

THE  
COUNCIL OF STATE DEBATES

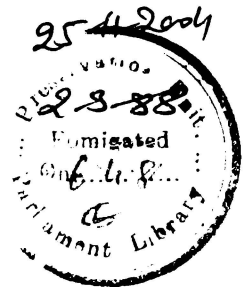
VOLUME I , 1929

(12th February to 12th April 1929.)

---

SIXTH SESSION

OF THE  
SECOND COUNCIL OF STATE, 1929



SIMLA  
GOVERNMENT OF INDIA PRESS  
1929

# CONTENTS.

Pages.

## Tuesday, 12th February, 1929—

Members Sworn	1
Recent Illness of His Majesty the King-Emperor	1-2
Questions and Answers	2-11
Deaths of Mr. S. R. Das and Sir Muhammad Rafique	11-13
Messages from His Excellency the Viceroy	13-14
Committee on Petitions	14
Governor General's Assent to Bills	15
Message from the Legislative Assembly	15
Motion for the Election of a Panel for the Standing Advisory Committee for the Department of Education, Health and Lands—Adopted	15
Motion for the Election of a Panel for the Standing Advisory Committee for the Department of Industries and Labour—Adopted	16
Motion for the Election of a Panel for the Central Advisory Council for Railways—Adopted	16
Presidency-towns Insolvency (Amendment) Bill—Introduced	17

## Wednesday, 13th February, 1929—

Resolution <i>re</i> Development of Waterways—Negatived	19-28
Resolution <i>re</i> Establishment of Steamer Services in conjunction with State Railways—Negatived	29-32
Election of two Members to represent the Council of State on the Court of the Delhi University	32

## Monday, 18th February, 1929—

Member Sworn	33
Message from the Legislative Assembly	33
Election to the Panel for the Standing Advisory Committee for the Department of Education, Health and Lands	33
Election to the Panel for the Standing Committee for the Department of Industries and Labour	34
Election to the Panel for the Central Advisory Committee on Railways	34
Resolution <i>re</i> Repeal of the Indian Arms Act—Negatived	34-42
Resolution <i>re</i> Return Tickets on State Railways for Third Class Passengers—Withdrawn	43-48
Resolution <i>re</i> Betting at Races—Negatived	49-55
Statement of Business	55

## Tuesday, 19th February, 1929—

Member Sworn	57
Elections to the Panel for the Standing Advisory Committee for the Department of Education, Health and Lands	57
The Railway Budget for 1929-30	57-65
Presidency-towns Insolvency (Amendment) Bill—Passed	65-66

**Friday, 22nd February, 1929—**

General Discussion of the Railway Budget	...	...	67-91
Statement of Business	...	...	91

**Monday, 25th February, 1929—**

Member Sworn	...	...	93
Questions and Answers	...	...	93-96
Resolution <i>re</i> Separate Karnataka Province—Negatived	...	...	97-102
Resolution <i>re</i> Slaughter of Milch Cows for the Supply of Beef to the Army—Negatived	...	...	103-137
Resolution <i>re</i> Extension of Banking Facilities—Withdrawn	...	...	113-18

**Wednesday, 27th February, 1929—**

Resolution <i>re</i> Import of Vegetable Oil, etc—Adopted	...	...	119-33
Resolution <i>re</i> Reconstitution of the Central Advisory Council for Railways—Withdrawn	...	...	134-38

**Thursday, 28th February, 1929—**

The General Budget for 1929-30	...	...	139-53
Statement of Business	...	...	153

**Monday, 4th March, 1929—**

Member Sworn	...	...	155
Message from Her Majesty the Queen-Empress	...	...	155
Questions and Answers	...	...	155-80
Congratulations to the Honourable Colonel Nawab Sir Umar Hayat Khan and the Honourable Sir Annamalai Chetty on the Honours conferred on them	...	...	180-81
Resolution <i>re</i> Reduction of the Price of Postcards—Negatived	...	...	181-93
Resolution <i>re</i> Assessment of Income-tax on the Annual value of Residential Property—Withdrawn	...	...	193-203

**Wednesday, 6th March, 1929—**

Questions and Answers	...	...	205-10
General Discussion of the General Budget	...	...	210-55
Statement of Business	...	...	256

**Tuesday, 12th March, 1929—**

Questions and Answers	...	...	257-66
Bilk passed by the Legislative Assembly laid on the Table	...	...	266
Resolution <i>re</i> Deductions when determining Income-tax of Losses incurred by Persons who stand Surety or lend Money	...	...	266-75
Statement of Business	...	...	276

**Monday, 18th March, 1929—**

Questions and Answers	277-85
Bill passed by the Legislative Assembly laid on the Table	286
Message from the Legislative Assembly	286
Resolution <i>re</i> Jury Trials in cases of Sedition—Negatived	286-94
Resolution <i>re</i> Leader of the Indian Delegation to the League of Nations—Withdrawn by leave of the Council	294-305
Resolution <i>re</i> Distribution of Spinning Wheels to the Famine-stricken people of the Northern Districts of the Central Provinces—Negatived	305-11

**Tuesday, 19th March, 1929—**

Questions and Answers	313-20
Statement laid on the Table	320
Motion for the Election of the Panel for the Standing Committee on Emigration—Adopted	320-21
Indian Tariff (Amendment) Bill—Passed	321-23

**Wednesday, 20th March, 1929—**

Questions and Answers	325-30
Date for the Receipt of Nominations to the Panel for the Standing Committee on Emigration	330
Resolution <i>re</i> Investigation into the Systems of Land Revenue in the Different Provinces—Negatived	331-57
Statement of Business	357

**Saturday, 23rd March, 1929—**

Member Sworn	359
Questions and Answers	359-63
Elections to the Panel for the Standing Committee on Emigration	363
Workmen's Compensation (Amendment) Bill—Passed	364-65
Alleged delay in the Disposal of Government Business in the Legislative Assembly	365-68

**Saturday, 30th March, 1929—**

Questions and Answers	369-75
Bill passed by the Legislative Assembly laid on the Table	375
Election of a Member to the Governing Body of the Central Council of Agricultural Research	376-77
Indian Finance Bill—Considered and Passed	377-400

**Monday, 8th April, and Tuesday, 9th April, 1929—**

**Monday, 8th April, 1929—**

Questions and Answers	401-02
Election of the Panel for the Standing Committee on Roads	402-05
Election of a Member to the Governing Body of the Central Council of Agricultural Research	405

**Tuesday, 9th April, 1929—**

Member Sworn	407
Bill passed by the Legislative Assembly laid on the Table	407
Trade Disputes Bill—Date for consideration	407

	Pages.
<b>Thursday, 11th April, 1929—</b>	
Recent Bomb Outrage in the Legislative Assembly ...	409
Trade Disputes Bill—Considered and Passed ...	409-30
Elections to the Panel for the Standing Committee on Roads	430
Message from His Excellency the Viceroy ...	431
<b>Friday, 12th April, 1929—</b>	
Address by His Excellency the Viceroy to the Members of the Council of State and the Legislative Assembly ...	433-35

## COUNCIL OF STATE.

*Monday, 25th February, 1929.*

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

### MEMBER SWORN.

The Honourable Major-General Thomas Henry Symons, C.S.I., O.B.E., K.H.S. (Director General, Indian Medical Service).

### QUESTIONS AND ANSWERS.

#### SUBMISSION TO THE CONTROLLER, LOCAL CLEARING OFFICE (ENEMY DEBTS), OF CLAIMS BY LASCAR SEAMEN.

25. THE HONOURABLE MR. G. S. KHAPARDE: Will Government be pleased to state whether the Indian Seamen's Union, Calcutta, was informed either by Government or by the Shipping Master, Calcutta, about the instruction given by the Controller, Local Clearing Office (Enemy Debts), for submission of claims by lascar seamen before the 31st March 1928? If not, why?

THE HONOURABLE SIR BROJENDRA MITTER: The Government of India left it to the Shipping Master, Calcutta, to notify the last day for submitting claims. He reported that he had done so by fixing notices on the office Notice Boards at the Calcutta and Kidderpore Shipping Offices. He did not forward the notice to the Indian Seamen's Union as office-bearers of the Union are frequently in attendance at the Shipping Offices and are conversant with all notices posted on the office Notice Boards.

#### TOTAL AMOUNT RECEIVED FOR THE INDIAN SEAMEN (ENEMY DEBTS) ACCOUNT.

26. THE HONOURABLE MR. G. S. KHAPARDE: Will Government be pleased to state the total amount received by them for the Indian Seamen (Enemy Debts) account and whether it is intended to extend its benefits to all Indian seamen who suffered during the war irrespective of any time limit for submission of their claims?

THE HONOURABLE SIR BROJENDRA MITTER: A sum of Rs. 25 lakhs was voted in 1924 by the Legislative Assembly for the payment of reparation claims to persons of Indian domicile. Out of this grant, a sum of Rs. 2,15,161 has already been sanctioned by the Government of India for payment as compensation to Indian seamen for loss and suffering to them caused by enemy action during the war. It will not be possible to extend the grant of compensation from this grant to all Indian seamen who suffered during the war irrespective of any time limit for the submission of their claims. Repeated press

communiqués and notices have been issued from 1920 onwards calling for reparation claims from British Indian nationals for loss and suffering by enemy action during the war. Although the Government of India consider that such notices were ample to enable all Indian seamen who have any claim to present same, yet having regard to representations received from certain seamen and Seamen's Unions they have under consideration the granting of still further time within which claims can be presented.

#### EXISTING CONTRACT FOR THE CARRIAGE OF MAILS BETWEEN ENGLAND AND INDIA.

27. THE HONOURABLE MR. G. S. KHAPARDE (on behalf of the Honourable Rai Bahadur Lala Ram Saran Das) : Will Government be pleased to lay upon the table a copy of any information which has been furnished to the Honourable Sir Phiroze Sethna in reply to his question asked in the Council of State on the 17th September, 1928, regarding the existing contract for the carriage of mails between England and India, in connection with which the Honourable Mr. Clow stated that the information asked for by the Honourable Member would be collected and supplied as soon as possible ?

THE HONOURABLE MR. A. C. MCWATTERS : A copy of the statement which was furnished to the Honourable Sir Phiroze Sethna as promised by the Honourable Mr. Clow is laid upon the table of the House. It will be observed that it is not confined to a formal answer to the points specifically raised by the Honourable Member but is designed to furnish a fuller statement of the position regarding the contract in question.

#### STATEMENT.

Separate contracts existed from 1850 for the conveyance of mails to India, China and Australia, the net loss on the Indian and China contracts being shared equally between Great Britain and India\*. Since 1867 the P. and O. Company have been carrying the East Indian and China mails under contracts made from time to time with His Majesty's Postmaster-General. During the years 1867-1888 the payments made by India ranged between £65,240 and £75,000 per annum. Since 1888 the Australian service has also formed part of these contracts from which year the mails were first carried *through* the Suez Canal. From 1876 to 1889 the contribution paid by India to the subsidy was apportioned on the basis of an arbitration in 1876, by Lord Halifax, of certain vexed questions. The share of subsidy paid by India ranged during this period from £67,820 to £69,380 annually. Questions of detail regarding the apportionment of cost arose between 1876 and 1889 and were duly settled at the time. In 1890, however, India gave up that system of apportionment and made a fixed payment of £59,900 every year and this continued until the year 1898.

2. In the latter year, a sixth contract was arranged with the P. and O. Company by the British Post Office for a subsidy of £330,000, for a period of 7 years. India raised at that time certain questions regarding the principles to be followed in the apportionment of the subsidy, and as these questions could not be settled by agreement, the matter was submitted to the arbitration of Lord Morley, who decided that the following main principles should be observed in apportioning the subsidy. This is known as Lord Morley's Award.

(a) The cost of the Australian service (which was then fixed at £85,000) should first be deducted from the subsidy.

(b) The service should be divided into seven sections as shown in the margin and the cost of each section should be ascertained by dividing the subsidy in proportion to the annual mileage of each section.

Brindisi to Port Said ; Port Said to Aden ; Aden to Bombay ; Aden to Colombo ; Colombo to Singapore ; Singapore to Hongkong ; Hongkong to Shanghai.

\* Just before 1867 the Indian share was £41,000.

- (c) India should pay for the cost of the sections up to Bombay according to the proportion of letters sent and received by it in relation to the letters sent and received by the other contributing countries.
- (d) The postage collections in India and the United Kingdom on correspondence conveyed over the service, and transit charges realized from non-contributing countries who availed themselves of the service should be pooled and after deducting payments for Continental transit and rates to other countries, the balance should be *equally* divided. This was called the pooling account.
- (e) The credit on account of this pooling should go to reduce the share of India's subsidy.
- (f) India should bear the whole cost of sorting at sea between Aden and Bombay.

3. The contract made in 1898 was extended to 1907 and an account was prepared in 1903 by the London General Post Office in accordance with the principles of Lord Morley's Award. According to this India's annual contribution was fixed at £59,330 from the year 1898. The subsidy to the Company was, however, increased on the 1st February 1905 by £10,000 (making the total subsidy £340,000), and, in consequence, India's share rose to £61,226 from 1905-06. In 1907, however, the Company agreed on certain considerations to accept a reduced subsidy of £315,000 with retrospective effect from 1st February 1905 and in consequence India's share for the years 1905-06 to 1907-08 was revised and stood at £56,485, the excess amount which had been already paid in accordance with the former assessment being adjusted in due course.

4. The P. and O. contract was again renewed for seven years from 1st February, 1908 on a reduced subsidy of £305,000 and in consequence India's contribution was reduced proportionately and was fixed at £54,588 as from the year 1908-09. India continued to pay at this rate until 1914-15.

5. In 1915 a refund of £30,000 on account of the three years 1912-13 to 1914-15 was made to India by the British Post Office. This refund appears to have been based on statistics taken in 1913 which revealed a position more favourable to this country than the previous accounts anticipated. In 1917, again, a fresh account was prepared in accordance with the principles of Lord Morley's Award on the basis of the figures of 1913, and further adjustments in respect of certain other items were also made in that account. As a result, India's total share for the three years referred to was calculated at £90,452, thus giving an average figure of £30,151 for each of the three years. This reduction in India's share was mainly due to credits in respect of the pooling account having increased to £27,772 as indicated by the figures of 1913, from £6,513 in the account of 1903. Simultaneously, with the decrease in our share, the account of 1917 showed an increase of over £100,000 in the share of the United Kingdom.

6. About this time it appears that the British Post Office found that the principles of Lord Morley's Award were since 1913 re-acting upon them unfavourably and they were dissatisfied with its application. They therefore addressed themselves to seeking the adoption of some alternative methods of determining a more equitable apportionment of the subsidy. When the account of 1917 showed an appreciable increase in the share of cost borne by the British Post Office this stimulated their desire to escape from the situation which the Award had created. The contract which expired in 1915 was extended from time to time but India continued to make provisional payments at the old rate of £54,588 until 1920. The total payments made in this manner during the period amounted to £249,038.

7. The provisional payments having been discontinued, in 1921, the British Post Office called in question the equity of the principles of Lord Morley's Award and the whole question of the apportionment of subsidy came under review. A lengthy discussion ensued between the Government of India, the Secretary of State and the British Post Office and two Conferences were held at the London General Post Office in April and July 1923 at which Sir (then Mr.) Geoffrey Clarke and Mr. Sams were present. The British Post Office were able successfully to show that the strict application of the pooling arrangement under the Award would result in India eventually receiving a subsidy for allowing her mails to be carried by the P. and O. service instead of paying for this to be done. India, on the other hand, resisted their demand for arrears payments and required a modification of the methods it was proposed to follow in calculating her share of subsidy.

8. Eventually it was decided that the successive steps to be taken for the assessment of the share of India's subsidy were to ascertain :—

- (a) the gross amount to be apportioned by adding incidental expenses to the amount of the subsidy.



(These incidental expenses at that time were £15,000 a year for the Channel service and the net cost of the Indian Mail Officer service, about £200 a year.)

- (b) the net amount to be apportioned by deducting from the gross amount under
  - (a) all receipts from foreign administrations and the sea postage on all parcels sent over the service whether by contributors or non-contributors.
- (c) the Postal Union value\* of the mails sent by each contributor at the appropriate sea transit rates for (1) letters and postcards and (2) other articles.

Having arrived at these facts the subsidy would be apportioned by dividing the net amount under (b) in the same proportions as the ascertained amounts under (c) amongst the several contributors.

9. The above method was applied to the figures of 1922 and worked out an annual subsidy of approximately £22,000. It was, further, decided that payments based on this method should come into force from the 1st April 1923. The rate of the annual subsidy ascertained under the method described in paragraph 8 will vary periodically on the basis of the Union statistics—which are taken every five years—and annually so far as the receipts from sea postage on parcels are concerned. The Union statistics were last taken in 1924 and are due to be taken next in 1929.

10. Regarding the past, the British Post Office renewed their claim, on the basis of the new method and the figures of 1922, for a sum of £68,511, in addition to the provisional payments which had been made. This included a sum of £12,467 on account of the cost of the Aden-Bombay sea post office up to July 1916. The Sea post office was actually abolished in September 1914, but in view of certain considerations it was agreed by the Government of India not to press for any rebate for the period prior to 1st July 1916. This whole question of arrears payment was ultimately decided by the British Post Office agreeing at the instance of the Secretary of State to consider the total amount of provisional payments already made, namely, £249,038 as adequate to cover India's contribution to the subsidy for the period from 1st February 1915 to 31st March 1923. This works out to an annual average subsidy of £30,494 for the period referred to, namely, 1915-16 to 1922-23.

11. The P. and O. contract which has been extended from time to time since 1915 cannot, as at present arranged, terminate before the 31st January 1931.

\*Postal Union value means the transit charges that would have been paid for the conveyance of correspondence by the P. & O. Service at the rates prescribed by the Universal Postal Union, had the service been owned by another Administration.

## EXTENSION OF THE DELHI PROVINCE.

28. THE HONOURABLE MR. G. S. KHAPARDE (on behalf of the Honourable Rai Bahadur Lala Ram Saran Das) : Will the Government kindly state whether it is contemplated to enlarge the Delhi Province by taking over certain districts from the Ambala and Meerut Divisions ? If this is a fact, what districts are likely to be thus taken over ?

THE HONOURABLE MR. H. G. HAIG : No such proposal is under consideration.

## THE HAVELI PROJECT.

29. THE HONOURABLE MR. G. S. KHAPARDE (on behalf of the Honourable Rai Bahadur Lala Ram Saran Das) : Will the Government kindly state what decision has been arrived at between the Bombay and Punjab Governments as to the Havelian Canal Project being taken in hand ?

THE HONOURABLE MR. A. C. MCWATTERS : Presumably the Honourable Member refers to the Haveli Project in regard to which a reply was given to a question by him on the 23rd August 1926. The revised project referred to in that reply has not yet been received from the Government of the Punjab.

## RESOLUTION *RE* SEPARATE KARNATAKA PROVINCE.

THE HONOURABLE RAO SAHIB DR. U. RAMA RAU (Madras : Non-Muhammadian) : Sir, I beg to move the following Resolution :

"This Council recommends to the Governor General in Council that a Committee be appointed forthwith, consisting of two members elected by the elected Members of the Central Legislature, two members elected by the elected Members of the Bombay Legislative Council and two members similarly elected by the Madras Legislative Council, with a non-official Chairman nominated by the Government of India and a financial expert as Secretary and with power to co-opt any technical expert or experts whom the Committee may consider necessary, to enquire into, and devise ways and means for the formation of a separate Karnataka Province and submit their report, before the 31st December, 1929, for the consideration of the Government of India."

Sir, a full two years have rolled by since I moved a similar Resolution in this Council on this subject. Judging from the apathy of the Government then and the fate of my Resolution and that of the amendment moved by my Honourable friend Mr. Ramadas, I despair of its success even now. But if I persist in moving it again, it is because much water has flowed under the bridge since then and great political happenings have occurred which justify the re-opening of the subject. The unwanted Simon Commission is making headway, determined to push through its inquiry whether the people will it or no. The intelligentsia of India have conferred together and have put forth their minimum national demand. The Committee of the All-Parties Conference have recommended the redistribution of provinces on a linguistic basis. The case of Karnataka has been ably put forth and pleaded by the representatives of the Karnataka, and the Committee were convinced of the reasonableness of that demand. The Nehru Report at page 64 says :

"The case for the Karnataka was placed before us by a representative of the Karnataka Unification Sangh and the Karnataka Provincial Congress Committee. It had been ably prepared with a wealth of information, historical, cultural and statistical. All our questions were answered satisfactorily and in our opinion a strong *prima facie* case for unification and the formation of Karnataka as a separate province was made."

Further on the Committee says :

"We were informed that the demand for unification came from the vast majority of the population, if not practically all. There was no Hindu-Moslem problem but there was a Brahman-non-Brahman problem although this did not affect the question of unification much. There was no organised opposition although a small number of Brahmans were opposed. On behalf of the Maharashtrais in some of the border districts a fear was expressed that their language might suffer, but safeguards for this might be provided for."

Financially the position of the Karnataka was very strong and even at present there was a considerable surplus in the British part of the Karnataka."

Then further on the Report says :

"We cannot of course decide this question finally but we feel that the advocates of unification have *prima facie* established their right to it. We cannot suggest the exact limits of the new province. It may be that some of the border tracts are bilingual and an enquiry will have to be made on the spot. This work will have to be done by an expert committee."

Sir, it only remains for the Government of India to be satisfied, but that seems to me to be a stupendous, formidable and almost impossible task. I suggest therefore in this Resolution the appointment of a Committee to go into the whole question and report to the Government on the necessity or otherwise of the separation. Sir, the old Karnataka Province which was homogeneous for more than a thousand years has been split up. Its people are in a hopeless

[ Rao Sahib Dr. U. Rama Rau.]

minority of 19 and 6 per cent., respectively, in the Bombay and Madras Presidencies, and the Kanarese districts form the tail ends of both those administrations. They are furthest from the capital towns. Communications and education have been grievously neglected. For a High Court and for a University the Karnatakas have to run to Bombay and Madras where their language has but scant respect. There is hardly even one man to represent the four districts of Kannada, namely, Belgaum, Dharwar, Bijapur and Karwar, in the Senate of the Bombay University. Karnataka contributes about Rs. 48 lakhs in excess of what is spent on her, and yet irrigation and agricultural improvements are at a discount here. The majority languages, such as Marathi and Telugu, are encroaching on Kannada, and during the last Census-decade she has lost about two lakhs. Therefore, Sir, we demand to-day the unification of the eight districts of Belgaum, Dharwar, Bijapur, Karwar, Mangalore, Bellary, Coorg and the Nilgiris, and the five outlying talukas of Kollegal, Hosur, Krishnagiri, Madakasira and Sholapur. The total area is 35,408 square miles and the population is about 6½ millions. Except the districts of the Nilgiris and the four talukas, Kollegal, Hosur, Krishnagiri and Madakasira, the whole territory is contiguous, and even that district and those talukas can be approached through Kannada territory, namely, Mysore. For the present, the Karnatakas wisely postpone the unification of the territory situated in the Indian States, leaving that question to be tackled in connection with the scheme for self-government in which Indian States have also to be included.

Enough has been said already by me on this subject when I moved my Resolution last in this Council, and I do not wish to weary this House again with a repetition of those arguments here. The only grounds on which I have to meet the Government on this question are (1) popular demand and (2) administrative expediency. Stress is made more on the popular demand and the Honourable Mr. Crerar replying to my Resolution on the 17th February 1926 observed :

“ Now, Sir, it is a very remarkable thing that the Honourable Dr. U. Rama Rau gave no clear indication of the existence of any strong measure of popular support. Still less did he indicate to us that the measure has been considered and debated in the local Legislative Councils. I think we should be acting very dangerously indeed if we ourselves at this stage accepted this Resolution regarding which we have not the slightest ground for believing that the local Legislative Councils desire to urge it—with regard to which indeed we have evidence that opinion in one local Legislative Council at any rate is distinctly averse to it.”

Sir, the local Legislative Councils, composed as they are of Government officials and nominated Members, who always play second fiddle to the officials, cannot be expected to give a decisive vote on the popular side. With an imperfect machinery, such as the local Legislative Councils, it is not possible to gauge the people's will through them. That at least one Council has declared in favour of the separation is a sure indication of the existence of a strong popular demand. A direct enquiry is therefore inevitable and has to be instituted and the people's wishes ascertained. The first Karnataka Provincial Conference held in 1920 in Dharwar, when Sir V. P. Madhava Rao presided, passed a resolution asking for a separate Karnataka province. Many Karnataka organisations have met and held conferences recently under their auspices, such as the 5th Karnataka Provincial Conference, the 3rd Karnataka Unification Conference, the 4th Karnataka Women's Conference, the 2nd Karnataka Hindi Conference, the 1st Karnataka Khadi Conference, the 4th Karnataka Ayurvedic Conference and the 14th Karnataka Sahitya Sammelan, and passed resolutions urging the unification of Karnataka ; Coorg, though it has a separate

administration of its own, is perfectly willing to be yoked to Karnataka, and the Zamindars' Conference of Coorg has passed resolutions during the past three years favouring the unification scheme. I hold two telegrams which I got this morning, one from Dharwar and another from Bagalkot, which run thus :

From Dharwar :

"Unification day celebrated throughout Karnataka on twenty-second in thirty places including Belgaum, Bellary, Bangalore. Resolutions urging unification passed. Whole Karnataka with you in your attempts."

From Bagalkot :

"Public meeting unanimously supports your unification motion."

Then in Madras under the presidency of Dr. Mallaya, M.L.C., a meeting was held in the Gokhale Hall supporting my Resolution. What are they, Sir, I ask, if not popular demands ?

Secondly, with regard to administrative expediency, I must point out that Karnataka, as it stands to-day, is an undeveloped province. The Government have not only themselves neglected in the past to develop the resources of the Karnataka, but have made nearly 6½ millions of people in Karnataka also neglect their language, culture, art and literature. It cannot be denied that Karnataka, has immense potentialities for economic development. First of all there is vast scope for irrigation works, seeing that many streams, such as the Krishna, the Tungabhadra, the Chataprabha, the Beema, the Malaprabha, the Varadha and many other minor streams, traverse the Karnataka tract. Such irrigation is sure to double the agricultural yield in many parts of Karnataka. Secondly, a port at Bhatkal together with railway communications will make Karnataka a great commercial centre and maritime province. With its richness in teak, it can start useful industries, such as ship-building. Thirdly, Karnataka has rich geological strata, as evidenced by the Kobhalgitti gold fields, manganese ore, Kolar gold fields, etc. Exploration of it is likely to lead to rich rifts of many a useful ore. Fourthly, a vast amount of raw material to-day, such as cotton, cotton-seed, ground-nut, kopra, myrabolam, etc., is exported. There are clear possibilities for developing the manufacture of cloth and oils. Lastly, though by no means the least, development of electric works is possible in the near future in Karnataka as it has the Sahyadri Hill ranges and numerous water-ways crossing over them. Karnataka will moreover be a self-supporting province. The total revenue of British Karnataka is about Rs. 257 lakhs and the total expenditure Rs. 209 lakhs, leaving a clear balance of Rs. 48 lakhs for running the Provincial Government at a liberal computation when it comes into existence. The people of Karnataka are prepared to pay adequately for the piper, provided they are permitted to enjoy the tune all alone. The Government have accepted the principle of redistribution of provinces on a linguistic basis and incorporated it in section 52A of the Government of India Act. Already a separate Karnataka Province has been carved out by the Congress and is now functioning as such. That itself is sufficient to demonstrate the wishes of the people in favour of the measure. I think, Sir, I have made out a strong case for the separation. An impartial Committee alone will be able to look at the question in its right perspective and solve it satisfactorily. I have specially provided that the Committee should be composed mainly of two members elected by the elected Members of the Central Legislature, two members elected by the elected Members of the Bombay Legislative Council and two members similarly elected by the Madras Legislative Council with a non-official Chairman nominated by the Government of India, with a financial expert as Secretary and with power

[Rao Sahib Dr. U. Rama Rau.]

to co-opt any technical expert or experts, so as to give it a thoroughly representative character.

Sir, with these few words, I move my Resolution.

THE HONOURABLE MR. H. G. HAIG (Home Secretary) : Sir, the Resolution moved by the Honourable Dr. Rama Rau, if I understand it correctly, assumes that a separate Karnataka Province is to be constituted and asks Government to set up the machinery necessary for working out the details. Well, Sir, as the Honourable Dr. Rama Rau has already explained to the Council, this is no new question. Two years ago it fell to me to offer some observations about a somewhat similar Resolution for setting up an Andhra Province, and I made at that time a few general reflections on this proposal of dividing the Madras Presidency into three or four separate arcas. There is little that I can add now to what I said then. We have in the first place to examine and try to come to conclusions on the general theory of linguistic provinces. I admit that that theory has certain attractions. On the other hand, those who stress more practical considerations and administrative tradition and connections could no doubt produce many arguments against these proposals. The second point which I made at that time, Sir, was that we have in this Council a recurring cycle of Resolutions dealing with the three different parts of the Madras Presidency. Instead of a proposal coming up that Madras should be partitioned we have a proposal, first of all, for an Andhra Province, then for a Karnataka Province, then for a Tamil Province, and then we start the circle over again and we have had, I think, for the second time the Andhra Province and for the second time the Karnataka Province. I do not really think that a problem like this can be properly considered in isolation from the arrangements which are proposed or contemplated for the rest of Madras. The problem really is : Shall the Madras Presidency continue as it is at present, or shall it be divided into three or four separate areas on a linguistic basis? Then, we have to weigh the administrative considerations, the practical considerations, matters like finance and so on, against the feeling, whatever it may be, in favour of such proposals. Now, with regard to that feeling, the Honourable Dr. Rama Rau has drawn the attention of the Council to the Nehru Committee's Report. That Report at present, I gather, is to be regarded as an authoritative document. What may happen to it after the 31st of December I am not quite sure. I understand that until the 31st of December it represents the views of the Congress Party, but on the 1st of January a change comes over the situation and such virtue as it has goes out of it. Fortunately, that date has not yet come and we may regard the Nehru Committee's Report as expressing the views of the Congress Party. . . .

THE HONOURABLE SETH GOVIND DAS : And of many other Parties.

THE HONOURABLE MR. H. G. HAIG : And of other Parties. I agree. It seems to me, Sir, that the authors of the Report showed themselves to be amazingly easy to convince on this subject of public feeling in regard to the Karnataka Province. The Honourable Dr. Rama Rau has already read out to the Council some of the remarks made in the Report. The case, as far as I understand it, was placed before the Committee, by a single gentleman who is described as a representative of the Karnataka Unification Sangh and the Karnataka Provincial Congress Committee, and he must evidently have been a person of great learning and eloquence : he was able to provide them with a wealth of information, he was able to answer all their questions satisfactorily.

He was even able to persuade them that he spoke for the whole country, that the demand for unification came from the vast majority of the population, if not practically all. Well, Sir, bureaucrats may have many defects, but I think they would be inclined to scrutinise a little more closely the claims of this one gentleman to represent a people, a claim so easily made and so seldom justified. I notice that one member of the Committee had some doubts on this point. He even went so far as to suggest that "the opposition may be greater than we imagine and they may not have approached us as they did not know that we were considering the question". This was an embarrassing suggestion which was at once repudiated by the other members of the Committee. But when we are engaged in a really serious problem like this, setting up a new administrative division, a new government in India, we have to go into matters very much more carefully and much more closely than the Committee were able to, and we cannot accept the *ex parte* statement of one single individual and assume that because nobody else came forward nobody had any other opinion. However, Sir, I do not want to stress that too much. Let us assume, let us take the greater part of my Honourable friend's case, let us assume that there is a considerable body of reasoned opinion in favour of the constitution of this province. We cannot, I think, go so far as the Nehru Committee and assume that there is no opposition, no arguments on the other side. But let us assume that there is a considerable body of opinion in favour of it. Surely, Sir, it is clear that, even if that is so, we cannot at the present time do what my Honourable friend invites us to do and set up a Committee to inquire into the formation of this province. My Honourable friend is aware, though no doubt he would like to forget it, that the Statutory Commission is now in India inquiring into the future constitution of this country. And one of the problems which is before the Statutory Commission is this question of whether the country should be divided into smaller units than our present administrative units, and whether the suggestion for a division by linguistic areas is or is not sound. Actually at the moment the Statutory Commission is in Madras. I do not know whether my Honourable friend confines his reading to such newspapers, if any, as have declined to publish information about the doings of the Statutory Commission. I do not confine my reading to such newspapers, and I find that at the present moment representations are being made to the Indian Statutory Commission dealing with these very problems. We cannot tell, Sir, what the conclusions of the Statutory Commission may be, but it is at least clear that, while they are inquiring into this very important question, we cannot set up a separate inquiry to cover the same ground. My Honourable friend no doubt feels strongly on this subject. I have no opinion. I know very little about the Madras Presidency or the proposed Karnataka Province. But the most practical course for my Honourable friend, if he wishes to commend these views and if he wishes to see them adopted, would surely have been to place them before the body which is really in a position to give an opinion about it. This illustrates, if I may say so, one of the practical inconveniences of the boycott and brings out what I ventured to say last year, namely, that to stand aside from this inquiry is not the most effective way of influencing the result.

One other point, Sir, I observed that my Honourable friend Dr. Rama Rau made no mention of the supplementary report of the Nehru Committee. They contemplate that an inquiry should be made into the constitution of the Karnataka and Andhra as separate provinces, but I understand that they do not recommend that any such inquiry should be made now but that it should be postponed until after the establishment of the new constitution. However that may be, it is quite clear that this is not the time for setting up

[Mr. H. G. Haig.]

the inquiry which the Honourable Dr. Rama Rau recommends that we should now undertake. We have to wait until the body which is examining this question has come to its conclusions and reported.

On these grounds, Sir, I must oppose the Resolution.

THE HONOURABLE RAO SAHIB DR. U. RAMA RAU : Sir, my Honourable friend opposite has entirely misunderstood me when he said that my object was to divide the Madras Presidency into three provinces. That is not at all my object. In fact, only one or two districts, South Canara and Bellary form a portion of the Madras Presidency, whereas the Andhra and Tamil districts contain 8 or 9 or 12 in each. My object is not to divide the Madras Presidency into three parts. My object is to take one or two districts from the Madras Presidency and four districts from the Bombay Presidency and constitute them into a separate province. By so doing you are not dividing the Madras Presidency into three portions. Even if my Honourable friend admits that the claims of the Andhra and Tamil districts ought to be considered, they stand on a different footing altogether. The special need for a Karnataka Province stands on a much higher level. They are in a helpless minority. Their membership in the local Legislative Council of Madras cannot be more than two ; in Bombay they are not more than two or three. If they want to go to a High Court, they have to travel 500 miles to reach the Madras side, and if they have to go to Bombay, they will have to travel 300 to 400 miles. They are thus in a great difficulty. That is the reason why I want to have a separate Karnataka Province for meeting their conditions.

Then my Honourable friend says that he does not want to decide the question unless we hear the other side also. That is exactly why I want a Committee to be constituted consisting of officials and non-officials, men who are in favour of a Karnataka Province and men who are against it. It is to settle all the details that I am asking for a Committee. As for the financial aspect of the question, I have already said in my opening remarks that there is a surplus of Rs. 18 lakhs and that is quite enough to run the administration.

As for the Simon Commission going into the question of the formation of provinces on a linguistic basis, these details they can never go through. Their time is so very limited that a Committee of this nature is absolutely necessary to go into this question. The work cannot be finished in two days. They would have to go from place to place and collect enough materials which the Simon Commission will not be able to do in the very limited time at their disposal. So, Sir, with these few observations, I ask the Council to support my Resolution.

THE HONOURABLE THE PRESIDENT : The question is :

"That the following Resolution be adopted, namely :

This Council recommends to the Governor General in Council that a Committee be appointed forthwith, consisting of two members elected by the elected Members of the Central Legislature, two members elected by the elected Members of the Bombay Legislative Council and two members similarly elected by the Madras Legislative Council, with a non-official Chairman nominated by the Government of India and a financial expert as Secretary and with power to co-opt any technical expert or experts whom the Committee may consider necessary, to enquire into, and devise ways and means for the formation of a separate Karnataka Province and submit their report, before the 31st December, 1929, for the consideration of the Government of India."

The motion was negatived.

## RESOLUTION *RE* SLAUGHTER OF MILCH COWS FOR THE SUPPLY OF BEEF TO THE ARMY.

THE HONOURABLE SETH GOVIND DAS (Central Provinces : General) :  
Sir, I rise to move the Resolution which stands in my name and which reads thus :

"This Council recommends to the Governor General in Council that he should take early steps to stop the slaughter of milch cows in British India for the supply of beef to the Commissariat of the Indian Army."

About 18 months ago, when I moved a Resolution in this House for the prohibition of the slaughter of milch cows, buffaloes and draught animals up to ten years of age, the Honourable Sir Muhammad Habibullah opposed my Resolution on three grounds. He said :

"It is inexpedient, impracticable and premature."

In calling it inexpedient, the Honourable Sir Muhammad Habibullah said :

"I say inexpedient and I use that word advisedly. From the trend of the speech of my Honourable friend, it is quite apparent that he has laboured to convince the Muslim Members of this House, and I take it the Muslims outside this House also, that in bringing forward this Resolution he was in no way actuated by any intention whatsoever of raking up feelings between the two communities. But, Sir, may I ask him whether he regards the present as an opportune moment for the purpose of starting a controversy over a subject which is, if I am informed rightly, one of the main issues for the consideration of the Unity Conference which is sitting now in Simla ?"

Now, Sir, in the Resolution which I am bringing to-day, I have tried to avoid the Hindu-Moslem controversy altogether. I am not asking my Muhammadan friends to do anything in the matter, but I am asking His Excellency the Commander-in-Chief and the Government to stop the slaughter of milch cows for the soldiers.

Then, Sir Muhammad Habibullah called my Resolution impracticable. He said :

"I said, Sir, it was impracticable and I emphasise that word. What is it that he asks the Governor General in Council to do ? He asks the Governor General in Council to take immediate steps to prevent the slaughter of milch cows, buffaloes and draught animals used for agricultural purposes up to ten years of age. There is, to begin with, the objection which the present constitution provides, namely, that veterinary and agriculture are provincial transferred subjects. Not only that : the slaughter of animals is entirely a matter provided for by Municipal and Local Board Acts."

Here again, Sir, the Resolution which I am moving to-day has nothing to do with Provincial Governments or local self-government. I am asking for something which concerns the Central Government only. The Report of the Royal Commission on Agriculture says that the present condition of cattle in India is such that the Central Government should take more interest in the matter. This is, Sir, what the Royal Commission on Agriculture says :

"The great importance to India of cattle improvement and the magnitude of the problem make it desirable that the Central Government should pay much more attention in the future to this subject."

Then, Sir, the third ground on which Sir Muhammad Habibullah opposed my Resolution was that it was premature. He said :

"Lastly, I said, Sir, the Resolution was premature. I am not quite sure whether Honourable Members of this House are fully aware of the steps that are being taken from time to time by the Government of India and the Provincial Governments to tackle this very important problem of improving the stock and the breed of cattle and the value of cattle and milk produce to the people."



[Seth Govind Das.]

Well, Sir, in this respect I have to say that these are the old, old grounds on which all popular measures are opposed. When we want adult franchise it is said that it is a premature demand because the whole of the population is not educated ; and when we want a compulsory system of education, it is said that it is a premature demand too because the conditions of India are not such as to enable a compulsory system to be enforced. In the same way, Sir, when we want Swaraj, it is said that that is a premature demand because we cannot defend our country ; and when we ask for the control of the military, it is said that that is also premature. Now, Sir, may I ask, are we not moving in a vicious circle ? Are we fit for anything ? Are we mature for anything ? I would ask my Honourable friend Sir Muhammad Habibullah what has been done in this respect in the last 18 months ? Have the Government done anything ? If my Resolution was premature at that time, does he think, since nothing has been done in the interval, that it has become mature now ?

Now, Sir, let us see how many cows are slaughtered for the military. I will give the figures in this respect which have been furnished to us by His Excellency the Commander-in-Chief and by Mr. Mackworth Young, the Army Secretary, in reply to questions which were asked in this House and in the Assembly. On the 7th March 1927 the late Honourable Lala Sukhbir Sinha asked :

" Will His Excellency the Commander-in-Chief be pleased to give the following information :

- (a) List of all Cantonment slaughter-houses in India where cattle are killed for beef ;
- (b) total number of British officers and soldiers to whom beef is supplied ;
- (c) total quantity of beef supplied to them every year ;
- (d) whether any beef is imported, and, if so, how much and from what country ;
- (e) how many cows and bullocks are killed every year in all the slaughter-houses for military requirements ;
- (f) is there any age limit up to which cattle are passed and allowed to be killed ; and
- (g) is it a fact that cows below the age of 5 years are generally killed ? "

His Excellency replied :

" (a) The number as stated in reply to question No. 66, dated the 15th February, 1921, in the Legislative Assembly, was 85. The present day figure may be taken as about the same.

(b) I am unable to give the exact number of British officers and soldiers to whom this is supplied either free or on payment, but the sanctioned establishment of British troops in India, including the Royal Air Force, is 6,666 officers and 61,275 other ranks.

(c) The estimated requirements during 1926-27 were 8,538 tons, including weight of bone, calculated at the rate of 6 lbs., including bone, per man per week.

(d) 50 tons of tinned beef are imported from Australia every year for purposes of the turnover of mobilisation reserves and of maintenance stocks.

(e) The total number will be obtained and communicated to the Honourable Member.

(f) Yes, the age limit is between 3 and 9 years.

(g) No, Sir."

Then on the 26th March, 1928, Mr. Siddheswar Pasad Sinha asked in the Legislative Assembly :

" Will the Government be pleased to state the number of (1) oxen, (2) cows, (3) buffaloes, (4) calves slaughtered for military food during the last three financial years ? "

Mr. Young, Army Secretary, replied :

" Approximately 63,750 cows and 25,000 bullocks are killed every year for military requirements. As has often been explained before, no calves and no buffaloes are slaughtered in military butcheries."

Now, Sir, it will be said that only useless animals are slaughtered for this purpose. My Honourable friend Sir Muhammad Habibullah opposed my first Resolution on this ground, and he quoted a passage in his support from Mr. Keating's " Rural Economy of the Bombay Deccan ". But, Sir, I am at a loss to understand why he was not convinced by the overwhelming evidence which I produced at that time to convince him that the slaughter which was going on was not of useless but of most useful animals, and in my support I quoted no less authorities than those of Sir B. N. Sarma, *ex-Executive Councillor of His Excellency the Viceroy*, who was in charge of the Agriculture Department, Dr. Harold H. Mann, Director of Agriculture, Bombay Presidency, Mr. Hamilton, Director of Agriculture, Punjab, Mr. R. C. Wood, Director of Agriculture, Madras, Mr. S. Miligan, Imperial Agriculturist, Pusa, Mr. C. M. Hutchinson, Imperial Agricultural Veterologist, Pusa, and Mr. C. F. Pyne, I.C.S., Chairman, Calcutta Corporation. They all say in very very clear terms that the animals which are slaughtered are most useful animals, and if this statement of mine, even now, is not accepted by His Excellency the Commander-in-Chief when he speaks to-day, I shall again quote these authorities while replying to the debate, and will prove to the hilt that there is no doubt of the fact that the animals slaughtered are most useful animals. His Excellency, in fact, did accept this in his reply to the Honourable Lala Sukhbir Sinha's question. He said that the average age of the animals taken to slaughter houses for the military was between three and nine years. And at this age, Sir, the animals are most useful.

Sir, what has been the result of this indiscriminate slaughter? Our population has deteriorated both physically and financially. It is well known that most of the Hindus, who of course are in a majority in India, both by custom and religion, are vegetarians. They depend largely for their nutrition upon ghee and milk, and they are not getting this in sufficient quantities at the present day. The prices of ghee and milk have gone up considerably, and those commodities are now beyond the reach of the poor people of this country. The Agricultural Commission has accepted this fact and it says :

" In all the larger towns, the supply of fresh (liquid) milk is small ; in Bombay it has been estimated at about seven gallons and in Calcutta at about eight gallons per head per annum.....

Throughout India generally, the supply of fresh milk in villages is stated to be defective. In the Central Provinces the supply is estimated at less than 3 ounces per head daily, or  $6\frac{1}{2}$  gallons per head per annum ; in Bombay most villages are short of milk ; in Madras and in the United Provinces the supply of fresh milk in villages is said to suffice for the demand. In Bihar and Orissa the supply is considered to be too small for the cultivator's household needs.

All the evidence available points to the conclusion that the consumption of fresh milk in India is very small when compared with such countries as the United States of America, Denmark, Sweden and Switzerland. Since the desire for milk is widespread and the consumption is relatively small, it would appear that the difficulties in the way of economic milk production and distribution in India are formidable.

For children fresh cows' milk is preferred, and in certain areas, as in Sind, adults also prefer it.

The position may be summed up by stating that there is unquestionably a large unsatisfied demand for ghee ; there is a relatively small unsatisfied demand for butter ; there is also, in all cities, an unsatisfied demand for milk at lower prices ; it must therefore be inferred that consumers, in general, are not able to pay the prices which, in existing conditions, are required to produce the supply."

[Seth Govind Das.]

Now, Sir, it will be said that the prices of other articles have also gone up. I admit that the prices of other articles have gone up, but not to the extent that the price of milk has gone up, and this can be compared. In 1890, we got 25 seers of wheat to a rupee, 28 seers of gram to a rupee, 12 seers of rice to a rupee, and 64 seers of milk to a rupee, while to-day we get  $6\frac{1}{2}$  seers of wheat to a rupee, 8 seers of gram to a rupee, 5 seers of rice to a rupee, and only 4 seers of milk to a rupee. The difference is quite clear.

The result of not getting this nutrition is quite evident if we look at the population of this country. We can see what kind of bodies the majority of people have ; they are weak and frail, and therefore liable to so many diseases, to so many epidemics, and the death-rate in India is far higher than the death-rate of any civilised country of the world. Infantile mortality in this country is simply shocking, and the fact that infantile mortality is due to the lack of milk has been accepted even by the Government officials. Colonel Mactagert, Sanitary Officer of the United Provinces Government, says :

“ By cheapening the price of the milk so as to bring it within the reach of the poorer classes, more would be effected towards reducing the infantile mortality than the presence of any number of trained *dais* would accomplish.”

Now, Sir, the Agricultural Commission has accepted this insufficiency of milk and it has recommended many measures for the improvement of the condition of the cattle, while, Sir, it has said nothing either for or against the slaughter of cows. I admit that the recommendations which have been made by the Agricultural Commission are very useful. I admit that if those recommendations are put into operation the condition of the cattle will improve ; but, Sir, the point is that it will take a long time to put those recommendations into practice, and therefore it will take a very long time to improve the cattle of this country. This has been accepted by the Commission itself. It says :

“ The improvement of cattle is a slow and difficult business.”

In one place the Commission says :

“ The second is the necessity for efforts to secure for dry cows and cows in-calf better treatment than they now receive.”

In another place what it says shows that it is against the export of cows as well. It says :

“ The export of cows is usually undesirable and should be closely watched by the Government.”

God knows, Sir, why the Commissioners of this Commission are satisfied by merely advising the general public that dry cows should be looked after more and only suggesting to the Government that they should keep an eye on the export. If we compare the figures of export, we find that export is merely negligible if compared with the slaughter. They ought to have advised the Government to do something at least for these dry cows. They ought to have told the Government that at least where cows are slaughtered for military or other purposes in which Government have a hand, such slaughter should be stopped. But they are conveniently silent on this point.

So far, with regard to the physical deterioration of the people. Now, as far as the financial deterioration is concerned, I will only say one word. It is a matter of common knowledge that India is an agricultural country, 83 per cent. of our population is dependent on agriculture, and the agriculture of this country is not dependent upon machines, it is not dependent upon

horses, it is not dependent upon donkeys but it is dependent upon bullocks, and the Agricultural Commission itself has accepted that good bullocks are very few in India. Good bullocks can be had from good cows, and therefore saving the life of these cows is an essential point to which we should pay attention.

In conclusion, Sir, I beg to appeal both to my Muhammadan brethren and to the Government in this respect. To the Muhammadans I have to say that they are not foreigners in this land. To them I have to say that they must look at this matter from a broader point of view ; it is as essential for Muhammadans as it is for Hindus. Muhammadans are also dependent in this country upon agriculture. They do want bullocks ; they do want milk and ghee. Their babies are also dying for want of milk. In the villages the majority of Muhammadans cannot afford to eat meat on account of their poor condition for weeks and weeks together, and the only nutrition which they get in villages is ghee and milk. Therefore, Sir, I say that they will be doing good to their own community by supporting my Resolution. To the Government, and especially to His Excellency the Commander-in-Chief, for whom I have a great respect and who has made himself universally respected in this country by his sympathetic behaviour, I have to say that they should give the matter their very sympathetic and serious consideration. Sir, their troops, I mean British troops, can do without beef, and if mutton is provided for them they can do very well, while the people of this country are dying for want of ghee and milk. I admit that mutton will cost more, but I assure His Excellency the Commander-in-Chief that if he accepts my Resolution and if this is a votable item, the Assembly will vote for more expenditure on mutton if he assures the Assembly that no beef will be used in the Military Department. I appeal to him, Sir, in the name of the teeming millions of people of this country—poor they are, weak and frail they are, liable to diseases they are ; they are becoming weaker and weaker on account of not getting nutrition ; they are dying from so many diseases, from so many epidemics,—to accept my Resolution. I appeal to him, Sir, in the name of millions of babies born and unborn in this country, who are dying and who would die for want of milk, to accept my Resolution.

Sir, I move.

THE HONOURABLE RAO SAHIB DR. U. RAMA RAU (Madras : Non-Muhammadan) : Mr. President, milk is a very good article of diet. Milk is needed by all people in India and also outside. For Indians, Europeans, Muhammadans, Parsis, Christians, for everybody, milk is a very essential thing. Especially, as my friend Seth Govind Das observed, milk is absolutely necessary for children under one year. If you take the statistics of the number of children dying under one year, it is enormous. Nowhere in the whole world do children under one year die in such large numbers as in India. It is all due to want of proper feeding. Mothers have no milk with which to feed their children, since they have to go to work, and because the children do not get enough milk from cows they die in large numbers, children not only of Hindus, but also of Muhammadans, Parsis, Christians and Europeans. So, the best way to prevent infantile mortality is to see that the supply of milk is increased in the country. From the statistics you will understand that the number of milch cows in India is going down day by day, and also that the price of milk is considerably going up, so much so that ordinary coolies and labourers are not in a position to buy milk and supply it to their children. In consideration of that alone this Resolution must be accepted by the Government. Also my friend

[Rao Sahib Dr. U. Rama Rau.]

does not say that beef must not be eaten in India at all. He does not say that at all. He says that the supply of beef from milch cows should be prohibited in the Commissariat of the Indian Army. My Muhammadan friends have nothing to complain of, because he has not touched their religious sentiments. Bullocks are available for the supply of beef.

Also, Sir, as a medical man I may bring to the notice of the Members here that beef is one of the hardest of meats to digest. Especially  
1 P.M. in a country like India, beef is not at all suitable. But for those who are anxious to eat beef, instead of destroying milch cows they could destroy some other kind of animals. So I appeal to Members of this House to support this Resolution moved by my friend Seth Govind Das.

THE HONOURABLE COLONEL NAWAB SIR UMAR HAYAT KHAN (Punjab : Nominated Non-Official) : Sir, I have spoken before on a Resolution similar to the one which is now before the House. I think it would not be right if some of us did not get up to say that to-day's Resolution has been moved very ably. But it has to be seen from different points of view. No doubt it has got various bearings. First, we see it from the Muhammadan religious point of view. We are allowed no doubt to slaughter cattle when they are not useful for other purposes, and anything which is allowed to us by religion we do not like that it should be prohibited by any legislation or Resolution. But at the same time, it is not obligatory that for all sacrifices on such days as *Id*, etc., we should slaughter cows or calves, etc. We can do it with sheep also. And we have to respect the religious feelings of our countrymen, the Hindus, and if we do, we do it socially more than religiously. But from the agricultural point of view, which, being in India, one has also to consider, no doubt some steps ought to be taken to see that the agriculturists get good milch cows and good bullocks. I know that Government is doing a lot in that direction, but unfortunately we, who are agriculturists, are not moving abreast of the times in the matter, and I think that my friend and all of us instead of moving such Resolutions ought to organise just in the same way as we have organised about breeding horses. We know that horse breeding is very useful to the country and the army. In the same way, we ought to have some organisation to see that our milch cows and other animals are properly looked after ; we should discriminate and ensure that the best of them are not slaughtered. I may also mention to the House that since the automobile has come into use, lots of bullocks that the Government had for the purposes of bullock carts are being sold and mechanical transport is being brought into use. So that in itself would save lots of animals for ploughing purposes. As to the milch cows, the proprietors, I think, are keen enough to see that, when they have an animal useful for their purposes, they will not let it go. But then at the same time there are certain animals which economically would not pay the owner to keep. If there were certain religious societies of our friends, the Hindus, they would take them over and pay the necessary money to the owner ; of course the owner would not let his cattle go for nominal prices unless he was very philanthropic. He has to sell his animals at the best price he can get, and I do not think it is very easy to interfere with his proprietary rights. It is for this purpose, Sir, that I think, though the Resolution has been very ably moved, it is not right to interfere with the proprietary rights of the owners, and I think it will sufficiently appeal to all who hear us outside if we say that there is a great necessity for organising public opinion as well as to organise ourselves to look after this matter, rather than that we should ask the Government to do it against the wishes of the people. It is the people in reality who

ought to do it and if they move in the direction and get properly organised, I think one day this question will also be properly considered by the Government.

As for the soldiers, Sir, being one of them, I think there are times and times, but in ordinary times I think other meat could be used for the soldiers until very great necessity arises. So I would not commit myself to voting on one side or the other, but I do appreciate the Resolution.

**HIS EXCELLENCY THE COMMANDER-IN-CHIEF :** Sir, I wish that my Honourable friend, Seth Govind Das, could have seen his way to asking a question about this subject before he tabled a Resolution. I say this because his Resolution is that we "should stop the slaughter of milch cows in British India for the supply of beef to the Commissariat of the Indian Army". Well, as a matter of fact that whole Resolution I can answer in one or two words by saying that we do not accept any tenders of milch cows for slaughter to supply to the troops. If you come to think about it that would be governed by the economic factor which my friend the Honourable Colonel Sir Umar Hayat Khan has just mentioned. The price we pay for our beef is very very small indeed. As a matter of fact, it is just under two annas a pound. Is it reasonable that any man having a decent milch cow could afford to sell it for what he would get for the cow in the slaughter house? Equally, we cannot think of obtaining or wish to obtain bullocks that are suitable for draught purposes. Their value to their owner is considerably greater than what we could possibly give them for slaughter purposes. Therefore, as far as that is concerned, the question is answered by the fact that honestly we do not accept these milch cows nor are we able to accept or wish to accept bullocks that are suitable for draught purposes. It is only barren cows and it is only bullocks that are really unsuitable for draught purposes that are tendered to us and that are bought by our commission agents. I think it is probably realised by all the Members of the House that beef constitutes practically an essential food for the British soldier. Not only is it an essential food, but it is the food which the medical authorities have decided is the most suited to him.

**THE HONOURABLE SETH GOVIND DAS :** Cannot it be replaced by mutton, Sir?

**HIS EXCELLENCY THE COMMANDER-IN-CHIEF :** My Honourable friend mentions mutton. That we do supply from time to time, but it will probably come as a surprise to the House to realise that the cost of the substitution of one extra day's mutton a week in place of beef comes to something like 4½ lakhs a year.

**THE HONOURABLE SETH GOVIND DAS :** I think that is an exaggeration. However, whatever is required will be sanctioned by the Assembly if it is votable.

**HIS EXCELLENCY THE COMMANDER-IN-CHIEF :** That is quite a different question. The military budget would have to meet it. We cannot get an outside grant for it, I can assure my Honourable friend. And when in addition to the price I mention the fact that in the view of the medical authorities beef is more suitable, we naturally from that point of view could not contemplate a large increase or any increase to the mutton ration we now issue.

[The Commander-in-Chief.]

My Honourable friend has mentioned the Agricultural Commission and the point that they made that the supply of milk in this country was absolutely insufficient. I think there is no doubt about that. But my Honourable friend has not mentioned another point which was brought out emphatically by the Agricultural Commission, namely, the enormous number of useless cattle existing in this country, cows as well as bullocks, which are consuming daily a very large proportion of the very little fodder which would otherwise be available for the useful ones. That I think is a fact which one has to bear very much in mind. The Honourable Dr. Rama Rau also mentioned the fact that the cows in this country were decreasing in number. I happened to notice the other day the quinquennial reports that are made by the census authorities on the subject, and as a matter of fact, from what I noticed in the census reports, the numbers are increasing every time a census is made. Occasionally of course, when we get a famine, numbers do decrease, but as a rule the numbers are certainly increasing every five years.

My friend Seth Govind Das has talked about the substitution of mutton. I have given the reason why we cannot do that. But let me assure him that one does sympathise in this matter. I may tell him that as long as 17 years ago, when I was Quarter Master General in India, I went into this question to see if it would not be possible to substitute for the beef obtainable in this country imported beef. I did that because we know that the beef imported from Australia is very much more nutritious and certainly very much more preferred by the British soldier, but, unfortunately, the economic factors make it impossible to do so. I have just said that our average price of beef in this country is about 2 annas a pound. The beef from Australia will be at least three times that price. That of course might not come to very much, but we are faced with greater difficulties. We should have to provide cold storage plants at all our ports, certainly in Bombay. We should have to provide for cold storage on all the trains running through India, and we should have to start cold storage in every cantonment where troops are located, irrespective of the freight from the port to the different cantonments. As I have however told my Honourable friend, this is a matter in which we do sympathise and if we could get the very much better Australian beef, I should be delighted to get it, but the economic factor, I am afraid, makes it out of the question.

To sum up, I should like to mention three points. Firstly, that we do not accept milch cows or suitable bullocks; secondly, we have definitely come to the conclusion that beef is the most suitable food for the British troops and I may also add for a certain number of our Indian troops; and thirdly, there is no other diet available. From what I have said I think the House will realise that the fact that the Army has to obtain a certain amount of beef per year does not in any way decrease either the quantity or the quality of the cattle in this country, and I emphatically deny that our providing a beef ration to our troops in any way decreases the milk supplied or creates any hardship on the people of this country. Having heard that, and having put himself in possession of facts which probably he could not have known, I trust that the Honourable Member will see his way to withdraw his Resolution.

**THE HONOURABLE SETH GOVIND DAS:** Sir, I am very sorry to have to say that I do not see my way to withdraw my Resolution. I have heard His Excellency the Commander-in-Chief with the utmost attention and I am sorry, Sir, that I am not convinced by His Excellency's arguments. His Excellency's first argument is that milch cows are not taken for purposes of slaughter. When I moved the Resolution I said that I could quote many

authorities which would prove to the hilt that there is no doubt of the fact that milch cows, as soon as they become dry, are taken to the slaughter houses and slaughtered. From a report of the Superintendent of the Markets and Slaughter House, Bombay, in 1920, it can be seen that—

“ 32 per cent. of the animals slaughtered during the period of 15 days were from 3 to 8 years of age—the most useful age for milking animals.”

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: May I ask the Honourable Member how many of them were taken by the military authorities?

THE HONOURABLE SETH GOVIND DAS: I have not got those figures, but there is no doubt that when such animals are taken to the slaughter house, they are taken by the military also and the reply which His Excellency the Commander-in-Chief gave in this very House in answer to the late Honourable Lala Sukhbir Sinha's question shows that the cattle which are slaughtered in military butcheries are also of three to nine years of age. No cow can become dry at the age of three years, and that is a conclusive proof that they do slaughter cows which are fit for giving milk. I shall give further proofs of the fact that useful animals are slaughtered. Dr. Harold H. Mann, the Director of Agriculture, Bombay Presidency, said in this respect:

“ I think very strongly that the slaughter of the milch animals in Bombay and other large cities is endangering the future supply of the best milking animals and tending to deplete the best milking strains in the country, and the matter demands early and vigorous action.”

Mr. R. C. Wood, M.A., Director of Agriculture, Madras, says:

“ Most of these cows (which come to supply the demands of the Madras milk trade) go to the slaughter house as soon as they run dry and their calves are allowed to die of neglect.”

Mr. Smart, Deputy Director of Agriculture, Bombay, and Mr. Hamilton, Director of Agriculture, the Punjab, all confirm this opinion. I think it is now proved to the hilt that the cows which are slaughtered in military butcheries can also give milk. Of course they are slaughtered at the time when they are dry, but that does not mean that they are not going to give milk in the future. If they were not slaughtered, after eight or nine months they would again begin to give milk, and therefore, Sir, there is no doubt that the best of our animals are being slaughtered in British India.

The other point which His Excellency the Commander-in-Chief made was that he does not see his way to substitute mutton or imported beef from Australia in the place of the Indian beef owing to financial reasons. Well, Sir, this financial bogey is an old, old thing. He said that only 4½ lakhs of rupees will be required every year. . . .

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: For every day.

THE HONOURABLE SETH GOVIND DAS: That does not matter (Laughter). It is an exaggeration. However, when they could get 1½ crores for the recommendations of the Lee Commission, when they can get money for other things, they can get money for this also. The military expenditure, we know, went up to the extent of 80 crores in certain years and Government could get money for that. His Excellency did not say how much more it would cost if beef is imported from Australia. Of course he said that Rs. 4½ lakhs will be required if mutton is substituted for beef, but I am sure, Sir, that if beef is imported from Australia, the expenditure will be much less.



**HIS EXCELLENCY THE COMMANDER-IN-CHIEF:** If I may say so, Sir, what I think I said or I meant to imply was that it is almost impossible to calculate what it would cost. Cold storage would have to be provided, as I said, at the port of embarkation, Bombay, in every military cantonment and on all the trains. To this cost would have to be added the extra cost of transport from Bombay to the different military cantonments. It is quite impossible to foresee what that cost would come to.

**THE HONOURABLE SETH GOVIND DAS:** His Excellency may say so, but I am still of opinion that, if they want to provide money, they can do so. Let them not raise the financial bogey whenever anything is suggested by us. Sir, I am not convinced by the arguments put forward by His Excellency.

Now, Sir, one word for my Honourable friend Sir Umar Hayat Khan. He is for creating public opinion for not selling the cows. We are doing that as far as it is possible for us to do so. But he knows that the people are very poor in this country. When they have no money to pay their revenues and taxes, when their houses are liable to be sold by auction for default, when their children cry for food, is it not natural for them to sell their cows? Of course their cattle are very dear to them, as we have seen in the recent Bardoli struggle. But when they are compelled by circumstances to sell their cattle, it is only natural that they would do so. If in such matters the Government are going to leave the poor people to do what they like, it is a shame for them to say that they are the trustees of the Indian people. When we want Swaraj, they say they are the trustees of the teeming millions of India, but when such questions come up, they say, "these things should be left to the people." Now, Sir, I would remind the Honourable Sir Umar Hayat Khan that he voted for a Resolution moved in this House in 1921 by the late Honourable Lala Sukhbir Sinha. That Resolution asked for the prohibition by legislation of the slaughter of cows in India for food, except for sacrifice at the *Bakr-Id*. Not only my Honourable friend, but Sir Zulfiqar Ali Khan and Sayid Raza Ali also voted for that Resolution. What my Resolution wants is merely that slaughter for supply of beef to the military should be stopped. It does not say a word about Muhammadans, and I appeal to my Muhammadan friends to vote with me for this innocent Resolution which I am sure is for their benefit also. Sir, I again say that I do not see my way to withdraw my Resolution and I commend it to the House for acceptance.

**THE HONOURABLE THE PRESIDENT:** The question is :

"That the following Resolution be adopted, namely :

'This Council recommends to the Governor General in Council that he should take early steps to stop the slaughter of milch cows in British India for the supply of beef to the Commissariat of the Indian Army'."

The Council divided :

AYES—9.

Govind Das, The Honourable Seth.  
Khaparde, The Honourable Mr. G. S.  
Mahendra Prasad, The Honourable Mr.  
Moti Chand, The Honourable Raja.  
Mukherjee, The Honourable Srijut Loke-  
nath.

Natesan, The Honourable Mr. G. A.  
Rama Rau, The Honourable Rao Sahib  
Dr. U.  
Ray Chaudhury, The Honourable Mr.  
Kumar Sankar.  
Zubair, The Honourable Shah Muhammad.

## NOES.—22.

Abdul Karim, The Honourable Khan Bahadur Maulvi.  
 Akram Husain Bahadur, The Honourable Prince A. M. M.  
 Basu, The Honourable Rai Bahadur Suresh Chandra.  
 Braidwood, The Honourable Mr. H. L.  
 Burdon, The Honourable Mr. E.  
 Clayton, The Honourable Mr. H. B.  
 Commander-in-Chief, His Excellency the Corbett, The Honourable Sir Geoffrey.  
 Habibullah, The Honourable Khan Bahadur Sir Muhammad.  
 Haig, The Honourable Mr. H. G.  
 Harnam Singh, The Honourable Raja Sir.

Irving, The Honourable Mr. M.  
 Maqbul Husain, The Honourable Khan Bahadur Sheikh.  
 McWatters, The Honourable Mr. A. C.  
 Mitter, The Honourable Sir Brojendra.  
 Muhammad Hussain, The Honourable Mian Ali Baksh.  
 Suhrawardy, The Honourable Mr. Mahmood.  
 Symons, The Honourable Major-General T. H.  
 Thompson, The Honourable Sir John.  
 Wacha, The Honourable Sir Dinshaw.  
 Watson, The Honourable Mr. C. C.  
 Weston, The Honourable Mr. D.

The motion was negatived.

RESOLUTION *RE* EXTENSION OF BANKING FACILITIES.

THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY (East Bengal: Non-Muhammadian): Sir, I beg to move the Resolution standing in my name which runs as follows:

"This Council recommends to the Governor General in Council that he should take steps to appoint a committee composed of Members of the Central Legislature and other experts to investigate and report upon the desirability of extending banking facilities in India."

There is not much use for me, Sir, now to dilate upon the need of any banking enquiry in the country. The Indian Industrial Commission reported about the necessity for extending banking facilities for purposes of developing the industries of India. The External Capital Committee urged the importance of a co-ordinated survey being undertaken of the whole field of banking in India. The Royal Commission on Indian Currency and Finance has emphasised the same necessity. The Royal Commission on Agriculture also urged the importance of agricultural finance. On the 10th September 1927 a Resolution was moved by Mr. S. N. Haji in the Assembly recommending the appointment of a Banking Committee, and the said Resolution in a slightly modified form was accepted by the Assembly without a division. The Government opposed the Resolution only on the ground that the time was not yet ripe for holding such an enquiry because the Agricultural Commission had not yet submitted their Report and the Reserve Bank Bill was then before the Legislature. The present Finance Member has, however, admitted the force of this demand and has announced the inauguration of an enquiry into the general banking organisation of the country. But he has not yet definitely laid down the scope and object of such enquiry nor the personnel of this Committee that will hold such investigations. We are told that it will be composed of experts in trade and commerce, but India, I venture to submit, being rich in material resources of all kinds does not only require her commercial activities to be looked after and fostered, but her claims for industrial and agricultural development are equally, if not more, urgent, and the Committee ought to have these interests and the interests of the general public at large well represented among its members. Linked with Great Britain with her industry and commerce well developed, backward India is being treated as a producer and supplier of raw materials only and the banking system that has been developed in this country consists chiefly of a few joint stock concerns run almost entirely by British capital and in British interest to assist the growth and development of Britain's commerce in this country. The only other direction in which some

[Mr. Kumar Sankar Ray Chaudhury.]

attempt at development has recently been made by Government is the provision of rural credit by the introduction of the co-operative credit system. Although Government have devoted a large amount of attention and care to this branch of the economic development of rural India, the results achieved up till now have not been very encouraging and are not likely to prove of great value, because the system is after all based upon a "feeling of altruism on the part of the well-to-do to back up the self-help of the poor", and neither of these tendencies is a common commodity in this world and specially in India on account of the illiteracy and indigence of the masses and the backwardness and aloofness of the classes from them due to the prevalence of the caste system. Owing to the existence of a large amount of vested alien interest in the country and the backwardness of her industrial and agricultural development as compared to commercial development, it is all the more necessary that the Committee should be composed more of persons representing truly the industrial and agricultural interests of the country in its truly national aspect than the commercial interest which is associated more or less with foreign exploitation.

Having done with the personnel of the Committee, I shall now briefly refer to the scope and object of the Committee. Before I do so, I must confess that I am not an expert in banking matters, and as such can only place before the House a layman's point of view on a question of such vital importance to the country, and I do so in the hope that my Resolution will afford a further opportunity to those who are experts to throw greater light upon the question. India, Sir, is not only a vast agricultural country producing articles of raw consumption, she raises various agricultural crops and is the producer of many mineral and forest resources which furnish raw materials for the production of many kinds of finished goods throughout the world. In fact, jute, mica, shellac are some of the monopolies of India, and India is a large producer of coal, iron, kerosene, wheat, rice, cotton, tea, oil-seeds, hides and many other articles. We therefore need banking institutions that can help us in developing all these sources of production not only in their raw stage, but their conversion into finished goods and the traffic in them both internal and external. We want agricultural and land mortgage banks that will help the agriculturist class by increasing and improving the power of land production. We want industrial banks to help us to start and foster industries in India, both domestic and capitalistic, on a national scale and in national interests. We want in the same interest the further development of commercial banks and exchange banks to finance the traffic of goods within and out of the country. This can only be done through State intervention specially when a country is beginning to grow economically and the productive forces have not been brought into existence or are sluggish. The rapidity with which Germany converted herself from an agricultural into a highly developed and prosperous industrial country was mainly due to State intervention and the creation by it of a sound system of all-round banking development; and all the principal countries of Europe have followed her example. What is therefore primarily needed is that the Government should realise and recognise the all-round banking development of the country as one of the first duties of the State and, if not disposed to supply the country with State Banks, should at least provide it with machinery for the proper control and guidance of such institutions upon safe and national lines, in the true interests of the nationals of the country. The Government should also help these institutions with the deposit of funds under its control and the credit it possesses among its subjects as also in foreign countries by providing them with guarantees and loans on easier terms to finance the agricultural and industrial and other economic development of the country, just as it helps the

commercial banks with the deposit of its funds, and the development of irrigation and railway projects by the raising of loans and guaranteeing of interest upon proper terms and safeguards. Another way that the Government should help them is by offering them the advice of their economic and industrial experts.

I may at this stage refer to an obvious difficulty that raises itself at the experimental stage in adopting private enterprise as the basis of such development instead of State enterprise, in that it creates a vested interest in the case of the former, which it is difficult to alter or modify according as need arises for it in future and such has been one of the obstacles in the way of the creation of the Reserve Bank independently of the Imperial Bank resulting in proposals to grant special concessions to that bank to the prejudice of other banks in the country and in the ultimate postponement of the whole scheme till the expiry of the agreement with the Imperial Bank.

Coming now to the development of agriculture, we find—and I have not been able to satisfy myself about the reason why—that, though dealing with cognate questions, neither the Taxation Enquiry Committee nor the Royal Commissions on Agriculture or Currency and Finance were entrusted with the power of going into the question of the systems of land tenures prevailing in different parts of the country. Although it is a provincial matter, it is intimately connected with the question of agricultural finance and no satisfactory solution of this problem can be arrived at without adopting any definite policy in regard to the transferability of agricultural holdings which in some provinces are transferable and in some are non-transferable without the consent of the landlords. Nor on account of its being a provincial subject, do we find any definite policy being followed to make the laws uniform in different provinces. Take, for instance, Bengal. There agricultural holdings were originally non-transferable. The recent Bengal Tenancy (Amendment) Act has made such holdings transferable, while in the Punjab and Sind and the Deccan we find restraints are being gradually placed upon the free alienation of agricultural lands at least in respect of certain classes of tenants.

One of the causes why loans are not available for agricultural purposes at favourable rates of interest is no doubt the non-transferability of agricultural holdings which consequently offer no security for the advancement of money upon them, and, unless and until they are made transferable, no such facilities can be expected to be rendered available to the agricultural classes. But care should at the same time be taken to find some means to prevent the agricultural holdings from passing easily into the hands of capitalists and still more into the hands of foreign capitalists for we often hear reports that owing to the alleged shyness and insufficiency of local capital some of the land that will be capable of cultivation, after the various irrigation projects have been completed, might be sold to non-Indians and to foreign syndicates for purposes of bringing them under cultivation.

I think I also ought to mention the Postal Savings Bank Department as one of the means adopted by the Government for affording to the poorer classes facilities for making some income out of their small savings, but the rate of interest the Government pay is very small compared with the rate of interest these people have to pay and it is occasionally even lower than the rate paid by Government upon other loans raised by them, so that even the Government may be accused of exploiting their poverty and helpless condition. Assistance on the part of the State in the matter of credit arrangements to its cultivators is more or less recognised to be one of the responsibilities of the modern Government and the Prussian Government endowed over £2½ millions of public money

[Mr. Kumar Sankar Ray Choudhury.]

to the State Agricultural Bank. Similarly, in France, Credit Agricole receives special facilities. But the *takavi* loan policy of the Government here is confined to times of famine and distress only and in ordinary times the agriculturists are left to shift for themselves. Some portion, if not the whole, of the huge sum raised by Government through their Savings Bank Department ought therefore in my opinion to be used for affording relief to the poor people by creating facilities for banking development among them; and if instead of leaving the banking organisation of the country in the hands of private concerns, the Government adopt a policy of creating State Banks, this department of the Post Office can easily be converted into a bank for lending money as well as for agricultural and other purposes to the poorer classes.

Facilities ought also to be provided for the storage of goods in warehouses under the control of public bodies, such as the Union Boards, upon easy terms, so as to enable the cultivators to raise money on such documents in their times of need instead of forcing them to sell their goods at a disadvantage under such handicaps, just as in the case of common carriers the grant of a receipt by them for the carriage of goods has afforded a great facility for the raising of credit upon those receipts.

Instead of providing such facilities for the supply of quick credit in the country and making the laws of the land suitable for supplying safe security for investment, the Government have been trying to thwart the credit organisation of the country by enacting the Usurious Loans Act, but that Act was bound under the circumstances to prove a failure and that it has as a matter of fact proved so, is amply borne out by the Report of the Royal Commission on Agriculture.

Another factor of importance in favour of State banking lies in the fact that on account of dearth and shyness of capital in the country, it may be necessary to borrow foreign capital. To allow the import of foreign capital by foreigners for the purpose of starting industries with sole control in their hands is not at all in the national interests. Any advantage of a protective system which we may introduce should not therefore be made available to the highly organised and more powerful foreign capitalists. Return on foreign capital for its use should be limited to the lowest figure in the shape of interest merely and this is possible only if loans are raised by the State on its credit for purposes of affording banking facilities in the country.

I do not propose to deal at length with the controversy as to whether the State should take up the banking system in the country or whether it should be left to private enterprise as it has become almost academical in interest, for such a system of control has been adopted by the State throughout the civilised world as to leave very little to private enterprise except that the public in as large a measure as possible are made to contribute some portion of the capital and figure among the shareholders on receipt of a fixed amount of dividend and to help on the directorate by rendering advice without receipt of any remuneration by way of a fixed salary and without being able much to control the policy. For all these reasons, the Committee that is going to be appointed ought, I submit, to be vested with powers wide enough to deal with all these matters, and its personnel should include representatives of all interests in the country.

With these words, I submit my Resolution for the acceptance of the House.

THE HONOURABLE COLONEL NAWAB SIE UMAR HAYAT KHAN (Punjab : Nominated Non-Official) : Sir, as long as I am here in this House it is obligatory on me as a *zemindar* to speak on such a subject. In the first place, Sir,

I offer my congratulations and thanks to the Mover for moving this Resolution. I do not think there can be any Indian who can oppose this Resolution unless he is tied to oppose it, and our truly representative Government, I do hope, will come to our assistance and accept this Resolution. They may say that they are doing a lot in that direction but I must respectfully say that that is wrong. I will appeal to the House, and especially to Indians who are true sons of India, to support this Resolution.

THE HONOURABLE MR. E. BURDON (Finance Secretary): Sir, I hardly expected this Resolution to be moved this morning in view of statements which have been recently made elsewhere and announcements which, as I learn from my Honourable friend's speech, he has himself seen in the public press. Briefly, Sir, the position, as far as Government is concerned, is as follows: The Government of India for a very considerable time have recognised that it is desirable, indeed that it is necessary, to hold a banking inquiry and they have merely been waiting in order to find a favourable opportunity for starting such an inquiry. I may inform the House that actually when the Reserve Bank Bill was in the later stages of consideration, at that time the Government of India in the Finance Department had worked out a cut and dried plan for an inquiry, to be set on foot as soon as the Reserve Bank Bill had been passed. But when the Reserve Bank Bill was wrecked, in circumstances which are known to Honourable Members of this House, it was decided to put the plan of a banking inquiry on one side for the time being and to wait until the public mind had returned from political matters to practical matters. In the conditions of the time this was a very suitable course to adopt as Sir Basil Blackett was surrendering office as Finance Member and there was to be an interregnum before the newly appointed permanent Finance Member, Sir George Schuster, took over charge: and I think the House will agree that it was a very reasonable course to wait till Sir George Schuster took over charge and till he himself, having had a view of the situation, decided what particular policy, on this subject, he was prepared to advocate to the Government of India. Well, Sir, events have turned out very much as was forecasted. The subject was revived at the annual meetings of the Federation of Indian Chambers of Commerce and of the Associated Chambers of Commerce held last December in Calcutta. The newly appointed Finance Member, Sir George Schuster, was present at these discussions and he arranged in the first instance to meet a deputation of representatives of these two main groups of Chambers of Commerce in this country. Only a few days ago the Honourable the Finance Member, speaking in another place, in reply to a question, made the following statement:

"I have already discussed the matter in a provisional way at the annual meetings of the Federation of Indian Chambers of Commerce and of the Associated Chambers of Commerce, and I have arranged with my Honourable friend Mr. Birla on behalf of the former and with Sir George Godfrey on behalf of the latter to hold a joint meeting of representatives of these two organisations at Delhi on February the 16th to discuss a plan for a commission for proceeding with the inquiry."

Sir George Schuster at the same time explained that he had taken steps to ascertain the views held on the subject by the leaders of the various political parties. Now, Sir, the discussion of the 16th of February has taken place and a brief account of what transpired, together with a list of the names of the gentlemen who attended that discussion, has already appeared in the press. The present position in detail is that we are now working out a detailed plan as the result of the consultation which has already taken place, and before long it is possible that an opportunity may be sought further to consult representatives of public opinion assembled here in Delhi at this time of the year.

[Mr. E. Burdon.]

There is one special point in my Honourable friend's speech on which I wish to touch and that is when he referred to the necessity of seeing that the interests of the agriculturists were properly safeguarded in regard to this matter. Actually a statement on this point also was recently made in another place and the Honourable the Finance Member gave a definite assurance that every care will be taken to associate with any inquiry that may take place representatives of agricultural interests, men who are acquainted with the particular problems of the agriculturist and who have already made a study of the means necessary to solve those problems. I am not able, Sir, to accept my Honourable friend's Resolution for one reason and one reason only, namely, that the terms in which it is set would bind us to take a particular procedure—the appointment of a Committee. As a result of the discussions which have already taken place, we are by no means sure that that would be the most convenient or the most effective means of conducting the inquiry, and on the matter of procedure we find it necessary that for the moment we should keep a free hand. Nevertheless, Sir, I think my Honourable friend—I hope he will do so—may safely withdraw his Resolution in the assurance not only that his main point has already been met, but also that the direction of the inquiry and the procedure to be followed are being worked out in direct consultation with leaders of business opinion, with representatives of other special interests and with public opinion in general. Finally, Sir, I shall make it my business to see that the interesting suggestions and observations contained in his speech of to-day are brought without delay to the notice of the Honourable the Finance Member and others who may be associated with the inquiry.

Sir, I oppose the Resolution.

**THE HONOURABLE MR. KUMAR SANKAR RAY CHAUDHURY:** Sir, in view of the assurance given by my Honourable friend Mr. Burdon, I beg leave to withdraw my Resolution.

The Resolution was, by leave of the Council, withdrawn.

The Council then adjourned till Eleven of the Clock on Wednesday, the 27th February, 1929.