley, Mr. A.                           |
| Ashworth, Mr. E. H.                 | Lindsay, Sir Darey.                       |
| Ayyar, Mr. C. V. Krishnaswami.      | Lloyd, Mr. A. H.                          |
| Badi-uz-Zaman, Maulvi.              | Macphail, Rev. Dr. E. M.                  |
| Bajpai, Mr. R. S.                   | Maguire, Mr. L. T.                        |
| Bhore, Mr. J. W.                    | Makan, Mr. M. E.                          |
| Blackett, The Honourable Sir Basil. | Mitra, The Honourable Sir Bhupendra Nath. |
| Bray, Sir Denys.                    | Muddiman, The Honourable Sir Alexander.   |
| Burdon, Mr. E.                      | Muhammad Ismail, Khan Bahadur Saiyid.     |
| Carey, Sir Willoughby.              | Naidu, Mr. M. C.                          |
| Chartres, Mr. C. B.                 | Panduranga Rao, Mr. V.                    |
| Clow, Mr. A. G.                     | Raj Narain, Rai Bahadur.                  |
| Cocke, Mr. H. G.                    | Roy, Mr. G. P.                            |
| Cosgrave, Mr. W. A.                 | Sim, Mr. G. G.                            |
| Crawford, Colonel J. D.             | Singh, Rai Bahadur S. N.                  |
| Dalal, Sardar B. A.                 | Stanyon, Colonel Sir Henry.               |
| Fleming, Mr. E. G.                  | Tonkinson, Mr. H.                         |
| Ghulam Bari, Khan Bahadur.          | Vijayaraghavacharya, Diwan Bahadur T.     |
| Gordon, Mr. E.                      | Webb, Mr. M.                              |
| Gordon, Mr. R. G.                   |   |

The motion was adopted.

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

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

# RESOLUTION *RE* SUSPENSION OF THE COLLECTION OF THE COTTON EXCISE DUTY FOR THE REST OF THE CURRENT YEAR, 1925-26.

**Mr. President :** In connection with the next Resolution that I will just ask Sir Purshotamdas Thakurdas to move, I desire to make one observation. It is this. The question of the abolition of the excise duty has been discussed in this House more than once during the course of the last 12 months and if this Resolution had anything to do with that general question I should not have admitted it, but because it raises a narrow issue, namely, of suspension of the excise duty for this particular year owing to peculiar circumstances of the textile industry in Bombay, I have admitted it ; and I want Honourable Members to bear this in mind in discussing this Resolution. The remarks they make should be strictly confined to that narrow issue alone and not to the general question of the abolition of the duty.

**Sir Purshotamdas Thakurdas** (Indian Merchants' Chamber : Indian Commerce) : Sir, I rise to move :

"That this Assembly recommends to the Governor General in Council to be pleased to forthwith suspend the collection of the cotton excise duty for the rest of the current year 1925-26 in view of the critical stage of the Indian textile industry as at present prevailing."

The injunction, Sir, that you now enunciated for our guidance is to my mind most opportune. I am aware that the question of the abolition of the cotton excise duty was discussed by this House almost a year back and was again discussed last March when the necessary demand for collection of this duty was refused by this House by a substantial majority. But since then, Sir, His Excellency the Viceroy has been pleased to restore the grant and the collection of the excise duty is

continued till now as before. The question therefore, Sir, of again recommending to the Governor General in Council to desist from collecting the excise duty for the remaining period of the current year is one which to my mind ought to specially appeal to this House. It is a part of the idea which led them to refuse the demand of the grant for the whole of the year. I hope to be able in the course of my remarks hereafter to submit a few of the reasons why this House should recommend to the Governor General to suspend collection of this duty at least from now onwards for the balance of the year that is now left.

When, Sir, we asked in March last that the excise duty be abolished, we based our claim on the several pledges of the Government of India that the excise duty would be removed as soon as feasible or, to put it in other words, as soon as finances permit. I feel that those who pressed the Government then to abolish the excise duty exercised considerable foresight. At that time it was contended that only mills in Bombay were either losing or just making both ends meet. I was reminded, if I mistake not by my Honourable friend the Commerce Member, that mills in Ahmedabad were doing better. The crisis which some people in Bombay interested in the textile industry had the foresight to see unmistakably has, Sir, travelled to Ahmedabad. I feel that the question may be raised why only the millowners from Ahmedabad and Bombay chose to wait on His Excellency the Viceroy and they did not include amongst them millowners from Cawnpore. I do not know if the Millowners' Associations of Ahmedabad and of Bombay did ask their fellow-brethren in Cawnpore to join them or not, but if this present plight of the industry is allowed to continue without any assistance from the Government of India, where they can give very substantial assistance to stem the tide, I feel that it may not be many months before Cawnpore, Madras and other parts of India, which have cotton mills, feel the pinch unmistakably. But, Sir, the mills in Cawnpore have a special advantage over the mills in other parts of India, especially in the Bombay Presidency. Being perhaps nearer to the headquarters of the Government of India, they have the best and the largest custom of the Government of India and it is possible that, owing to this, orders are on their books, and owing to the prospect of these orders continuing, they may not feel the pinch which the average mill in the Bombay Presidency feels by having to dispose of its wares in the open market.

Sir, I, as representing my constituency, appreciate this privilege which the ballot box has given me of drawing again the attention of the Government of India to the growing serious condition of the Indian textile industry and I only hope that my appeal will not fall on deaf ears or on unsympathetic ears.

In his replies to several questions in this House the Honourable the Commerce Member referred Honourable Members to two things, either to the reply given by His Excellency the Viceroy to the deputation which waited on him last month or to the debate on the motion for adjournment in the Bombay Council in connection with the critical condition of the textile industry. I propose, Sir, to take a few of the salient points on which His Excellency the Viceroy depended for his refusal to the millowners' deputation to do anything at present in connection with the removal of the cotton excise duty. I do not overlook

[Sir Purshotamdas Thakurdas.]

that the main object and request of that deputation, Sir, were not the suspension of the excise duty but its abolition. His Excellency the Viceroy said that he fully realised that the cotton industry was "one of the greatest and certainly the most typical Indian industry in India." With that description of that industry we would all agree. He further admitted :

" That the Government of India are pledged to abolish the excise duty as soon as financial considerations permitted."

He proceeded :

" We stand by the letter and spirit of that pledge. The excise duty must go and I do not propose at this stage to occupy time by discussing whether or not it can be theoretically justified."

That confirmation of the several pledges given by previous Viceroys and Finance Ministers, I take it, strengthens my hand in the appeal that I extend to the Treasury Benches to-day. His Excellency proceeded, Sir, to take a brief survey of the textile industry and reminded the deputation :

" That the industry was passing through a crisis which was common to the textile industry of the whole world."

He said :

" There must be some general causes at work "

and he concluded :

" The price of cloth is still out of relation to the prices of other commodities."

He finally said that with a lower price for cotton he expected that cheaper cloth would be available to the consumer and by inference I conclude that he hoped that then the industry will begin to experience normal times. But in the following paragraph, Sir, he referred to what he called the particular problem of the textile industry in India. He said :

" The result has been an increase in the production of cloth."

He also pointed out that imports, though they are still below the pre-war level, are beginning to revive and that he found that last year the total amount of cloth offered for sale in India, inclusive of the estimated production of the handlooms, was very nearly up to the pre-war level. In fact, my inference from that part of his reply was that India, according to His Excellency the Viceroy, was producing more than before the war and hence the present difficulty. I wish to pause here for a moment, if I may, to put another construction which I think can very safely be put on these words. Before the war, or rather during the war, when the Commerce Department had a Committee which was called the Standard Cloth Committee, I remember, Sir, that the figures put before us were that about 45 to 48 per cent. of the total consumption of cloth was manufactured in India. It is natural that during the war, in common with other countries especially Japan, we have had an increase in our looms and spindles in the cotton mills. But we are still very far from reaching anything like even the 75 or 80 per cent. of the requirements of India that we ought to produce and that we can produce in this country with cotton at our very doors—surplus cotton which we must export—and with trained labour of a certain standard also avail-

able to us. I am therefore rather disappointed that His Excellency the Viceroy should have thought that the blame for the present crisis should be that we are progressing in the direction of making India self-reliant and independent of imports from outside. I do not venture to say whether His Excellency really meant to criticise this activity of India. But I wish to point out that, if we are increasing our local production and if, owing to various world factors, it is found that there is a certain depression in the trade which is common all over the world, the relief that should be given by any Government which can be said to be either a paternal or real Government in the interests of the people would be to see if the imports which are being dumped in this market or are really hitting the genuine production of this country should not be prevented from doing so. But this, again, Sir, is a very broad and a very wide subject, perhaps a debatable one. I only wish to refer to it. I do not wish to follow it up because it is not necessary for the purpose of my Resolution before the House.

His Excellency next went on to the question of remedies and he said :

“ I recognise, therefore, the force of your appeal. I do not think—nor, unless I am much mistaken, do you claim—that the abolition of the cotton excise duty is all that is necessary to restore the industry to health. But your plea is that even a reduction of 9 pies per pound in the cost of production will give some relief to the industry.”

I personally, Sir, very much appreciate the anxiety of His Excellency the Viceroy to ensure that, when a deputation waits on His Excellency, the relief that should be available to that industry should be such as will be far-reaching, thorough-going and not half-hearted. But, Sir, the deputation simply went to pray that the handicap which was put on the industry, not at the request of the Government of India but absolutely against the wishes of the Government of India and at the dictation of what to-day either rightly or wrongly but certainly is looked upon as a competitor of the Indian mills, namely, Lancashire, should first be abolished. I feel, Sir, that His Excellency the Viceroy absolutely meant what he said when he expressed his anxiety that the relief to the industry should be more than the mere abolition of the excise duty. But it is difficult to understand why, when His Excellency's intentions were so good and so beneficial to the industry, His Excellency desisted from agreeing to what, indeed, he could and, I submit, he should have complied with. With that part, Sir, His Excellency dealt in the following sentences. With your permission, I will read three or four of these sentences :

“ As I have said, I recognise the strength of this plea and I and my Government have again considered most carefully whether we could not meet you in this matter. It is with real regret that I have to inform you that we have come to the conclusion that we cannot grant the request. I hardly think, indeed, that you have realised what that request means. You ask us to take action now in the middle of the financial year before the year has fully declared itself and before the commitments and the prospects of next year are fully known. You suggest that at a time of this uncertainty the Government should remit a source of revenue which brings us in Rs. 2 crores. It is only in the most exceptional circumstance, exceptional to a degree which it is difficult to envisage, that a Government would be justified in adopting such a course. The time for taking stock of prospects is the time of the preparation of the Budget. Then and then only can a proper estimate be made of future prospects of revenue and charges. This decision indicates no lack of sympathy with the industry, no want of will to help it in its difficulties and no lack of desire to see the removal

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of the excise duty. As you have been told again, we are pledged to take the excise duty off and we will take it off as soon as financial considerations permit."

I hope, Sir, to place a few more facts before the House to-day why the Government of India should take action in the middle of the year and why it is incumbent on the Government of India, if they really wish well, not only to those engaged in the industry but to the whole of the trade in those parts where this industry is the most important occupation of the citizens, to accept this Resolution. The extra duty, Sir, works out not to  $3\frac{1}{2}$  per cent. as it originally did and was meant to, but it works out to-day to something like  $8\frac{1}{2}$  per cent. of the cost of production of the Indian mills. I will explain it very fully to the Honourable the Commerce Member. I shall read now from a part of the address to His Excellency the Viceroy. It runs as follows :

"When the Honourable the Finance Member met the Millowners' Association on the 2nd July, he was given details of the incidence of this  $3\frac{1}{2}$  per cent. excise duty on our industry. At present this excise duty represents on an average three-fourths of an anna per pound of cloth as compared with a little over one-quarter of an anna per pound in 1913. The reason for this is that the prices of cloth have considerably increased owing to the increased price of cotton, coal, stores, increased taxation, higher wages, shorter hours of labour and heavier interest charges. It may interest Your Excellency to know that locally made shirtings which were sold in 1913 at about 8 annas per pound now cost 18 annas per pound to produce due to the high price of cotton. The result is that the Government of India are collecting  $2\frac{1}{2}$  times more duty than in 1914 owing to the increase in the price of raw cotton and other charges in the manufacture of cloth. If the prices had remained the same as in 1914 the collection from the excise duty would not have been more than 90 lakhs instead of 210 lakhs as now collected by the Government of India. The injustice of this duty is that the Government of India benefits from the increased cost of production and the levy of import duties on machinery stores and accessories which up to 1914 were admitted free, a position which it is submitted cannot under any circumstances be described as either equitable or fair. The excise duty represents about  $8\frac{1}{2}$  per cent. of the cost of our production, i.e., after omitting cost of the raw material."

Now, Sir, owing to the world conditions referred to by His Excellency the Viceroy, thanks perhaps to the policy of the Finance Member of controlling prices in this country, partly perhaps due to his policy of contraction of currency in the country, the result, Sir, to-day is that the buying power of the Indian people is considerably reduced. My Honourable friend questions that. I will not give him my opinion, which he may not value.....

**The Honourable Sir Basil Blackett** (Finance Member) : Give me the Bombay Millowners' opinion.

**Sir Purshotamdas Thakurdas** : No, but I will give him what Barclay's *Bank Weekly Bulletin*, dated July 1925, says under the heading "India" :

"In both countries"—*that is, Japan and India*—"the output has been stimulated by the fact that as the prices of Indian food grains have not risen proportionately to the general increase in the cost of living, the purchasing power of the Indian cultivator has been adversely affected"—*I hope the Honourable Finance Member recognises who the Editor is*—"and therefore he has been buying a larger quantity of Indian and Japanese textiles and less of the finer but more expensive productions of the Lancashire mills."

The Editor is pointing out why Lancashire's exports to India do not have as ready a market as they want. I quote them for the purpose of showing that the buying power of the people has been admitted to be considerably reduced.

**The Honourable Sir Basil Blackett :** You said that it had been reduced by certain actions of the Government. It does not say anything of the sort.

**Sir Purshotamdas Thakurdas :** Well, I will then read from the beginning. It says :

“ In considering India's trade figures, it should be remembered that, in general, Indian prices have remained comparatively stable during the past year, and, in fact, since the Armistice, have shown less variation than gold prices, this greater stability, as pointed out by the Finance Minister in introducing the Indian Budget at the end of February last, having been influenced by the Government's policy in regard to the exchange.”

Does that now connect the two ?

**The Honourable Sir Basil Blackett :** I do not think it does.

**Sir Purshotamdas Thakurdas :** May I pass this journal on to you ?

**The Honourable Sir Basil Blackett :** I have seen it.

**The Honourable Sir Purshotamdas Thakurdas :** Now, Sir, owing to this—this is the fourth monsoon that the country is passing through, and at least the past three monsoons have been, if not good, fairly normal—and in spite of the three normal monsoons, the buying power of the Indian people has been so much reduced that to-day of the locally manufactured goods twelve crores worth of piecegoods are lying in Bombay and Ahmedabad alone, awaiting buyers. The mills find that compared with the prices of cotton and with the other charges they have to pay, they cannot make both ends meet, but they are dropping money. In Bombay 11,500 labourers have been thrown out of employment, owing to five mills having closed down. Four mills have given notice of closing down, and these four mills when they close down will throw out of employment 8,000 more hands. In Ahmedabad two mills have closed down, and six mills are reported to be on the market for sale. Further, Sir, we got news yesterday of a strike in Bombay affecting 12 mills, and which means that very nearly 12,000 more people will be out of employment. Putting the figure at the lowest, 30,000 mill hands are out of employment to-day, owing to either the closing down of mills or owing to mill hands having gone on strike. My Honourable friend over there, who is so much interested in labour, asks a question regarding wages. Under these extremely difficult circumstances, and finding in the Government of India a government which has a heart of steel and very difficult to move, a government which in spite of the unanimous opinion of this House, as far as the non-official element was concerned, restored the grant which would have enabled them to collect the excise duty, the millowners said to the labourers, “ We must either cut down wages or close the mills.” I am sure even my two energetic friends of labour in this House will admit that millowners have not done it out of sheer fun or avoidably. They made it abundantly clear that if they got the relief to which they were entitled from the Government of India, and which indeed is being kept back from them in a manner which in their eyes is absolutely unjustifiable, they would forthwith restore this cut.

**Mr. Chaman Lall :** Will the Honourable Member tell this House the number of mills, or the proportion of mills which are not working at a loss to-day ?

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**Sir Purshotamdas Thakurdas :** The number of mills not working at a loss to-day is approximately given to me as about 25. I propose to go on the figures I have from the Honourable representative of the Millowners Association. It is possible that the information of my friend here may vary a little, but the point is whether at this juncture, when the majority of the mills find themselves absolutely in an impossible position to carry on operations, and have to close down, whether this House should not again recommend to the Governor General in Council that he should suspend the recovery of the excise duty for the balance of this year.

Sir, His Excellency the Viceroy said in his speech with regard to the decision not to do anything at present :

“ The decision merely illustrates that prudence which it is incumbent on every government to exercise in relation to its finances.”

With all due respect to His Excellency the Viceroy, I submit that the real dictates of prudence at this juncture is not that the Government should take an over-cautious view, but that the Government of India should extend their assistance at this very juncture. I am sure, Sir, that it will be admitted that prudence needs that prevention be regarded as better than cure. When the coal grading Select Committee Report was before this House, I pointed out to the Commerce Member that that was one instance where the Government of India would do nothing or very little indeed when the trade pleaded with them to take some preventive measures and stop further rot setting into the coal trade. The Honourable Commerce Member said we were then passing through the war period. What is the result ? Whilst the Government of India did not heed what an important section of the trade wanted, they had to come out with a costly curative measure, a measure which may help the industry but which would take long to place the industry on the basis it was.

**The Honourable Sir Charles Innes** (Commerce Member) : May I rise to a point of explanation ? It would not be relevant to discuss the point the Honourable Member is now making, but I have not the least idea what he is talking about in saying we did not agree to the important suggestion made by an important section of the trade.

**Sir Purshotamdas Thakurdas :** Wagon supply to the coal trade, and especially to those Indian-owned mines. The Honourable the Commerce Member cannot forget that quite so lightly. However, Sir, I trust that to-day, although it may be fairly late, it is not too late for the Government of India to extend to the cotton industry, which is admitted on all hands to be in a critical position, the help which I think is their birthright. The only question, Sir, is about finances. His Excellency the Viceroy said, when finances permit, the excise duty would be taken off. His Excellency the Viceroy said further that in the middle of a year you cannot find out where you stand in your finances. I, Sir, have had the painful duty of pointing out at the last budget time that the financial position of the Government of India had not only been strengthened adequately, but had, in my humble opinion, been strengthened beyond a point which was either necessary or justified, looking at the interests of the tax-payer in India. I pointed out that during the two years preceding the last the Honourable the Finance Member had set aside 11 crores to debt redemption. I do not include



in this the 10 crores which this Assembly has voluntarily foregone by agreeing to the separation of the Railway Budget from the General Budget. If you add those two together, during these years Government have set aside rupees 21 crores. I do not object to either of these, but I do not think it lies in the mouth either of the Government of India or the Honourable the Finance Member to say, when it is a question of helping an important industry, an industry the importance of which has been admitted by His Excellency the Viceroy himself in such eloquent terms, that you have not got the finances. When we were discussing a few days back the Resolution regarding the liquor excise policy of the Government of India, my Honourable friend the Finance Member, very correctly, as soon as he got up, assured the House that he was not going to plead that the large revenues that the various Governments in India at present receive from liquor excise should deter the Government of India from following the right policy. He put the embarrassing financial aspect of the liquor excise question in the background. I had hoped that what happened in the case of the liquor excise policy was also going to happen in the cotton excise.....

**The Honourable Sir Basil Blackett :** Why do not the cotton mill-owners put the financial question in the background ?

**Sir Purshotamdas Thakurdas :** I do hope the Honourable the Finance Member realises the difference between the two ; it is a great pity if he does not at this stage even. Both the sources of revenue, Sir, are not a credit to the Government of India. In fact, Sir, in the case of the cotton excise duty it has been said before now that that source of revenue is a humiliation to the Government of India.

**Mr. President :** I would remind the Honourable Member of his time limit.

**Sir Purshotamdas Thakurdas :** I will finish in five minutes more. I wish, Sir, to indicate very briefly the various directions in which the policy of the Government of India in the Finance Department is such as never to make the cotton excise duty likely to be removed if it is left at what it is, namely, when the Government of India choose to find the funds. Take, Sir, the question of the opium policy. I have here a reply given in the Council of State by the Honourable the Secretary of the Finance Department saying that a Committee of the League of Nations which is to visit India shortly would be allowed to examine the whole situation, and the Government of India would consider the stoppage of the export of opium to any country which abused the imported opium and let it drift into illicit channels and did not keep it confined to medicinal purposes. I do not quarrel with that decision, Sir, but what I wish to point out is that if you do all this for foreign countries, if you are prepared to sacrifice the revenues of the Government of India for the purpose of inhabitants of foreign countries, have we not the first claim, cannot we ask you to redeem your promise, and cannot we at this critical juncture come to you and say, help us over the balance of the current year ? Next, Sir, is the question of the revenue and capital debts, a question on which this House recorded its opinion yesterday very adequately. There, Sir, is the question of the policy of the Government of India in connection with all matters where capital expenditure is concerned. There, Sir, the policy followed has been an extra conservative policy of debiting all expenditure incurred in raising a long term loan to the revenue one or two years, and the result is that the surplus that we see is limited, in fact it depends upon

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what the Finance Member agrees to show us. It was only yesterday that this House agreed to a debit of 50 lakhs of rupees ; for what, Sir ? For payment of opium grown last year. It is not a revenue expenditure at all ; still it is debited to revenue. There is the opium against it ; whenever you sell that opium you realise its worth. In ordinary commercial firms and institutions, Sir, such outlay would be debited either to the opium account or suspense account. The Government of India take it out of a year's revenue and debit it to the revenue account. In this way I could go on multiplying the various methods in which the Government of India can make the money available if only they choose to do so. It only amounts to this, do the Government of India really mean to give relief, and I am sure if they do, with the 11 crores they set aside for debt redemption, and the 10 crores they set aside by the separation of the two Budgets, it does not lie in their mouths to say finance has come in their way. At this rate the money required for the abolition of the excise duty may never be available. I am looking forward to the Finance Member putting before us the actuals of last year which he said yesterday he would be able to give the House to-day. I claim the actuals of last year may perhaps be such as to permit him to give us this relief. The only question now is, will the Government of India act, when there is still time, according to all the advices they have received, or will they try to lock the door after the steed has flown ? I cannot help feeling that if, in spite of the various critical stages through which the industry is passing the Government of India plead that the state of the finances of the country do not permit them to give us this temporary relief for which we ask, it may still be possible that the Government of India in this matter are not free agents and have not got their *hookum* from the India Office. In conclusion, I wish to remind the Government of India of one thing. In Egypt the excise duty was abolished only when a national Government was established. We here in this House and the Indian public in general have been clamouring for an advance over the present state of reforms. It was my painful duty to put before the House why the commercial community were dissatisfied with the Government as it exists at present. If the excise duty, Sir, is not to be suspended even for six months in circumstances like these which I have mentioned—and I am afraid I have done bare justice to the very severe crisis which is looming in the future for the cotton industry—if the cotton excise duty is not to be suspended even under these circumstances, the only conclusion one can come to is that it may only be a national Government that can give us what is due to us. I move my Resolution.

**Mr. N. M. Dumasia** (Bombay City : Non-Muhammadan Urban) : Mr. President, I believe the most dignified, the most weighty and the most valuable contribution made to the debate on the subject of an admitted historical wrong was by the representative of the Bombay Government in this Assembly, I mean my Honourable friend Mr. Webb, who in March last on behalf of his Government pressed for the abolition of the cotton excise and emphatically stated that the Government of Bombay desired to impress very strongly on this House and on the Government of India the necessity for the abolition of the duty because in their opinion it was a heavy and unfair burden on a very important industry and likely to lead to very serious industrial unrest. The speech was brevity itself. I wish I could imitate his sober example, but when

we find the emphatic recommendation of the Government of His Excellency Sir Leslie Wilson who wields the destiny of the Bombay Presidency with high statesmanship, prudence and courage is ignored, when we find the deliberate verdict of the representatives of the people in this Assembly flouted, when we see the prospect of a great industry collapsing, suddenly burying under its *debris* a large number of men of the labouring class, when we see before us the spectacle of thousands of small shareholders being ruined and reduced to beggary, and when we see the great houses of industrial magnates trembling in their shoes at the possibility of the liquidation of many concerns which they had laboriously built up, when we see the fountain of credit on which the prosperity of the trade depends dried up and when in the face of imminent peril to a great industry we see the Government sitting with their folded hands trusting to Providence for an improvement in the situation, it is impossible to possess our souls in patience and to put a restraint upon ourselves. I, however, strongly deprecate and condemn the baseless insinuations made in a certain section of the press that while Rome is burning Nero is fiddling. I admit that the Government are carefully watching the situation, but I do say this that the watch has lasted too long and there is a fear of the watchmen falling fast asleep and our goods being carried away by thieves. It is no use closing the stable after the steed has been stolen.....

**The Honourable Sir Basil Blackett :** Sir Purshotamdas Thakurdas said "after the steed had flown."

**Mr. N. M. Dumas :** It is no good calling a doctor after the patient has ceased breathing.

When the situation is desperate, when a financial crash looms ominously on the horizon, it betrays, to my mind, a cynical disregard on the part of the Government of great industrial and trade interests, which it is their duty to protect.

I do not want to go into the unsavoury and unhappy history of the question. Let a veil be drawn over it. I only wish to draw the attention of this House and the Government to the gravity of the situation caused by an unprecedented depression and to appeal to Government to take immediate action to rescue this great industry from a total ruin which stares us in the face. I will appeal to the Government to consider seriously whether the delay in giving relief will not prove injurious not only to the industry but to the Government itself. The mill industry has passed through many vicissitudes in the past, but the present crisis is quite different from its predecessors. Even the oldest residents in Bombay do not remember such a gloomy period having occurred during the last sixty years. It beats all previous gloomiest records. In the past we had a big market for our yarn in China and any depression of trade or curtailment of inquiry from China affected our trade and industry. We have lost the China market permanently and there our powerful and well organized commercial rival—I mean Japan—has established a firm footing. Japan has built mills even in Shanghai and finally bolted the door against Indian trade. This crisis is different in this way that Japan has begun dumping in our own country and it is daily establishing a strong foot-hold in India. It is true that it does not compete with us in all the lines, but a cut in one line drags down the prices in other lines as well. If this dumping is not stopped, if Japan's rivalry in our own market is not checked, our own industry will be

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entirely ruined and there will be absolutely no chance of its recovery. Japan is competing with us in Mesopotamia and other places in the East and driving us out from those markets also. Our Government instead of helping our industry are giving an impetus to the Japanese industry. When the situation is critical and requires prompt relief Government coolly offer an inquiry into the Japanese competition. The stage for inquiry has passed. This is the time for action. But may I ask what inquiries are Government going to make ? Is it not a fact that the Honourable Mr. Chadwick, the Commerce Secretary, distinctly told the millowners of Bombay that under the most-favoured-nation clause in the treaty with Japan, the Government of India at present could not impose an increased tariff against Japan ? Do the Government want to hold an inquiry into this question ? Did the Government of India raise their voice in the interest of India against this treaty or did they allow Indians to be treated as a mere pawn in the game of political chess of the Imperial Government ?

The way in which the members of the deputation from Bombay and Ahmedabad were unceremoniously hurled down the hills of Simla, when they were given a stone when they asked for a slice of bread to which they were entitled, shows that the Government have failed to understand the gravity of the situation and the dire straits to which the industry is plunged. Nor have they correctly grasped the reality of the situation. The Government think that if the prices of cotton drop, one of the main troubles of the industry would disappear. This clearly shows that there is a confusion of ideas and a want of understanding of the crash that will be precipitated as soon as there is a big drop in the price of cotton, unless other ameliorative measures are applied beforehand to minimize the terrible effects of the crash. It is admitted that the increasing stocks and forced sales are an embarrassment to the millowners, just as my Honourable friend from Bengal pointed out that it was an embarrassment to the paper industry. Therein lies a great danger. We must face the realities of the situation which is indeed dark. When the prices of cotton go down, the prices of these stocks would drop considerably entailing untold losses on the manufacturers from which they will not recover for years to come. But if the cotton excise duty were abolished, it would give some relief to the millowners to the extent of 9 or 10 per cent. of the cost of production. If that relief were given they would at once further cut the present unremunerative prices and try to dispose of the stock at a loss so as to take advantage of the cheap cotton for the next year. The advantage of cutting the prices would, I venture to assert, in this case directly reach the consumer, who have hitherto held off from buying cloth at a high price. The majority of mills are working at a loss and have to borrow money wherewith to pay the tax which is on production and not on profits. This in these days amounts to a capital levy, which it is only worthy of a communist Government to levy. The millowners are not supplicating for a boon ; they rely upon the sanctity of promise and they rely on the inherent justice of their demand, at a time when their business is ruined, their capital is going down and down, when the interest charges are daily piling up, when they find it impossible to finance the ever-growing stocks of goods in spite of their pledging their own credit and all their belongings, as the agents of the Tata Iron and Steel Company did to save a national industry from ruin before the

Government came to its rescue. Owing to the loss of the yarn market in China, the mill agents had to rely upon home markets and they had perforce to increase their looms to feed their spindles. This increased the revenue of the Government and yet the mill agents are blamed for increasing their production. It is said that there is bad management, that the agents squandered their profits in big dividends and that they must first set their house in order. This is, I submit, adding insult to injury. It is true that a few mill agents did ruin the mills and eventually their shareholders, but may I ask, what Government have done to save the shareholders? Have they amended the Companies Act in order to make the shareholders masters in their own house? I say they have so far neglected the interests of the shareholders and failed in their duty to protect them. But I state with confidence that the charge of mismanagement cannot be sustained against the agents of many well-established concerns. (*Mr. N. M. Joshi* : "What about others?") Very well, I do not like to be disturbed by any Honourable Member of this House. The names of Currimbhoy Ebrahim, Morarji Gokuldas, Wadias and Tatas are synonymous with honesty, industry and sound management, and if you look to the big reserves which the mills like the Bombay Dyeing, Century, Fazulbhoy, Sholapur and Morarji, Central India and Swadeshi Mills have built up—I have got all these with me but I do not want to waste the time of the House by quoting from them—you will have to admit that they have shewn results which compare most favourably even with thriving concerns built up in Europe by well-organized and efficient labour and huge capital. Personally, I have condemned the agency system but it is there and you cannot replace it. The agency system, in spite of its apparent inherent defect, alone has prevented a financial crisis by arranging to finance their concerns in such abnormal times of depression. No Managing Director would have been able to find the capital to run the mills and obtain loans for their heavy stocks of goods which have now accumulated and it is wrong to attempt to produce a feeling of want of public confidence in them by condemning their management. But the mill agents are not mill-owners. The agents are more or less a permanent fixture, the latter are changing from time to time and it is this class of millowners or small shareholders who are absolutely ruined, having bought their share in the boom time. Some of these shares are now mere scraps of paper. There is distress and consequent discontent among thousands of people—loyal, law-abiding people, who have been reduced to penury as their holdings have either enormously depreciated or their values almost wiped out. Then with the distressing conditions of labour in the background, the harrowing picture of misery is complete but it is in no way overdrawn. It is said by some Government critics that the industry is not in danger as a whole but only a few mills are being driven towards liquidation. This opinion is diametrically opposed to real facts. Out of eighty mills about forty are on the verge of ruin; about twenty are able to pull through; and the remaining twenty owing to their large reserves are able to declare dividends; but they are being driven into the vortex of difficulty by those that are badly off. The liquidation of even a few must affect even the soundest concern and I am surprised how this danger has escaped the minds of the critics. The failure of a few mills will affect the remaining sound concerns as well.

To my mind the Government have no idea of the loss of credit they bring upon themselves when they admit that the tax is wrong, that the

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industry is in a trough wave of depression but that they will only remove it when the finances permit. If there is a will there is a way, and as my friend Sir Purshotamdas has said, if Government have the will they will find the money. If not let them beg, borrow or steal. (*The Honourable Sir Basil Blackett* : "I leave that to Sir Purshotamdas".) (Laughter.) The first principle of taxation is that it should be levied with the consent of the people and the Legislature and that all classes should contribute according to their capacity. In India only the cotton industry, which is a national industry, is penalised irrespective of the economic consequences in the present state of its depression from which it is not likely to recover in our time. This industry had paid more money to Government than the actual capital invested in the enterprise. During the war it supplied the standard cloth to the poor at a rate fixed by the Government ; it paid the excess profit tax and is still paying super-tax. It invested its reserves in war bonds and other Government loans. It is to-day treated by the Government in a step-motherly fashion. I do not know why the wrath of the gods sitting on the Olympian heights of Simla have descended upon my Presidency in general and the textile industry in particular.

It is true that the textile industry throughout the world experience difficulties but there are special factors and preventible causes in India, which deepen the depression, increase the losses and cripple the industry. It is within the means and power of the Government of India to remove those grievances. The first is the excise duty ; the second Japanese competition aided by its depreciated currency, unrestricted hours of labour and Government protection. The third is a high rate of interest prevailing in India throughout the busy season for trade, and fourth is the lack of credit, which is responsible for the loss of business in India, and last but not least the high exchange which gives an advantage of over 12 per cent. to foreign importers. If we had a national Government, these causes, I dare say, would have been removed in no time. Herein lies the disadvantage of a foreign Government though that Government may be good. I agree with my friend Sir Purshotamdas Thakurdas that our commercial and industrial interests can never be adequately protected unless we have a Government responsible to the Indian Legislature. Sir, if this state of things were happening in England and Government were defying public opinion and the Parliament, that Government would not have survived in England even for a day. But here, Sir, we are helpless. Only yesterday a Bill was carried to protect an industry at the point of the bayonet, and here, Sir, we have been crying for the last 30 years, we have been crying ourselves hoarse, we have been crying in the wilderness, simply because the Government refuse to come to the help of this industry.

I will not say that in continuing to levy an unfair tax on an already crippled industry Government are showing a melancholy meanness. I will put it in this way that Government are attempting to draw water from a squeezed sponge and that they want to build up their finances on the ruin of a national industry.

**Mr. President** : The Honourable Member will now bring his remarks to a close.

**Mr. N. M. Dumasia** : This industry has supplied in the past golden eggs to the Government Exchequer. Please do not kill the milch cow. The excise is an admitted wrong. It is not heroics to persist in an admitted wrong. It is not statesmanship to put all the burden on one industry. The high prices of cloth have increased the

Government revenue while it has brought corresponding heavy losses to the industry. The profits of mills are in inverse ratio to the gains of the Government. This reminds me of the Indian proverb which my Honourable friend Sir Henry Stanyon quoted the other day "*Kissi ka ghar jalle koi tape.*" This, I believe, is an apt description of the unreasonable and unfair attitude adopted by the Government. How long is this injustice going to last? We had learnt in our school days that there was no word like impossibility in the dictionary of English statesmen. I can never believe that the word exists in the dictionary of our able Finance Minister who has had the good fortune of turning successive deficits into surpluses. We were further taught that justice is the key-note of the foundation of the British Empire in India and that once John Bull was convinced of the justice of a cause he would make it his own. My Honourable friend Sir Basil Blackett has admitted that the tax is wrong. Will he make the cause his own now or will he drive us to the irresistible belief that the word "Justice" has disappeared from the Englishmen's dictionary or that it has changed its meaning? Finally I appeal to the Government with all the earnestness at my command to justify our robust faith in British liberalism and British justice by removing a grave injustice and a cruel wrong from which a great industry has been suffering for over 30 years and is now being crushed finally under its weight. With these remarks I strongly support the motion of my Honourable friend.

**Rev. Dr. E. M. Macphail** (Madras : European) : I feel in some difficulty this afternoon in connection with this

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motion because I have all along disapproved of the cotton excise. (*Honourable Members* : "Speak up".) I came out to India in the good old days when there were no import duties and no income-tax and the rupee was over 1s. 6d. I remember quite well the time when the cotton duties were first spoken of. The Government at Home would not allow the Government here to charge duties upon cotton at all. I think it was in 1893 when Lord Wolverhampton, then Sir Henry Fowler, was Secretary of State for India—I think it was then that the Government were allowed to bring in the cotton duties on condition that they put a countervailing excise duty on higher counts. If I remember aright, that was the time. Later on the Government here were allowed to raise the cotton duty without a corresponding countervailing duty being put on. Consequently now the tax is one purely for revenue. It is now not really a countervailing duty to any extent at all. Now, what I disapproved of in regard to the imposition of that tax was this. Though I was a free trader, I felt it was not right for the Government at Home under pressure from certain members of a political party in Parliament, representing a particular industrial interest, to compel people to accept free trade who do not want it. That was the feeling I had at the time, and the lesson I draw from that is that it is extremely undesirable to mix up industry and politics. I think it is one of the great dangers, if you adopt a protective policy in this country, that you will have any amount of log-rolling and that people in different industries will combine for the purpose of getting as much out of the national exchequer, and ultimately from the consumer, as possible. Another point to which I should like to draw the attention of Sir Purshotamdas Thakurdas is the fact that the reason why this cotton duty had to be imposed and why the excise was imposed was the fall in exchange. As exchange came down, the Government of India had more and more to get revenue from other sources and the only way that it was able to get revenue was by putting on import duties and raising

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these from time to time as the rupee kept falling. The rupee went on, as you know, falling until the mints were closed in 1893. From that time somehow or other 1s. 4d. has come to be regarded by some as a sacred number. I do not mean to detain the House, but what I want to say in connection with my difficulties is that while I wish to see this excise duty go I want to know where the money is going to come from, that we are to get in Madras. I have learnt since I came to this House that every province must look after its own interests. Now we in Madras feel very strongly that we have been very hardly used. We protested against the Meston Award unanimously in the Legislative Council.

**Mr. N. M. Joshi :** You got a lot of money last year.

**Rev. Dr. E. M. Macphail :** Not nearly so much as we ought to have got. We protested against the original Meston Award saying that we had been treated unfairly even then. But we have only received a mere fraction of what was awarded and we consider in Madras that we have been the milch cow for the rest of India. I find that my Honourable friend Mr. Dumasia approves of this because he says "Get it if you can even by stealing". We in Madras do not want to be robbed in order that the Bombay mill-owners or that other mill-owners may make something more. Now, I should be much happier in my mind when voting for this Resolution if I were quite sure that things were so very bad as they are represented to be. We have not yet felt the pinch in Madras.

**Mr. N. M. Dumasia :** You are very happy there.

**Rev. Dr. E. M. Macphail :** We are very happy there in Madras. We have not yet felt the pinch. Sir Purshotamdas Thakurdas prophesied that it is coming. I hope that he is a false prophet. What I do feel is that until we know where we are going to get the money from, I am inclined not to support this motion, although I am strongly in favour of getting rid of the cotton excise as soon as we can. The constant way in which people ask Government to remit taxes without telling them how they are going to get the money reminds me of what a friend of mine, who was a student along with me, told me.

**Pandit Shamlal Nehru :** Put a heavy duty on foreign liquor.

**Rev. Dr. E. M. Macphail :** He had to write a discourse which was supposed to be of a popular nature and when he read it, the professor objected to the expression "concrete illustration" and said that it was not one which would be understood by the common man in the Church. Then the professor went on to say "I would say" and he paused. He went : "I would say, I would say.....something else" and that was the amount of help he gave to the student. He was not able to supply any other term which the student could use in place of the term that had been criticised. Now, until some one shows me, unless I can get some assurance, that we in Madras are not going to be deprived of what we have received so far, I shall not vote for this Resolution with any great enthusiasm, although I confess that all my instincts are in the direction of supporting the proposition that has been brought forward by Sir Purshotamdas Thakurdas.

**Mr. N. M. Joshi (Nominated Labour Interests) :** On account of the difficult position in which the mill industry as well as the workers in



the mill industry find themselves to-day, I ask for your indulgence, Sir, and I ask for the indulgence of this House when I make a few remarks on this subject. At the very outset I express my approval of the Resolution which the Honourable Member for the Indian Merchants Chamber and Bureau has moved, but, Sir, although I approve of his Resolution I do not approve of the diagnosis of the situation which he has placed before this House. In the first place I do not think he has placed before this House the real causes and the most important causes of the present situation and in the second place I do not think the remedies which the millowners in Bombay have taken to meet this situation are also the right remedies which they ought to have taken. It has been said that the present situation in the Bombay mill industry is due to the cotton excise duty. I have made it clear that I am against the cotton excise duty ; but, Sir, I do not know how if the cotton excise duty did not exist and if the import duty had not been eleven per cent., but was  $7\frac{1}{2}$  per cent. there would have been any difference in the present situation to-day. After all therefore the cotton excise duty is not the sole cause of the present situation in the mill industry. Then, Sir, much was made of the Japanese competition. As a matter of fact recently at Geneva I initiated a discussion on the labour conditions in India and the labour conditions in Japan and the inter-relation between the two. But, Sir, I believe people exaggerate the effect of the Japanese competition. If in certain respects labour conditions in Japan are worse than those in India, in certain other respects the labour conditions are much better. If the Japanese mills work longer hours than in India, Japanese wages are nearly double our wages. So naturally our industrialists here have got some advantage. And moreover what is the Japanese competition after all ? Japan imports into India not even two per cent. of the yarn which we produce here. Japan imports into India not more than 5 per cent. of the cloth we produce here. After all this Japanese competition is not therefore a very appreciable cause of the present situation of the mill industry in India. The same thing holds good about exchange. The present high exchange is not favourable to certain industries in India but at the same time the high exchange gives certain advantages to some other trades. Therefore when we mention these causes we must really go into the root of this question and make inquiries and find out how far these causes have really brought about the present position in the mill industry and the first and foremost is the very system on which the mill industry in Bombay and certain other trades is based. It is the agency system. Mr. Dumasia said that there is nothing wrong in the agency system which has been working for a number of years.

**Mr. N. M. Dumasia :** I did not say so.

**Mr. N. M. Joshi :** I am glad to hear that he did not say so. Here is a system in which a man becomes the chief man in the cotton industry simply because he is born of his father. Though he may not be fit for it, he becomes the real manager of the concern. Mr. Dumasia says that they have got expert managers. There may be expert managements, but who controls them ? The son of an agent becomes the controller simply because he is the son of his father. Then, Sir, there is another evil in this agency system. The agent is the really responsible man for the management of a concern. But he gets his commission on the production irrespective of the fact that he mismanages the concern. Now this system of the agent's commission being based on production is a very wrong

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system. If there is any man in the concern who should take the responsibility, it is he ; but he shirks the responsibility, he takes his commission on the production, while, when there are losses, it is the wage-earners in the industry who are made responsible for the losses.

**Mr. Kasturbhai Lalbhai :** May I know, Sir, how many mills take their commission on production ? Does the Honourable Member know that ?

**Mr. N. M. Joshi :** I know there are agents who are receiving commission on production. I challenge my Honourable friend to say that there are no mills working on this basis.

**Mr. Kasturbhai Lalbhai :** I definitely say, Sir, that there are not more than two or three mills out of 84 mills in Bombay which take their commission on production. (*An Honourable Member :* "only a couple.") (*Other Honourable Members :* Withdraw, withdraw.")

**Mr. N. M. Joshi :** Sir, I am not going to withdraw. The present situation has arisen out of the past. You must remember that—the present situation is due to your past conduct. (*An Honourable Member :* "What logic ?")

Then, Sir, there are other difficulties in the present situation—for instance, the overhead charges. A large number of mills in Bombay are employing now a too highly paid European staff, although the industry has existed for more than fifty years. As long as you employ such highly-paid European staff, certainly you will make some losses. We talk of Indianization, Sir, as far as the Government Departments are concerned. But what about the Indianization of the industry which is mainly Indian ?

**Sir Purshotamdas Thakurdas :** I am sorry to interrupt the Honourable Member, but I must warn him that he is giving a very misleading picture here. If there is any industry where Indianization has been carried out, it is in the cotton mills of Bombay and Ahmedabad.

**Mr. N. M. Joshi :** I also know much about many factories in Bombay, and I can say this, that I know full well one firm which manages about 12 factories to-day, and I know that at least 11 of them have European managers. Therefore, your overhead charges are very large. Reduce them.

**Sir Purshotamdas Thakurdas :** What is the percentage of these to the total mills now ?

**Mr. N. M. Joshi :** I cannot say offhand. But many will-owners have admitted that their machinery has grown old—they made huge profits during the war and are closing their mills now. The situation is due to the fact that they were not prudent. They did not save money to renew machinery. There were several factors, for instance, over-capitalization. A mill which was worth about 6 lakhs before the war was sold for 35 lakhs, and now that the company is not prosperous—I do not want to give any names—the mill has to pay interest charges on 35 lakhs. Another mill worth about 25 lakhs before the war was sold for Rs. 1 crore and 50 lakhs. Another mill worth 3 lakhs was sold for 60 lakhs. Now they have to bear heavy interest charges. Certainly this is a matter which requires to be inquired into. Then, Sir, the mill industry made huge profits during the war

amounting to 36 crores. What did the millowners do to create an industry for making their own mill stores ? Nothing. They talk of Swadeshism and protecting our industries. With 36 crores of rupees in their hands, I am quite sure they should have been able to make all their stores in India. I will ask another question. After all, if the Japanese compete with us and if the English compete with us, their labour is trained. What have the Bombay millowners done to train their labour ? There is only one college, the Victoria Technical Institute. Who attend that college ? The sons of people who want their sons to become weaving masters and spinning masters and managers. What has the Bombay mill industry done to train the ordinary millhand ? You go to England and see what is being done there.

**Pandit Shamlal Nehru :** What have you done ?

**Mr. N. M. Joshi :** I am doing something.

**Mr. President :** I have allowed the Honourable Member to go on, but he must remember that the issue before the House is a very narrow one. Perhaps the Honourable Member was not in the House when I explained that Honourable Members should confine themselves to the one issue, namely, the suspension of the cotton excise duty for this year and not go into other matters.

**Mr. N. M. Joshi :** Sir, I do not propose to go into other matters very long, but I may just mention some causes which have produced the present situation....

**Mr. President :** The Honourable Member should discuss reasons for or against the question that is before the House.

**Mr. N. M. Joshi :** That is what I am doing, Sir. I am trying to meet some of the arguments placed before the House by some of my friends.

**Mr. President :** If the Honourable Member continues to argue in that strain, I shall have to stop him from continuing.

**Mr. N. M. Joshi :** I am not doing that, Sir. Now the present situation is due to the incompetence of the Bombay millowners. The very fact that they have now tried to meet the situation, difficult as it is, by reducing the wages of the workers in Bombay shows their incompetence.

**Mr. President :** The Honourable Member must understand what the question before the House is. The question is whether the cotton excise duty should be suspended for the year 1925 or not. That is the sole question. The question of the competence or incompetence of the millowners is not at all relevant.

**Mr. N. M. Joshi :** I am just trying to meet some of the arguments given by my Honourable friend.

**Mr. President :** If the Honourable Member thinks that other Members have introduced irrelevant matters in their speeches and therefore he is also entitled to do so by way of reply, he is very much mistaken. I have made it clear more than once that I will not allow the discussion on this Resolution to drift into questions outside its scope.

**Mr. N. M. Joshi :** I bow to your decision, Sir. My attitude is this, that the suspension of the excise duty asked for will not be a cure for the present situation but a better cure for the present situation is an inquiry

[Mr. N. M. Joshi.]

into the present situation itself. I was driven to the argument that the millowners are incompetent and cannot manage their industries well, and the reason given by me was that they have tried to meet the situation by reducing wages ; and on that point, Sir, I will only read one small quotation—with your indulgence—and that will sum up my whole point. The quotation is not from a labour man but from Mr. Henry Ford, one of the largest industrialists in the world :

“ Cutting wages is the easiest and most slovenly way to handle a situation, not to speak of its being an inhuman way. It is in fact throwing upon labour the incompetency of the managers of the business. If we meet with a depression, that is a challenge to every manufacturer to put his brains into the business, to overcome by management what other people try to overcome by wage reduction. To tamper with wages before all else is changed is to evade the real issue ; and if the real issue is tackled first, no reduction of wages may be necessary. That has been my experience. The immediate practical point is that in the process of adjustment someone will have to take the loss, and who can take the loss except those who have something which they can afford to lose ? But the expression ‘ take a loss ’ is rather misleading. Really no loss is taken at all. It is only giving up of a certain part of the past profit in order to gain more in the future.”

My point is this. If the present situation is to be relieved, it cannot be relieved by removing the cotton excise duty. Let the cotton excise duty be suspended ; I am in favour of it. But let the millowners withdraw their notices about reduction of wages, because the notices show their incompetence according to Henry Ford. And, secondly, I request Government to make an inquiry into the whole situation of this industry. We all want this biggest industry of our country to be put upon a sound basis. I want it to be placed upon a sound basis even in the narrower interest of the working classes of Bombay. Sir, to-day.....

**Mr. President :** The Honourable Member has exceeded his time limit. (Mr. N. M. Joshi began to say something.) Order, Order. Your time is up.

**The Honourable Sir Basil Blackett** (Finance Member) : Sir, you have ruled—and quite naturally—that the discussion on this Resolution must be confined to the question of the suspension of the duty. I shall find it a little difficult fully to comply with your ruling, though I shall do my very best, because my whole case is that it is a distinction without a difference. Suspension of the excise duty now means nothing else than abolition of the excise duty as from now. There is no distinction possible between the two. The Honourable Mover of this Resolution did not make any very definite attempt to show that the two were distinct and he let it be seen clearly in parts of his arguments that he was only calling it suspension, because he was not allowed by you to call it abolition.

**Sir Purshotamdas Thakurdas :** My Resolution calls it suspension only, Sir.

**The Honourable Sir Basil Blackett :** The Resolution calls it suspension in order to come within the rules of the House and I say that suspension and abolition are exactly the same things. It is pure waste of time to use the four extra letters ‘ susp ’. The word should be “ end.” If you want to hang this thing up, it is kinder to it and to everyone to hang it up for good and all.

**Sir Purshotamdas Thakurdas :** It is high time you did it.

**The Honourable Sir Basil Blackett :** I am afraid I must ask the House to follow me in an argument to show that you cannot distinguish between abolition and suspension. The Resolution can have no.....

**Pandit Madan Mohan Malaviya** (Allahabad and Jhansi Divisions : Non-Muhammadian Rural) : May I ask the Honourable Member, Sir, to assume that the House accepts his view and tell us why it should not be done ?

**The Honourable Sir Basil Blackett :** I think I shall be out of order, Sir, if I argue why the duty should not be abolished as from now. Let us look at the position which must arise. Supposing the Government were to accept this Resolution, as from now onwards for the rest of the financial year the duty would not be collected, but it would be part of the hypothesis that the Government would have to begin to collect the duty again on the 1st of April 1926. First of all, perhaps not the most important objection, we would have a staff costing about Rs. 70,000 to Rs. 80,000 a year entirely unemployed. We might possibly find a little use for some of them in other directions, but broadly speaking we should have to pay the whole of that staff for doing nothing for six months, because *ex hypothesi* it has got to be employed again on the 1st of April.

Now, what about the financial position ? I have not heard any figure mentioned so far, but my estimate of the loss in the current year of duty would be between Rs. 80 and Rs. 90 lakhs. We should lose that in the current year. So far as the yield of the duty in the current year is concerned, that is the amount of loss, but that is not the end of it. I think it was Mr. Dumasia who said that there were Rs. 12 crores worth of stock at present unissued. Now, the duty is payable not at the moment of production in Bombay, but at the moment of issue from the mill. The millowners would take very great care, being the wise men they are, even if Mr. Joshi is right, as I believe he is right, in some of his criticisms, the millowners would take very great care that there were no stocks of any kind unissued on the 1st of April 1926. We should therefore lose the duty not merely on the production between now and the 1st of April 1926 but also on the whole of the amount now in stock. I estimate that the extra duty will at least be a further Rs. 50 lakhs. This would mean a loss of Rs. 50 lakhs in the Budget of next year. Now, look at the position of the mills. They are suffering, among other things, from overproduction. Their difficulty is to get rid of their stocks. Here you propose for six months to suspend the collection of duty. You give them a direct incentive to produce as much as possible in the next six months and close down on the 1st of April. Is that good for any industry ? It is obviously most undesirable from the point of view of the industry itself and it will be a very unkind thing from the point of view of the industry to suspend this duty just for six months if you intend to impose it again on the 1st April.

I pass for a moment to the question of the cost on this year's Budget. Sir Purshotamdas said, or rather it was well said for him, that we could easily beg, borrow or steal from other quarters in order to find money with which to get rid of the excise duty.

**Sir Purshotamdas Thakurdas :** Sir, I should like to be reminded as to who said it for me.

**The Honourable Sir Basil Blackett :** Mr. Dumasia said that. He put Sir Purshotamdas' more elegant language into something nearer the truth.

**Sir Purshotamdas Thakurdas :** Is that the Finance Member's construction or did Mr. Dumasia say he was speaking for me ?

**The Honourable Sir Basil Blackett :** If the Honourable Member had had the courtesy to be present and listen to and follow Mr. Dumasia's speech, it would not have been necessary to ask this question. The proposal is that I should beg. I am not sure whether I have got to beg from Madras ; I have got to borrow from capital large sums to spend on revenue and I have got to steal from the sinking fund. I have no doubt that I should be capable of doing it for the Honourable Member if he really employed me for that purpose, but he will have to wait until he gets his representative Government before he gets anybody to do that. I cannot find this money except out of the Budget of the year. I must assume that the Budget as it stands is the Budget for the year. We do not yet know how the year is going to turn out. It is true that so far we have had a fairly good monsoon and if we get some rain in the next fortnight in Northern India, it may be a very good monsoon. But as things stand, we really know no more than we knew at the moment when we introduced the Budget, except that we have not got a thoroughly bad monsoon. So far as I have been able to study the estimates from the results of the first four months, I see no reason to modify in any large direction the estimate that was made at the time when the Budget was introduced. It is true that as the result of action taken by this House yesterday, there is a possibility of an addition of 17 lakhs to the apparent surplus. I should like to take this opportunity of informing the House that, provided the Standing Orders can be suspended, we propose to introduce a supplementary estimate to-morrow to charge that sum to capital. Mr. Jamnadas Mehta will perhaps no longer accuse me of not having a heart in view of this evidence of change of heart.

**Mr. Jamnadas M. Mehta :** That is some consolation.

**The Honourable Sir Basil Blackett :** Now, the position, therefore, is that we see no reason to suppose on the figures before us that we should be safe in doing without this amount of revenue for the rest of the year. We should run a very serious risk of bringing to an end the period of budget surplus which began with 1923-24. I submit that that in itself would be most undesirable. But, quite apart from that, we are trenching to the extent of something like 50 lakhs on next year's revenue even if we only suspend. And, in view of the facts that I have put before the House, I think it is perfectly obvious that the acceptance of this motion to-day must necessarily mean the abolition of the duty as from now. So that we should be short next year not of 50 lakhs only but of 2 crores of what we are at present entitled to count as part of our revenue. I do not say either that I guarantee the House against the risk of the good fortune of having a surplus this year or that I guarantee the House against the risk of our having a surplus amounting to 2 crores next year. I should, however, like to draw the attention of the House and of the Bombay Members who have been pressing for this suspension.....

**Mr. Jamnadas M. Mehta :** The whole House is pressing for this.

**The Honourable Sir Basil Blackett :** That remains to be seen. I would draw the attention of the Bombay Members who have been pressing for the suspension of this duty that the question could not possibly have arisen at all if exchange had been at 1s. 4d. If, as some of them hope, exchange is to be at 1s. 4d. next year, we have to start the Budget with an apparent deficit of 3½ crores approximately, simply as a result of the exchange being at 1s. 4d. I do not know which they will prefer. But it is quite obvious that this is not the moment at which we can consider the abolition of the duty unless we do so in entire disregard of the financial situation and of the financial possibilities. Whether we have a surplus or not next year, lies on the knees of the gods. If we have such a surplus, the question will arise how it is to be used and my friend Dr. Macphail's problem has to be answered. Are we going to use it for the reduction of the cotton excise duty or for other purposes ? Therefore, it is perfectly clear that the Honourable Member who moves this motion moves it in this form because he cannot move it, under the laws of the House, in any other form. But this motion means nothing else than the immediate abolition of the duty. Let me just put again the position of the mill-owners. Supposing we were to agree to suspend this duty with a clear understanding that it was expected to be reimposed on the 1st of April. They would say—I think quite rightly—when it came to March : “ You assisted us a little bit in our difficulties. You have given us some little temporary relief and now you propose to come back and hit us again. It will be the last straw if you reimpose the duty now.” I put it to the House that neither the House nor the Government could conceivably, however serious our financial situation might be short of a real calamity, reimpose this duty next April if they suspend it now.

Now, if the Honourable Mover means anything by this motion that is really temporary, I suggest that what he is asking is that this House should give a subsidy to the cotton mill industry—that it should give a subsidy the amount of which would be approximately the amount that we might expect to collect from the cotton excise duty, say 130 or 140 lakhs. This is a proposal to give a subsidy of about 140 lakhs to the mill industry in view of its difficult situation. If the emergency is such as to require that that industry should receive a subsidy, I submit that the only proper way to approach the question would be to ask the House to vote such a subsidy direct and not to get at it by these indirect means. Just look what this indirect means involves. It has already been pointed out that the mills in the Carnatic do not suffer at present from the excise duty. I notice that one mill there recently paid 10 per cent. *interim* dividend. This suspension of the excise duty would go to assist that mill just as much as the mills in Bombay, where the situation is certainly very difficult. The mills in Cawnpore would equally receive the benefit of this subsidy if given in this roundabout form. They admittedly do not require it and they do not certainly require it even to the extent that the mills in Ahmedabad, where the situation is difficult, do feel some need for assistance. I say, therefore, that if we were going to deal with the situation in any way on the lines suggested by the Mover, it ought to be dealt with by means of a subsidy. I do not for a moment desire to suggest to the House that the situation is so grave as to require the very heroic measure of a subsidy.

I have seen comparisons made between the situation in India and the situation in respect to the coal industry in Great Britain. And it has

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been suggested that if Great Britain could afford to have a crisis grave enough for a subsidy, why not India also? I do not think anybody would suggest that the situation here is at all comparable to the situation that arose in Great Britain, when you had a grave emergency which threatened the whole of the fabric of the industrial life of Great Britain. Nor do I think anybody would suggest that special subsidy to an industry of that sort is a precedent which we should be in a hurry to follow. It was obviously a temporary and a dangerous expedient adopted in a grave emergency and our attitude towards it ought surely to be that we should thank God that Providence has put us in such a position that we do not require to follow that undesirable precedent.

Now, thus far I have dealt with the question of suspension and I have tried to prove that it is absolutely equivalent to abolition. The Government could not take a decision of this House to-day in favour of the Resolution as being other than an expression of the view of this House that the excise duty ought to be abolished forthwith without reference to financial considerations and without reference to any of the other claimants on any possible budget surplus; and they would naturally be guided by the results of such a decision in any consideration that they might give to the position that will arise next March when the Budget is under consideration. I hope I have convinced the House that suspension and abolition are identical. I will try, Sir, to keep within your ruling by continuing my argument in a slightly cryptic form. The effect of this Resolution would be that we give up the duty irrespective of our budget position. I should like to quote the words of His Excellency the Viceroy which have already been mentioned by the Mover in regard to this proposal that in the middle of the financial year we should act as is suggested:

"I recognise the strength of your plea and my Government have again considered most carefully whether we could not meet you in this matter. It is with real regret that I have to inform you that we have come to the conclusion that we cannot grant the request. I hardly think indeed that you have realised what that request means. You ask us to take action now in the middle of the financial year before the year has fully declared itself and before the commitments and the prospects of the next year are fully known. You suggest that at a time of this uncertainty the Government should remit a source of revenue which brings us in 2 crores. It is only in the most exceptional circumstance, exceptional to a degree which it is difficult to envisage, that a Government would be justified in adopting such a course. The time for taking stock of prospects is the time of the preparation of the Budget. Then and then only can a proper estimate be made of future prospects of revenue and charges. This decision indicates no lack of sympathy with the industry, no want of will to help it in its difficulty and no lack of desire to see the removal of the excise duty."

But he continues, this is based obviously on financial considerations.

Now I would put it to the House that one of the great advantages that have accrued from the Reforms of 1921 has been the fact that very much greater attention has been paid to the figures of the annual Budget. It has become, what it was not always before, a recognised objection to a proposal that it was brought up in the middle of the year and was not brought up at the proper moment in connection with the Budget. The Public Accounts Committee and the Standing Finance Committee have been setting their faces against any proposals, unless they are absolutely unavoidable, made in the course of the year, and the importance of sticking strictly to the financial programme has been impressed upon everyone. I had occasion just the other day to



tell my Honourable friend, Pandit Madan Mohan Malaviya, that the middle of the year was not a moment at which I could reasonably take up the question of an increased grant to the Benares Hindu University, and that the matter must be taken up at the next Budget. I had to say much the same to Sir Hari Singh Gour with regard to the Delhi University and to Dr. Ziauddin with regard to the Aligarh University. The right time to come before this House and before Government for this sort of thing is the time of the Budget, and I may add that it is a doctrine that is absolutely essential to the proper working of the Finance Department. Otherwise the position of the Finance Department would quickly become intolerable. I would refer, for example, to the Army Budget. What would be our position if it were not strictly recognised that new proposals must come up in connection with a new Budget?

The speech which has been quoted from more than once of His Excellency the Viceroy, in regard to this question, really covers the whole of the ground. He repeated in very solemn terms the pledge that has very frequently been made with reference to the cotton excise duty. He stated that the Government of India had every intention of getting rid of this duty as soon as financial considerations permitted. He did not even stop to justify the tax against some of the accusations that were made against it. Sir Purshotamdas Thakurdas has made one or two of such accusations again to-day, and also Mr. Dumasia. Sir Purshotamdas Thakurdas said that the tax originally represented only  $3\frac{1}{2}$  per cent. but had now become  $8\frac{1}{2}$  of the cost of production. He does not, I think, suggest, that the tax has increased beyond  $3\frac{1}{2}$  per cent. of the cost of production including raw material. It started by being  $3\frac{1}{2}$  per cent. and it is still  $3\frac{1}{2}$  per cent. of the cost including raw material. In so far as there is protection in the case of the cotton duties exactly the same applies to the 11 per cent. import duty. The protection that the cotton mill industry gets in this country is  $7\frac{1}{2}$  per cent., and I have never heard them say that that protection has been doubled because prices have doubled. That is what his argument amounted to. Sir Purshotamdas Thakurdas also had something to say about the buying power of the people being reduced. I would ask him, if the buying power of the people has been so enormously reduced, how is it then that they imported 90 crores worth of precious metals in the last year? The obvious reason why they did it was because Sir Purshotamdas Thakurdas's piecegoods were too expensive and cotton was too high. It does not for a moment show that the buying power was less, but it shows that the people were unwilling to buy cotton goods in such quantities as they might otherwise have done, owing to the high price of cotton. Attacks have also been made on the cotton excise duty as being a capital levy. It is what it calls itself an excise duty. It was originally a countervailing duty. It is now an excise duty which does not in any way act as a countervailing duty as compared with the 11 per cent. duty on imports. It is said that it has no precedents. I would remind the House that only in this very year in the British Budget there has been introduced an excise duty on artificial silk which is exactly comparable to this excise duty, with this exception that that is a countervailing duty and this is not.

I do not want to defend the cotton excise duty from attacks which are justified against it, but I do feel that it is necessary to say

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something in reply to the accusations that are frequently made against it of being an unheard of abominable tax. It is a tax which I think everyone in this House desires to see disappear at the very earliest possible moment, because it has a very bad history. I yield to none in the desire to see it go at the earliest possible moment, but it must I think go with reference to our financial position. It cannot go simply because there is temporary difficulty in the cotton mill industry.

It is not suggested that the suspension or abolition of the cotton excise duty would be anything more than a temporary and very slight palliative for the difficulties in which the cotton industry finds itself in Bombay and Ahmedabad. It would not in any way get to the root of those difficulties. That was admitted quite freely by speakers in this House arguing in favour of the disappearance of this tax six months ago. It is quite obvious that the difficulties are very much bigger and more serious and that they cannot be even touched simply by a reduction of the excise duty.

As regards the question of examination into the industry, I may remind Mr. Joshi that the millowners were asked when they visited His Excellency the Viceroy to express their views on the subject of an immediate inquiry by the Tariff Board into the extent to which the industry requires protection, and that is really the question that does very much want looking into. The question is to what extent does the industry require protection. Is it protected sufficiently or too much or too little at the present time? Does it require special protection against competition from special quarters?

**Mr. Chaman Lall** : May I ask the Honourable Member whether he is prepared to announce an inquiry of that kind now?

**The Honourable Sir Basil Blackett** : I am not in a position to make any announcement on the subject, but it must be remembered that the millowners were asked whether they would like such an inquiry on the 24th August. No reply has been received.

I am not quite sure why a reply has not been received, but it does seem to the Government that that would be the proper way to advance towards a solution of the difficulties for which this motion offers a quite unacceptable palliative, which would obviously not put the industry in a position to stand a reimposition of the duty six months hence if it cannot stand it to-day....

**Mr. Chaman Lall** : I do not wish to interrupt the Honourable Member again, but is he aware that we, in the interests of the workers, want an inquiry? Numbers have gone on strike already.

**The Honourable Sir Basil Blackett** : It would in no way assist the distribution by way of subsidy (which this suspension would really involve) at all evenly among those who have to be helped. Obviously this is not a solution of the difficulty; obviously this is not the way to reach our immediate object, to try and arrive at a solution, by the indirect method of suspension, which really means abolition. I submit that the House would be making a considerable mistake if it votes for this Resolution in the existing circumstances. It is not in possession of the facts; it is not in possession of the financial facts either of this year or next year on which it could come to a conclusion whether or not action such as is proposed in the Resolution is justified. It is not now con-

sidering the annual finances of the year and is not able to take into consideration the extent to which any surplus, if we are so lucky as to have a surplus, should be used in this direction or in some other direction. I would suggest to the House that the proper time for this discussion will be in connection with next year's Budget. We can then take all the facts of the case into consideration, and if the millowners have by then agreed to this inquiry, possibly the situation in regard to the cotton mill industry may be better known to the House. Let me in conclusion read the words that were used by His Excellency the Viceroy in answering the deputation. His last words were these :

“ The whole question is as to the time when the Government of India will be able to redeem their pledge. I refuse even to discuss the question of the excise duty which has been raised by Mr. Wadia, because I regard it as a matter outside Lancashire, outside every consideration except the financial consideration of India.”

And I should like to repeat what I said in this House six months ago, that the Secretary of State's attitude in regard to this matter is not in question. If the Government of India were of opinion that the time had come for abolition of the duty, there would be no question of any kind of intervention from London.

“ The pledge was made ; ”—continued *His Excellency*—“ we are bound by the pledge ; we stand by the pledge ; we are most anxious to carry it out, and for myself,”—said *His Excellency*,—“ I would be very glad if it came in my time, as the Finance Member said ‘ within his time,’ when it could be taken off. But it cannot be taken off at this moment, but only when financial considerations permit, and of course those are the considerations that we have to consider.”

I ask the House not to be led away by any other considerations in this matter than the consideration as to whether the moment has come at which we can completely get rid of this tax. If they vote for the suspension, the Government can only take it as a vote for immediate abolition, and naturally their decision on the facts, whatever they may be next March, will be guided by any vote of that sort. But I submit the House would be very much wiser, all things considered, if they were to adjourn this debate and take the whole question up again in March.

*Several Honourable Members* : I move that the question may now be put.

**Mr. Kasturbhai Lalbhai** (Ahmedabad Millowners' Association : Indian Commerce) : Sir, I find myself in rather a difficult position in speaking on a subject with which I am intimately connected because it has been discussed so threadbare that I can say hardly anything about it which this House does not know. Again, the Resolution being in the hands of such an able and prominent business man as Sir Purshotamdas Thakurdas, it needs very little from me to commend it to the House. Sir, Honourable Members are well aware that this is the fourth time this subject has come up for discussion in one form or another. It has been before the public for the last two years and over. As far as the general public and the elected representatives of the people are concerned, they have demanded in unmistakable terms the abolition of this obnoxious duty. The Government and their highly placed officials have not lacked in lip sympathy, but the time is passed when lip sympathy and pious hopes can alleviate the situation. This is the third successive year of depression in the textile trade, the like of which has been rarely experienced. Assisted by the reserves laid down in good years, the industry has withstood the losses of the past three years, but unfortunately it is not in a position to-day to draw on its past reserves any

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longer, and unless something is done now and immediately, it will receive a set back from which it may not be easy to recover.

Sir, it is becoming more and more difficult to take the Government Members at their word. I am sorry to make this charge against the officials, but their consistent conduct leaves no choice to me but to level this charge and prove it. The Honourable Members are aware that during the last Simla Session the Honourable the Commerce Member gave an assurance that he would examine the case of hosiery with regard to the cotton excise duties, and at that time he reserved his judgment on this issue. After allowing him one full year, I put the question whether he had arrived at any conclusions and the simple answer came forward "No." Another instance, Sir. It has been proved to the satisfaction of the Honourable the Commerce Member that, under the present system of tariff valuations almost all the Ahmedabad mills are made to pay  $4\frac{1}{2}$  to  $4\frac{1}{2}$  per cent. of cotton excise duties. Last year I saw the Secretary, Commerce Department, and got a definite assurance from him that this would be set right at an early date. One full year has passed since then and nothing has been done in the matter. Sir, as will be seen from the duly certified accounts, the losses of the Bombay mills alone for the past three years amount to more than Rs. 6 crores. The stocks of piecegoods have gone up tremendously and after waiting for a year and over for Government assistance, Bombay millowners have been obliged to cut the wages of their workmen by about  $11\frac{1}{2}$  per cent., for which measure a good deal of criticism has been levelled against them. I crave the indulgence of the House to be permitted to explain the reasons which drove the millowners to adopt this course....

• **Mr. N. M. Joshi** : In other words incompetence.

**Mr. Kasturbhai Lalbhai** : The losses of the mills were rising and there was an urgent necessity to minimise them. Short time working would have meant a higher cut in wages and raising the cost of production....

**Mr. Chaman Lall** : Cut out your commissions.

**Mr. Kasturbhai Lalbhai** : I will deal with that in a minute. The competition from Japan has been assuming serious proportions and it was essential to reduce the price of piecegoods to the lowest level possible. Imports of Japanese yarn and piecegoods during the last three months, April to June, have been almost twice as large as the imports for the same period during the previous two years. Prices of Indian piecegoods had to be reduced by 25 to 30 per cent. during the last six months. This is borne out by the Government altering their tariff valuations accordingly; but there has been no similar reduction in the price of ready cotton or in the cost of manufacture. Sir, it has been said that we should have explored other avenues of economies instead of a cut in our workmen's wages. We should have reduced the salaries of the supervising staff and agents' commissions. Now may I inform the Honourable Members that the wages of the supervising staff do not amount to more than 6 or 7 per cent. of the total wage bill? Again, while the wages of workmen have been increased by 80 to 90 per cent. over the pre-war standard, the increase obtained by the supervising staff has not been more than 20 per cent.

5 P.M.

**Mr. Chaman Lall :** What is the total amount of the commission ?

**Mr. Kasturbhai Lalbhai :** I am coming to that. Just wait for a minute. I may also be permitted to explain why it has not been possible to make reductions in other directions. In finding out the cost of cloth produced in our mills, we have got to take the following items into consideration—cost of cotton, mill stores, coal, interest, insurance, commission to selling agent, commission to managing agent, cotton excise duties and depreciation.

Now, Sir, we try and obtain the cotton at the best price prevailing, the commission allowed to purchasing agents being not more than  $\frac{1}{2}$  per cent. or 1 per cent. Unfortunately, we have to purchase our mill stores from abroad at the ruling market price. I pleaded in vain during the last Delhi Session for a reduction in freight on coal. In interest and insurance we cannot conceive of any economy. It will, therefore, be clear that the price of cotton, the cost of stores and the interest and insurance charges are factors beyond the control of the mill management. The only two items in which the management can effect economy are the commission of agents and the wages of labour. So far as the agents' commission is concerned, during the year 1924, out of 55 mills whose statements were available, ten mill agents did not charge a single pie for their remuneration, . . .

**Mr. Chaman Lall :** What about the others ?

**Mr. Kasturbhai Lalbhai :** . . . while 13 relinquished the major portion of their commission.

**Mr. Chaman Lall :** What about the others ?

**Mr. Kasturbhai Lalbhai :** I have received statements only for 35 mills, and I am dealing with them.

**Mr. Devaki Prasad Sinha :** The rest ?

**Mr. Kasturbhai Lalbhai :** And still we are told, Sir, by the Honourable the Finance Member that the fault lies with the management and not with his managing the exchange.

It is a patent fact, Sir, that Indian industries have suffered more by the adverse exchange than anything else. But for it I doubt very much whether Japan would have succeeded in getting a hold over the Indian market as she has done. To-day, Sir, Indian industries are suffering hardships more because of the exchange policy of the Government of India than any other factor.

Sir, we have been accused that our management has not been efficient. In spite of the excise, in spite of heavy import duties on stores and high freights on coal and other disabilities, India has successfully established this great national industry. Here I have got the testimony of another authority, Mr. Clare Lees, Chairman of the Manchester Chamber of Commerce, who, after seeing some of our cotton mills in Bombay, observed that they are the best equipped mills he has ever seen and the Commerce Member is aware of this.

We have been also accused of having our mills over-capitalised. How baseless this accusation is will be found by anyone who cares to examine the balance sheets of some of them. Sir, when during the post-war boom 80 per cent. of the cotton spinning and weaving mills in England were recapitalised at three or four times the original value, I am glad to say that not more than 2 per cent. of our Indian mills were recapitalised.

[Mr. Kasturbhai Lalbhai.]

We have been further accused of shrieking an inquiry by the Tariff Board. Sir, it is entirely wrong. We had an inquiry by the Indian Fiscal Commission which unreservedly condemned the cotton excise duties and asked Government to clean the slate. I ask, have they done this? If not, what is the meaning in multiplying inquiries unless these are meant to defer action and cloud the issue? If Government really mean business, let them take off these repeatedly condemned duties and then if protection is asked for by the trade, there will be time for an inquiry.

**Mr. N. M. Joshi :** Where is the harm in an inquiry?

**Mr. Kasturbhai Lalbhai :** Sir, much has been made of the phrase that the sympathetic and farsighted Viceroy, Lord Hardinge, used in 1916, namely, that "the cotton excise duties will be abolished as soon as the financial considerations permit." It is forgotten that he used this term during the stress of war and when there were innumerable calls on the finances of India. That term has been turned, twisted and paraphrased by the present authorities to suit their purpose. When recently the deputation of the Bombay and Ahmedabad millowners waited on His Excellency the Viceroy, he said that in the middle of the budget year the Government of India cannot come to our assistance. May I know, Sir, whether the same consideration weighed with the Government of India when they carried out the Lee loot, when they called an emergency meeting of the Legislature to give the steel industry protection, when they gave away £100,000,000 as contribution from India? Sir, only recently, the British Government, in the middle of the budget year, did not hesitate to pay a subsidy of £10 millions to save the collieries and coal miners. In short, where there is a will there is a way.

Sir, I have been told that the Government have not been convinced of the exigencies of the situation. In reply I shall borrow the phrase of the leader of my party "that if the Government Members have no eyes to see, no ears to hear, no brains to realise the situation, how am I going to convince them?" Sir, I support the motion of my Honourable friend Sir Purshotamdas Thakurdas.

**Sir Darcy Lindsay (Bengal : European) :** Sir, in spite of the red herring which my Honourable friend the Finance Member has drawn across the track of this Resolution, I propose to support it, and I hope some of my colleagues at least will join me. We consider it very necessary that the Government should be asked to extend a helping hand to this great national industry. The Finance Member tells the House that the remission of the duty now means its abolition in the next Budget. I am sure we hope it may be so. But if money is really not then available, I question whether the mill agents will feel as aggrieved as the Honourable Member seems to think. Why does he not put the position to them? Are they willing and anxious to receive this remission now for the rest of the financial year on condition that if funds are not available, there can be no abolition next year? I think that their answer would be a unanimous yes. When I was in Bombay a few weeks ago, I spent three days there and the present critical position of the industry, due largely to competition from abroad and the accumulation of stocks, was brought home very forcibly to me. We must unite, Sir, in giving such assistance as lies in our power to remedy what has become a dangerous,

situation. I do not think, Sir, it is denied by any one that the situation is now most dangerous. I do not propose to go over the old grounds as to the merits or the demerits of the excise duty. It is now admitted on all hands that the tax is a bad one and must go as soon as money is available. I am told that the immediate effect of a remission of this duty would be a reduction of  $\frac{3}{4}$  anna in the price of cloth, and the hope is that this will materially help sales and reduce stocks to normal conditions. My Honourable friend Mr. Joshi informed the House that the excise duty is entirely responsible for the present position in which the industry is placed. But that is not by any means so. It is due to many other causes. It is not contended that this remission will entirely solve the situation. It must be left to the Tariff Board or the Tariff Inquiry Committee to look further into the question, but in the meantime the remission will give some measure of relief and help to remove the heavy clouds of despair that are now hanging over the industry. It was only yesterday that my Honourable friend Sir Charles Innes in his eloquent pleading for further protection for the steel industry told the House that Government decided to adopt a bold and generous measure and as a result stocks which a year ago were overhanging the position had been reduced to normal and the steel industry extricated from the serious position in which it was placed. It is this bold and generous measure that we ask the Honourable the Finance Member to adopt and give a helping hand to this national industry before it is too late, as I am assured it will be if we wait until next March. There is no use Dr. Blackett giving medicine after the patient is dead or past hope. I recognise it may be unsound finance to give relief in the middle of the financial year before we know whether there is likely to be a surplus of revenue over expenditure but desperate cases require desperate remedies. My Honourable friend Mr. Kasturbhai has made reference to the £10 millions given in the middle of the financial year by the Government at home, but let us come closer home. Did we not only yesterday give Rs. 18½ lakhs to the steel industry in the middle of the financial year, and where is the difference? Surely what is sauce for the goose is sauce for the gander.

**The Honourable Sir Basil Blackett :** That is provided for from the original budget surplus of Rs. 24 lakhs.

**Sir Darcy Lindsay :** Reference has also been made to the Rs. 50 lakhs which we voted yesterday for expenditure on opium. Now, Sir, was there any real necessity to take this money out of revenue if the money was required and desperately required for other purposes? I contend, Sir, that that money for the purchase of opium should be in suspense account and not charged to revenue. Then the Honourable the Finance Member has himself referred to the Rs. 17 lakhs that was saved yesterday from revenue and is now going to be put to capital account. All this, Sir, goes to show that money can be found when wanted. We know, Sir, that there must be some surplus this year over the amount that the Honourable the Finance Member budgeted for owing to the rise in exchange alone. He budgeted at 1s. 6d. and exchange since then and at the present time is considerably higher. Then we have the duty on steel. I believe there is an amount over and above what may be given as bounty to the steel industry. Then we passed a Bill only a few days ago to collect higher duty on paper. I take it that the Finance

[Sir Darcy Lindsay.]

Department will receive extra money from that duty. I do not suggest that the Honourable the Finance Member can produce rupees from the air like the conjuror whom I noticed he was watching with some interest at a recent garden party. But if he will only admit that under very special circumstances relief may be given in the middle of a financial year, I believe he can find the money. What he is asked to do is to give up a possible collection of Rs. 80 or 90 lakhs. The Honourable Member went further than that and said it was really Rs. 130 lakhs owing to accumulation of stocks. Is he not an optimist in thinking that such an amount can be collected if he does not remove this excise duty? The great trouble in the industry is that the mills cannot sell the goods owing to the high prices. So, I very much question whether the sum of Rs. 130 lakhs he anticipates will ever reach him. It has often been said, Sir, in this House that the Resolution that are passed are not acted upon. I hope Government will rise to the occasion and see that so far as this particular Resolution is concerned the recommendation will be given effect to at the earliest possible moment. With these words I support the Resolution.

*Several Honourable Members* : I move that the question be now put.

**The Honourable Sir Charles Innes** (Commerce Member) : I had not intended to intervene in this debate at all. Indeed, I had hoped that it would not be necessary for me to do so, but the speech of my Honourable friend Sir Darcy Lindsay has compelled me to make a few remarks.

In the first place he drew an analogy between the suspension proposed by my Honourable friend Sir Purshotamdas of the cotton excise duty and "the bold and generous stroke" which this House took last January in giving a bounty of Rs. 50 lakhs to the steel industry. Sir, I may point out to the Honourable Member that there is all the difference in the world between giving a grant of Rs. 50 lakhs to a single firm and giving a suspension of taxation amounting in all I understand to Rs. 100 lakhs—my Honourable friend on my right will correct me if I am wrong—to an industry which comprises well over 100 to 150 mills. The Honourable Member seems to think that this suspension will make all the difference to the cotton mill industry. I make bold to say that that statement is not correct. I doubt very much whether a suspension of this cotton excise for the rest of the year would even touch the fringe of the problem which now lies before the cotton mill industry. What really surprised me most in my Honourable friend's speech was its extreme ingenuousness. I do not for a moment suggest that my Honourable friend Sir Purshotamdas is in any way tricking the House. Sir Purshotamdas was compelled to put his Resolution before the House in this form because, as my Honourable friend Sir Basil Blackett has pointed out, he could not have proposed the total abolition of the cotton excise without coming within the mischief of the Standing Orders. He would not have been allowed, as you, Sir, have pointed out, to move a Resolution suggesting the abolition of the cotton excise. But I am perfectly sure that Sir Purshotamdas knows, just as we all must know, that if we suspend this tax now it is not practical politics to put it on again in March next. Are we going to disband the staff



we have got now and collect it again in April? And having once taken off a tax with the history of this tax, does any one suggest that the Government could put it on again in March? Every body must realise—Sir Basil Blackett has said this once and I say it again—every body must realise that, if the House passes this Resolution in the form suggested by my Honourable friend Sir Purshotamdas, Government will have no option but to take that as a decision of the House that the cotton excise should be abolished. Our sole point is that, before the House comes to this decision they ought to have the issue properly before them and they should not be led away into giving a premature decision in favour of the abolition of the cotton excise.

Now, Sir, before I sit down I should like just to refer very briefly to one or two remarks made by my friend Mr. Kasturbhai Lalbhai. He accused me of not having carried out my promises in regard to hosiery and in regard to altering the system of tariff valuation. Both these questions are being considered. I may tell the Honourable Member quite frankly that since the cotton excise is under sentence of death, I see no reason why we should alter the system of valuation which has been in force for many years and I see no reason why I should bring an amendment of the Cotton Duties Act before this House when we propose to abolish that Act as soon as financial considerations permit. Let me also refer to this question of the inquiry of the Tariff Board. Every body will admit as I have just said that the taking away of the cotton excise duty does not touch the fringe of the problem for the millowners. They admit that themselves and we all know it, and that was the reason why His Excellency the Viceroy, when the deputation came up before him, asked the millowners whether they would like to have an inquiry by the Tariff Board into the conditions of their industry, in order to decide whether or not protection was required. Now, I must confess that I cannot understand the attitude taken up by the millowners in this matter. They always refer us to the Fiscal Commission and they always say, "we will not have that inquiry until you take off the cotton excise duty". Well, Sir, if we remitted that question to the Tariff Board for inquiry, it will be no part of the Tariff Board's duty to decide or to advise us whether or not the cotton excise duty should be taken off. That is a decided question. It would not be reopened in any way at all. I cannot help wondering why the millowners always refuse that inquiry. We cannot remit the matter to the Tariff Board for inquiry unless the millowners apply. That is the position we take.

**Mr. Kasturbhai Lalbhai :** We have no confidence in the *bona fides* of the Government Members.

**The Honourable Sir Charles Innes :** If that is the reply that they give me, the reply that I feel inclined to give my Honourable friend Mr. Kasturbhai Lalbhai is that the reason why the millowners so dislike the idea of an inquiry into the conditions of their industry may be thought to be that they are not altogether satisfied that the result of that inquiry would be entirely creditable to that industry.

*Several Honourable Members :* I move that the question be now put.

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

The motion was adopted.

**Sir Purshotamdas Thakurdas** (Indian Merchants' Chamber : Indian Commerce) : Sir, I do not propose to detain the House at any great length but I feel I must reply to one or two points raised by the Honourable the Finance Member. He, Sir, was quite up to his usual form in meeting a Resolution especially where according to me at any rate he has to oppose a strong case, and he has a poor defence himself. My Honourable friend said in the beginning, "I have had to refuse grants to the Hindu University, the Muslim University and the Delhi University, on behalf of which requests were put forth by Pandit Madan Mohan Malaviya and Sir Hari Singh Gour, and how can I in the middle of the year attend to the textile industry?" Where is the comparison, Sir, between the paltry lakh or two required for these universities..... (*An Honourable Member* : "Paltry?") Paltry by all means as compared with the stake here. The stake here is of an industry built up by Indians for the best benefits of India. You talk of one lakh, half a lakh or two lakhs being refused to the Hindu or the Muslim University. I am sure that the Hindus and the Muhammadans in this House will realise that that was irrelevant to the question before us.

Then the next thing he said was "we have to refuse fresh grants to the Army Department in the middle of a year". I am sure that my Honourable friend successfully refuses grants in the middle of a year to the Army Department in peace times. But in war times my Honourable friend will himself admit that grants may be voted above his head even, if he is not at headquarters. I submit, Sir, that the Indian textile industry at this juncture should be considered as important and as urgently in need of immediate assistance as the case of requirements of the country in war time. During peace time the country flourishes, and the treasury flourishes with the successful carrying on of industries. Therefore in the present case, Sir, I claim that the Finance Member should give the same treatment that he gives during war time to demands from the Army Department.

He next asked me, Sir, some questions regarding the exchange policy which I do not want to discuss. But he asked me a very pointed question to which I feel I must give him a reply. I did not give him my own opinion because I decided not to give my own opinions ever since I accepted the membership of the Royal Commission but I gave him the opinion of an English banker whose opinion is entitled to some consideration at least at the Finance Member's hands. If the Honourable Finance Member wants to interrupt me I shall give way to him, though he did not give way to me.

**The Honourable Sir Basil Blackett** : I was careful to say not a word about Sir Purshotamdas Thakurdas when I was talking of exchange.

**Sir Purshotamdas Thakurdas** : I referred to the fact that the buying power of Indian agriculturists and the masses had gone down and he asked me to explain how it was that India had imported 90 crores worth of gold. May I, Sir, refer him to himself and the policy that he has been adopting, of artificially cheapening gold in India and of making gold available to the masses at Rs. 21-6-0, a price at which as any person in the Finance Department knows the masses of India rush in for gold. What is the good of asking me? Let him ask himself and let him tell us what explanation he has got to give for having thus diverted the resources of India. It will be for him some day in the future to reply why he chose

to adopt that policy for India lately. But, Sir, his reply was that the cultivator does not buy Indian piecegoods because the millowners sell the piecegoods dearly. His Excellency the Viceroy has said Indian cloth cannot be sold cheaper because the price of cotton has been high. Does the Honourable the Finance Member deny that, and if the price of cotton has been high, what does he mean to convey by his reference to dear Indian mill made cloth? Does he indicate that the Indian mill-owner here has funds which are inexhaustible and upon which he can draw in order that his mills may keep on working and losing money? Sir, I claim that at this juncture, it is the duty of the Government of India and of the Finance Member of the Government of India, if he really wishes to serve the best interests of the country, to say "All right, even though it is an extraordinary thing to do, we will at least suspend this duty and will enable you to move on your piecegoods at a reduction of  $\frac{1}{4}$  anna per pound". Sir, the Commerce Member said that this is not adequate. It may be, but the very fact that he confessed that this relief of  $\frac{1}{4}$  anna per pound is not adequate makes it incumbent upon him and upon His Excellency the Viceroy and upon the whole Executive Council of the Government of India to say, "Let us at least do this and tell the people concerned, the millowners, to help themselves and look after themselves." Instead of that, Sir, the Finance Member gets up and pleads before the House, "I warn you, if you do this, the country will be incurring a great risk". That, Sir, should not be the outlook of a responsible person in the position of the Finance Member of a continent like India. Let him have a broader outlook, I say. I want him to take his courage in both hands. I told him that he has hidden away crores and crores within the last few years. (Laughter.) You set aside, as I pointed out, 11 crores under the sinking fund and 11 crores under railways. You never disputed that point.

(The Honourable Sir Basil Blackett rose.)

You will have your right of reply. I say, Sir, that if at this juncture the Government of India still hesitate to rise to the occasion and to suspend this duty for the six months my Resolution asks for, all that we would conclude is that we are not likely to get much from them, at any time.

One point more, Sir, as far as certain remarks of Sir Basil Blackett are concerned. A reference has been made to the suggested inquiry by the Tariff Board. I fully agree, Sir, that if and when the millowners want protection at the expense of the tax-payer, they must go to the Tariff Board. But why should our Government friends be more anxious that the millowners should go to the Tariff Board than the millowners themselves?

**The Honourable Sir Charles Innes :** You asked for protection against Japan.

**Sir Purshotamdas Thakurdas :** That does not refer to my Resolution. My Resolution is regarding the suspension of the cotton excise duty, which you yourself admit has been bad, obnoxious, etc., etc. Why bring up the question of inquiry to-day?

The Commerce Member, Sir, or the Finance Member or His Excellency the Viceroy himself said, 'Why not go to the Tariff Board', and

[Sir Purshotamdas Thakurdas.]

it was said that the millowners had not replied to it. I am not in the confidence of the millowners; I am not a member of the Millowners Association, and therefore I cannot say if the millowners hesitate to go to the Tariff Board.

Sir, a vague suspicion lurks that the Government of India may be watching for some method or other of forcing upon India Imperial Preference—which, Sir, India cannot conceive of as long as Indians are treated as they are in the Colonies. (Hear, hear.) A further apprehension is that if India does not adopt Imperial Preference, she should, by some method or other, be forced to give preference to the United Kingdom—another problem on which some Indians have strong views. The suspicion is that by compelling millowners to go to the Tariff Board, the Government of India have some such thing as this in contemplation. I do not know how much truth there is in this. I am not able to say if the millowners themselves hold these views or not. But why be more friendly to the millowners than the millowners are to themselves? They claim, Sir, that the abolition of the excise duties is their birthright. You set aside 21 crores on one side; we say we are entitled to this sum. It is no use appealing to Madras and to the Punjab and other provinces and saying, “Look here, your provincial contributions are in danger”. I say, Sir, and I say this with all deference to my reverend friend, Dr. Macphail, that that question does not arise. Madras has had her reduction of contribution for this current year. My Resolution only asks for suspension for the balance of the current year. Next year I hope that this Assembly will assert itself and will extract the excise duty out of the Treasury Benches in spite of the strongest opposition that they may put up. I do not think that I have anything more to say, Sir. I wish only to refer to the remarks of my Honourable friend Mr. Joshi. I deplore those remarks, and I hope that he himself will regret that he made some of those remarks.

**Mr. N. M. Joshi :** Which remarks?

**Sir Purshotamdas Thakurdas :** I do not wish to enlarge upon that further. My aim to-day is to put before the House and to put before my Honourable friends opposite the very grave situation in the textile industry in Bombay and in Ahmedabad, which threatens to travel further upcountry also.

We were told by Sir Basil Blackett that instead of asking for suspension, I should have asked for a subsidy. How does the question of asking for a subsidy arise? I ask for no favour; I ask for what is the birthright of India and Indians as far as the removal of the cotton excise duty is concerned. There is no question of labour and capital here. There is no question of asking for a subsidy. The Government of India, constituted as they are at present, will take many many years before they learn or are able to give a subsidy to the textile industry. There is great competition already to-day, and the eyes of Lancashire are already turned to India. Can we expect a favour from Government in the present situation? We insist upon only what is overdue to us and what is our birthright. I do not think that any Member on the Government Benches is entitled either to raise the question of provincial doles or to raise the question of the Hindu or Muhammadan University in this connection. I wish that the Finance Member had thought it very

undesirable to mention that part of it. I stand, Sir, in the name of the Bombay Presidency and in the name of the Indian textile industry to claim from the Government of India what is their birthright. 30,000 people are out of employment. Are they going to wait until it goes up to one lakh ?

**Mr. Chaman Lall :** What have the Government done for them ?

**Sir Purshotamdas Thakurdas :** What is the good of saying that you have no money ?

Finally, I wish very much to express my appreciation of what Sir Darcy Lindsay said on behalf of his European colleagues. (Applause.) At least I have this satisfaction to-day that whatever the Honourable Members on the Government Benches may say, European and Indian commerce are unanimous to-day in running down the policy of the Government of India as far as this obnoxious duty is concerned. I should like to express my grateful thanks to my Honourable friends representing European commerce and interests, and I fervently hope that we will oftener be able to look at many questions from that common standpoint, the best interests of the land we live in and love. I beg to move my Resolution, Sir, and recommend it, with conviction, for the acceptance of the House.

**The Honourable Sir Basil Blackett** (Finance Member) : Sir, Sir Purshotamdas asks us to have "a little outlook" ! I suggest that is sometimes what the commercial community has when it is trying to get something out of the tax-payer into its pockets,—“a little outlook.” The Honourable Member has made a somewhat violent speech. However, after the sample we had yesterday of the extraordinary manner in which he gave thanks for the Government's offer of a subsidy of 60 lakhs for steel, I could hardly have expected anything different to-day. He really has left me nothing to answer, because he has said nothing (*An Honourable Member* : “Then why speak ?”) I am speaking only because there are some Honourable Members who are incapable of listening to arguments unless repeated.....

**Mr. M. A. Jinnah :** We believe you have nothing to say.

**The Honourable Sir Basil Blackett :** There is one point. The Honourable Member inquired why the Government spoke about a Tariff Board inquiry in regard to the mill industry. One of the main reasons, Sir, was that the Millowners' Association—for whom Sir Purshotamdas Thakurdas says he does not speak—asked the Government for the imposition of a higher import duty on yarn and cloth below 30 counts on the ground of protection. That was the main reason which brought the question up. The other reason of course was—Sir Purshotamdas Thakurdas asked why it was that the millowners did not desire an inquiry, the answer to that has already been well given by my Honourable friend the Commerce Member, namely,.....

**Sir Purshotamdas Thakurdas :** I gave it also.

**The Honourable Sir Basil Blackett :** .....that they did not think that their case is one which will bear much investigation. I have really nothing more to add to what I have already said. It is perfectly ridiculous for any Honourable Member to pretend that there was any difference between suspension and abolition.

**Mr. R. K. Shanmukham Chetty :** Why then did not His Excellency the Viceroy refer to that ?

**The Honourable Sir Basil Blackett :** I cannot hear the Honourable Member.

**Mr. R. K. Shanmukham Chetty :** Why did not the Viceroy say that suspension leads automatically to remission ?

**The Honourable Sir Basil Blackett :** The millowners, for whom Sir Purshotamdas Thakurdas does not speak, were wiser. They did not ask His Excellency for suspension, they asked for abolition. They asked for what they meant—not what the Resolution to-day says that they mean. I will repeat once more, Sir, that this Resolution really requests the immediate abolition of the cotton excise duty. The Government of India are not prepared to consider the question of the abolition of the excise duty except in connection with next year's Budget. When the next year's Budget comes forward, the question will be very carefully and sympathetically considered ; and the House will I think be making a mistake to-day if it passes the Resolution which the Government must take as a demand for abolition in all circumstances without reference to financial considerations, whether there is a surplus or not, as from the beginning of the next financial year.

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

“ That the following Resolution be adopted :

‘ This Assembly recommends to the Governor General in Council to be pleased to forthwith suspend the collection of the cotton excise duty for the rest of the current year 1925-26, in view of the critical stage of the Indian textile industry as at present prevailing ’ ”

The Assembly divided :

AYES—57.

Abdul Haye, Mr.  
Abhyankar, Mr. M. V.  
Abul Kasem, Maulvi.  
Acharya, Mr. M. K.  
Ahmad Ali Khan, Mr.  
Alimuzzaman Chowdhry, Khan Bahadur.  
Aney, Mr. M. S.  
Bhat, Mr. K. Sadasiva.  
Carey, Sir Willoughby.  
Chaman Lall, Mr.  
Chanda, Mr. Kamini Kumar.  
Chartres, Mr. C. B.  
Chetty, Mr. R. K. Shanmukham.  
Cocke, Mr. H. G.  
Crawford, Colonel J. D.  
Das, Mr. B.  
Duni Chand, Lala.  
Dutt, Mr. Amar Nath.  
Fleming, Mr. E. G.  
Ghazanfar Ali Khan, Raja.  
Gour, Sir Hari Singh.  
Govind Das, Seth.  
Gulab Singh, Sardar.  
Hans Raj, Lala.  
Iyengar, Mr. A. Rangaswami.  
Jinnah, Mr. M. A.  
Joshi, Mr. N. M.  
Kartar Singh, Sardar.  
Kasturbhai Lalbhai, Mr.

Kelkar, Mr. N. C.  
Lindsay, Sir Darcy.  
Lohokare, Dr. K. G.  
Maguire, Mr. L. T.  
Majid Baksh, Syed.  
Malaviya, Pandit Madan Mohan.  
Mehta, Mr. Jamnadas M.  
Misra, Pandit Harkaran Nath.  
Muhammad Ismail, Khan Bahadur Saiyid.  
Murtuza Sahib Bahadur, Maulvi Sayad.  
Mutalik, Sardar V. N.  
Narain Dass, Mr.  
Nehru, Dr. Kishenlal.  
Nehru, Pandit Motilal.  
Nehru, Pandit Shamlal.  
Neogy, Mr. K. C.  
Purshotamdas Thakurdas, Sir.  
Ramachandra Rao, Diwan Bahadur M.  
Ranga Iyer, Mr. C. S.  
Sadiq Hasan, Mr. S.  
Samiullah Khan, Mr. M.  
Sarfaraz Hussain Khan, Khan Bahadur.  
Singh, Mr. Gaya Prasad.  
Sinha, Mr. Devaki Prasad.  
Syamacharan, Mr.  
Sykes, Mr. E. F.  
Venkatapatiraju, Mr. B.  
Yusuf Imam, Mr. M.

## NOES—32.

|                                     |   |
|-------------------------------------|---|
| Abdul Mumin, Khan Bahadur Muhammad. | Gurner, Mr. C. W.                       |
| Ahmed, Mr. K.                       | Innes, The Honourable Sir Charles.      |
| Ajab Khan, Captain.                 | Langley, Mr. A.                         |
| Akram Hussain, Prince A. M. M.      | Lloyd, Mr. A. H.                        |
| Ashworth, Mr. E. H.                 | Mahmood Schamnad Sahib Bahadur, Mr.     |
| Ayyar, Mr. C. V. Krishnaswami.      | Mitra, The Honourable Sir Bhupendra     |
| Bajpai, Mr. R. S.                   | Nath.                                   |
| Bhore, Mr. J. W.                    | Muddiman, The Honourable Sir Alexander. |
| Blackett, The Honourable Sir Basil. | Panduranga Rao, Mr. V.                  |
| Bray, Sir Denys.                    | Raj Narain, Rai Bahadur.                |
| Burdon, Mr. E.                      | Roy, Mr. G. P.                          |
| Clow, Mr. A. G.                     | Sim, Mr. G. G.                          |
| Cosgrave, Mr. W. A.                 | Singh, Rai Bahadur S. N.                |
| Ghulam Bari, Khan Bahadur.          | Tonkinson, Mr. H.                       |
| Gordon, Mr. E.                      | Vijayaraghavacharya, Diwan Bahadur T.   |
| Gordon, Mr. R. G.                   | Webb, Mr. M.                            |
| Graham, Mr. L.                      |   |

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Thursday, the 17th September, 1925.