

# LEGISLATIVE ASSEMBLY DEBATES

---

MONDAY, 4th MARCH, 1929

Vol. I—No. 22

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## OFFICIAL REPORT



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# LEGISLATIVE ASSEMBLY.

Monday, 4th March, 1929.

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

## MEMBERS SWORN:

The Honourable Sir Brojendra Lal Mitter, Kt. (Law Member);  
Mr. Panambur Raghavendra Rau, M.L.A. (Financial Commissioner, Railways); and  
Mr. Hattiangadi Shankar Rau, M.L.A. (Finance Department: Nominated Official).

## QUESTIONS AND ANSWERS.

### IRREGULAR ARTICLES OF ASSOCIATION OF THE EAST INDIA COTTON ASSOCIATION, BOMBAY.

833. \*Mr. Siddheshwar Prasad Sinha: (a) Are Government aware of the registration of a joint stock company called the East India Cotton Association, Limited, registered as a limited liability guarantee company, and having its registered office in Bombay?

(b) Does Article 4 of the last amended Articles of Association of the said Company provide that "the regulations contained in Table A of the First Schedule, and in form B of the Third Schedule, of the Indian Companies Act, 1913, shall not apply to the said Association"?

The Honourable Sir George Rainy: With your permission, Sir, I shall answer questions Nos. 833 and 834 together.

The answer to part (a) of question No. 833 is in the affirmative. As regards the rest, the Local Government has been asked to report.

### ACTION OF THE REGISTRAR OF COMPANIES REGARDING THE ARTICLES OF ASSOCIATION OF THE EAST INDIA COTTON ASSOCIATION.

†834. \*Mr. Siddheshwar Prasad Sinha: (a) Is it a fact that 148 members of the East India Cotton Association, Limited, wanted to consider and revise certain bye-laws, and with that object, sent in a requisition to the Company, but were not given an opportunity, although they formed nearly 40 per cent. of the total membership of the said Association?

† For answer to this question, see answer to question No. 833.

(b) Is it a fact that the attorneys for the said requisitionists, by their letter dated the 3rd July, requested the Registrar of Companies, Bombay, to call upon the Company to render him an explanation, if any, for engrafting such alleged definitions and articles, which were contrary to all law?

(c) Will Government be pleased to state if the said Registrar did take any and, if so, what, action on the said subject?

(d) If the reply to (c) be in the negative, what were his reasons for not doing so?

(e) Will Government be pleased to lay on the table of the House the correspondence that might have passed between the 148 members and the attorneys of the East India Cotton Association and the Registrar of Companies, Bombay, on the subject?

#### CONFLICTING INTERPRETATIONS OF SECTION 103 OF THE INDIAN COMPANIES' ACT.

835. \*Mr. Siddheshwar Prasad Sinha: Have Government received any representation on the subject of section 103 of the Indian Companies Act and the anomaly created by the conflicting interpretations that are being put upon the said section?

**The Honourable Sir George Rainy: Yes.**

#### APPOINTMENT OF A REGISTRAR GENERAL FOR INDIA.

836. \*Mr. Siddheshwar Prasad Sinha: Is it a fact that Government propose to appoint a Registrar General for India for the purposes of deciding questions arising on the company law?

**The Honourable Sir George Rainy: No.**

#### AMENDMENT OF THE INDIAN COMPANIES' ACT.

837. \*Mr. Siddheshwar Prasad Sinha: Is it the intention of Government to amend the Indian Companies Act so as to bring it into line with the amended Companies Consolidation Act of England, with such necessary changes as might be suitable for India?

**The Honourable Sir George Rainy:** I would refer the Honourable Member to the answer to Mr. Vidya Sagar Pandya's question No. 413 of the 6th February, 1929.

#### WITHDRAWAL OF LICENCE OF LALA LUCHHI RAM FOR SELLING SWEETS AT HAPUR RAILWAY STATION.

838. \*Maulvi Muhammad Yakub: (a) Will Government be pleased to state how long Lala Luchhi Ram had the licence for selling Indian sweets on the Hapur Railway Station (East Indian Railway) on the Delhi-Moradabad line?

(b) Was ever any complaint made about his work before December, 1928, and was the licensee ever given any warning about his work?

(c) Has the licence of this licensee of many years' standing been withdrawn without any previous complaint against his work, and without giving him an opportunity to remove any defect that may have been recently found in his work? If so, for what reason?

(d) Did the Station Master of Hapur certify his work as satisfactory on the 6th February, 1929?

(e) Are Government prepared to ask the Railway Board to direct the Divisional Superintendent, Moradabad, through the Agent of the East Indian Railway, to inquire into this matter and reconsider the order served on Lala Luchhi Ram on the 1st January, 1929?

**Mr. P. E. Rau:** A copy of the Honourable Member's question will be sent to the Agent of the East Indian Railway for such action as he may think to be needed. Government are not aware of the facts, and the matter is one for the local railway authorities to settle.

STAFF OF THE MEDAL SECTION OF THE ARMY DEPARTMENT.

839. **\*Mr. S. C. Mitra:** Will Government be pleased to furnish an up to date list of the men of the Medal Section of the Army Department who were discharged on account of reduction of the staff from time to time, and also of those who have been retained in service, stating the qualifications and period of service in each case?

**Mr. G. M. Young:** Government are not in possession of the information required by the Honourable Member. The men of the Medal Section, who have been discharged from time to time on the reduction of staff, were all employed on a purely temporary basis, in order to cope with the extra work involved by the distribution of medals during the first few years after the Great War. No record of their qualifications has been kept.

EMPLOYMENT AS A ROUTINE CLERK OF MR. B. GANGULI, AN EMPLOYEE IN THE INDUSTRIAL SECTION OF THE MEDAL SECTION OF THE ARMY DEPARTMENT.

840. **\*Mr. S. C. Mitra:** (a) Is it a fact that, in November, 1926, one Mr. B. Ganguli was taken in the industrial staff of the Medal Section as a clerk on Rs. 50 and was allowed to officiate in a vacancy in the main section on Rs. 75 as a routine clerk for four months? If so, on what grounds?

(b) Is it a fact that, owing to a reduction of the staff of the Medal Section in 1927, the services of Mr. Ganguli were again transferred to the industrial section on Rs. 50?

(c) Is it a fact that, while he was so taken in the industrial staff, he had to do the work of a routine clerk in the general section, as assistant register-keeper?

(d) Is it a general practice in the Medal Section that the men of the industrial sub-section are compelled to do the work of routine clerks, namely, typist, indexing clerk, register-keeper, etc., in the main section?

(e) What benefit do the clerks get in such cases? Will Government be pleased to explain?

**Mr. G. M. Young:** (a) The reply to the first part of the question is in the affirmative. The reason was that no passed candidate was available.

(b) Yes.

(c) A part of his work was in the industrial section, and a part in the general section. His work in both sections was purely routine.

(d) No.

(e) Does not arise.

DISCHARGE OF CERTAIN EMPLOYEES OF THE MEDAL SECTION, ARMY  
DEPARTMENT.

841. \***Mr. S. C. Mitra:** (a) Is it a fact that the services of one Mr. B. Banerjee, who was brought from Calcutta as puncher in the industrial staff of the Medal Section on Rs. 50, were dispensed with in preference to those of Mr. S. Chatterjee, a local recruit? If so, why?

(b) Is it a fact that the services of one Mr. Sailendra Nath Das were dispensed with in March last? Did he serve Government in the Medal Section for nearly 10 years? Why was he thrown out in the last reduction, instead of the junior-most man in the section?

(c) Is it a fact that both Mr. Das and Mr. Ganguli represented their cases to the Establishment Officer and prayed for some appointment? Did the authorities earnestly try to help these men in any way? If not, why not?

(d) Is it a fact that the Controller of War Accounts and Deputy Controller of Currency provided for even those men who served only for one year and whose services were not required by them in other Government offices? Did Government take similar action in the case of the Medal Section men? If not, why not?

(e) Is it a fact that the authorities contemplate another reduction within a few months? Is there any scheme to provide for the men who will come under reduction this time? If not, do Government propose to provide for the men by securing them some post in any of the Government offices in British India?

**Mr. G. M. Young:** (a) The answer is in the negative. The duties of the two persons mentioned were entirely different, one being a puncher and the other a routine clerk. The latter portion of the question does not arise.

(b) The reply to the first two parts of the question is in the affirmative. The clerk whose name is mentioned by the Honourable Member was discharged, because he was the least efficient of the temporary clerks remaining in the section.

(c) The answers to the first and second parts are in the affirmative. These men's applications for employment in other departments were duly forwarded for consideration. All these temporary employees in the Medal Section, however, knew, at the time of undertaking employment, that their services were temporary and liable to be dispensed with at any time on reduction of establishment, also that the establishment was bound to be reduced as soon as the medal distribution work began to decrease. The last part of this question does not arise.

(d) Some of the clerks in the Office of the Controller of War Accounts, who came under reduction, were absorbed in the cadre of the Military Accountant General, which was being increased at that time. No clerk with less than one year's service was provided for in other Government offices by the Deputy Controller of Currency, Northern India, on the abolition of his office.

There was no opportunity of providing the retrenched clerks of the Medal Section with further employment under the Army Department.

(e) There are now only three temporary hands left in the Section, and they will be discharged next August. Government cannot guarantee them further employment in other offices, but will do what they can to help them in such applications as they may make for posts for which they are qualified.

ALLOWANCE PAID TO THE SUPERINTENDENT, MEDAL SECTION, ARMY DEPARTMENT, FOR SUPERVISION OF THE INDUSTRIAL STAFF.

842. \*Mr. S. C. Mitra: (a) Does the post of Superintendent, Medal Section, carry an additional allowance of Rs. 80 for supervision of the industrial staff attached to the Medal Section?

(b) What is the strength of the industrial sub-section?

(c) In what manner is the work of the industrial staff supervised? What is the reason for the special allowance?

Mr. G. M. Young: (a) There is no Superintendent in the Medal Section. The assistant in charge draws an allowance of Rs. 80 a month for supervising and checking inscriptions on medals.

(b) There is no longer a separate industrial sub-section; but three men, including the assistant-in-charge, are employed on the work of inscribing and checking medals.

(c) In the usual manner and with great efficiency, which is the reason for the allowance.

PETITIONS ALLEGING WRONGFUL DISMISSAL FROM THE EMPLOYEES OF THE GOVERNMENT OF INDIA PRESS AND THE POSTAL WORKSHOPS, ALIGARH.

843. \*Mr. S. C. Mitra: Will Government be pleased to state if it is a fact, that a large number of petitions, complaining against wrongful dismissals, reductions in pay, fines and supersessions in the Government of India Press and Postal Workshops, Aligarh, have been made to the Government, Controller of Printing and Stationery, and to the Director-General, Posts and Telegraphs, since the appointment of Mr. Aylmer as Officer in charge of the two establishments? If so, were the cases decided on their merits, or summarily rejected?

The Honourable Sir Bhupendra Nath Mitra: No such petition has been submitted to the Director General, Posts and Telegraphs, since the appointment of Mr. Aylmer as the Manager of the Government of India Press, Aligarh, in July, 1926. Only five petitions were received by the Controller of Printing and Stationery, of which three were addressed to Government. All such cases are carefully considered on their merits.

ALLEGED PRIVATE USE OF GOVERNMENT PROPERTY AND MATERIALS BY THE ASSISTANT MANAGER AND HEAD CLERK OF THE GOVERNMENT OF INDIA PRESS, ALIGARH.

844. \*Mr. S. C. Mitra: (a) Is it a fact that Government property such as teak wood and other material is used in the Government of India Press, Aligarh, for preparing furniture and other household articles for the private use of the Assistant Manager and Head Clerk?

(b) Is it a fact that in May, 1927, carpenter Sobha Ram reported to the Manager, Aligarh Press, regarding the theft of some teak wood which was in his charge?

(c) Is it a fact that it was subsequently discovered that the missing teak wood was taken by the Assistant Manager to his bungalow for preparing a table for his private use?

(d) Is it a fact that carpenter Sobha Ram was abused and kicked by the Assistant Manager, because the former reported the loss of costly wood to the Manager?

(e) Is it a fact that the Manager, without investigating the matter of the missing teak wood, reduced the pay of the carpenter by Rs. 5 per mensem and ordered that the reduction should stand unless the carpenter withdrew his report against the Assistant Manager?

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

(b) Yes.

(c) No. Some *sesham* wood, which was the private property of the Assistant Manager, was removed by him to his bungalow.

(d) No.

(e) The Manager reduced the pay of the carpenter by Rs. 5 after he had made a full investigation into the matter.

DISMISSAL OF SOBHA RAM, A CARPENTER, WHO ALLEGED THEFT OF GOVERNMENT PROPERTY BY THE ASSISTANT MANAGER, GOVERNMENT OF INDIA PRESS, ALIGARH.

845. **\*Mr. S. O. Mitra:** (a) Is it a fact that Sobha Ram appealed to the Controller of Printing and Stationery (Mr. E. E. Coombs) for the restoration of his pay, but the Controller, instead of restoring the man's pay, dismissed him from the service without proper inquiry?

(b) Is it a fact that the Manager, Government of India Press, Aligarh, in his order dated the 26th May, 1928, admitted that the wood in question was removed from the Mechanical Branch of the Press, but held that the wood was the property of the Assistant Manager? If so, will Government be pleased to state how the private wood of the Assistant Manager found its way into the Mechanical Branch?

(c) Is it a fact that great discontent prevails among the workmen of the Aligarh Press owing to the dismissal of the carpenter?

**The Honourable Sir Bhupendra Nath Mitra:** (a) The answer to the first part is in the affirmative, but as the carpenter persisted in making allegations against the Assistant Manager, which the former could not substantiate, proceedings for his dismissal were drawn up by the Manager with the approval of the Controller of Printing.

(b) Yes; the Assistant Manager, who sent some wood to be cut up in the Mechanical Branch, has been warned not to get such private work done in the Press premises in future.

(c) Government have received no representation to this effect.

ALLEGATIONS AGAINST THE ASSISTANT MANAGER, GOVERNMENT OF INDIA PRESS, ALIGARH.

846. \*Mr. S. O. Mitra: (a) Is it a fact that the Assistant Manager, Aligarh Press, slapped and kicked Kumar Sein, machine coolie, and that the said coolie reported the matter by telegram to the Controller? If so, what action has been taken by that officer in the matter?

(b) Is it a fact that the Assistant Manager is in the habit of using physical violence against the workmen and abusing them? If so, do Government propose to take disciplinary action against the Assistant Manager?

The Honourable Sir Bhupendra Nath Mitra: With your permission, Sir, I propose to answer questions Nos. 846 and 847 together. Inquiries are being made and the result will be communicated to the Honourable Member in due course.

ALLEGED PRIVATE USE OF GOVERNMENT MATERIALS AND LABOUR BY THE ASSISTANT MANAGER AND HEAD CLERK, GOVERNMENT PRESS, ALIGARH.

†847. \*Mr. S.O. Mitra: (a) Is it a fact that one ice-cream machine was manufactured in the Mechanical Branch of the Aligarh Press for the private use of the Assistant Manager, and that the fact was reported by telegram to the Controller, Printing and Stationery, by Jiwa Ram, hand-pressman?

(b) Is it a fact that a machine for preparing *Simayan* was also prepared in the Mechanical Branch for the use of the Head Clerk, Aligarh Press?

(c) If the answers to parts (a) and (b) are in the affirmative, will Government be pleased to state to which head the cost of labour and materials was debited?

REDUCTION OF SCALES OF PAY OF THE CLERICAL ESTABLISHMENT, ALIGARH PRESS.

848. \*Mr. S. O. Mitra: Is it a fact that certain proposals regarding reduction in the maximum scales of the clerical establishment of the Aligarh Press have been made to Government by the Manager? If so, what is the reason for reducing the future maximum and limiting the prospects of the clerical staff?

The Honourable Sir Bhupendra Nath Mitra: Proposals for the re-organisation of the establishment of the Aligarh Press have been received from the Controller of Printing and Stationery and are still under the consideration of Government. No decision as to the rates of pay has yet been reached.

CASE OF TOWN INSPECTORS OF POST OFFICES, BOMBAY AND UNITED PROVINCES CIRCLES.

849. \*Mr. Rafi Ahmad Kidwai: (a) Was the attention of Government drawn to the editorial comment of the *Amrita Bazar Patrika*, in its issue dated the 28th December, 1928?

† For answer to this question, see answer to question No. 846.

(b) Are the facts stated therein substantially correct? If so, were Government pleased to make an inquiry into the case of the Postal Town Inspectors of the Bombay and United Provinces Circles who have not yet been restored to their substantive posts of Town Inspectors?

(c) Is it a fact, as published in the above issue of the paper, that five orders were issued from August, 1927 to October, 1928 relating to the Town Inspectors attached to first class head offices?

**The Honourable Sir Bhupendra Nath Mitra:** (a) Yes.

(b) The facts were substantially as stated. It is hoped, however, that the position has been set right by the orders contained in Government letter No. 14-P. T. E., dated the 2nd October, 1928, a copy of which was laid on the table of the House in reply to Khan Bahadur Sarfaraz Hussain Khan's unstarred questions Nos. 98 and 138 on the 28th January, 1929.

(c) Yes, but it is hoped that the matter has now been settled by the issue of the orders of October, 1928, referred to by me.

#### TOWN INSPECTORS OF POST OFFICES REMOVED FROM THEIR SUBSTANTIVE POSTS AND RESTORED UNDER RECENT ORDERS.

850. \***Mr. Rafi Ahmad Kidwai:** Will Government be pleased to furnish the following information postal circle by circle in India:

- (a) Total number of Town Inspectors attached to the 1st class head offices who were not removed from their substantive posts after 1st September, 1927?
- (b) Total of Town Inspectors who were displaced from their substantive appointments after 1st September, 1927?
- (c) Total number of displaced Town Inspectors, head office by head office, who have been restored to their substantive posts of postal Town Inspectors after the issue of Government order dated 2nd October, 1928 and Director-General's order dated 15th October, 1928, relating to the Town Inspectors?

**Mr. H. A. Sams:** With your permission, Sir, I shall take questions Nos. 850, 851 and 852 together.

The information is being collected and will be supplied to the Honourable Member in due course.

#### RESTORATION OF CERTAIN POSTAL TOWN INSPECTORS TO THEIR SUBSTANTIVE APPOINTMENTS.

†851. \***Mr. Rafi Ahmad Kidwai:** Is it a fact that all the displaced postal Town Inspectors attached to the first class head offices in the Burma, Bengal and Assam Circles and the Sind and Baluchistan Circle, have been restored to their substantive appointments?

#### NUMBER OF VACANCIES IN THE LOWEST SELECTION GRADE OF THE BOMBAY AND UNITED PROVINCES POSTAL CIRCLES.

†852. \***Mr. Rafi Ahmad Kidwai:** (a) Will Government be pleased to state the total number of vacancies in the lowest selection grade of Rs. 160—250 that occurred since October, 1928 in the Bombay and United Provinces Postal Circles respectively?

† For answer to this question, see answer to question No. 850

(b) Will Government be pleased to state how many of the displaced Town Inspectors were restored to their posts in the Bombay and United Provinces Circles by transferring the newly appointed Town Inspectors in the available vacancies in the lowest selection grade?

**PAYMENT TO RAI SAHIB RATAN LAL, HEADMASTER, GOVERNMENT HIGH SCHOOL, DELHI, OF AN HONORARIUM FOR SUPERVISING EXAMINATIONS.**

**853. \*Maulvi Muhammad Yakub:** (a) Will Government be pleased to state the names of the examinations supervised by Rai Sahib Ratan Lal, Head Master, Government High School, Delhi, for the Public Services Commission, during the years 1927, 1928 and 1929?

(b) What was the number of days during the above period spent by Mr. Ratan Lal in supervising these examinations, and what was the remuneration or honorarium drawn by him for this work?

(c) Is it a fact that most of these examinations are held at Metcalfe House, which is at a considerable distance from the Government High School, Delhi, and that the examinations take six hours a day? Who did the teaching work of Mr. Ratan Lal and his duties as Head Master while he was away supervising examinations?

(d) Will Government be pleased to state if the payments received by Mr. Ratan Lal for doing other work during the time that he should have been devoting to the discharge of his official duties were retained by him or credited to Government?

**Mr. G. S. Bajpai:** (a) and (b). A statement giving the information required is laid on the table. Rai Sahib Ratan Lal was entrusted with the supervision of the Superior Railway and Forest Service examinations of the Public Service Commission at the desire of the Commission.

(c) The answer to the first part of the question is in the affirmative. Teaching work was done by senior teachers; and other work by Rai Sahib Ratan Lal himself.

(d) The payments were retained by him in accordance with the usual practice.

*Statement showing the examinations supervised by Rai Sahib Ratan Lal, the number of days spent in such supervision and the remuneration drawn by him.*

Year.	Name of examination.	No. of days.	Amount of remuneration.
			Rs.
1927	1. Indian Audit and Accounts Service	1	25
	2. Superior Railway Services . .	5	125
1928	Indian Forest Service . .	5	140
1929	Indian Civil Service . . .	12	300

**Munshi Iswar Saran:** Are Government aware that it is the usual practice for professors and teachers in Universities and Government institutions to work as supervisors at public examinations?

**Mr. G. S. Bajpai:** That is exactly so, Sir.

NUMBER OF EXAMINATIONS SUPERVISED BY THE HEAD MASTER, GOVERNMENT HIGH SCHOOL, DELHI.

854. \***Maulvi Muhammad Yakub:** Will Government be pleased to state how many examinations Mr. Ratan Lal has supervised for the Punjab and Delhi Universities, as well as for the Board of Secondary Education, Delhi, from 1925 to 1928 (inclusive), the number of days spent on this work, and the honorarium drawn by him?

**Mr. G. S. Bajpai:** A statement giving the information required is laid on the table.

*Statement showing the number of examinations supervised by Mr. Ratan Lal, the number of days spent on the work and the honorarium drawn by him.*

Year.	Name of examination.	No. of days.	Amount of honorarium.
			Rs.
1925	Matriculation, Punjab University .	10	} 60 on each occasion.
1926	Matriculation, Punjab University .	10	
1927	High School, Board of Secondary Education, Delhi . . . . .	10	
1928	High School, Board of Secondary Education, Delhi . . . . .	10	

EXTRA WORK OF THE HEAD MASTER, GOVERNMENT HIGH SCHOOL, DELHI.

855. \***Maulvi Muhammad Yakub:** (a) Is the work of Head Master, Government High School, Delhi, and Assistant Superintendent of Education, Delhi Province, a whole-time job, requiring constant attendance during school hours in the institution?

(b) If the answer to (a) is in the affirmative, will Government be pleased to state how Mr. Ratan Lal is allowed to take on extra work for additional remuneration so frequently?

**Mr. G. S. Bajpai:** (a) Generally speaking, yes.

(b) The extra work is neither frequent, nor the selection of Mr. Ratan Lal for it a mark of exceptional favour. Such work is generally entrusted to headmasters and educational officers everywhere.

**Mr. Gaya Prasad Singh:** Is Mr. Ratan Lal a strict supervisor of examinations, which makes it difficult for students to resort to underhand practices in the examination hall?

**Mr. G. S. Bajpai:** That is a question which can best be answered by Mr. Ratan Lal himself.

**EMOLUMENTS OF THE HEAD MASTER, GOVERNMENT HIGH SCHOOL, DELHI.**

856. \***Maulvi Muhammad Yakub:** (a) Will Government be pleased to state how much examination work was undertaken by Mr. Ratan Lal from the Punjab and the Delhi Universities during the last five years and the total remuneration drawn by him for this additional work?

(b) What is the total salary, allowances and value of rent-free quarters enjoyed by Mr. Ratan Lal, as Headmaster, Government High School, and Assistant Superintendent of Education, Delhi Province?

(c) Is it a fact that no other headmaster of a high school in Delhi draws a salary of more than Rs. 400 per mensem?

(d) If the answer to part (c) be in the negative, will Government be pleased to furnish a list of aided and recognised high schools in Delhi and the salary drawn by their headmasters?

**Mr. G. S. Bajpai:** (a) Mr. Ratan Lal undertook no work from the Punjab University, and since 1926 has done none for the Delhi University. The total remuneration drawn by him from the Delhi University up to 1926 was about Rs. 200.

(b), (c) and (d). A statement giving the information required is laid on the table.

*Statement showing the salary drawn by Mr. Ratan Lal and the Headmasters of aided and recognised high schools in Delhi.*

Name of person or post.	Salary.	Remarks.
Mr. Ratan Lal	Rs. 800	In addition he receives special pay of Rs. 75 a month plus rent-free house to the value of about Rs. 80 a month.
Headmaster, Anglo-Arabic High School	800	
Headmaster, St. Stephen's High School	480	
Headmasters of other High Schools	Less than 400	

**PAY OF TOWN INSPECTORS OF POST OFFICES IN BOMBAY.**

857. \***Mr. Siddheswar Prasad Sinha:** Is it a fact that the starting pay in the case of postal Town Inspectors in Bombay was Rs. 100 prior to the introduction of time-scale of pay?

**Mr. H. A. Sams:** The reply is in the affirmative.

RECRUITMENT OF TOWN INSPECTORS OF POST OFFICES IN BOMBAY.

858. \***Mr. Siddheswar Prasad Sinha**: Will Government be pleased to say whether the Town Inspectors in Bombay were recruited from Rs. 40 grade and upwards to the Town Inspector's grade of Rs. 100, in preference to other officials, by the due selection of the Presidency Postmaster, Bombay?

**Mr. H. A. Sams**: The reply is in the affirmative.

NAMES AND LENGTH OF SERVICE OF CERTAIN TOWN INSPECTORS OF POST OFFICES.

859. \***Mr. Siddheswar Prasad Sinha**: Will Government be pleased to furnish the following information:

- (a) names of officials who were selected and acted in the Rs. 100 grade of Town Inspectors prior to September 1920;
- (b) names of officials who replaced the above-mentioned officials in May 1928;
- (c) total length of service as Town Inspectors of officials mentioned in (a) and (b)?

**Mr. H. A. Sams**: I am making an inquiry, and will furnish the information to the Honourable Member in due course.

GRIEVANCES OF DISPLACED TOWN INSPECTORS OF POST OFFICES.

860. \***Mr. Siddheswar Prasad Sinha**: (a) Will Government be pleased to say whether the Postmaster-General, Bombay Circle, followed one and the same procedure in the Presidency Town of Bombay and in the other first class head offices in the Circle in displacing the permanent Town Inspectors in May 1928?

(b) Are Government aware of the pecuniary losses and suffering of the displaced Town Inspectors by the loss of their substantive appointments?

**The Honourable Sir Bhupendra Nath Mitra**: (a) Government have no information, but the matter has now been set right by the issue of the Government orders, to which I have referred in reply to Mr. Kidwai's question No. 849.

(b) Generally speaking, there was no loss of substantive appointment.

PAY OF TOWN INSPECTORS OF POST OFFICES.

861. \***Mr. Siddheswar Prasad Sinha**: Is it not a fact that the general revision of the Town Inspectors' pay was in fulfilment of the promises made by the Director-General to the individual Town Inspectors from the year 1921 to 1927?

**Mr. H. A. Sams**: The answer is in the negative.

ACCELERATION OF THE SPEED OF CERTAIN MAIL TRAINS.

862. \***Mr. V. V. Jogiah**: (a) Are Government aware that, while the mail train from Madras to Calcutta, covering a distance of about 1,032 miles, takes 88 hours for the journey, the Great Indian Peninsula Railway mail

from Bombay to Delhi takes only 29 hours to travel a distance of only 957 miles?

(b) Are Government also aware that, while the mail train from Madras to Bombay takes 34 hours for the journey, which is only a distance of 794 miles, the Bombay, Baroda and Central India Railway mail from Bombay to Delhi, which covers a distance of 862 miles, takes only 23½ hours?

(c) If the replies to parts (a) and (b) are in the affirmative, are Government prepared to take steps to accelerate the speed of the two mails from Madras to Bombay and to Calcutta respectively?

**Mr. P. R. Rau:** (a) and (b). Yes.

(c) It is not always either possible or desirable to provide uniformity in the speed of trains on different railways. Varying conditions have to be taken into account regarding such matters as the amount and class of traffic to be carried, the grade of the track and the additional expenditure which would be necessary to accelerate the service. On the Madras and Southern Mahratta Railway and the Bengal Nagpur Railway relaying of the track with heavier rails, and regirdering of bridges is in progress on certain sections. Until this work is finished, I am afraid it will not be possible greatly to accelerate the speed of trains between Madras and Bombay and between Madras and Calcutta.

#### PROVISION OF A THROUGH TRAIN FROM PESHAWAR TO MANGALORE.

863. **\*Mr. V. V. Joglah:** Is it proposed to run a through train from Peshawar to Mangalore via Delhi, Nagpur and Bezwada, and if so, when will this service commence?

**Mr. P. R. Rau:** Yes. I understand that the railways concerned have now settled the timings of this train, and that they hope to start the service from the 1st of April 1929.

#### POLICY TO BE ADOPTED FOR PROVISION OF QUARTERS FOR RAILWAY STAFF.

864. **\*Mr. V. V. Joglah:** (a) Is it a fact that, at the meeting of the Standing Railway Finance Committee for Railways, held on the 15th day of June, 1926, the Railway Board, represented by the Financial Commissioner for Railways, presented a memorandum with respect to the policy to be adopted in regard to the provision of quarters for railway staff?

(b) If so, is it a fact that, in paragraph 8 of the said memorandum, among other recommendations, the recommendation relating to the principle that menial staff should be exempted from payment of rent for quarters allotted to them was approved, but it was directed that rent should be charged for quarters, occupied by staff other than menials?

(c) Is it also a fact that, though the principle was adopted on the Eastern Bengal Railway in respect of staff other than menials, no effect has yet been given in respect of menial staff, who, according to the principle above referred to, are entitled to free occupation of railway quarters?

**Mr. P. R. Rau:** (a) and (b). Yes.

(c) As stated by Mr. Parsons on the 11th February, in reply to the Honourable Member's question No. 519 on the same subject, the Railway

Board are in communication with the Agent, Eastern Bengal Railway on the subject. I hope to be able to give the Honourable Member more definite information shortly.

#### REDUCTION OF CUSTOMS DUTY ON GLASS BANGLES.

865. \***Mr. V. V. Jogiah:** (a) Is it a fact that all glassware, such as tumblers, chimneys, globes chandeliers, etc., are assessed at an import duty of 15 per cent. only, while glass bangles worn by women belonging to the Hindu, Muhammadan and Parsi communities residing in India are taxed at the rate of 30 per cent.? Are Government aware that glass bangles are worn by Indian women as a matter of religious necessity?

(b) If so, do Government intend to place glass bangles in the same category as other glassware, with respect to import duty and reduce the duty to 15 per cent.?

(c) Is it a fact that the Glass Bangles Merchants' Association, Bombay, submitted a memorial to H. E. the Viceroy and Governor General in Council on this subject?

(d) If so, what reply was given to the Association?

**The Honourable Sir George Rainy:** (a) The rates of import duty on glassware and glass bangles are as stated by the Honourable Member. The Government are aware that, in some parts of India, it is the custom for women to wear glass bangles.

(b) No.

(c) Yes.

(d) The Association was informed that its views had been noted.

**Mr. C. Duraiswamy Aiyangar:** May I ask my Honourable friend, Mr. Jogiah, whether the religious necessity is based on the importation of foreign bangles or whether it is based on the Indian manufacture of bangles?

**The Honourable Sir George Rainy:** The representation was submitted by people who wished the duty to be reduced, and the inference to be drawn is that they were more interested in imported bangles than in Indian-made bangles.

**Mr. C. Duraiswamy Aiyangar:** Is the Honourable Member aware of the fact that the Indian manufacture of bangles, suited to Indian women, forms a considerable portion of the industry, at least in my part of the country, and it was all put down by not having been properly protected by a duty of even 30 per cent.?

**The Honourable Sir George Rainy:** My recollection is that the manufacture of bangles had been carried on in India for a considerable time and that representations have occasionally been made asking for protection for the manufacture.

**Mr. C. Duraiswamy Aiyangar:** Is the Honourable Member aware that the clay necessary for glass manufacture is largely found in this country and therefore that glass manufacture ought to be encouraged by sufficient protection?

**The Honourable Sir George Rainy:** I am afraid I must have notice of that question.

**Mr. Vidya Sagar Pandya:** Does the import duty of 30 per cent. go to protect the local bangle industry in this country?

**The Honourable Sir George Rainy:** One would imagine that a duty at that rate would have a protective effect, but it was imposed primarily for the purpose of raising revenue; it was one of the so-called luxury duties.

**PERCENTAGE OF ANGLO-INDIANS AND INDIANS APPOINTED TO SUBORDINATE GRADES IN STATE RAILWAYS.**

866. **\*Mr. V. V. Jogiah:** (a) Is it a fact that, in the subordinate grades of State railway services carrying salaries of Rs. 250 and above, Anglo-Indians and Europeans at present hold 70.42 per cent. of the total posts, and that only 29.58 per cent. are held by pure Indians?

(b) Is it also a fact that Mr. Parsons, the Financial Commissioner of Railways, during the discussions on the Railway Budget in the 1928 February Session of the Legislative Assembly, assured the House that instructions had been issued to the railway administrations to do away with racial discrimination in future?

(c) Are Government aware that, in spite of this assurance, the Agent of the Eastern Bengal Railway, in his memorandum, dated the 7th day of November, 1928, on the subject of recruitment, has instructed the Heads of Departments under him that Anglo-Indians must be recruited against the 33 per cent. set apart for minorities without reference to their deficiency in educational qualifications?

(d) Is it a fact that the Government, in direct contravention of the assurance given by the Financial Commissioner of Railways, directed the Railway Board to follow the policy, as enunciated by the Agent in his memorandum referred to in part (c) above?

(e) If so, are Government prepared to cancel such directions and accord equal treatment to pure Indians and Anglo-Indians and Domiciled Europeans, without perpetuating racial discrimination?

**Mr. P. R. Rau:** (a) For the figures, I would refer the Honourable Member to page 62 and pages 111 to 113 of Volume I of the Report by the Railway Board on Indian Railways 1927-28, copy of which is in the Library.

(b), (c), (d) and (e). The Honourable Member is now aware of the position from the remarks of the Honourable Member for Railways in the course of the budget debates last week.

**Lieut.-Colonel H. A. J. Gidney:** Will the Honourable Member kindly state with regard to this question whether it is not a fact that the present position occupied by Anglo-Indians in the subordinate posts is due to the fact that they have long service and are seniors?

**The Honourable Sir George Rainy:** I think, Sir, that is a matter of history and hardly a question to be answered on the floor of the House by way of answer to a supplementary question. The matter was very fully discussed in the course of the budget debates, and we all regretted that the Honourable Member was not able to be present then.

CREATION OF ADDITIONAL APPOINTMENTS IN THE LOWEST SELECTION GRADE OF CLERKS IN THE BOMBAY POSTAL CIRCLE.

867. \*Haji Chaudhury Mohammad Ismail Khan: (a) Is it a fact that Rai Bahadur J. P. Ganguly, Officer on Special Duty, recommended reduction of the clerical staff in the Bombay Postal Circle and the additional sanction of the lowest selection grade appointment?

(b) If the reply to part (a) be in the affirmative, will Government be pleased to say:

- (i) whether the Presidency Postmaster, Bombay, has carried out in part the reduction of the clerical staff as proposed and recommended by Rai Bahadur J. P. Ganguly;
- (ii) whether the additional appointments in the lowest selection grade have been given effect to by Government; and
- (iii) whether Government intend to give immediate effect to the appointment in the lowest selection grade, consistent with the fund already available by the reduction of the clerical staff?

Mr. H. A. Sams: (a) Yes.

(b) The Honourable Member's attention is invited to the reply given by me on the 28rd February, 1929, to Mr. M. S. Aney's starred question No. 695.

PAY OF TOWN INSPECTORS OF POST OFFICES IN THE BOMBAY CIRCLE.

868. \*Haji Chaudhury Mohammad Ismail Khan: (a) Is it a fact that the postal Town Inspectors of the Bombay Circles were removed from their posts after they had worked 8 months on the revised scale of pay?

(b) Is it a fact that the Postmaster-General, Bombay, called for a report from the Presidency Postmaster, Bombay, regarding the work of all the Inspectors before their reversion?

(c) Are Government aware that the Presidency Postmaster, Bombay, recommended the case of the then existing incumbents of the posts of Town Inspectors, but that his recommendation was not accepted?

Mr. H. A. Sams: (a), (b) and (c). I am making an inquiry and will furnish the information to the Honourable Member.

GRANT OF AN ALLOWANCE TO TOWN INSPECTORS OF POST OFFICES.

869. \*Haji Chaudhury Mohammad Ismail Khan: (a) Is it a fact that the permanent officials in the lowest selection grade in the Postal Department in the Presidency towns of Bombay and Calcutta, Karachi and Rangoon, are getting a compensatory allowance?

(b) If so, will Government be pleased to say why such an allowance is not given to all the selection grade officials, including the Town Inspectors in those places?

Mr. H. A. Sams: (a) and (b). Postal officials in the lowest selection grade of Rs. 160—10—250 residing in the localities mentioned are getting a Compensatory Allowance, with the exception of the following:

- (1) One Town Inspector and one Inspector of Post Offices recently sanctioned for Karachi, the grant to whom of compensatory allowance is under consideration.

(2) Town Inspectors of Calcutta, for the payment to whom of compensatory allowance, funds have recently been placed at the disposal of the Postmaster-General, Bengal, and Assam Circle.

**NAMES AND LENGTH OF SERVICE OF CERTAIN POSTAL TOWN INSPECTORS.**

870. \*Mr. Narayan Prasad Singh: (a) Will Government be pleased to furnish the following information:

- (i) Names of the postal Town Inspectors who were substantively holding the posts of Town Inspectors in the first class head offices on the 1st September 1927 in Madras Town, Madura, Hyderabad, Secunderabad and Bangalore;
- (ii) Names of the permanent Town Inspectors holding such posts on the 1st September, 1927, who have been removed from their substantive posts, showing against each the name of the head office where they were attached; and
- (iii) Length of service as Town Inspector of the official who replaced Mr. B. S. Venkataraniya, the old Town Inspector of Bangalore Head Office, and his name and relationship, if any, with any officer of the Circle Office, Madras?

(b) Will Government be pleased to state the total number of vacancies in the lowest selection grade that occurred in the Madras Circle since October 1928?

(c) Will Government be pleased to give the total number of displaced Town Inspectors who have been restored to their posts in the Madras Circle after the issue of the last order of the Director General in October, 1928?

**Mr. H. A. Sams:** The information which is being collected with reference to Mr. Kidwai's question No. 850 will be supplied to the Honourable Member. Government do not think that any public purpose would be served by further researches into the details of this question.

**CONSTRUCTION OF A RAILWAY BETWEEN HAZARIBAGH ROAD STATION AND HAZARIBAGH TOWN.**

871. \*Mr. Ram Narayan Singh: Will Government be pleased to state the stage at which the proposal to construct a new railway line between the Hazaribagh Road Station and the Hazaribagh Town stands today? Has the line been surveyed? Has the proposal been finally sanctioned?

**Mr. P. B. Rau:** A traffic survey of the line was sanctioned last September. The results of the survey have not yet been received.

**CONSTRUCTION OF A RAILWAY BETWEEN BARAKAKHANA AND DALTONGANJ.**

872. \*Mr. Ram Narayan Singh: Will Government be pleased to state whether the construction of the railway line (Central India Coalfield Railway) between Barakakhana and Daltonganj is complete? If so, when will it be opened for the general traffic?

**Mr. P. B. Rau:** The line was opened for public traffic on the 31st January last.

REASONS FOR ABANDONMENT OF PROPOSAL FOR A RAILWAY FROM  
BARAKAKHANA TO RANCHI.

873. **Mr. Ram Narayan Singh:** Will Government be pleased to state the reasons why the construction of a proposed railway line from Barakakhana to Ranchi has been abandoned? What was the total cost of expenditure incurred with regard to the proposal before it was abandoned?

**Mr. P. B. Rau:** The line was unremunerative. The Government of Bihar and Orissa were given an opportunity of saying whether they would like it constructed under a guarantee, but they replied that they were not prepared to offer a guarantee. A sum of Rs. 54,985 was sanctioned for the survey.

RECOMMENDATIONS OF THE HILTON YOUNG COMMISSION.

874. **Mr. Gaya Prasad Singh:** (a) Are Government aware that the Indian Association of Dar-es-Salaam, have sent to the Secretary of State for the Colonies a cable protesting against the recommendations of the Hilton Young Commission Report, and especially against the transfer of the Tanganyika Railways and Port from the control of the Tanganyika Administration to Kenya (*vide* the *Tanganyika Opinion*, dated the 2nd February, 1929)?

(b) Are Government aware that the Arusha Coffee Planters' Association and the European Association of Tanganyika have cabled to the Secretary of State for the Colonies, urging the recall of Sir Donald Cameron, the Governor?

(c) Are Government aware that general public opinion in Tanganyika, and especially Indian public opinion, is strongly opposed to the recall of Sir Donald Cameron, (*vide* the *Tanganyika Opinion*, dated the 5th February, 1929)?

(d) Do Government propose to take necessary steps to see that the just and sympathetic administration of Sir Donald Cameron is not withdrawn from Tanganyika, and that the Indian settlers in that territory are given a fair facility of being heard before any final decision is arrived at, regarding the recommendations referred to in part (a) above?

(e) Do Government propose to suggest to the proper authorities the reference of the proposals of the Hilton Young Commission to the League of Nations? If not, why not?

**Mr. G. S. Bajpai:** (a) Government have seen in the Press a copy of a telegram reported to have been sent by the Indian Association, Dar-es-Salaam, to the Secretary of State for the Colonies. This telegram protests against an alleged proposal to transfer administration of the Tanganyika section of Railways and the Tanga Port to the Kenya and Uganda Railway Administration; it does not appear to be a protest against the whole Report of the Commission.

(b) and (c). Government have seen reports to this effect in newspapers.

(d) Government have no reason to think that "the just and sympathetic administration of Sir Donald Cameron", to quote the language of Honourable Member's question, is about to be withdrawn. As regards the latter part of the question, the Honourable Member's attention is invited to item (2) of the statement of requirements at page 118 of the Report.

He will observe there that what the Commission recommend is not transfer, but a local inquiry into the factors affecting transfer of the management of the Tanga-Moshi-Arusha system of railways and the Port of Tanga, or of a part only of the railway system. The Honourable Member's attention is also invited to the paragraph beginning with the word 'Fifthly' at pages 226-227 of the Report. If this recommendation is accepted by His Majesty's Government, local Indians will presumably have an opportunity of representing their views on the question before those who conduct the inquiry. If the Honourable Member is further referring to the question of the steps to be taken to ensure that Indians in these territories should get an opportunity for explaining their views on the recommendations made in the Report as a whole, I would inform him that this question is now engaging the attention of the Government of India. The Report of the Commission itself, as the Honourable Member is probably aware, postulates that there should be local investigation and discussions before any changes are effected in the constitution.

(e) The Honourable Member probably refers to the proposals of the Commission in so far as they affect Tanganyika which is a mandated territory. I would invite his attention to Chapter XII of the Report, from which he will observe that the Commission have carefully considered how the terms of the mandate should be safeguarded. The permanent Mandate Commission of the League, which is a vigilant body, is the constitutional mechanism provided for watching over the administration of mandated territories. The question of a reference to the League of Nations of the proposals in the Report regarding Tanganyika does not therefore arise.

#### ATTITUDE OF MUHAMMADAN POLITICIANS TOWARDS THE SIMON COMMISSION.

875. \*Mr. Gaya Prasad Singh: (a) Has the attention of the Government been drawn to the following paragraphs in Mr. Coatsman's book, *India in 1927-28*:

(i) "With the exception of Mr. Jinnah, no Muhammadan politician of any standing denounced the Simon Commission" (page 58);

(ii) "Reports from all over India showed that the hartal was a very half-hearted affair in most places where it took place, whilst many important cities were not affected by it in any way"; and also that "there was no popular feeling behind the hartal" (page 69)?

(b) Are Government aware that other Muhammadan leaders of standing, such as Sir Ali Imam, Sir Abdur Rahim, the Maharaja of Mahmudabad, Dr. Ansari, Maulana Mohamad Ali, and others, have denounced the Simon Commission?

(c) Will Government be pleased to place in the Library a copy of the reports on which the statement contained in part (a) (ii) above is based?

The Honourable Mr. J. Orerar: (a) Yes.

(b) Government are aware that those mentioned have criticised the Commission.

(c) Government do not propose to place papers relating to these matters in the Library.

**Mr. M. S. Aney:** Are Government aware that Government had to take special precautions for taking the Commission from the station to their residential quarters in every city with a view to avoid their seeing the anti-Simon processions held in every city?

**The Honourable Mr. J. Orerar:** The statement of the Honourable Member refers to the events of last February, not to the matters concerned with the present question.

**Mr. R. K. Shanmukham Chetty:** If the answer to part (b) is in the affirmative, may I know how Government reconcile that to what is asked in (a)(1)?

**The Honourable Mr. J. Orerar:** I think that probably the writer had in mind the leaders of parties in the Legislature. Without some qualification of that kind, the statement might no doubt be questioned.

**Mr. R. K. Shanmukham Chetty:** Will Government represent to the writer of this book that the Deputy President of the Assembly is also a Muhammadan politician of standing, and he has also denounced the Commission?

**The Honourable Mr. J. Orerar:** The writer of the book will take notice of that.

**Mr. Gaya Prasad Singh:** Are the Government aware that Mr. Hasan Imam, Barrister of Patna, who was a Judge of the High Court and a past President of the Indian National Congress, had also denounced the Simon Commission, so also Mr. Muzhar-ul-Huq, who is a past President of the All-India Muslim League?

**The Honourable Mr. J. Orerar:** I am prepared to accept the Honourable Member's suggestion that this is the case.

**Mr. Jamnadas M. Mehta:** Is not an ex-Member of the Executive Council, Sir Ali Imam, a prominent politician?

**The Honourable Mr. J. Orerar:** It depends upon the activities of the gentleman. It does not necessarily follow.

**Kumar Ganganand Sinha:** Will the Honourable writer of this book who is a Member of this House inform us to what was in his mind?

**The Honourable Mr. J. Orerar:** I think I have correctly interpreted what was in his mind.

**Mr. Jamnadas M. Mehta:** Will the writer of this book first ascertain the meaning of words before he puts them on paper?

**Mr. C. Duraiswamy Aiyangar:** Is the Honourable Member aware that among those who supported the Simon Commission, there are no politicians of standing?

**Mr. Ram Narayan Singh:** Are Government aware that we look upon this book as a false document?

**Mr. K. Ahmed:** In view of the fact that almost all these questions with regard to this question No. 875 have been asked by the members of the Party or Parties opposite, are Government in a position to state that

the members of these Parties, each and every one of them, have been trying to coax the leaders of the Muhammadans of standing, by giving inducement and offering them a very good place in the political sphere, and thereby they have lost their confidence? . . . . .

**Mr. President:** Order, order. Munshi Iswar Saran.

**Munshi Iswar Saran:** Will Government state if this publication is supposed to contain the individual views of the writer or the views of the Government of India?

**The Honourable Mr. J. Orerar:** The Honourable Member's attention is drawn to the prefatory note.

**Mr. Gaya Prasad Singh:** Have the Government had occasion to see this book and to approve of these statements before they sent it out as an official publication to the Secretary of State for India?

**The Honourable Mr. J. Orerar:** General approval was given to the book but not to every individual statement.

**Munshi Iswar Saran:** Will Government kindly state what is the nature of the report on which these statements are based?

**The Honourable Mr. J. Orerar:** I am afraid I do not quite follow the Honourable Member's question.

**Munshi Iswar Saran:** In the question (a) (ii) it is stated:

"Reports from all India showed that the hartal was a very half-hearted affair in most places where it took place, whilst many important cities were not affected by it in any way"

and also

"there was no popular feeling behind the hartal."

My question is on what reports these statements are made?

**The Honourable Mr. J. Orerar:** I understand, Sir, that they were mainly based upon newspaper reports made on both sides in the controversy.

**Mr. Gaya Prasad Singh:** May I ask whether these statements were based upon police reports or confidential reports, besides those appearing in the newspapers? Will Mr. Coatman answer this?

**The Honourable Mr. J. Orerar:** The statements are based mainly on newspaper reports. The compiler of this book does not use police reports. They are not part of his material.

**Mr. Jammadas M. Mehta:** Is it worth while spending Rs. 1,60,000 for this distorted statement?

**The Honourable Mr. J. Orerar:** These are two questions of opinion. I assent to one and I dissent from the other.

**Mr. M. A. Jinnah:** Do Government propose to take steps to prevent misleading statements from being incorporated in a book of this character?

**The Honourable Mr. J. Orerar:** Whether they are misleading or not is a question of opinion.

**Mr. K. Ahmed:** Is it not a fact that the Government of India, particularly the Home Department, received from all parts of India, the opinions of Muhammadans of standing and their Associations, about those who attended certain meetings of the Hindus, particularly as it is called . . . .

**Mr. President:** That is a question by itself. Don't add adjectives. (Laughter.)

**Mr. K. Ahmed:** May I complete my question first, then the Chair will allow or disallow it according to rules and Standing Orders.

**Mr. President:** Order, order. The Honourable Member has put the question already. No commentary will be allowed.

**The Honourable Mr. J. Orerar:** If I understood the Honourable Member's question correctly, my reply would be that large bodies of opinion to that effect were communicated to the Government of India.

**Mr. Gaya Prasad Singh:** Is not the statement that, with the exception of Mr. Jinnah, no Muhammadan politician of any standing denounced the Simon Commission a gross perversion of facts?

**The Honourable Mr. J. Orerar:** I have already answered that question.

**Mr. Gaya Prasad Singh:** Was any inquiry made before putting down such a statement in the book?

**Mr. K. Ahmed:** May I ask another question?

**Mr. President:** Certainly.

**Mr. K. Ahmed:** Are Government aware that the very few Muslims only attending the Nehru Committee and the All-Parties Conference at Lucknow on or about the 28th August last, I think, or thereabouts were challenged by the Muhammadan community in regard to being their true leaders, and that some of those attending this Committee were simply flattered or bribed by the Congress men or the Swaraj Party people?

**Munshi Iswar Saran:** On a point of order. Is this a supplementary question? May I ask one question?

**Mr. President:** Yes.

**Munshi Iswar Saran:** Are we to understand that, when the writer says "no Muhammadan politician of any standing" he means a Muhammadan politician of any standing connected with any of the Parties in the House?

**The Honourable Mr. J. Orerar:** I understand that that was so.

**Munshi Iswar Saran:** Will Government take steps to have it communicated to the authorities in England that "no Muhammadan politician of any standing" means really no Muhammadan politician of any standing connected with any of the Parties in the House?

**The Honourable Mr. J. Orerar:** I don't think it necessary to take that step.

**Munshi Iswar Saran:** Does Government realise the effect of a statement of this character on the public mind?

**The Honourable Mr. J. Orerar:** I do not think that the passages in the book bearing on this matter, read as a whole, will convey an incorrect impression to the public mind.

**Munshi Iswar Saran:** Will Government issue instructions to the writer not to express opinions on controversial questions?

**Colonel J. D. Crawford:** Cannot the Muhammadan community be allowed to defend itself in this matter?

**Mr. President:** Mr. Siddheswar Prasad Sinha.

Mr. Gaya Prasad Singh.

#### NUMBERS OF CASUALTIES IN THE BOMBAY RIOTS.

876. **\*Mr. Siddheswar Prasad Sinha:** (a) Will Government be pleased to state the number of casualties during the last Bombay riots, stating separately for each community, (i) how many persons were killed, (ii) how many died in hospitals after their admission, and (iii) the number of the injured admitted to hospitals?

(b) On what day did the riot first break out?

(c) On what day was the order promulgating the closing of the liquor shops issued for the purposes of maintaining law and order in Bombay?

(d) Will Government state reasons for delaying the issue of an order for closing of the liquor shops till a civic deputation pressed hard for it?

(e) Has the attention of Government been drawn to the statement appearing in the *Statesman* of Calcutta that the Bombay Government took nearly a week to issue the order for the closing of the liquor shops after the number of injured persons had reached 600?

(f) Having regard to the experience obtained in Bombay, and for the future maintenance of the safety of the public, do Government propose to issue instructions to Local Governments to close such shops whenever there is any apprehension of a riot?

**The Honourable Mr. J. Orerar:** (a) The latest information received from Bombay is to the effect that the number of those who were killed or succumbed to their injuries is 143, of whom 88 were Hindus, 25 Pathans, 28 other Muhammadans, 1 a European and 1 a Parsi. The number of injured is 791. The Government of India are not in possession of the hospital returns.

(b) I must refer the Honourable Member to the statement that I made in this House on the 13th February in answer to Mr. Jamnadas Mehta's question.

(c) to (f). These questions will no doubt be dealt with by the Government of Bombay when they forward their full official report on the riots to the Government of India.

#### (a) CAUSE OF THE BOMBAY RIOTS; (b) ALLEGED KIDNAPPING OF BOYS.

877. **\*Mr. Siddheswar Prasad Sinha:** (a) Are Government now in a position to state the causes of the Bombay disturbance and the person or persons responsible for it?

(b) Have Government made any inquiry about the kidnapping of boys? If so, with what result?

(c) Has the attention of Government been drawn to publications in several vernacular papers that rumours of such kidnapping are current in some other cities of the province? If so, will Government be pleased to state what precautions they are taking at those places?

**The Honourable Mr. J. Orerar:** (a) and (b). I have nothing to add to my statement of the 18th February, 1929.

(c) I have seen some statements to this effect, but I would deprecate further publicity being given to such baseless rumours. I have no doubt the local authorities are taking any precautions that may be required.

#### REPORTED POSSIBLE ENTRY BY THE POLICE INTO THE QUARTERS OF MILLHANDS IN BOMBAY.

878. **\*Mr. Siddhaswar Prasad Sinha:** (a) Has the attention of Government been drawn to a statement published in the *Bombay Samachar* of the 18th instant by Mr. S. A. Dange, the General Secretary of the "Girni Kamdar Mandal", that the mill-hands were induced to go to work leaving behind in each *chawl* five chowkidars for the protection of their wives and children?

(b) Is it a fact that these chowkidars were arrested under the Curfew Order and that the doors of those people who had either gone to work or had left Bombay were broken open by the police or the military and all wooden articles removed from their houses, and that, thereafter, the doors were left open to allow thieves to pillage such rooms?

**The Honourable Mr. J. Orerar:** (a) and (b). I have no information about these allegations.

#### INTRODUCTION OF NAUTICAL SCHOOLS RECOMMENDED BY THE MERCANTILE MARINE COMMITTEE.

879. **\*Mr. Gaya Prasad Singh:** (a) Has the attention of Government been drawn to the following remarks made in the Report of the Indian Mercantile Marine Committee, 1923-24, (page 13):

"It would be advantageous if Provincial Governments should provide in the curriculum of all schools for a study of the history of the influence of the sea on war and commerce, especially in its relation to the Empire in general and to India in particular; or to institute primary nautical schools"

(b) Have Government communicated these remarks to Local Governments? If not, why not?

(c) Have Government taken any steps to introduce in schools in centrally-administered areas, the recommendations noted in (a) above? If not, why not?

**The Honourable Sir George Rainy:** (a) Yes.

(b) and (c). The Government of India are advised that the best preliminary training for a course at a nautical college is a sound general education. In their note, which is appended to Captain Sayer's report on the scheme for the establishment of a training ship in India, Captain Headlam

and Mr. Richey recommended that " candidates for admission should have completed the 8th standard in an Anglo-vernacular school, and should pass a qualifying test in English, arithmetic and general knowledge, i.e., history and geography ". This recommendation has been accepted in principle by the Government of India. As at present advised, the Government of India are not satisfied that it is desirable to institute primary nautical schools, or to ask Provincial Governments to revise their curriculum in the manner indicated in the quotation from the Mercantile Marine Committee's Report. But after three years have elapsed from the opening of the training ship " Dufferin ", they propose to ask the Governing Body whether, in the light of the experience gained of the cadets admitted to the training ship, they recommend that any measures of the kind recommended by the Committee are desirable.

**Mr. Gaya Prasad Singh:** On what grounds have Government come to the conclusion that it is not desirable to introduce this sort of curriculum in primary schools?

**The Honourable Sir George Rainy:** It is not necessary to put forward grounds to establish a negative proposition. It is for the other side to show that it is desirable.

**Mr. Gaya Prasad Singh:** Do I take it that Government disagrees with this view of the Mercantile Marine Committee?

**The Honourable Sir George Rainy:** I have already answered that question. Government are not satisfied that it is desirable to take either of the measures suggested.

**NUMBER OF TRANSFERS OF POSTAL OFFICIALS IN THE CHHATTISGARH DIVISION, CENTRAL PROVINCES.**

880. **\*Mr. Abdul Qadir Siddiqi:** Will Government be pleased to state the total number of transfers of postal officials in the Chhattisgarh Division, (Central Provinces), during the six months ending the 31st December, 1928, and will Government be pleased to state how this number compares with the number in the other divisions in the Central Provinces for the same period?

**Mr. H. A. Sams:** Government have no information. A copy of the question will, however, be sent to the Postmaster General, Central Circle, for necessary action with reference to the suggestion that there is an excessive number of transfers in the Chhattisgarh Division.

**TRAVELLING ALLOWANCES PAID TO POSTAL OFFICIALS OF THE CHHATTISGARH DIVISION.**

881. **\*Mr. Abdul Qadir Siddiqi:** (a) Will Government be pleased to state the total travelling allowance paid to postal officials of the Chhattisgarh Division on the occasion of their transfer during the current budget year up to 31st December, 1928?

(b) Has the total travelling allowance exceeded the budget provision for the Division and if so, to what extent?

**Mr. H. A. Sams:** The information is not available but will be obtained and supplied to the Honourable Member.

INCONVENIENCE CAUSED TO POSTAL OFFICIALS TRANSFERRED IN THE  
CHHATTISGARH DIVISION.

882. \*Mr. Abdul Qadir Siddiqi: (a) Will Government be pleased to state the total number of transfers of postal officials from 15th June, 1928, to 15th October, 1928, in the Chhattisgarh Division and in how many cases the transfer involved a journey of more than 50 miles by road?

(b) Are Government aware that many postal officials, who were transferred during the period, had to travel many miles on *kachha* roads in the rains, and were put to great inconvenience?

Mr. H. A. Sams: I am making inquiries and shall supply the Honourable Member in due course with the information he wants.

Mr. Abdul Qadir Siddiqi: Will the information be laid on the table some time?

Mr. H. A. Sams: I must see what the information is before I can answer that question.

LACK OF PROMOTION OF POSTAL OFFICIALS IN THE CHHATTISGARH DIVISION.

883. \*Mr. Abdul Qadir Siddiqi: Is it a fact that several officials, who have passed the second efficiency bar, are kept in charge of third class combined post offices in the Chhattisgarh Division?

Mr. H. A. Sams: Government have no information. The matter is entirely within the competence of the Postmaster General of the Postal Circle concerned, to whom a copy of the question and reply will be sent.

PROVISION OF PASSENGER SHEDS OR WAITING ROOMS AT CERTAIN RAILWAY  
STATIONS.

884. \*Mr. Siddheswar Prasad Sinha: (a) With reference to my starred question No. 881, dated the 12th March, 1927, will Government be pleased to state the number of stations where passenger sheds or waiting rooms have been erected since then?

(b) If the reply be in the negative, will Government be pleased to state the reasons for it?

(c) Are Government aware of the troubles to the travelling public due to paucity of shelters at Railway stations on the Moghulsarai-Gaya section?

(d) Are Government aware that many stations on the Moghulsarai-Gaya section are situated at considerable distances from habitations, and shelter from rains, cold and sun is essentially necessary?

(e) Is it a fact that passenger sheds are erected at the will of the authorities? If not, what is the standard for the selection of places for providing stations with sheds for passengers?

(f) Is there any programme for this work? If there is, will Government be pleased to lay on the table the programme for the Moghulsarai-Gaya section? If there is no programme, do Government realise the necessity for a fixed programme for this work?

**Mr. P. R. Rau:** (a) and (b). The erection of passenger sheds and waiting rooms is, in almost all instances, within the financial powers of an Agent, and Government have not got the details of the stations at which they have been erected since 1927.

(c) to (f). The Railway Board are anxious to increase the number of stations at which waiting halls are provided. In fact this was one of the subjects which was recently discussed with the Central Advisory Council for Railways. They have no doubt that the Agent of the East Indian Railway has a programme for gradually increasing the number of waiting halls for the whole of his railway, but are not aware either that the Moghul-sarai-Gaya section is particularly deficient in this respect, or the extent to which the Agent has proposals for dealing with this section. They will make inquiries from him and inform the Honourable Member of the result.

**ENTRAINING OF PASSENGERS AT THE TEMPORARY STATIONS ON THE POONPON RIVER, EAST INDIAN RAILWAY.**

885. **\*Mr. Siddheswar Prasad Sinha:** (a) With reference to my question No. 882, dated the 12th March, 1927, will Government be pleased to lay on the table the reply received from the department concerned?

(b) Are Government aware that the pilgrims, who go to Gaya for *shrad-dha*, have compulsorily to get down at the Poonpon River?

(c) Will Government be pleased to state the distances from the said river to the nearest railway stations on both the Patna-Gaya and Moghul-sarai-Gaya sections?

(d) Are the fares charged for the whole distance, though the pilgrims are not carried by trains over the whole distance, but have to travel part of the distance on foot? If so, why is it so?

(e) Are Government aware that neither conveyances nor coolies are available on these ghats?

(f) Will Government state the reasons, if any, why the pilgrims are not allowed to entrain at these temporary stations at the river ghats, where they are detained?

**Mr. P. R. Rau:** (a) No reply was asked for or received.

(b) to (f). I will obtain for the Honourable Member the information for which he asks.

**NUMBER OF MILITARY DAIRIES IN EACH PROVINCE WITH NUMBER OF COWS, ETC., THEY CONTAIN.**

886. **\*Mr. Siddheswar Prasad Sinha:** (a) Will Government be pleased to state the number of Government military dairies in each province, specifying (1) the name and place of such dairies (2) the number of (i) cows (ii) bulls and (iii) buffaloes that are or have been maintained in each one of them for the last five years?

(b) Will Government kindly state the approximate price they have to pay for one cow, bull and buffalo maintained in the said dairies?

(c) How many calves, male and female, were born at each of such military dairies during the last five years?

(d) How many of them were brought up at each of the dairies and how many of them were made over to butchers or others within a few days of their birth during the last five years?

(e) Will Government be pleased to state the amount of money derived from the sale of these calves?

**Mr. G. M. Young:** (a) The numbers are:—

Punjab, 11;

North-West Frontier Province 3,

Baluchistan 1,

United Provinces 4,

Central Provinces 2,

Bombay Presidency 3.

I will supply the Honourable Member with a list of these dairies. Statistics of cows, bulls and buffaloes maintained or born at each dairy during the last 5 years are not available.

(b) The average cost of maintaining an adult animal is a little over 8 annas a day, excluding overhead charges. Separate figures are not available for different classes of animals.

(c) and (d). I have answered part (c), and the first portion of part (d) in my answer to part (a).

As regards the latter portion of part (d), calves are not made over to butchers. Those that are not required are sold or given away to local cultivators.

(e) From 8 annas to one rupee per calf.

**REPORT OF DR. MANN, ex-AGRICULTURAL REPORT TO THE GOVERNMENT OF BOMBAY ON THE EFFECT OF THE SLAUGHTER OF COWS, ETC.**

857. **\*Mr. Siddheswar Prasad Sinha:** (a) Has the attention of Government been drawn to the Report by Dr. Mann, the ex-Agricultural Expert of the Bombay Government, to the Municipal Corporation of Bombay on the subject of the effect of the slaughter of cows, bullocks and buffaloes on agricultural lands?

(b) Will Government lay on the table of this House a copy of the said Report?

**Mr. G. S. Bajpai:** (a) Government have not seen the Report in question.

(b) Government cannot comply with the Honourable Member's request as they have never seen and possess no copy of the Report.

**APPLICATION OF THE SHRI MAHAJAN ASSOCIATION LTD. OF BOMBAY REGARDING CALVES IN GOVERNMENT DAIRIES.**

888. **\*Mr. Siddheswar Prasad Sinha:** (a) Is it a fact that an Association by name "Shri Mahajan Association Ltd. of Bombay," applied to Government by means of a memorial dated the 26th August, 1927, that the authorities of the Government Dairies be requested to make over all their young calves after they are 2 months old, which they do not propose to keep for themselves for their own use, to the said Association, at a

rate of Re. 1 per capita or such other sum as might be fixed, on the said Association undertaking properly to rear and bring up the said young calves and make them useful either as milch or agricultural cattle?

(b) Have Government taken any, and if so what, action on the said request?

(c) Is it a fact that the Bombay "Gau Rakshak Mandli", presided over by an eminent person and of the position of Sir Purshotamdas Thakurdas, a representative of the Bombay Indian Merchants' Chamber in this House, also made to Government a similar request regarding the young calves of the military dairies?

(d) If the reply to part (c) above be in the affirmative, will Government state what action, if any, has been taken on the said request?

(e) If no action has been taken on the representations of the "Shri Mahajan Association of Bombay" and the "Bombay Gau Rakshak Mandli", do Government propose to consider the said requests sympathetically at an early date?

**Mr. G. S. Bajpai:** (a) The Government of India have no information about the memorial which appears to have been submitted to the Local Government.

(b) Does not arise.

(c) and (d). The Gau Rakshak Mandli addressed the Manager, Military Dairy Farm, Kirkee, on the subject and were informed that all unwanted calves would be handed over to them at Re. 1 each. No further correspondence has been received from the Mandli.

(e) Does not arise.

#### INCREASED COST OF MILK IN INDIAN CITIES.

889. **\*Mr. Siddhaswar Prasad Sinha:** (a) Will Government be pleased to state if there has been an increase of percentage in the price of milk in the big Indian cities during the last 15 years?

(b) Are Government aware that the high rate of infant mortality is due to scarcity in the supply of pure milk in the country?

(c) Are Government aware that no other country in the world has so high an infant mortality as India?

(d) Are Government aware that, because of such dearth of pure milk for infants, the Bombay Bullion Exchange and the Bombay Bullion Brokers' Association have been compelled to maintain a Gaushala and that all the milk produced at the said Gaushala at Thana is distributed free to the children at Thana and in Bombay without distinction of caste or creed?

**Mr. G. S. Bajpai:** Information is being collected and will be supplied to the Honourable Member.

#### NUMBER OF COWS, ETC., SLAUGHTERED FOR MILITARY FOOD IN INDIA.

890. **\*Mr. Siddhaswar Prasad Sinha:** (a) Will the Government be good enough to state the number of cows, buffaloes and bulls slaughtered annually for military food during the last five years?

(b) Is it not a fact that H. E. Lord Rawlinson, the late Commander-in-Chief, having studied the problem of the scarcity of pure milk in British India, desired that beef required for military purposes be imported into India from Australia, preserved in ice, in order to save the Indian milch cattle, namely, cows and buffaloes, from the butcher's knife?

**Mr. G. M. Young:** (a) I would refer the Honourable Member to the reply that I gave to his unstarred question No. 444 on the 26th of March 1928. I need only add that bulls, calves and buffaloes are not slaughtered in military butcheries.

(b) No, Sir. The possibility of importing beef from Australia has been very fully explored on more than one occasion, and has had to be rejected on account of its expense.

#### NUMBER OF MILCH CATTLE SLAUGHTERED FOR EXPORT OF DRY BEEF OR OTHER TRADE PURPOSES.

891. **\*Mr. Siddheswar Prasad Sinha:** Will Government be pleased to give an idea as to the number of milch cattle which, when dry, are being slaughtered for the purposes of dry beef to be exported, and for procuring fat, hides, bones and blood for trade purposes?

**Mr. G. S. Bajpai:** The information is not available.

#### UNSTARRED QUESTIONS AND ANSWERS.

##### MEMORIAL TO THE SECRETARY OF STATE FROM CLERKS OF THE OFFICE OF THE DEPUTY ACCOUNTANT GENERAL, POSTS AND TELEGRAPHS.

262. **Mr. C. S. Ranga Iyer:** (a) Have Government perused the memorial addressed to the Secretary of State for India by the clerks of the Office of the Deputy Accountant General, Posts and Telegraphs, Delhi, in respect of their grievances, especially of pay and house-rent allowance? If so, what action do Government propose to take to redress the grievances of these clerks?

(b) Is it a fact that the clerks who were in service on 1st March 1924 (the date of introduction of the time-scale of pay in postal audit offices) are unable to reach the maximum on the scale in 25 years' service? If so, what steps do Government propose to take to enable them to achieve the object?

**The Honourable Sir George Sclater:** (a) The memorials are at present under the consideration of the Auditor General, through whom they have had to be submitted in accordance with the rules.

(b) The Government are obtaining certain information to enable them to reply fully to this part of the Honourable Member's question. A further answer will be sent to him as soon as possible.

**PROMOTION WITHOUT QUALIFICATION OF CLERKS IN THE OFFICE OF THE ACCOUNTANT GENERAL, POSTS AND TELEGRAPHS.**

263. **Mr. C. S. Ranga Iyer:** Is it a fact that clerks in the Office of the Accountant General, Posts and Telegraphs, crossed their lower efficiency bar during 1925—28, without possessing the qualifications? If so, why is this privilege not allowed to clerks employed in the offices subordinate to the Accountant General, Posts and Telegraphs?

**The Honourable Sir George Schuster:** I propose to answer questions Nos. 263, 264, and 265 together. Inquiries are being made and replies will be sent to the Honourable Member in due course.

**REMOVAL OF EFFICIENCY BAR EXAMINATION IN THE POSTAL AUDIT OFFICE.**

†264. **Mr. C. S. Ranga Iyer:** Is it a fact that, to judge the fitness of a clerk to cross the lower efficiency bar, no examination is held in other offices? If so, why is an examination being held in postal audit offices?

**EXEMPTION FROM THE LOWER EFFICIENCY BAR EXAMINATION OF CERTAIN CLERKS IN THE OFFICE OF THE DEPUTY ACCOUNTANT GENERAL, POSTS AND TELEGRAPHS.**

†265. **Mr. C. S. Ranga Iyer:** Is it a fact that some clerks in the Office of the Deputy Accountant General, Posts and Telegraphs, are working as independent sub-auditors on the same lines as those of the civil audit offices? If so, why are they not exempted from examination for the lower efficiency bar?

**GRANT OF HOUSE-RENT TO TOWN INSPECTORS OF POST OFFICES IN CALCUTTA.**

266. **Mr. S. O. Mitra:** (a) Is it a fact that the postal Town Inspectors of Calcutta Presidency town have been maintaining offices in their private residences since the year 1916 without getting any allowance from Government?

(b) Is it a fact that the peculiar nature of work in the Presidency Town of Calcutta requires that the Town Inspectors should have offices in their private residential quarters?

(c) If the reply to parts (a) and (b) are in the affirmative, are Government prepared to grant house-rent to the postal Town Inspectors of Calcutta?

**Mr. H. A. Sams:** (a) to (c). I have no information. Inquiries are being made and the result will be communicated to the Honourable Member.

**LACK OF ARRANGEMENTS FOR DEALING WITH SPECIAL BAGS AT RESIDENCES OF TOWN INSPECTORS OF POST OFFICES.**

267. **Mr. S. O. Mitra:** (a) Is it a fact that, according to the long standing procedure of the Calcutta General Post Office, special bags containing inquiry cases, telephonic messages demanding immediate attention of the Town Inspectors, and cases sent by registered post, are sent to the place of residence of the Town Inspectors?

† For answer to this question, see answer to question No. 263.

(b) If the reply to part (a) is in the affirmative, are Government aware that there is no arrangement made by the Department, by sanctioning orderly peons or clerks to the Town Inspectors, for receiving the aforesaid articles or carrying heavy enclosures of cases?

**Mr. H. A. Sams:** (a) I have no information, but will make an inquiry the result of which will be communicated to the Honourable Member.

(b) No clerk or peon is sanctioned for Town Inspectors.

#### PAYMENT OF SECOND CLASS TRAVELLING ALLOWANCE TO CERTAIN TOWN INSPECTORS OF POST OFFICES.

**206. Mr. S. C. Mitra:** (a) Is it a fact that Government have raised the status of the Town Inspectors of Post Offices attached to first class head offices to that of the Sub-Divisional Inspectors by their order of August 1927?

(b) If so, is it a fact that the Deputy Accountants General have been objecting to the payment to the postal Town Inspectors of second class travelling allowance which is paid to the postal Sub-Divisional Inspectors and officials in other Government Departments whose pay is less than that of the Town Inspectors?

**Mr. H. A. Sams:** (a) Under the order referred to, Government placed Town Inspectors attached to first class head offices on the same scale of pay with, and required them to perform duties prescribed for, Sub-Divisional Inspectors. No change, however, was made in the classification of Town Inspectors for the purposes of travelling allowances.

(b) Yes, for the reason already stated.

#### APPOINTMENT OF INDIANS AS REGISTRARS OF JOINT STOCK COMPANIES.

**209. Mr. K. Q. Hoogy:** (a) Will Government be pleased to make a statement giving the number of Registrars and Assistant Registrars of Joint Stock Companies, the qualifications required of them and their respective scales of salary?

(b) How many of the present Registrars and Assistant Registrars, respectively, are Indians?

(c) Is there any likelihood of temporary or permanent vacancies arising in these appointments in the near future? If so, is it proposed to appoint qualified Indians in those vacancies?

(d) Is it a fact that it is proposed to appoint the Assistant Registrar in Bengal as the Registrar of Joint Stock Companies on a vacancy arising? If so, what are his qualifications for the appointment?

(e) Is it usual for Government to advertise for applications when vacancies in these appointments take place? If not, do Government propose to do so, when any vacancies arise in future?

**The Honourable Sir George Rainy:** The information is being collected from Local Governments and will be supplied to the Honourable Member in due course.

**FAILURE TO APPOINT A QUALIFIED SIKH TO THE MEDICAL SERVICE OF STATE RAILWAYS.**

270. **Sardar Gulab Singh:** (a) Will Government be pleased to state the number of Divisional Medical Officers taken in the State Railway Service during the last two years?

(b) How many of them were Hindus, Muhammadans and Sikhs?

(c) Did any Sikh apply for the post? If so, will Government be pleased to state his qualifications and also the qualifications of the successful candidates?

(d) Is it a fact that one Sikh candidate, although an M.B., Ch.B., and D.Ph. of a British University, was rejected, while some of the candidates, who were taken in, possessed lower qualifications? Will Government be pleased to state the reasons why a candidate of a minority community possessing such high qualifications was not taken in?

**Mr. P. R. Rau:** (a) Nine.

(b) There are 8 Hindus and 1 Parsi.

(c) Yes. I am sending the Honourable Member a statement giving the qualifications of the Sikh candidates and of those who were successful.

(d) Appointments were made with the approval of the Public Service Commission. One Sikh candidate who possessed the qualifications mentioned by the Honourable Member was rejected in favour of candidates who were better qualified for the appointment.

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**STATEMENT RE THE DIFFICULT TRAFFIC SITUATION ON THE EAST INDIAN RAILWAY DUE TO HEAVY IMPORTS OF WHEAT AND RICE AT CALCUTTA.**

**The Honourable Sir George Rainy** (Member for Commerce and Railways): I have to thank you, Mr. President, for permitting me to supplement the statement I made on Thursday last regarding the difficult traffic situation which has arisen on the East Indian Railway, owing to the heavy imports of wheat and rice at the Port of Calcutta. On the whole, there has been a substantial improvement during the last three or four days, and especially in the downwards direction from the coalfields. There is no longer any cause for apprehension that the railways will be unable to maintain the coal supply in that area, including all places served by the Eastern Bengal Railway and from now onwards the stocks held by the jute mills, or for shipment, should gradually increase. In the upwards direction from the coalfields the difficulties have not yet been completely overcome, and there is still cause for anxiety. Between Calcutta and the coalfields, while wheat and rice are moving upwards, the coal is moving downwards and the traffic is therefore well balanced. But from Asansol north-westwards, the coal, wheat and rice are all moving in the same direction, and here the limiting factor is not wagon supply, but the train capacity of the Chord and Grand Chord lines, which may be taken as 30 through goods trains daily. In order to relieve the congestion in the upwards traffic between Asansol and Moghal Sarai, it has been arranged to divert daily at points in the coalfields two train loads of coal intended

for destinations in the direction of Bombay from the East Indian Railway to the Bengal Nagpur Railway, and also to divert two trains moving upwards from Calcutta to the loop line. I am glad to say that our latest news, received yesterday, is encouraging, the number of wagons loaded in the coalfields having increased and the pressure on the Asansol-Moghal Sarai section having been relieved. It is hoped that, with the arrangements made by Mr. Sheridan, the East Indian and Bengal Nagpur Railways will be able to carry the upwards traffic, but in order to do so, both will have to work at their maximum capacity. I should like to make it plain that our difficulties here are not due to wagon shortage, but to the fact that the abnormal upwards traffic offering threatens to exceed the maximum capacity of the Chord and Grand Chord lines. So far as there is a shortage of wagons at all, it is due to the difficulty of moving the empties back to the coalfields against the flow of the traffic upwards. On the 25th of February, the Agent, East Indian Railway reported that, on that date, he had 5 empty loads stabled below the coalfields and 2,000 empties in yards above the coalfields. At about the same time the Agent of the North Western Railway mentioned that he was ready to send 1,500 more wagons to the East Indian Railway when they could be taken.

2 In addition to the diversion of two goods trains daily by the loop line, and two coal trains daily by the Bengal Nagpur Railway, the following measures have been taken under Mr. Sheridan's direction:

- (1) The East Indian Railway will discontinue working empties to the docks. The Port Trust require 450 covered empties daily, of which 150 will be found by themselves from inwards loaded wagons, the Eastern Bengal Railway will supply 200 and the Bengal Nagpur Railway 100.
- (2) The Bengal Nagpur Railway will haul daily 100 wagons loaded at the docks with traffic for Moghal Sarai or beyond and hand them over to the East Indian Railway at Gomoh. In return, the East Indian Railway will hand over 100 empties to the Bengal Nagpur Railway in the coalfields daily.
- (3) An arrangement has been made to stop loco. coal loading on two days a week. This will mean that there will be six thousand three hundred wagons a week available for public coal, in addition to the restricted supplies on other days.
- (4) Special officers to control traffic at vital points have been appointed by the East Indian and Eastern Bengal Railways, as for example, at the bridge over the Hooghly between Bandel and Naihati.
- (5) On the 1st March the docks had on hand 71 train loads of wheat, rice and sugar for the East Indian Railway, which will be despatched at the rate of six trains a day. In addition, the Calcutta jetties are sending on to the East Indian Railway two loaded trains a day. So far as is known, nine steamers are booked to arrive in Calcutta with wheat between now and the end of July. One steamer was due to arrive on the 3rd March, and another on the 9th, and the local agents, at the request of the railways, are trying to divert

the latter to Bombay. The next steamer with wheat is due to arrive in the middle of March and cannot be diverted. The next reported arrival is not due until the end of April and the whole cargo is for local consumption in Calcutta.

3. The imports of rice at Calcutta at present amount to 2,500 tons a day and the despatches for up-country destination are expected to be heavy for some weeks to come and will probably go up to about 75 wagons a day. So long as this abnormal traffic continues, the upwards traffic on the East Indian Railway must be heavy, but the Government of India are satisfied that the Railways concerned are taking every possible step to relieve the congestion and to keep the traffic moving. On Saturday, information was received that the Bengal Nagpur Railway wanted more locomotives, and the Railway Board at once wired to the Great Indian Peninsula Railway to send them 12 of theirs. This shortage of locomotives was due to the efforts of the Bengal Nagpur Railway to relieve the pressure on the East Indian Railway, where possible. The Government of India are aware that, at a number of centres up-country, coal shortages are threatened, and they will do everything in their power to improve the supply. They have reason to hope that, in this respect, the situation from now onwards will improve.

4. I should like to add, with reference to the suggestion in supplementary questions put last Thursday, that there was unfairness in the allotment of wagons to collieries, that Mr. Sheridan has interviewed the President of the Indian Mining Federation, Calcutta, and has arranged for a meeting between representatives of the railways and representatives of the Mining Federation and Mining Association.

**Sir Purshotamdas Thakurdas:** May I ask the Honourable Member whether he is prepared to have this question discussed further at a meeting of the Central Advisory Committee for Railways to avoid further supplementary questions being put to him? The statement itself is very full, but it leaves considerable scope for suggestions on the subject matter of the question.

**The Honourable Sir George Rainy:** I welcome the suggestion that has been made by my Honourable friend, Sir, though not with the motive merely of avoiding supplementary questions. But I think it is a valuable suggestion and that it would be useful to us and also to a good many Members of the House to have this question discussed in the Central Advisory Council. We expect Mr. Sheridan to be back this evening, and I propose to call an emergency meeting of the Committee for to-morrow afternoon after the House rises, if we find that that is likely to meet the convenience of Honourable Members.

**Sir Purshotamdas Thakurdas:** May I ask whether the Honourable Member has received a telegram from the Secretary, Bombay Rice Merchants Association, complaining that rice does not move from Calcutta owing to scarcity of wagons?

**The Honourable Sir George Rainy:** Sir, I have received the telegram yesterday evening. But the root difficulty of the whole thing is this, that we are up against the maximum capacity of the Chord and Grand Chord lines in respect of the number of trains they can take daily, and we are doing everything in our power to relieve the pressure on that

particular section of the line between Asansol and Mughal Sarai. If the measures we have taken prove successful, then the pressure will gradually be relieved. If any other suggestion is made to us that appears practicable, we should be quite prepared to consider it. I do not think that, as regards the particular representation, I can add materially to the statement which I have already made.

**Mr. T. Gavin-Jones:** Does this not prove that the contention of the Upper India Chamber of Commerce, which it has pressed for many years, that the line between Allahabad and Cawnpore should be doubled is justified?

**The Honourable Sir George Rainy:** Part of the statement I made last Thursday could be quoted as evidence in support of that proposition, but not the statement that I made to-day, because the pressure at the moment is between Asansol and Mughal Sarai.

**Mr. K. C. Neogy:** Is the Honourable Member prepared to make a further statement embodying the results of the deliberations of the Central Advisory Council, because there are Members of this Assembly who are interested in this question, but who are not members of the Central Advisory Committee?

**The Honourable Sir George Rainy:** I think, Sir, it is very likely that I may have to ask your permission to make a further statement after we have discussed this question with the Central Advisory Council. The Central Advisory Council is a fairly large body and I do not want to give too extended an invitation, but I know my Honourable friend Mr. Neogy is keenly interested in this question, and if the Council itself confirms what I suggest, I should be prepared to ask my Honourable friend to be present at the meeting.

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#### GENERAL BUDGET—GENERAL DISCUSSION.

**Mr. President:** The House will now proceed with the general discussion of the Budget, (General). I do not propose to fix any time limit for speeches, but I should like Honourable Members to restrict themselves, as far as possible, to twenty minutes. I trust that no Honourable Member will exceed half an hour in any case.

**Mr. N. C. Kelkar** (Bombay Central Division: Non-Muhammadan Rural): Sir, every one on this side of the House will, I think, recognise the graceful modesty with which the Honourable the Finance Member made his first financial statement in this House. His maiden speech has made, in my opinion, a bold bid to win the heart of this House, but taking his own metaphor to a point further, I would say that the maiden is a blonde, she shows a fair and clear complexion. She is mild in manner but seems determined in the purpose. She is guileless in appearance, but not altogether unsophisticated (Laughter). She has seen much of the world and also pried into its secrets, and She may have a trying period before her during the next five years. And, may I express the hope that it may be given to her to do some real good to India in a truly national spirit.

Sir, I have given notices of a number of cuts arising out of the general budget and I hope—I am not quite sure—I hope that I shall get time to move some of those cuts in that discussion. Therefore, I, for the present, shall content myself with rather a general discussion of this budget on this occasion. The Honourable the Finance Member, in my opinion, need not have made any apology for not being able to put before this House a spectacular or melodramatic budget. The reason why he could not do so was obvious. Everyone knows, every sensible man knows, that fireworks are not made of mud or dust, and that the present times of the country are not appropriate for a spectacular budget; nor I suppose is the temperament of the Honourable the Finance Member suitable for such a purpose. We require other times and other people to present spectacular budgets before this House. We have had experiences of all these. First of all, it requires a reckless Civilian, who is promoted to be a stop gap and an imitation Finance Member of this Assembly, to put forward a spectacular budget. Then we must have something of the warmth of a world war as a setting for a budget of that kind. Then, there must be huge deficits approximating to a material fraction of the whole revenue and expenditure. The ratio of exchange should have risen up to 2*sh.* 11*d.* or something like that, and there must be necessary or voluntarily-created obligation of liquidating our gold reserves in England and letting out, as it were, a stream of molten gold for the benefit of other people. Then there must be crushing taxation. Such are some of the conditions under which a spectacular budget is made. And unfortunately, for the present Finance Member, none of these conditions are obtaining in the country at present. All the skill that he can display in this House is the skill of a rope dancer. It is quite enough for him if he can balance the revenue and the expenditure in the budget before this House. If, without impertinence, I may say one word about the character of the budget, I may say that the Finance Member has shown clarity of vision, and the budget on the whole makes a better appeal to the understanding of the Members on this side of the House than some of its predecessors. But I think there is scope for improvement in making the budget still fuller and clearer. I may refer to the remark made by my Honourable friend Mr. Birla last year that the complications of the budget papers are such that a Member of the Assembly would generally take about six months to understand the budget in all its implications. Of course the observation need not be taken literally. But when a man of Mr. Birla's business training and instincts says that, I think the difficulties of an ordinary layman can easily be perceived.

Sir, we on this side of the House are not so much interested in the explanations generally given and which take up much space of the budget, the explanations about the small differences here and there on either side between estimates and realisations. Sir Malcolm Hailey in 1921 boasted in these words:

"I have in my department men who, if I would allow them to do so, would be capable of putting up a budget which would easily defeat the scrutiny and defy the criticisms of the House. They could conceal, among the innumerable items which go to make up a budget, a liberal provision of reserves that the House would never detect, which would relieve him of the embarrassing necessity of having subsequently to produce a demand for supplementary grants."

What he meant was that the Assembly owed it to the mercifulness of the Finance Member that there was any occasion for this House to be called upon to sanction or refuse excess expenditure and supplementary grants

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The observation was characteristic of the bureaucratic spirit and the official pride of the Civil Service, from which the business of the Finance Member at any rate should be free. But I shall willingly concede the more modest and reasonable claim made by Mr. Shankar Rao, the Budget Officer of the Finance Department, who said a year ago that, if the official estimates of revenue and expenditure varied or deflected on either side by about 1½ per cent., it was a natural deflection, and that even private people and business men could not make a higher claim to accuracy in that respect. But what the House is really interested in is not the criticism of slight or moderate decreases and increases in the realisations of financial estimates; I may go further and say that the House will be content to receive the figures of actuals for the last complete year, and the revised estimates for the current year, as simply a statistical appendix to the financial statement and not as an integral part of it. What the House however is generally interested in, is the imposition of new taxes or the remission of old ones and the changes, if any, in the existing taxation schedule. The House also feels interested in getting an insight into the financial plans which Government must have in their view for the next few years. It also feels interested in understanding the merits or demerits of the capital programmes to be undertaken by the Government, the provision and the justification for any loans that may be intended to be raised, and the arrangements for the repayment or liquidation of the existing funded or unfunded and floating liabilities. I do not mean to say that those topics are excluded from any Finance Member's statement, but the question is one of taking the House into greater confidence than at present as regards the mystery of these matters. The Finance Member should be ready to tell this House, not only what it does not know, but also inform it of what is wrong or what is going wrong. In this matter, I can of course realise the difficulties of the Finance Member, who is himself a Member of the Executive Council which is collectively responsible for the administration of the spending departments, and therefore, cannot come out and criticise the other departments. He has not got the almost autocratic powers that the foreign Ministers of Finance have got in Europe, nor even the qualified independence of the Chancellor of the Exchequer in England. The Chancellor does, to a large extent, control the expenditure of his colleagues, but here in India, he can do very little in that direction. As Sir David Barbour, himself an ex-Finance Member, said before the Welby Commission:

"Theoretically the powers of the Finance Member resemble those of the Chancellor of the Exchequer, but practically and at times he may be much more in the position of registering expenditure which other authorities wish to incur than that of actually controlling it."

The position of course has improved since the minority of the Welby Commission said:

"For the Indian Executive, the budget is not a binding document. It is a voluntary expression of anticipated expenditure."

But left to itself even now, the Assembly that vote the budget, could not do much, if the Finance Member will not consider himself, more than he does at present, as the watch dog of the taxpayer, rather than the defender, if not the advocate, of the Executive Council. Sir Basil Blackett expressed the view in 1928 that the present system of having an official

Chairman for the Finance Committee should not continue, and that he should be in a better position, as bound in duty, to criticise on occasions the expenditure of Government of which he is a Member in this respect. One can imagine that a conscientious Finance Member may be asserting himself to a certain extent, at the meetings of the Executive Council; but he owes it to himself that is to say, his present constitutional position, that the Assembly views him as a conspirator with the heads of the spending departments, rather than the tax-payers' watch dog. At present he no doubt combines the industry of the accounts clerks and the shrewdness of the business man. But he has, if I may say so in fairness to himself, no scope for showing the talents of the statesman. There are, of course, limits within which he can control, but these are very narrow limits. For example, the Commander-in-Chief must be generally unanswerable when he puts his foot down and says "I must have so much allotment, for, otherwise I cannot maintain the Army in its required efficiency". The efficiency of the Army against visible or invisible enemies can easily prove a bludgeon before which the statesman and the economist may quail. But the capacity of a country for bearing taxation is a consideration that ought to outweigh the consideration of the fastidious military expert, who, it is possible, may entertain ideas of perfection of military preparation which can never be realised. After all, the military expert is and must remain the servant of the people on whom the ultimate responsibility even for their own defence and protection rests. Consequently, we see in other countries Ministries have sometimes to resign on the issue of the conflict between economy and military perfection. In India, however, it must be long before we can see ministries formed or making their exit on the ground of national economy. At present, in this Assembly, we may discuss and criticise the military expenditure as a matter of courtesy and friendliness at the hands of the Governor General, but our voting powers in this respect are enormously limited. Mr. Hilton Young himself has said:

"Men contending for economy in general are always at a disadvantage when pitted against men contending for expenditure in particular."

And even there the powers of the Governor General to restore cuts are unlimited. Surely, such a constitutional position is not likely to put heart into the Assembly in discussing the Military Budget or help the Finance Member to realise his wish of keeping down expenditure. Looking

12 Noon. at it from another point of view the want of sufficient time for discussion on Demand for Grants is again an additional difficulty in the way of the Assembly. At present, the days allotted for this are only five. And out of this, a material portion is taken up by the discussion of certain representative cuts. These representative cuts leave practically very little time for the consideration of other items of revenue and expenditure, and matters of administration upon which the searchlight of criticism could usefully be directed. I have never, during the last five years, seen any of these heads reached, on account of the remorseless guillotine that follows on them at the end of the five days. So far as I know, they have never been discussed in this House, and many a culprit among them, like the "New Capital at Delhi" escapes scot-free, simply because of the fall of the guillotine. The guillotine is practically a guillotine upon the discussion and not upon the Demands for Grants. This leads me to the question of an extension of the time allotted for the discussion of the Demands for Grants. The present number of days is out of all proportion to the large number of items to be discussed. This is probably

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due to the necessity imposed by Government upon themselves and the Assembly of finishing the whole thing, from the presentation of the budget to the guillotine on the discussion, within only two weeks. And that again leads me to the question as to whether the date of the presentation of the budget cannot be changed. The point was first started by Sir Bhupendra Nath Mitra before the Chamberlain Commission. He said "the Government of India followed the present practice in England, and having done so, they never gave serious thought to altering it". The Commission itself suggested either the first of January or the first of November, instead of the 28th February and they recommended the change in the interests of accurate accounting and sound budgetting, in view of the fact that the Monsoon practically ends at the end of October. I am aware that Government in 1923 issued a Resolution, in which they referred in this matter to the opinions received from Provincial Governments and Commercial bodies in India, and ultimately dropped the question for a change. But if we take the conclusions of Government as settled facts on every matter, the Assembly might as well, shut up its shop. The question also arises, in this connection, whether the Legislature should not sit for a longer period than it does at present. And for that purpose, it would be better, if the Assembly begins to sit from the first week of November and finishes its business in March or perhaps earlier. As an alternative, I may suggest that the Railway Budget, now that it is separated from the General Budget, should be presented at the Simla Session, as was the idea at one time, and the General Budget being presented in January, the discussion of the Demands may be given full two weeks in February. In England, I think, the budget estimates are presented in February and the discussion takes place in August.

The Finance Member has tried to simplify matters by explaining the position clearly about the liabilities arising out of the postal Cash Certificates. Last year, Mr. Moore referred to the possibility of the Finance Member being convicted and sentenced to one day's simple imprisonment for the concealment of these liabilities! The present Finance Member, I suppose, has taken the warning and done the needful in this matter. He has also cleared up the position, with regard to the interest-bearing obligations of Government, in a detailed statement appended to the financial statement. In fact throughout the financial statement, he has aimed at elucidation rather than at mystification. But there still remains the question, whether he would not go further in this direction, by eliminating the figures of railway expenditure from the budget, and concentrating only upon the figures of general finance. The problems of railway finance enormously complicate the matter. The Railway Department practically give Government no breathing time. Their projects in hand and their commitments leave Government and general finance at the mercy of the Railway Department. Fanciful suggestions lead to surveys. Surveys lead to the construction of earthworks. The earthworks, when complete, demand laying of rails. Rails are useless without rolling stock. And once a line is opened, it creates an eternal demand for working expenses, repairs and reconstruction. As the Finance Member has himself observed, "one commitment leads to another." But may not one legitimately ask, whether we may not hope for a time when there will be no commitment, when a clear gap of non-commitment will be left, and when the whole question of the further extension of railways may be considered? For, the

necessity of finding money for the construction of railways practically shuts out the consideration of other useful schemes of public utility, such as irrigation works. The Finance Member has mentioned, with apparent unconcern, railways and irrigation in the same breath. But will he say what is the expenditure on irrigation as compared with railways? It is the extension of railways that is mainly responsible for our financial commitments abroad. If I may say so, the Railway Member is perhaps the villain of the piece. The Finance Member says, "It would be a far greater evil to hold up the proper development of the country, merely for the sake of avoiding sterling borrowing." The question, however, is not merely, what is the credit position of India in England, but whether it is imperatively necessary for India to raise sterling loans in the British market. The Finance Member makes it appear as if the British capitalist is uninterested or unconcerned about the loans we raise there, which are ready to go to any other borrower, if India did not step in at the proper time and avail herself of the British capital which is, as it were, as impatient of disposal as a thing under the hammer of the auctioneer, while he says, "going—going—going, gone!" The Finance Member has given the analogy of England borrowing in America; and America and Japan borrowing in England. But the analogy is, I think, misleading. For, the use of foreign capital, particularly in India leads, as Sir Basil Blackett himself once said for another purpose, to the hypothecation of Indian Railways to the British creditors. The whole scheme of sterling loan is designed or calculated to get business not only for the British creditor, but for the manufacturer of steel and other articles needed for the railways and their accompaniments. The Finance Member has, in a way, taunted the Indian public for not making the rupee loans successful in India out of the large treasury they import from abroad, as the result of their favourable balance of trade. But in this matter, Government may as well look into their own mind and ask themselves the question why it is so? I offer the explanation somewhat bluntly. In the first place, it is because the people of India have no confidence in this foreign Government. As one writer on this subject has put it:

"If the importance of public investments were brought home to them, if they could be made to understand that these loans were to be spent economically (which was unfortunately not always a fact) for the good of their country, the people of India would not be slow to put their savings or hoardings at the disposal of the Government. Unfortunately, it is not true to say that want of confidence in the Government and their general financial policy, and from 1893 in their currency policy, are not among the chief causes which encourage the people in hoarding."

People in India know that sterling loans are disadvantageous, because they mortgage Indian undertakings to lenders in England. But in the first place they never asked for loans being raised in England, and as for the use of their own money in India, Government are responsible for making over the entire disposal of their funds to the Imperial Bank, and not taking steps to afford banking facilities to the people. Everyone knows that the Imperial Bank is a tyrant and a partisan. Its Directorate is under the thumb of the Manager, and its Governors cannot govern. The methods of the Imperial Bank, so far as indigenous industry is concerned, are simply condemnable, and it is a great wrong to the Indian people, that Government have not so far irrigated the country up to its innermost parts, through proper financial channels, so as to teach the people banking habits, by affording them proper facilities for getting interest on their small deposits, and for receiving loans for the development of indigenous industrial concerns. The words "the proper development of the country", as used by

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the Finance Member in paragraph 76 of the financial statement are almost synonymous, it appears to me, with railway extension. No doubt an inquiry into the banking conditions of India is going to be undertaken, but we all know from experience, that it may be ages before anything practical and substantial will be done in the right direction. The British commercial interests in this country have interpreted the case for an inquiry into the banking conditions in a manner and spirit which is exactly contrary to the right manner and right spirit. For, far from taking banking facilities into the heart of the country, they wish to put restrictions upon private banking enterprise.

In conclusion, I would like to say to the Finance Member, he will have to contend, during his term of office, first, with the insistent demand for more and more railways from the Railway Department, and, second, the opposition of the British commercial interests in India to schemes for the maximum use of Indian money for Government purposes. I know that the Finance Member has not got a clean slate to write upon, but I am entitled to presume that he brings a fresh, unprejudiced mind to bear upon Indian problems. It is ominous, however, that he promises to investigate the possibilities of new taxation, now that the problem of provincial contributions has been disposed of, whereas Sir Basil Blackett had openly expressed the view that the thoughts of Government should turn towards the direction of reducing taxation, after disposing of the question of provincial contributions. Of course, we recognise the grace of the offer and demand he has made of us for co-operation, but he should, as well, bear it in mind, that financial administration has also a political side, and that the measure of our co-operation will be determined by the corresponding measure of the right kind of political attitude which Government may adopt towards this country.

With regard to this offer and demand for co-operation, I may tell the Honourable Member that the age of willing co-operation with Government has gone and gone for ever; and the race of co-operators is extinct, being killed by the Government themselves; and my reply to his demand for co-operation will be given in the poet's reply to the music-hall jilt or courtesan in these words:

“When you had lovers by the score,  
 You never knew your part,  
 Now that lovers are no more,  
 You have learnt it by heart.  
 When you by legion were beloved,  
 The way you sang was simply hissable,  
 Now that your singing has improved,  
 We know you are no longer kissable.”

**Mr. Gaya Prasad Singh** (Muzaffarpur *cum* Champaran: Non-Muhammadan): Sir, the budget statement which the Honourable Finance Member presented to the House the other day is a lucid and able exposition of the financial position of India. He has not tried to play the part of the financial juggler, as his predecessor sometimes did, but he has frankly placed all his cards upon the table, and he has invited us to co-operate with him for the material advancement of the people of India. Sir I beg to offer my congratulations to the Honourable Finance Member for the

production of his first budget, his maiden effort as he himself says. The budget suffers under obvious limitations, but it will be recognised that they are a heritage from his predecessors rather than of his own making. The budget shows that, whereas the revised estimates for 1928-29 showed a surplus of 30 lakhs instead of 5, as calculated in the original budget, there would be a deficit of about Rs. 90 lakhs in 1929-30. It is, however, some relief to know that, for the present at least, it is not proposed to levy any additional taxation, but that the deficit will be met by drawing on the Revenue Reserve Fund, leaving a balance of Rs. 14 lakhs only in the Fund at the close of 1929-30. The prospect of additional taxation in the future, however, looms large on the horizon, and this is a very disquieting sign of the financial outlook. I will now proceed to make a few general observations on only one or two topics.

I shall begin by making a passing reference to the Posts and Telegraphs Department. We find that the working of this Department is expected to show a loss of Rs. 29 lakhs in 1928-29. This loss is said to be the result of the reduction in the rate for foreign telegrams, and of the revisions of pay and other concessions granted to the staff in recent years. If the reduction in the rate of foreign telegrams has not been counter-balanced by a corresponding growth in traffic, I should like to know what stands in the way of our re-imposing the former rate. But I am afraid vested interests will be up in arms against this suggestion. There are people who think that the amalgamation of Posts and Telegraphs about the year 1913 worked prejudicially against the interests of the public. The earnings on the postal side go to feed the telegraph side of the Department, and sometimes the legitimate interests of the public at large, or of the postal employes, are apt to be overlooked. What the public want are better service, an extension of postal and telegraph facilities in rural areas, opening of more combined offices in the mofussil, and a reduction in postal rates, especially on post cards.

Sir, I should now like to speak a few words on the salt policy of the Government. It might seem somewhat surprising to a stranger who comes to India for the first time and studies this question, that a tropical country like India, which is surrounded with salt seas, which has got salt mines and salt lakes, should be incapable of producing salt sufficient for her own requirements, and should have to depend largely on foreign countries for her supply. I will not go into the history of this question but merely refer to the recommendations of the Taxation Inquiry Committee on the point. The Taxation Inquiry Committee recommended in the year 1926 that it was desirable that India should be made self-supporting in the matter of its salt supply, if this end could be achieved by the granting of a strictly temporary advantage to the local manufacturers either by way of rebate of duty or of a differential duty on imports, or both; and that an inquiry should be made into this aspect of the question by the Tariff Board. But this recommendation of the Taxation Inquiry Committee evidently did not find favour with the Government of India; and instead of referring the question to the Tariff Board, they appointed an officer of their own Department to examine the proposals of the Taxation Inquiry Committee. Thus the matter was conveniently shelved for about two years, in spite of the protests of commercial bodies and individuals interested, who wanted the matter to be referred to the Tariff Board. The Government ultimately issued a Resolution, dated the 12th May 1928, declining to refer the question to the Tariff Board. This action of the Government is in strange contrast

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to the indecent haste with which they took action in referring the case of the oil industry to the Tariff Board, against the unanimous opposition of the Indian Commercial community, and asked the Tariff Board to submit their report within three months. This differential treatment between these two industries cannot but create the unfortunate impression that, while the Government evinced a great anxiety and solicitude for the oil industry, in which foreign capitalists have a predominant interest, they deliberately delayed and ultimately declined a proper investigation into an industry in which Indians are intimately interested, although such an investigation was recommended by the Taxation Inquiry Committee and supported by the Indian commercial bodies and individuals concerned. Sir, I will not enter into an examination of the arguments which led the Government to the conclusion that no *prima facie* case has been made out for the reference of this question to the Tariff Board. But I may briefly note only two points. The Government seem to make much capital out of the so-called "salt prejudice" which is said to exist in Bengal against Indian salt. Sir, I do not know whether such a feeling against Indian salt really exists in Bengal. In these days of growing national sentiment, when we want to revive our national industries, and make our country self-supporting in whatever directions we can, I really do not see why our country men in Bengal will cling to foreign salt and refuse Indian salt, even if it compares favourably with foreign salt both in point of quality and price.

**Mr. K. Ahmed** (Rajshahi Division: Muhammadan Rural): They (Bengal people) do not agree with your Patna taste.

**Mr. Gaya Prasad Singh:** This prejudice against Indian salt exists not so much in our people, as in the minds of our foreign officials, whose nerves have been shattered by eating immoderately the taxed salt of India. Another hollow argument advanced by the Government is that if Bengal can in normal times get cheap good salt from abroad, it would appear to be inadvisable to divert labour and capital from the production of articles of greater value. This is drawing a red herring across our path. One has only to look to the acute unemployment problem facing this country. It would not be correct to say that the labour and capital to be employed in the salt industry, would have to be necessarily diverted from industries where they are more usefully engaged. There are admittedly a vast number of agricultural labourers, who have no work to engage themselves in at all times of the year, and whose productive energy is therefore running to waste for many months of the year for want of any occupation whatsoever. A revival of the salt industry on a scale sufficient to make India self-supporting in the matter of salt supply, will bring food to their mouths and benefit the country in many ways. Apart from British India, there are salt works in many of the Indian States; but I am surprised to learn that, while the door of India is flung wide open to the import of salt from all foreign countries, salt manufactured in Kathiawar for instance, salt manufactured in Indian India, is not allowed to enter British India on any terms, except perhaps in distant Bengal and Burma, where it is not economically worth-while importing. If my information is wrong, I shall be glad to stand corrected. I hope the Honourable Member in charge will kindly enlighten the House on the grounds on which such a discrimination is based.

Sir, I now pass on to make a few general observations on the Army. In this connection it will perhaps be helpful to recapitulate, as briefly as I can, a few occasions when the question of Army expenditure came under review. In 1883-84 Lord Ripon appointed a commission, known as the Simla Army Commission, which was presided over by Sir Ashley Eden, then Lieutenant Governor of Bengal. Between 1885 and 1895 there was a steady growth in military expenditure. This provoked strong criticism, and a royal commission was appointed in 1895 under the presidency of Lord Welby to inquire into civil and military expenditure, more especially the latter. In 1910-11 a committee was appointed under the presidency of General Nicholson; but its Report was never published. After the conclusion of the Great War, yet another committee was appointed, presided over by Lord Esher, as if the mere appointment of committees and commissions were a panacea for all the troubles in this country. Sir, if I were to trace the mischief to its source, I may say that the growth of military expenditure owes its origin to what is known as the Amalgamation Scheme of 1859. On the transfer of the East India Company to the Crown, the British Parliament, in the teeth of strong opposition, passed a Resolution for the amalgamation of the British and Indian Army into one organised whole. This was financially unsuited to India, as it led to increasing military expenditure from time to time, as the exigencies of the British War Office demanded. Sir Charles Trevelyan, an experienced administrator, and once the Finance Minister of India, declared before the Fawcett Committee that the scheme was "extravagant and crushing in practice", and that it was "in the nature of a one-sided partnership". Sir, so long as this amalgamation scheme is not entirely abrogated, or even suitably modified, I am afraid Army expenditure will continue to bulk very largely on our budget estimates.

Sir, I should now like to refer to the controversy about the year 1884 between two opposite schools of policy, regarding our scheme of defence on the North-West Frontier. One school of military experts advocated a policy of cautious non-intervention in matters that lay outside the geographical limits of India, while the other school of military experts, obsessed by the "Russian bogey" was in favour of what is known as the "Forward Policy". The latter school looked upon India as the strategic frontier of the British Empire, the pivot, the political centre of gravity of the East, and a main factor in the maintenance of the balance of power in Asia. This policy gained the upper hand. Our sphere of influence in the tribal areas increased, and the Durand line of demarcation in 1894 was pushed close to the Afghan frontier. Money was poured like water into Waziristan and other regions in pursuance of this policy. Some part of the expenditure may have been necessary, and I am quite willing to concede the point. But it cannot be gainsaid that a substantial portion would have been saved if we had entered upon our task with a different conception of our policy. In India we have to depend upon a standing army for our defences, while everywhere else in the civilized world, the standing army is supported by a well organised system of reserves, and the nation is behind them all. Here the policy is such that we find the whole population excluded from military service, like my own province of Bihar and Orissa; and recruitment is being confined more and more to frontier and trans-frontier men, to people of non-Indian or extra-Indian areas, with the result that the Army in India is approximating to a mere mercenary force, an army of occupation. Indian troops are sent out to subdue those who are fighting

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for their independence, to crush their national spirit, and to conquer their country for Imperial aggrandisement. This happened during what was known as the Boxer rebellion in China; this happened in Mesopotamia and elsewhere during the Great War; and this again happened only last year, when Indian troops were sent out to China to fight the nationalist forces, against our strong protests lodged on the floor of the House and outside. This policy, Sir, makes us hated by our Asiatic neighbours, with whom we have no quarrel, and with whom we are anxious to live on most friendly terms. Sir, one of the saddest tragedies of British rule in this country is the emasculation of the people under the operation of the Arms Act. The martial spirit is fast dying out, if it is not already dead; the whole population is disarmed, and our little efforts to regain our lost ground are met with studied rebuff. Even the modest proposals of the Indian Sandhurst Committee have been fung to the winds, and we are left to roll up once more the stone of Sisyphus.

I shall now turn for a moment, Sir, to our military expenditure. Year before last I invited, in a somewhat pointed manner, the attention of Government to the size of our military expenditure, and this drew from His Excellency the Commander-in-Chief a reply, which was regarded with certain misgivings on this side of the House. I will not repeat my complaint on the present occasion, but will merely refer to a suggestion which I then ventured to make as a possible means of effecting some saving in military expenditure. Speaking on the 3rd March, 1927, I ventured to hazard the opinion, admittedly the opinion of a layman, the opinion of a mere lawyer that never set a squadron upon the field, that, with the establishment of the Royal Air Force in India and the development of military aircraft, it might perhaps be possible to reduce, to some extent, our expenditure on ground troops. My Honourable and gallant friend Colonel Crawford, who has every right to speak with authority on this subject, took exception to my suggestion, and expressed the opinion that no economy on ground troops could be effected in the way suggested by me. His Excellency the Commander-in-Chief, who spoke on the debate on that occasion, was perhaps inclined to agree with him. Sir, I must frankly admit that an expression of opinion, coming from such an authoritative quarter, must silence all criticism, and it would be presumptuous on my part if I were not to accept it in all humility. But, Sir, I may be pardoned for quoting the following passage from the leading article in the *Statesman* of the 29th April 1928, and I hope my reference to this paper will be particularly appreciated by my Honourable friend Mr. Arthur Moore. This is the passage:

"As regards military aviation, the pull of the older services is evidently far too strong both in Whitehall and in Simla, and the proportion of money allotted to the Army and Navy in comparison with the Air Force is dangerously large. India is now to have two more air squadrons. The Army thinks that this is a large advance and in India it is the Army which settles the matter. But an impartial defence authority might take a very different view. Were the Air Force given its proper weight in council, we should not now be dependent on such old machines as Bristol Fighters and D. H. 9's, but like Iraq we should have great aeroplanes of the "Hercules" type, which have enabled an immense reduction to be made in the number of troops maintained and thereby effected enormous saving."

Sir, this shows that I was not far wrong when I ventured to make that suggestion. Let us now see what General Von. Bernhardt, in his

book called "The War of the Future" has got to say on the matter. The book was written after the War; and he says this at page 121:

"If I deal with cavalry and the air force in one chapter, my reason is that the functions of the former have, to a certain extent, been taken over by the air service. The mounted arm has changed its character very materially. In trench warfare it has practically ceased to exist as cavalry. Mounted troops are helpless against the long fortified lines of the enemy. They can only be used as a police force behind the front. Apart from infantry patrols, the duties of reconnaissance have been almost entirely taken over by aircraft, though the activities of the latter are certainly supplemented by the work of spies and secret agents."

and so on.

Sir, in a matter of this kind, I know that my own personal opinion counts for nothing. It has therefore been necessary for me to give the opinion of those whose claim to speak with some authority cannot be lightly brushed aside. Lastly, Sir, I shall refer only to one opinion more before bringing my remarks to a close. A book, called *The Army in India, and its Evolution*, was published in 1924. It was compiled officially, and issued with the authority of the Government of India, as its prefatory note indicates. At page 181 of this book we read as follows:

"The value of the air force has been conspicuously demonstrated in operations on the frontier of India, where action from the air is able to overcome, in a special degree, well known and formidable difficulties of terrain. The rapidity with which aeroplanes can carry out an attack constitutes another military advantage of great importance. It is held that the extensive use of the air arm, where this is practicable, is also economical, as the force does not require the maintenance of the same elaborate land lines of communication as are necessary for ground troops. It has indeed been claimed that the air force can be used with success as a primary and independent weapon, in whole or partial substitution for ground troops."

This substantially endorses my own suggestion, and when I ventured to make it in 1927, I little thought that I should have some amount of support in authoritative quarters.

Sir, if the normal expenditure on the Army stands so high in peace time, what would our position be when confronted with a serious crisis? There must be some margin left to draw upon in times of war. Now, Sir, in 1922-23, when the Inchcape Committee conducted their inquiry, our net expenditure on the Army was Rs. 65½ crores, which was reduced to Rs. 56½ crores in the following year, in pursuance of their recommendations. During 1927-28, and 1928-29, the expenditure has stood at about Rs. 55 crores. Has this reduction affected the efficiency of the Army? Efficiency, after all, is a relative term. There are standards of efficiency; and a State can only adopt such measures for the efficiency of administration, civil and military, as its finances can afford, which ultimately means the capacity of the taxpayer to bear the burden. To aim at an ideal efficiency without a due regard to the economic condition of the country, is to impoverish the people, and to hasten the inevitable. It may be said at present that India exists for the Army and not the Army for India. (*An Honourable Member*: "Hear, hear"). Sir, I find that the figure of Rs. 50 crores, which was fixed by the Inchcape Committee, has not yet been reached; on the contrary, the pull is quite the other way about. It is stated that the programme for the modernisation of Army equipment, and for the mechanisation of the transport, has become necessary to keep pace with modern developments; and this will cost about Rs. 10 crores. But Government have decided that the military budget could not, in any case,

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be allowed to exceed the figure of Rs. 55 crores, and that the special expenditure required must be found within the limits of that sum. It is expected that in 4 years the required sum of Rs. 10 crores will be found within the limit imposed; and the Honourable the Finance Member holds out a very definite hope that thereafter the total military budget will, apart from any circumstances which cannot at present be foreseen, be substantially reduced. This is cold comfort to us. Till that time we must possess our souls in patience, for sufferance is the badge of our tribe.

Sir, I have come to the close of my remarks; but before I sit down, I should like to make an earnest appeal to the Honourable the Finance Member, who, as he himself stated the other day, is now on the threshold of his office. He has started with a clean slate, and with the good-will of this House. We look up to him to put his hand firmly to the plough, with no other aim but the best interests of this country at heart. Sir, if I may be permitted to say so without impertinence, temptations to succumb to the permanent environment will, perhaps, be too many. But it is within his power to apply the pruning knife so judiciously, and to manage the finances of this country in such a way as to leave an imperishable lustre upon his name in the pages of Indian history. (Cheers).

**Colonel J. D. Crawford** (Bengal: European): I rise to take part in this general discussion drawn, to my feet by my Honourable friend, Mr. Gaya Prasad Singh, but before I discuss the question of military matters, I should like to say that I have listened, and I think many Members of this House have listened, to the speech of my Honourable friend, the Finance Member, with mixed feelings—regret that the factors beyond the control of the Finance Member have not been more favourable to us and that our hopes of being able to tackle reduction of taxation are therefore out of court for the time being, and a certain amount of gratitude perhaps because things are not as bad as they might be. I think, in this direction, we have every reason to congratulate ourselves on what I might say is the most wonderful work that has been done by the Royal Air Force in the relief of the Legations at Kabul. I think that is an epic of the air and deserves the highest praise from every single one of us in this House. (Applause). I also think we should congratulate ourselves that we have not been drawn in, in any way, into the complications which unfortunately have arisen in Afghanistan. (An Honourable Member: "Not yet"). Not yet. It might have been so easy to have been drawn in, and I think we have to congratulate our Political Officers on the fact that we have been able to maintain our complete neutrality—a position which I trust we will be able to maintain. In this connection I would point out to my Honourable friend, Mr. Gaya Prasad Singh, that one of the contributory factors to this result was the adoption of the "forward policy", as we were in a position at this critical time, in some measure, to control our tribes and prevent them from taking part in the internal affairs of Afghanistan. That is how we are getting economy indirectly. By the adoption of the forward policy, and by bringing our tribes under administration, we are saving ourselves the possibility of large military expenditure at times.

I think we have to congratulate ourselves also on the fact that, every five years, we get a new brain to examine our financial problems. It is one of the benefits of the existing system that, every now and again, somebody new comes along, who may have something new to say on our financial

problems, and brings a fresh outlook to bear on their solution. The most striking feature, to my mind, of the budget is the arrangement come to between the Finance Department and the military authorities regarding military expenditure. The Finance Member, in his speech, alluded to the fact that they had more or less entered into a contract with the Army as to the size of the Army budget, and one of the particular advantages that arises from that, he puts as follows :

"A further advantageous result which, according to my information, the experience of the working of the arrangement since last summer has demonstrated, is that it results in the whole-hearted co-operation between the Army authorities and the Finance Department in the search for all possible economies, . . ."

which, in the next paragraph, he says will amount to Rs. 1½ crores in 1928-29, and possibly Rs. 2 crores in 1929-30. I think that teaches us a lesson. I remember, when I was in the Army and was working in the General Staff, we used to go along to the Finance Department with a sinking heart feeling that, no matter how reasonable your demand, it is the job of the Finance Member to say no. That does not create a spirit of economy or a spirit of co-operation. The present arrangement, whereby economies effected are to be spent on the modernisation of the Army has a psychological effect and you have your officers acting in a whole-hearted manner in effecting economies. They will undoubtedly do this, because they believe that the money they get is going to be spent on the Army. That is human nature. There is one suggestion, in this connection, which I want to make to the Army Secretary. Is there any reason why he should not teach his Army officers something about the financial problems of the whole of India? I think the House will acquit me of any desire to reduce military expenditure on previous occasions, but when one leaves the Army, and is brought into touch with larger problems, one is forced to realise that, what is needed very largely in this country today, is expenditure on such things as primary education and on giving the provinces as much money as they can spend for the uplift of the masses generally. It is not only a question of military defence, important as that must always be. There are other things which require money as well.

**Mr. K. Ahmed:** Yours are non-voted. You grasp the major portion?

**Colonel J. D. Crawford:** (Bengal: European): I do not grasp them, though I should like to have them in my hands. I think it would be a good thing if Army officers could study their own requirements *vis-a-vis* the rest of the administrative requirements of India. When I was at the Staff College, we never had any lecture on that subject. If you were to ask Army Officers to study the whole question and to understand what India requires, I am certain you could get them to make economies, if they understood that it was necessary for the general revenues of India.

My friend, Mr. Gaya Prasad Singh, threw out a suggestion two years ago, and he again made the suggestion today, that the modernisation of the Army and the use of aeroplanes should mean an effective reduction of our ground troops. I do not know whether he quoted me correctly, but I think, I pointed out then that you cannot actually do away with the ground troops simply because aeroplanes are being used. I think he understands that.

**Mr. Gaya Prasad Singh:** I never said that.

**Colonel J. D. Crawford:** Suppose you had a country called X. Y. Z. on your borders with which you had a difficult situation to face. Your aeroplanes might go up and drop a certain amount of ammunition and bombs on the country, but they can never take it over effectively. They cannot hold ground, and you must therefore have co-operation between your aeroplanes and your ground troops. That is commonsense. I do believe, however, that the modernisation of the Army should, in the long run, mean that we should be able to do our military work more effectively and at a much cheaper cost. I throw out the suggestion that, in so far as our internal security is concerned, our plans are not based on the position as it stands today. I do not believe that we have taken into consideration, to the full extent that we might have, such factors as wireless, aeroplanes, troop carriers, our extended railways, armoured cars, improved motor transport and the improvement which we expect will come about in the matter of roads. I believe that the whole of our internal security scheme might be reconsidered in the light of these factors, and that we might hope—I do not think that one can immediately hope—that a new vision of this problem could be brought into being, which would, in the long run, effect some saving of the actual troops employed. I am one of those who believe that the "forward policy" of which I have spoken must, in the long run, lead to a reduction in the number of covering troops that we have to maintain. Those are two directions in which I expect that in the future—neither distant nor particularly near—we may look forward to an economy of our military expenditure. I am certainly not one of those who would desire India to maintain an army that was not adequate to her military necessities. That would be a foolish thing for me to do. But I am one of those who think that the Army should be maintained at the cheapest possible cost and I believe that, if military officers could see all that was required in India, they would whole-heartedly co-operate with us, as they have with the Finance Department, in this arrangement, which has been come to, and then we could secure the present efficiency at a cheaper cost than is the case today.

There are one or two minor questions I would like to take up. I find that the question of accommodation for officers is still very bad. It is not fair to get people out here, to put them on hard service for two years on the frontier, separated entirely from their families, and then, when they go to a civil cantonment, find that there are no houses which they and their families can occupy. That is not a position that is fair to the men, and I think they ought to be properly treated by the military authorities in the matter of accommodation. I know something is being done. It is a particularly difficult problem, and one that will need the assistance of this House if it is to be improved.

Then there is another question which seems to be looming up, which is going to be difficult of solution. I just went into the Library and took out the Army List. It was dated 1927. My friend Mr. Kunzru has got the latest Army List. I ran through some of the figures of our officer establishment. I notice that in 1927 the number of Majors on the Indian establishment was 612, the number of subalterns was 268, second Lieutenants 42, and Captains 1,812, and in 1932-33, I find that 525 of these Captains will be promoted Majors. We are going to have a terrific block at the top, and this may prove an expensive proposition. This is a problem that ought to be taken into consideration at an early date to see how the position can be eased. I know it is not the fault of the authorities; it is the fault of the great War. But something needs to be done in this direction.

There is another small point in regard to the Army that I would like to mention. Government have got a scheme for subsidising six-wheeler lorries. That is a sound plan, and if we are getting sufficient lorries, they will prove useful for mobilisation purposes, and it is also the cheapest way of doing the work. In the case of a commercial venture of this nature you would have an officer going round with the lorry to show people what it was worth. In Assam lorries have to be used in a particularly difficult country and in the tea garden area, especially in the rains, a large number of people would I think prefer to use the six-wheeler lorries in preference to the existing ones. You want a certain amount of push there. People there do not read newspapers to the same extent as elsewhere. They are often not aware of your regulations and a little bit of pushing would be advantageous.

Generally speaking, I feel that the budget must be called one of wait and see. I am not very hopeful that, at the end of the year, the Finance Member is going to find himself in any easier position than he is today. There is no doubt that India's credit is going to suffer from a lot of political talk which is not always to the advantage of India. (Voices: "No, no"). It is perfectly certain that if the action of some people of extreme opinion comes into play on the 1st January 1980 our military expenditure will by no means go down.

**Mr. Gaya Prasad Singh:** Will you be more clear as to what you mean by saying that the military expenditure will have to be increased from 1st January 1980?

**Colonel J. D. Crawford:** Supposing this ultimatum about independence and civil disobedience, which Mr. Gaya Prasad Singh knows as well as I do, is taken up seriously, it will necessitate, in the long run, the use of force. That must mean, I am afraid, additional expenditure. It must upset the whole of your revenues, create industrial troubles, and our budget is going to suffer.

You can put two and two together just as well as I can. It is no use blinking the fact. If you are prepared to pay the bills and have increased expenditure, that is your responsibility. There is tremendous danger, I think, in advocating lines such as those, so long as there are other means of accomplishing the end that you desire. We have heard a lot of co-operation, but have never seen it thoroughly practised. Mr. Gaya Prasad Singh said that what he wanted to see was a remodelling of the Army in India, and he pointed out the undoubted danger that the India of the future may have to look to her Army from one portion of India only. My group joined Dr. Moonje in suggesting practical measures. We believe that we have all to co-operate, so that our budget next year will be better than we can at present hope for.

**Mr. Ghanshyam Das Birla** (Benares and Gorakhpur Divisions: Non-Muhammadan Rural): Sir, before I proceed to touch the general aspects of the budget, I may be allowed to offer my hearty congratulations to the Finance Member for presenting, if not a rosy document, at least a candid, frank and honest statement of the financial position of the Government of India. Sir, he has not resorted to those manipulations which used to be indulged in in the past. He has not resorted to those juggleries which were the practice of his predecessor. He has made a sincere effort to present a true picture to this House, and he deserves congratulation for the same.

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Sir, the unproductive debt which was shown by his predecessor, Sir Basil Blackett, as having gone down considerably from year to year, has been shown in its true perspective. Sir Basil Blackett stated in his last budget speech that the unproductive debt, which stood at 254 crores in 1928, had come down to 178 crores in 1928. He intended to take credit by making this House believe that he had been able, during the period of his administration, to reduce the unproductive debt to a very large extent. But, Sir, we compare the figures, as presented by the present Finance Member, with those presented by his predecessor, we find that the unproductive debt on the 31st March, 1928, stood only at 208 crores against the figure, as presented by his predecessor, of 254 crores. In my last budget speech I called the budget a bundle of untrue statements and now, Sir, it has been confirmed by the present Finance Member that, what I said last year was absolutely true. Similarly, the Honourable the Finance Member has placed before the House the correct amount which we have still to pay for arrears of interest on the Postal Certificates, and if we take that into consideration the present budget may be called a budget of deficit to the tune of 7 crores. Of course he is not to be blamed for that, but all the same the position is clear that this budget, if you take into consideration all the arrears which we have to pay, is a deficit budget, and this is a very serious position which this House has to consider. I hope, when the time comes for reviewing the scheme inaugurated five years ago for the avoidance of public debt, the Finance Member will take the House into his confidence and, in consultation with the non-official Members, find measures to meet this deficit.

The Honourable the Finance Member appealed in his budget speech for co-operation. He remarked:

"If I have an ambition, it is this, that whether we encounter bad seasons or good, you should be able to say of me when my work is done, that I served your country at least to the utmost of my powers, and that in all that I did, my main thought was for the interests of the people of India."

Sir, this side of the House has got full sympathy with his noble aspirations. I may point out, however, the feeling which exists among the Members of this side of the House that the policy of the Government of India and that of the Finance Department is generally laid down to suit the vested interests abroad. I hope, Sir, during the period of his term he will be able to resist pressure and influence which might be brought to bear upon him by the powerful foreign interests; but if he can prove his mettle and steer his way clear of all the evil influences and pressure, his name will go down in history as one of the best Finance Members which we have had. Sir, we wish him success and congratulate him for the noble aspirations which he has in his heart.

Touching the general aspects of the budget, I might say, Sir, that it is a very gloomy budget. The Honourable the Finance Member, probably out of consideration for the House—and he is a very considerate man—did not want to frighten the House by portraying a dark picture of the position as it truly exists. All the same one can read easily between the lines and assume quite correctly that, if we don't have one or two good monsoons in the future, or if the economic conditions of the country do not improve all round, two things are inevitable, that is, imposition of fresh taxation and heavy borrowings. The question which I ask myself is this:

is it feasible, under the present circumstances, to raise new taxation? My answer is an emphatic "No". I shall ask the Honourable the Finance Member, Sir, to seek the causes of the present situation in other quarters and not depend entirely on good monsoons. How is it that we had five successive good crops, and yet a partial failure of crops in one or two provinces finds itself sufficiently strong to disturb the equanimity of the Finance Department. Why is it that, in spite of five good years, even a slight shock is sufficient to make the whole financial system of this country tremble? There is something really wrong with the system, and I ask the Finance Member to find out the cause and remove the same, and not depend entirely on good or bad monsoons. I may tell him that a good or bad monsoon is not all that can make or mar prosperity. It cannot solve the riddle. I grant that a good year will increase the revenue and save you from the task of imposing new taxation, but it is the bad year which causes a deficit, and it is the bad year which is worst suited for new taxation. It is the bad year which requires more relief than any other period, and therefore any talk of new taxation is out of question. It is neither practical nor desirable. It is not a permanent remedy. I will ask the Honourable the Finance Member to find a permanent remedy to meet the situation, and if I may say so, the permanent remedy, Sir, is to make retrenchments. That is the only permanent remedy. The country has exceeded its taxable capacity and so cannot pay more taxes, irrespective of good or bad years, and therefore the only remedy, which he ought to take up very seriously and with courage, is making retrenchments all round, in non-recurring as well as recurring expenses. Sir, in my budget speech last year

I P.M. I suggested that the time had come when we ought very seriously to consider the question of retrenchment. Now, the military figures put before the House very clearly disclose that there is scope for retrenchment. We have been pressing for the last many years that the military expenditure should be reduced. But what was the reply? It was stated that there was no scope for retrenchment. But when there arose a necessity for modernisation of the Army, when extra money was required and when it was found that extra money could not be secured by any means, the military department themselves, of their own accord, reduced their normal expenditure and brought it down to 52½ crores. Now, Sir, this clearly proves that economy was possible, but it was not effected. This does not reflect much credit on the military department. But what guarantee is there that further economy could not be effected? And who knows that what could be effected in the military department, could not also be effected in other departments? This proves conclusively one thing, that the military department so far was being run extravagantly, and no one knows what more economy could not be effected. The Inchaape Committee recommended that 50 crores should be the limit of military expenditure. Since then there has been a fall in prices all round. There has been the appreciation of exchange, and on account of this there should have been a reduction in the sterling expenditure. Therefore, taking an all-round view, I think it is quite safe to assert that 50 crores is a limit which should never be exceeded. The military department has not been able to come down to that figure yet, and my own suggestion is that, not only in the military department, but in all other departments, the pruning knife should be applied in all seriousness. I do not know whether we should not have another retrenchment committee. In any case, I suggest that the Government of India should take into their confidence the non-official Members of the House, and, in consultation with them, carry out

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retrenchment all round, in recurring as well as non-recurring expenditure. It is only a question of ways and means. We have not got the money; and if we have not got the money, the best policy would be to cut the coat according to the length of the cloth. If you do not do that, you will repent it, for you will come to grief. Now, Sir, about borrowing in England. I may make it very clear at the outset that I have no objection to borrowing in England on grounds of economy. On the one hand we get money in England at cheaper rates of interest, and, on the other, this leaves a free field to the Indian industries for borrowing in India. Therefore if we have objected in the past to borrowing in England, it was not, Sir, on grounds of economy but on political grounds. It will interest the House, as well as the Government, to know the views taken of such debts by those connected with the foreign interests. I will read an extract from the *Capital*, a Calcutta weekly commercial paper wherein Ditcher, discussing the present political situation, and *inter alia*, the Indian debt to England—says:

"In a word if Swaraj is to come, let it be complete. Let us suppose that an East Indian Railway Company, with headquarters in Calcutta, found it possible to effect a complete purchase of the line within ten years, a Government Director, with a power of veto, retaining a seat on the Board until the transaction was complete. That would be true Indianisation, and until some such scheme is carried through, there will be no real transfer of control, however numerous or plausible, at first glance, may be official undertakings to carry such a policy into effect. An "alien" Railway Board is the inevitable accompaniment of "alien" capital. The two go together and cannot be divorced."

This is, Sir, the mentality of non-official Europeans in this country.

Similarly a correspondent discussing the political situation in India writes in the *Economist* of London:

"The retreat has already begun in the industrial sphere: it remains to devise measures to eliminate from the Indian balance sheet the large sums advanced by British investors for Indian development, chiefly for utilisation on railway and irrigation projects, through the agency of the Government of India. In other words, the British Raj cannot be bumped, bombed or bluffed out of India, but may, in due course, be bought out."

Now, Sir, we can see the direction in which the wind is blowing. We cannot get Swaraj, we are not to be given Swaraj until we can buy out, or in other words, unless we can pay off our debts to England. We cannot have Indianisation in railways. The two must go together. Alien government and alien capital! You cannot have Indianisation until you are able to provide Indian capital. That is the situation! We do not want to delay Swaraj and if getting into the clutches of the English money-lender means delay in Swaraj, we must oppose it. With this mentality of the English money-lenders it will be sheer folly to incur more sterling debts, and thus get ourselves into deeper water. Sir, this is the reason why we have opposed sterling borrowing. Now, as regards borrowing in India, Sir, we will have to borrow perhaps very heavily, if all the schemes undertaken by the Government of India are to be put into effect. We will require a lot of money for capital expenditure and besides this, from 1930, onwards we shall be required to pay off our loans for very large amounts. How are we going to get all this money? Where are we to get all this money from? I will tell the Honourable the Finance Member very frankly that we cannot get money if we are to create scarcity of money in the country.

You have raised the bank rate to 8 per cent. and caused a great stringency in the money market. And the Honourable the Finance Member says he takes full responsibility for it. Has he realised the consequences of it? I mean it is quite all right for you, by a stroke of the pen, to increase the bank rate to 8 per cent., but does the Government realise what hardship it will inflict on the people in general and on the industries which are already in the throes of depression, and what stringency it will create in the money market? If it is the Imperial Bank rate and not the Government rates, at least it ought to be left to the Governors of the Imperial Bank to decide for themselves as to what ought to be a reasonable rate at a certain time. Why should the Government take the initiative and force a high bank rate on the Bank when the Bank itself does not desire it? And who knows that, in order to maintain the exchange, in order to effect a further contraction, the Imperial Bank rate may not be raised further. I warn the Government of the very bad consequences of such a policy and its effect on Government revenue and borrowings. That is not the way in which you are going to get money. You must protect the trade and industries; you must create confidence in the money market. If you want to raise money in India, you must create prosperity in the country, but on the contrary, if you go on increasing the bank rate and contracting currency, there is no hope either for a surplus budget or for borrowing in India.

I would ask the Honourable the Finance Member not to be deluded by the high rates of securities prevailing at present. If he would look into the figures, he would find that, in 1919, when money was flowing in this country like water, during the boom period, when the bank rate was only  $5\frac{1}{2}$  per cent., the  $3\frac{1}{2}$  per cent. security was quoted at about Rs. 60, and today when the bank rate is so high there is a great scarcity of money, the securities have risen to Rs. 72. What is the explanation of this? Why is it that the securities in the boom period were quoted at a much lower figure than at present which is a period of depression? The explanation is very simple. In those days, people had confidence in industries, people got a greater return from industries. Therefore nobody wanted to touch Government securities, but today, on account of the financial policy of the Government, all the confidence in the industrial investments has been shaken, with the result that every investor who has got some money for investment is putting his money into Government securities instead of putting it into industries. That is the situation, and the cause of the depression is your policy of contraction.

Sir Purshotamdas Thakurdas, in his minute of dissent attached to the Currency Commission Report, put forward figures based on official information that in the pre-war period, the usual expansion of the currency used to be about 20 crores a year. On this basis we would expect an expansion of about 160 crores in 8 years. But, if we look into the figures from 1920 to 1928, we will find that, instead of any expansion, there has been, on the contrary, a net contraction of about 55 crores. I ask a simple question of the Honourable the Finance Member. Have our exports and imports, as compared with the pre-war period, increased in volume or not? Has our balance of trade, as compared with the pre-war times, shown an increase or not? The index figure stands higher, the trade has increased; but in spite of that, instead of having an expansion in currency, we have had about 55 crores of net contraction of currency during the last eight years; and this is the cause, the direct cause of the stringency of

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money and the depression in trade. You have created a scarcity in the money market by contracting currency, and the consequence is the industries are dying. The industries are passing through a severe depression, and that also is reacting on the revenues of the Government and on the confidence of the people in industrial concerns. And this eventually will react on your own credit.

Now, Sir, I do not want to go into the controversy of 1s. 4d. and 1s. 6d., but so long as the shoe pinches, one is bound to groan. You cannot stop that. I do not advocate that we must go back to 1s. 4d., but what I want to point out is this: that the present seriousness of the situation has been forced upon the country by the action of the Government in contracting currency for the maintenance of the fictitious ratio. I ask the Honourable the Finance Member, when he is going to stop this ruinous policy? I do not want to dwell on the merits of inflation or deflation, but it will be very interesting to the Honourable the Finance Member who was giving us a sermon on the evil consequence of inflation if I read an extract from the *Barclays Review* which at least shows that consequences have not been so bad in France. The Review says:

"In certain respects progress was assisted by the depreciation of the franc, because in spite of the disadvantages which inflation brought in numerous directions, it helped to reduce the burden which would otherwise have fallen upon the industry as a result of the heavy capital cost of reconstruction. Inflation also assisted in reducing the real burden of the national debt and therefore of taxation, besides helping in a greater or lesser degree to keep down wages and other productive cost and in consequence, French prices at a low level in terms of gold. As a result, France's competitive power has been considerably developed, and between the end of 1921 and the spring of 1927, about 1 1/3 million foreign workers entered the country from various parts of Europe and elsewhere to satisfy the urgent demands for labour."

Now, Sir, this is the situation which has been created there on account of depreciation of exchange. What has happened on account of an appreciation of exchange in India we have already seen. I do not want to say anything more; but I want to draw the attention of this House to the seriousness of the situation. We have got to meet a deficit of about Rs. 7 or 8 crores towards the liability already incurred, i.e., arrears to be paid. We have also to raise huge loans to repay the old loans as well as for the capital expenditure. Now, I shall put this question to the Honourable the Finance Member. How are you going to meet the situation? Wherefrom are you going to get all this money? By taxation? I say "no". You can get money only by creating confidence in trade and industry, by creating prosperity. The Tariff Board made a very modest recommendation for the protection of the textile industry. What is the result? It has been turned down by the Government. The cotton industry is on the verge of death, and the Government have been simply keeping silent watching the spectacle and doing nothing. Sir, in great contrast to this, I am reminded of an instance which I read the other day in the papers, that because the banana is not grown in Italy, Signor Mussolini has forbidden imports of bananas into his country. It so happened that an English lady, a tourist probably, was found entering the boundary of Italy from France with about half a dozen bananas. She was told either to eat them up or to send them back to France. Of course—the lady was not imprudent enough to consume the whole bunch. All the same, Sir, the story makes it very clear how zealously Italy is protecting her own interests. And if we compare that picture, with the financial policy

pursued in this country by our Government, we feel a sort of despair. I again tell the Government that, unless they so plan their policy as to make the industries stand on their own legs, there is no hope of their getting more money either through loans or through taxation. Any number of good years cannot help them, and therefore I would suggest, again, Sir, make retrenchment, and grant protection. (Applause.)

**Mr. K. O. Roy** (Bengal: Nominated Non-Official): Sir, I was not anxious to make a speech at all, but Mr. Birla has tempted me to follow him. He speaks in this House with the authority of a great commercial magnate, and as the chief representative of the Federation of the Indian Chambers of Commerce, but I represent to this House only the personal views of a layman. But before I do so, Sir, I wish to congratulate very sincerely the new Finance Member on his plain and unvarnished facts. Plain because it is a deficit budget, and unvarnished because it foreshadows the possibility of new taxation. The two speakers who have preceded me, Colonel Crawford and Mr. Birla, take a very gloomy view of our financial future; but I do not share their pessimism. Mr. Birla has, rightly or wrongly, reflected upon the achievements of Sir Basil Blackett. What does the present Finance Member himself say? In paragraph 96 of his budget statement, he has borne testimony to his predecessor. Besides wiping away a deficit of Rs. 100 crores, what did he do? Let us examine the position.

**Mr. Ghanashyam Das Birla:** What about the so-called decrease in the unproductive debt?

**Mr. K. O. Roy:** I am coming to that. Sir Basil Blackett gave away about Rs. 10 crores in the shape of provincial contributions,  $1\frac{1}{2}$  crores in cotton excise, Rs. 85 lakhs on machinery and Rs.  $1\frac{1}{2}$  crores in respect of opium. This is not all. He left behind a revenue reserve fund, on which the Honourable the Finance Member can fall on evil days. In this fund there is now a net balance of about Rs. 14 lakhs after taking Rs. 90 lakhs to cover the deficit. And if my friend Mr. Birla will look at page 19 of the Secretary's memorandum, paragraph 44, he will find that Sir Basil Blackett left a magnificent bequest to Sir George Schuster, that is, gain by exchange. It is not a very small sum, but a very huge sum. It comes to Rs. 12,69 lakhs. This is kept in suspense. Why does not the Finance Member bring this sum into the budget and let us have a surplus budget? He can do so, not only for this year, but he can give us surplus budgets for the next four succeeding years.

Now, Sir, let us examine the revenue of the Government of India. There are two principal sources of revenue, and the first is customs. It has been standing somewhere in the neighbourhood of 46 lakhs, between Rs. 46 and Rs. 50 lakhs, for the last few years. I remember on several occasions attempts have been made by responsible Members on the non-official side to give a scientific basis to our customs tariff, and I think it was my friend Mr. Jamnadas Mehta who wanted it more than once. But what has been the response of Government? No response has come yet. The new Finance Member, who comes to this House with great knowledge, with a great reputation, and a very great experience of other countries, ought to be able to utilise his great talents in finding a solution for the scientific basis of our customs tariff. The scientific basis will not result in shortening our customs revenue, but I am quite sure it will expand it; and if it

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does not, it will surely solidify our trade. That is the first source. Now think of the Income-tax. I am not quite sure whether my Honourable friend Mr. Birla was on the Income-tax Bill Select Committee, but Sir Purshotamdas Thakurdas was a member of that Committee, of which I also was a member. It is a matter of common knowledge, that there is avoidance of income-tax by some of the well-to-do classes. It was mentioned in this House and it was mentioned in the Select Committee. Sir Basil Blackett wanted to find a remedy. He introduced a Bill. The Bill was placed before a Select Committee, but Sir Basil Blackett found it extremely difficult to proceed with it. But I must pay a tribute to the present Finance Member who, with wonderful tact and dexterity, has piloted the Bill through the Committee, whose report is now before us. The report has been republished. I am sure, when that measure is enacted perhaps in the Autumn Session—it will bring him in a nice, good revenue . . . .

**An Honourable Member :** How much?

**Mr. K. C. Roy :** Not less than 50 lakhs. Do not forget that your deficit is 90 lakhs.

**Mr. Jamnadas M. Mehta** (Bombay City: Non-Muhammadan Urban): 40 lakhs still remain.

**Mr. K. C. Roy :** Then again, Sir George Schuster has already given us an assurance that he is going to keep a tight hand on all expenditure—an assurance which I cordially welcome. Again, think of the earnings we are receiving from the railways. For years we have wasted money on the railways, but today you are going to revise the settlement made by Sir Basil Blackett, and when that is done, I hope the House will demand a greater return from the railways than it has heretofore received. When such are a few of the data before us, why take a gloomy view? I repeat once more, not only will the Finance Member be able to balance his budget as he has done this year, but he will be able to give us a surplus budget for the next four years.

My Honourable friend Mr. Birla has referred to our unproductive debt. What did Sir Basil Blackett do? He gave 88 crores towards the liquidation of unproductive debt. And then what is the allegation? The allegation is here in the Finance Secretary's statement. He says there is less conservative estimating . . . .

**Mr. Ghanshyam Das Birla :** How do you compare it with the present statement?

**Mr. K. C. Roy :** But I do hope that when we have an unproductive debt . . . .

**Mr. Ghanshyam Das Birla :** May I put one question, Sir?

**Mr. K. C. Roy :** You have had your say, let me have mine. The unproductive debt stands today at 170.86 lakhs and I do hope that future estimating will be done on more conservative lines than hitherto. As regards the sterling borrowings, I am more or less in agreement with Mr. Birla, because to my mind sterling borrowings postulate political and economic exploitation. I entirely agree, but at the same time there is no getting away from the fact that to a certain extent you will have to get sterling borrowings. But the less we borrow in foreign countries the better

for our political relations. For I am anxious, that we should bring our Postal Cash Certificates within the reach of the humblest ryot, so that he may have a tangible interest in the government of his own country; and I feel that Government has not done enough to attract the poor man's capital to the needs of Government's capital expenditure.

I wish Sir George Schuster, who comes to this country with a great reputation, success in his career in India, but I should like to read to him, for his benefit, the undertaking which was given by Sir Basil Blackett about his successor in office. This is what he said in his budget speech:

"From 1929-30 onwards it will be the privilege of this House and of my friend and successor, Sir George Schuster, whose acceptance of the post is a matter of great personal satisfaction to me, to find no outside claimant to the recurring surpluses which I hope it will be their good fortune to enjoy in the coming years, and they will be free to turn their minds on the one hand to new directions in which money can be usefully laid out for India's advancement, and on the other hand to the readjustment of the burden of taxation and to those reductions of taxation, so welcome to tax-gatherer and taxpayer alike."

Sir, I hope my Honourable friend Sir George Schuster will justify the prophecy made by his friend and predecessor.

**Mr. C. Duraiswamy Aiyangar** (Madras ceded districts and Chittoor: Non-Muhammadan Rural): Sir, I think it was James the Second who said "My intentions are good because they are mine, my acts are bad because they are my Ministers' ". I was reminded of this observation when I heard the Finance Member's speech, expressing a great many good intentions and producing as bad a budget as he possibly could produce. Now, Sir, I do not blame him for that, because I feel that the Finance Member's position in this country is not on the same level as that of the Finance Members in any other self-governing country. I entirely agree with the description given by my Honourable friend Mr. Kelkar, and I may add in a nutshell that the Finance Member in other countries holds the reins of expenditure, but here it is the other colleagues of the Finance Member who hold him by the reins. The Finance Member in India is no more than a horse tied to the chariot of Great Britain and the Secretary of State as the charioteer drives him over the heads of the Indian taxpayers. That really is the position of the Finance Member, and he cannot therefore boast of any policy of his own, because his policy is nothing else but addition and subtraction of the policies of his colleagues sitting by his side. Therefore it is no wonder that he does not find himself in a position to curtail any expenditure. He is not in a position to dictate any curtailment of expenditure to his colleagues. The only thing about which he can boldly say anything to this House is that he has no fear of proposing additional taxation, and that is what he has clearly made known in his speech when he said that it is not through fear that he has not taken the step of proposing additional taxation. But, Sir, he has fixed certain tests for levying additional taxation, and those tests make it clear that the Finance Member at least should be an Indian. He points out among those tests that, before imposing any new taxation, if that should prove necessary, he wants to have ample opportunity for studying conditions throughout the country, so that he may be able to formulate proposals in the light of a full knowledge of facts and opinions in such a way as to ensure that, whatever is done will be most to the benefit of this country and its people. Sir, this is not a training ground for the Honourable Member, in order that he may go about the country in

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a leisurely way and find out the real situation in this country, and then, on the eve of his departure, propose something or not as he may think fit. But on the whole I think we should like to see, as Finance Member, an Indian who has already had sufficient experience of the situation in this country before he takes office. I have often suggested in this House, and I will repeat once again that, whereas, in matters of trade, we export our raw produce, and import it as manufactured goods, in the matter of the Services, we are importing, day after day, the raw intellects of other countries and re-exporting them as manufactured products; and that we are doing so at considerable cost to our country has been pretty clear always. The Finance Member has had sufficient time to see that it is this that stands in the way of his showing any kind of good budget in this country. He should by this time have understood how the top-heavy administration in every one of the Government departments here stands in the way of producing anything like a surplus budget in this country. Now, Sir, I have to remind him in connection with the remark which he made, that he will never be afraid of proposing additional taxation, that fear will never stand in his way. I will point out to him some remarks of Lord Canning, which he made at the time of the Mutiny, that, rather than face the danger of putting on new taxation, he would prefer the danger of reducing military expenditure. Lord Hobart, once Governor of Madras, in 1873, wrote to Lord Northbrook, Governor General, "If I have no surplus to reduce taxation, I will make one by reducing expenditure. Popular content is better than public works." I would bring home to him these salient remarks. Now, Sir, he has had sufficient time already to understand this much, that the incidence of taxation per head in this country is increasing and not decreasing. Taking the quinquennial period 1921-22 to 1925-26, I would tell him that, in the United Kingdom, the incidence per head of taxation has come down from £18-1-10 to £15-14-0; in the United States of America it has come down from 32-7 dollars to 27-5 dollars; whereas in India, it has risen from Rs. 5-1-1 to Rs. 5-10-9 per head. Has India been growing richer? Has she been progressing? Has there been more prosperity in this country than in the United States or in the United Kingdom? How does he account for this increasing taxation day after day, and yet at the same time say that he can think of additional taxation? Now, Sir, in paragraph 20 he asks: "and secondly, what is the best direction in which to take it?" About that, Sir, he need have no doubt whatever. His predecessors have set the example, and he may quietly take it without making researches for himself as to the methods of taxation. One experience that this country has always had at the hands of successive Finance Members is that, whenever there is a deficit whenever there is a struggle for money it is a case of "switch up the salt tax." You have only to say, if you find there may be a deficit next year, switch up the salt tax from Rs. 1-4-0 to Rs. 2-8-0; if again some other interests require, some rich persons require that motor duties should be reduced, switch up the salt tax to Rs. 3; if the merchants of Bombay require that the cotton duty on yarn must be raised and the Indian imports of yarn must be reduced in this country, switch up the salt tax. On every occasion, Sir, we have nothing to do than to switch up the salt tax as much as possible. This has been the policy that has been consistently followed by all the Finance Members

in this country, and there is no need for my Honourable friend to say that he would have to make fresh researches as to the methods of additional taxation. That is, Sir, so far as the Finance Member's position is concerned.

Now, Sir, what is the position that we occupy in this House? Sir, I have been occupying some space—not a little—for the past six years. (Mr. R. K. Shanmukham Chetty: "You have been occupying more than one Member's space".) I have no objection to my friend, Mr. Chetty, proposing a cut. (Laughter.) But, Sir, I have occupied this space for the last six years, and at the fag end of my life in this Assembly I have to give out what my experience has always been. The position that we have been occupying in this House is of no good either to us or to our countrymen. That is exactly the position which we occupy. What is it that we have understood by way of the budgets that are presented here, or from the discussions that take place over the budgets? It is all a farce—nothing more than that. A few theatrics and cur life in the Assembly in Delhi or Simla is closed; a few dinners, a few garden parties, a few tea parties and some lectures and exercise of the lungs in the Assembly and we go back. (Mr. D. V. Belvi: "Some pyrotechnics.") Sir, this has been my experience and we have not served our country in any manner, and it has become almost impossible for us today, in the existing state of affairs, to do anything; and I hope that this is the last time that we are getting a budget from an irresponsible government, that this is the last time that we have our finances controlled by one who is in no way responsible to the people of this country; and I hope things will improve early next year. Sir, we sit here day after day to vote for 28 per cent. of the total expenditure. The votable portion consists of only 28 per cent. of the total, and the rest is untouchable; and even in this 28 per cent. or 28 crores that we have got to vote here, we have no time to discuss even a few items, or even a small portion of it; the rest comes under the guillotine or gallows as it may more aptly be termed. That is exactly the situation; and even in this little discussion that we may have here, if we are able to propose one little cut, take away one chaprassi from the Home Member, or cut away one tree in the Viceregal garden, it will be restored by certification, on the ground that the administration of this country cannot go on unless that chaprassi is restored or the tree is replanted. That, Sir, is the principle underlying this certification; and with this certification, we have been carrying on our budgets. What good can you possibly expect of us in these circumstances? How can we or our countrymen be benefitted by the budget discussion, or the discussion of the Demands for Grants? Some of our Members here think of it as their highest ambition if they hobnob with the Home Member or the Leader of the House in order to advance this or that item of the demands, in order that they may propose one complete final cut and defeat the Government. What do we get if we cut this Rs. 66,000 out of the travelling allowance of the Executive Council? Some Members want that demand to be advanced, and the Members over there consent, and sit very quietly, simply in order to see the *tamasha*. It is a holiday for them, and they have got a short and sweet answer—when they sit in the manner in which the Honourable the Home Member is now seated in quiet and convenient repose—they will finally say, "Thank you, Sir, you have cut out our touring charges; we will not go out; we will sit quite quietly

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in our lounges and chairs in office." That is the short and sweet answer with which they will meet our cut, and we go back only with the consolation that we have defeated the Government or made a cut in the budget this year.

Now, Sir, coming to the budget itself, I find it as disfigured a budget as usual; I consider a budget always disfigured so long as the salt revenue and the opium revenue are there. (Hear, hear.) I am not discussing the details of the salt question here, because I hope there will be another opportunity when we can go very fully into that question; but, with reference to the opium revenue, I find that, in spite of the solemn promises and pledges which they give to the League of Nations, in spite of the solemn signatures they affix to the conventions and protocols, what they do in this country is simply an attempt to throw dust in the eyes of the League of Nations. Steps are vigorously taken in order to stop export of opium, but in the matter of reducing the consumption within the country itself, equally vigorous steps are not taken at all. Absolutely no attempt is made to penalise even the administering of opium to babies and infants, and yet we are told, day after day, that this is being done with the hearty connivance of the Government, which is bent upon getting as much as possible out of the opium revenue. That Honourable gentleman, Sir, Mr. Coatman, who, after being accused this morning, never opened his lips, writes in his book that the opium revenue is also being reduced and that the acreage of cultivation is being reduced. No doubt the extent of acreage of cultivation is shown as reduced, but if we see the last column—production—we see that whereas formerly a *bigha* was producing three seers, now each *bigha* produces six seers. Now, Sir, what has been reduced in the area has been made up by increased production per *bigha*. We are told that, next year, the income budgeted for is Rs. 3,05,57,000, and that we are losing over 40 lakhs because of the reduction in the export of opium. But I do not believe that, even that is a correct figure, because we find that, in the payment for special cultivation in Malwa, Rs. 11 lakhs is given more than in the current year, and for payments to cultivators in the United Provinces, Rs. 3,05,000 more is provided for in the new budget over and above the budget item of the current year. I do not therefore believe, judging by the figures in the matter of poppy cultivation and encouraging cultivators of opium, that there is any likelihood of the income under the head "Opium" being ever reduced in this country. Why, in fact the two nation-building items which have been divided between the Central Government and the Provincial Governments, are opium and liquors. Opium is the chief means of nation-building for the Central Government, while liquors and alcohol are the chief means of nation-building for the Provincial Governments. And I am sure these two processes of nation-building will never be given up by these two Governments.

Now, Sir, I am no authority to speak on military expenditure. I would rather shudder to think of the military, the arms and the ammunition. But at any rate, Sir, we find clearly that, even according to the Finance Member's statement, 55 crores are not necessary and 53 crores will be quite enough; so that the two crores that are left will be reserved in their pockets. He says in his budget speech: "provided the Finance Department keeps a check"—a phrase borrowed from the Incheape Committee's

Report,—and that is a long 'If' and a long 'proviso'—"provided", he says, "the check is maintained, there is no fear that these amounts will be mis-spent". Now, Sir, there again he is responsible not for himself but for the position that he finds himself in this country. In other countries the defence is chiefly regulated by the necessities of outside aggressiveness, but here the Army is maintained more for the purpose of keeping or guarding themselves against the war which they always contemplate they are carrying on against their own subjects. The provision made for the defence in this country has to be classified as (1) an item provided for against outside aggression and (2) for carrying on the war against their own subjects within India. So long as this policy of distrust is in the rulers, there cannot be any diminution in the military expenditure. I agree, I grant it, either they must quit this land or must have more trust in their subjects and try to get more love from their subjects. Unless these two things are done, there is absolutely no chance, so far as I am able to see, of the military expenditure being ever reduced. It is said that the Retrenchment Committee recommended that the military expenditure should be reduced to 50 crores, but the Government will not accept that on the ground that it is an antiquated document. Why, many of our own Members here say that the laws of Manu are antiquated and they do not apply in these days, and so it is no wonder if Government now says that the recommendations of the Retrenchment Committee are antiquated and cannot be considered as binding on them at present. They say that the Lee Commission's recommendations have come after that, and ask how they can give effect to the recommendations of the Retrenchment Committee which was appointed long before the Lee Commission. I ask, Sir, in face of the recommendations made by the Retrenchment Committee, what business has this Government to accept the recommendations of the Lee Commission? This Government, I submit, Sir, has absolutely no justification for increasing the expenditure when the recommendations for retrenchment have been made by a responsible body, which was presided over by no less a personage than Lord Incheape, and if the Lee Commission's recommendations have been accepted and this additional expenditure has come in, it has come in unceremoniously and it must also be ejected unceremoniously, and it is the duty of the Honourable the Finance Member to suggest that retrenchments must take place and overgrowths of expenditure like the Lee recommendations must all be removed. This is really the province of a true Finance Member. Then again, the Retrenchment Committee was not satisfied with proposing a reduction of military expenditure to 50 crores. They said:

"Even this is more in our opinion than the taxpayer in India should be called upon to pay, and though the revenue may increase through a revival of trade, there would, we think, still be no justification for not keeping a strict eye on military expenditure with a view to its further reduction."

That is what the Retrenchment Committee has stated, and there is absolutely no justification for their increasing it, unless as Colonel Crawford expressed it, that on the 1st of January next the situation will be critical.

Now, Sir, in the budget no doubt a few items in the beginning will be subjected to some kind of criticism or some kind of comment in the five days that are allotted to us, but there are huge sums concealed in the later pages on which we have to bestow some thought. No doubt, we may do some gymnastics with the figures and be satisfied and go away, but really,

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the wastage is extravagant; a lot of money is being taken away from this country; all those figures are shown in the later pages of this book. Now, one crore 28 lakhs and 56 thousand is the sum provided for for next year under Delhi Capital outlay. Sir, if this budget were to be seen by any stranger to this country, he would think that this was still a land of gold. One would think that such an extraordinary expenditure as is recommended by the Finance Member, who complains of almost a deficit budget, who thinks that the finances are going down and additional taxation may also have to be thought of cannot be justified. But when this recommendation proceeds from a Finance Member, what would a stranger think of this country? He would still think that this is a land of gold, he would still think that there is a good deal of gold to be wasted over here. Out of this sum of one crore 28 lakhs and 56 thousand, I ask the Honourable the Finance Member to tell us how much of it goes back to his own country, how much of this money will remain here? Will it be 20 per cent. or will it be 25 per cent. or will it be more? Look at the spacious buildings which the great Moghuls have left in this land, the Shajahan Palace and the Taj Mahal at Agra. Did the crores spent on them leave this country? And what are the commission fees of the architects who have been brought to this country? I believe it is somewhere about Rs. 90,000 for one architect. I do not know whether it is for the same architect who put that notable brick over here, which fell here the other day, or whether it is for another architect that this huge provision has been made. But whatever it may be, Sir, we are spending extravagantly, and I will not be surprised if, out of this 1 crore and odd that has been provided for New Delhi Capital Works for the next year, not less than 90 lakhs go back to his own country. And this huge sum is provided for at a time when we are in such an impoverished condition. I ask my Honourable friend over there, what is the justification for putting in this item? Why should it not be postponed if he finds that the condition of the country is not very prosperous? One would certainly postpone such expenditure if it was a self-governing country.

Then again, Sir, there is a smaller item, and that is about the Ecclesiastical Department for which provision is made to the extent of 30 lakhs non-voted. Why are the Ecclesiastical people untouchable? Why should that sum be non-voted? My friend Sir Purshotamdas Thakurdas, in a most opportune moment, looks at me, because I am reminded of the strong protest which he raised in the Incheape Committee's Report against this expenditure of 30 lakhs over the Ecclesiastical Department. It is an absolutely unjustifiable expenditure, considering the finances of this country. There is absolutely no justification for spending this sum of 30 lakhs over persons who are not Indians. The Indian Bible is not different from the English Bible; the Indian Christians love the same Jesus Christ as the Englishmen do, and yet even in this Department there is no Indianization. 30 lakhs are being spent annually, which could be reduced, if this Department were Indianised, to 10 lakhs, and not more.

Now, Sir, the Finance Member has said on page 8, paragraph 5 of his speech, as follows:

"The imports as a whole show a falling of about a crore, the result of a drop in cotton and cotton yarn and manufactures, counter-balanced, to a large extent, by a rise in the imports of grain, machinery and vehicles."

The Honourable Member has only to look to Sir George Rainy for an explanation for this. Why was the import duty on cotton yarns reduced? It was because his friend Sir George Rainy hob-nobbed with the mill-owners of Bombay. The increased import duty on yarn threw a big stone over the handloom weavers. He did that, and the consequence is thrown on the shoulders of the Honourable the Finance Member. But the Finance Member's courage is not lost. He is very optimistic, or he pretends to be optimistic. He is either courageous, or pretends to be courageous, because in paragraph 22 of his speech he says:

"On the other hand, I am budgeting for appreciable improvements under cotton piecegoods, protective special duties, excise duty on motor spirit, etc. On the whole, I have assumed an improvement of 40 lakhs."

Does he really expect an appreciable improvement under cotton piecegoods imported into this country? Or is he only giving a challenge to the *khadar* propaganda of the Congress? Does he want to make it appear to the world that he is not at all afraid of the *khadar* propaganda and that he proposes to import into this country much more of piecegoods from his own country, in spite of the determination of the people of this country to boycott the Lancashire cloth? I take it that he is only intending it as a sort of bluff threat, and I am sure that, at the end of the year, if he continues to occupy the position which he occupies to-day, he will be disappointed, and he will find no increase in the imports of piecegoods.

**Mr. President:** Order, order. I will ask the Honourable Member to conclude his observations.

**Mr. C. Duraiswamy Aiyangar:** Very well, Sir. Now, Sir, the Honourable the Finance Member, with all his sympathy, sincerity and good intentions, about which he has received a sufficient quantum of encomiums already, provides in this budget Rs. 16.4 lakhs for agricultural research, of which Rs. 1.4 lakhs represents the normal recurrent expenditure and Rs. 15 lakhs represents the initial grant towards a total endowment fund of Rs. 25 lakhs. The Royal Commission on Agriculture has recommended, at page 49 of their Report, Rs. 50 lakhs to be started as a fund, and out of such useful expenditure the Honourable Member is prepared to provide only Rs. 15 lakhs this year, Rs. 5 lakhs next year, and Rs. 5 lakhs the year after that, and there the matter will end. Instead of Rs. 50 lakhs, he will provide only Rs. 25 lakhs so far as his present determination goes. Is that the spirit with which he has come to promote the prosperity of this country, and, if so, why does he invoke the name, the sacred name, the name which we all hold in sanctity, of Pandit Madan Mohan Malaviya and tell him that his remedies are quack remedies and the real remedy is to increase the wealth of the country by the introduction of improved methods of cultivation and communication? And when the Royal Commission on Agriculture has made recommendations, they are thrown to the winds! He cannot find in this budget Rs. 50 lakhs to be provided in order to satisfy that recommendation of the Royal Commission and still he calls in aid . . . . .

**The Honourable Sir George Schuster** (Finance Member): Will the Honourable Member read the whole of the paragraph from which he is quoting?

**Mr. C. Duraiswamy Aiyangar:**

"Again, we are providing Rs. 16.4 lakhs for agricultural research, of which only Rs. 1.4 lakhs represent normal recurrent expenditure and 15 lakhs represent the initial grant towards a total Endowment Fund of Rs. 25 lakhs. I hope to be able to provide the remaining Rs. 10 lakhs in 1930-31. But in the event of financial stringency, it may be possible to postpone this,"

—that I forgot,—

"and, in any case, these payments represent initial payments which will not recur. As Honourable Members are aware, the Agricultural Commission recommended an initial Endowment Fund of Rs. 50 lakhs, but, in substitution for this, the Government of India propose to create an Endowment Fund of Rs. 25 lakhs and to supplement this with an additional voted endowment of Rs. 5 lakhs each year. . . ."

Sir, compare this with . . . . .

**Mr. President:** Order, order. The Honourable Member must now close. He has exceeded 80 minutes.

**Mr. C. Duraiswamy Aiyangar:** I close.

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

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

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**Mr. President:** The House will now resume further discussion on the General Budget.

**Munshi Iswar Saran** (Lucknow Division; Non-Muhammadan Rural):  
 Sir, I also wish to offer felicitations to the Honourable the Finance Member on the tone and temper of his address. We all know the ambition which he says he has got as a Finance Member. May I say, Sir, that that is a laudable ambition and a noble ambition. I shall put, if I may, to the Finance Member a question in the friendliest of spirits. Has he realised the price that he has got to pay for this ambition? What is the price—conflict with vested interests and a ruthless fight against exploitation and consequent unpopularity, and even loss of reputation in high and influential circles. I hope Sir George Schuster has carefully counted that cost, but be that as it may, the House will wish god-speed to a Finance Member who starts his career in this country with this high ambition and ideal.

As regards the budget, Sir, one may say, indeed it is obvious from the speeches delivered so far—that there are no particular features of this budget which demand very serious comment. But there are certain facts of outstanding importance which emerge out of a perusal of this budget. Now, I am glad that my Honourable friend Mr. Young has just come in and I wish to assure him that I am not going to attack him for the moment. On the other hand I am going to make an appeal to him in all sincerity. I dare say the House is aware that our troops are drawn from particular classes in the country. They are called martial races, and Indians are divided into martial races and non-martial races, and the troops generally come from martial races. In order to have an idea of how the mind of the military authorities works, I shall give a very short quotation from a

book which is called *The Military Races of India* by Major MacMunn. This is what he says :

“It is one of the essential differences between the East and the West that in the East, with certain exceptions, only certain clans and classes can bear arms. The others have not the physical courage necessary for the warrior. In Europe, as we know, every able bodied man, given food and arms, is a fighting man of some sort, some better, some worse, but still as capable of bearing arms as any other of his nationality. In the East, or certainly in India, this is not so.”

It appears to me, Sir, that this principle is being acted upon, with the result that Indian Christians, the so-called depressed classes, and certain sections of Hindus and Muhammadans are not taken into the Indian Army. We find that we have regular battalions which are formed on the basis of caste and caste alone such as battalions of Rajputs, Gurkhas and so on. It appears that, some time ago, the Garhwalis used to be taken in the battalions of Gurkhas, but subsequently, when it was discovered that they were not of the same stock as the Gurkhas, they were taken out and formed into a special battalion of their own. Now, Sir, I submit that this is a most important question on the right solution of which depends, in a large measure, the future composition and character of the Indian Army. A passing reference was made to it by, I think, my friend Mr. Gaya Prasad, in his speech, and I was very glad to find that my Honourable and gallant friend Colonel Crawford agreed with his view. Assume for a moment that the description given by Major MacMunn is correct. I put it to this House, is it in the interest of the country that these distinctions should be perpetuated? Is it wise, I ask, that Bengalis as a class—and I may tell the House that I am not a Bengali—should be banned? I am not going to quote what Major MacMunn says about the Bengalis. Is it advisable, I ask, that Kashmiris—I am not a Kashmiri—should be debarred from joining the Army? Again I am not going to quote what Major MacMunn says about the Kashmiris. This distinction, I submit, must go. There ought to be introduced into this matter a process of levelling up, otherwise, if the present system is continued, the result will be that India for ever will remain divided between martial and non-martial classes, and with justice the charge will be made against Government that they are the worst enemies of social progress and advancement. It is possible that there may be at present some difficulty about the enlistment of certain classes in the Army straight off, but I submit for the consideration of His Excellency the Commander-in-Chief and the military authorities the question whether it is not possible to do something in this direction so that, after some time, we may have the same conditions in India as exist in Europe. Why should not an Indian, who belongs to what is now considered a non-martial race, be free to join the Army and prove himself as good a soldier as one belonging to the martial races? If time had permitted I should certainly have invited the attention of the House to those psychological considerations which are involved in the question as to what goes to make an efficient soldier. While I am making these submissions, I do not forget that I am a mere layman, and that the opinion of a layman on army matters in certain quarters, is not considered to have any importance and is dismissed with the sneer that he knows nothing about the Army or about war. Be that as it may, I do submit, as a layman, that, on principle, it seems to be most unfortunate that this distinction should be kept up any longer, and, I hold, that an effort should be made—and the sooner the effort is made, the better—to improve the

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existing condition. I may, however, say that, at the present moment—if my information is wrong I hope my Honourable friend Mr. Young will correct me—admissions to the Dehra Dun School are not based on caste or class considerations. My friend shakes his head. Then I understand that, in the Territorial Force, this distinction is not observed. Kayasthas—I am a Kayastha—are not taken in the Army, but as one connected with a big Kayastha educational institution, I had a talk with a military officer who was stationed at Fyzabad, and he told me that Kayasthas who had joined the Territorial Force were doing so splendidly that he would very much like to have a hundred Kayasthas, so that he might—I forget the technical word—start a company or platoon of Kayasthas. Now I submit that you should give a man of the so-called non-martial races a chance of being trained as a soldier. If you create the necessary atmosphere, you will certainly have men from non-martial races coming in and joining the army. A friend of mine tells me that, during the Great War, a Bengal Light Horse was created, and a good many Bengalis joined it. Unfortunately for us, and unfortunately for them, they were never sent out, and consequently I am not in a position to say anything about their achievements. I shall certainly suggest to my Honourable friend the Army Secretary to represent this matter to His Excellency the Commander-in-Chief so that he may devote to this problem such considerations as its importance deserves.

Going through the budget I found that provision had been made for a committee for the Transfer of Property Act. The idea then struck me that the time had come when the Honourable the Law Member—I am sorry he is not here—should turn his attention to the old question of codification of the Hindu law. You find in the House every now and then isolated measures brought in for the improvement of the Hindu Law—an unsatisfactory method of dealing with this most important question.

**Mr. President:** What has that to do with the budget?

**Munshi Iswar Saran:** I submit, it is in the sense that I want the Law Member to make a provision while he is spending a large amount out of the budget on the Committee for the Transfer of Property Act, for a committee for the codification of the Hindu law. I do submit that this question certainly comes within the scope of a general discussion, because, in my humble opinion,—of course it does not count for much—it is very essential for systematic legislation that a committee should be appointed which should go deeply and thoroughly into various matters and try to come to some definite conclusions, so that, in the light of the conclusions of that committee, legislation may be undertaken, which may give us a complete code of Hindu law.

There are various questions at the present moment such as, conversion to Hinduism and inheritance, etc., which are agitating the public mind, and I think it is up to the Honourable the Law Member to take this matter up in right earnest.

Now, Sir, I wish to invite attention to a question of serious importance connected with the Foreign and Political Department. I have given notice of a cut and I gave it last year as well. This question has a long history

behind it. I will not trouble the House with that history at the present moment, but I do say, and say it most deliberately, that the claims of Indians in the Foreign and Political Department are being ignored and have been ignored since the creation of this Department. What you find is that, in the entire Secretariat of the Foreign and Political Department, there is only one Attaché, one Superintendent, and one gentleman holding a temporary officiating post. Then in the graded list of the Political Department, you find there are 184 officers, and in addition, there are 4 officers who are temporary and officiating. Only 5 Indians out of these are holding permanent appointments, and there are 10 who are on probation. Without giving any more details—if I get a chance I shall give details on another occasion—I put it to Government whether it is fair that the number of Indians in the Foreign and Political Department should be so small as we find it at the present moment.

Then, Sir, there is another matter to which I shall draw the attention of the House and it is this. Speaking last year, my Honourable friend, Mr. Young, displayed delightful frankness, and he spoke out exactly what was in his mind, and I think that on that occasion he certainly proved a better Swarajist than most of the Swarajists on those Benches. This is what he said—I am quoting his words:

“It must be patent that a country which has a foreign government will spend more on its defence than a self-governing country.”

There is another dictum of the Honourable the Army Secretary which I will read out, and it is this:

“British troops in India are more costly than British troops in England.”

Then, Sir, there was some talk about British troops and internal security and my Honourable friend Mr. Young, with a candour which I very much appreciated, said: “Oh! they are very necessary.” He disagreed with Colonel Crawford, who had maintained that British troops were not necessary for internal security. Mr. Young said “You have no idea; it happens thus.” The House will note that this is not the opinion of a military man but of a civil servant who, like my Honourable friend, has been in charge of a district. “When the people of a district see a British soldier smartly dressed up in military uniform going about in the streets, it has such a soothing effect on the masses that all ideas of mischief disappear and they at once settle down to their normal lives.” Now, let us see whether, in view of the statements made by Mr. Young himself, the position that we take up in this House is strengthened or not. We have, for a long time, been pressing that the British troops should be reduced because they are very costly. Mr. Young admits that. He also admits that, as long as we are under foreign domination, we shall have to pay more than what we would have to pay if we had Swaraj. All that Mr. Young admits. Now what is the remedy—I submit we should have Swaraj and get rid of this crushing military expenditure. I further submit that even in the present condition of India, it is necessary that the British troops should be reduced because this country cannot pay the exorbitant cost of maintaining them. Mr. Young has also told us that the British troops have some qualities which Indian troops have not got, and the Indian troops have got some qualities which the British troops have not got. I grant that straightaway. Now what is the result? Will my Honourable friend Mr. Young maintain that,

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wherever you have British troops, you should send Indian troops to make up for the deficiency which, according to Mr. Young, they have. I submit, Sir, Mr. Young will be startled at the implications of his position. If his position be pushed to its logical conclusion, then it becomes necessary to send Indian troops to England, because they will be able to make up the deficiency that British troops have. (Mr. Young shook his head.) My Honourable friend shakes his head. There is his speech in which, he has borne testimony to the splendid fighting capacity of Indian troops, but what he has said is that Indian troops are lacking in certain qualities, and the British troops are lacking in some other qualities. That may be, I grant it. No troops in this world are perfect, and if no troops are perfect in this world, it follows, as a matter of course, that the British troops are not perfect. Will my Honourable friend Mr. Young say that Indian troops should be sent to England so that they may be able to make up for the deficiency of the British troops? If you do not accede to that proposition, and if you shake your head over it, then you have to shake your head with greater vehemence at the idea of British troops being sent over here and you will have to admit that Indian troops should be allowed to carry on the work as best as they can. My Honourable friend Colonel Gidney is perhaps very much amused at it.

**Lieut.-Colonel H. A. J. Gidney** (Nominated: Anglo-Indians): Not a bit.

**Munshi Iswar Saran**: I am very glad that I have been able to convert at least one Member. This is a matter which has been engaging the attention of this House. Mr. Young last year pleaded that, year after year, we have the same hardy annual. He said: year after year we have the same wail. May I tell my Honourable friend, Mr. Young, to consider this in all seriousness? If the same pain and if the same injustice continues, if the same hardship continues, then the same wail will continue till redress is forthcoming. If the grievances are removed, then the wail will disappear. As long as there is hardship, you should not affect to be surprised at the wail. If there is a grievance, there is then the complaint. I say it is only just, it is only fair, that there should be a reduction of British troops and that the defence of the country should be left to Indian troops, who, according to my Honourable friend, Mr. Young, have rendered a most admirable account of themselves throughout their history.

There is one other little matter to which I wish to invite the attention of my Honourable friend, Mr. Young, and it is this. In the first place, I wish to ask him, if I may, to so prepare the budget, that even a layman may be able to understand it. Take, for instance, this year's budget. At page 162 there is a provision for special measures, 15 lakhs. What does this item refer to? When my Honourable friend Mr. Young gets up, I suppose he will be able to tell us the meaning and object of this provision, which, with my limited intelligence, and with my lack of knowledge of things military, I have not been able to understand.

Then, there is another item at page 50, where we have, Reservists, Rs. 25,71,000. This is what I am told about the reservists—I shall be perfectly frank with Mr. Young—I have been told that, certain European

officers who are employed in the offices here and possibly elsewhere are in the list of reservists and they get their allowance included in this item. My information may be absolutely wrong, and I am requesting Mr. Young to enlighten the House as to the nature of the work that these Reservists do, as to the amount of allowances that they get, so that we may be able to have a clear idea as to this provision.

Then, Sir, as regards the purchase of stores, I shall make one brief remark. These items are so scattered all over the book, that it is rather difficult to find out how much of the stores is being purchased in India and how much is being purchased in England. I shall give only two figures. At one place the purchase of stores equipment for animals is shown as Rs. 68,58,000. Again the Royal Air Force stores for India are given as Rs. 99,60,000. I submit that there is something very unsatisfactory about the system of purchase of stores, either of the Army or of the railways. I shall invite the attention of my Honourable friend Mr. Young to a speech which was delivered, let me say for his information and edification, not by an Indian nationalist, but by a European President of the European Chamber of Commerce at the annual meeting of the Upper India Chamber of Commerce held at Cawnpore on 22nd February. The name of the gentleman who presided over that Conference is Mr. A. L. Carnegie.

**Mr. President:** Order, order. The Honourable Member should conclude his observations.

**Munshi Iswar Saran:** I shall take only a few seconds, Sir. There is only one observation of Mr. Carnegie to which I shall invite Mr. Young's attention and that of other Members of Government. He says:

"I think we are entitled to claim that all purchases for military and public services should be made in India."

**Sir Purshotamdas Thakurdas** (Indian Merchants' Chamber; Indian Commerce): Sir, I think all the speeches that we have heard since this morning can be very correctly summarised as follows: All the speakers, except one, are agreed that the Honourable Sir George Schuster has inherited a legacy which is by no means enviable. Mr. K. C. Roy is, however, of a different opinion. If I understood him correctly, Mr. K. C. Roy said that, if Sir George Schuster had so desired, he could have presented not only a well-balanced budget, Sir, but a surplus budget too. He went further and said that if Sir George Schuster so wills it, he can present a surplus budget the next year and the following years too. And he pointed, Sir, to the figure of Rs. 12,69 lakhs on page 20 of the explanatory memorandum by the Finance Secretary. We, on this side of the House, wondered whether the Honourable the Finance Member had overlooked such an important and substantial amount avoidable for the credit side. I want Mr. K. C. Roy to realise that this Rs. 12,69 lakhs is not a tangible asset. In fact, Sir, the position is, as many of us on this side of the House at least, said, with full conviction last year, this: there is not only no tangible asset left on the credit side from the previous administration, which Sir George Schuster can fall back upon but there were last year bad patches in the budget which it was our painful duty to criticise, despite the fear that some narrow-minded Members might misunderstand us in that duty of ours. The uncovered liability of Rs. 5½ crores till 31st October, 1928, which is said

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to be technically in keeping with the Government's normal system, but which certainly has left a bad hole for budgets hereafter, has this year increased, Sir, to Rs. 7½ crores. It is not easy, nor can it be done, without somebody ultimately paying the penalty for it, to use such a substantial borrowed amount as Rs. 23 crores in the first year, at an interest costing the borrower only two-thirds of one per cent. per annum—that is a luxury of which many merchants and industrialists will be not only proud but to which all will look forward with a lot of gusto. For the second year the rate of interest calculated in the revenue accounts was four-fifths of one per cent., and in the third year, it was two per cent. per annum. Whatever, Sir, may have been the "normal system" of the Government of India, I do not think that, even Sir Basil Blackett defended it last year as the correct thing to do, and I am sure no firm or company would receive sympathy if it kept its accounts in the past three years in this manner and showed the balance of interest liability incurred as uncovered liability. Well may, therefore, Mr. K. C. Roy also change his mind and join us when we say that we sympathise with Sir George Schuster in that he has inherited a legacy which certainly is not an enviable one.

It is hardly, Sir, my policy to cry over spilt milk; and being so inclined, I offer to Sir George Schuster, with reference to his appeal made towards the end of his speech, my sincere co-operation in the effort which he has made in his task—to build up India's finances in the correct manner and in the best interests of India. (Applause.) I attach very great importance to the last words "in the best interests of India." My only hope is that on the point as to what is "in the best interests of India" Sir George Schuster and this side of the House may not have occasions to differ seriously. However, the ambition that he refers to in the first paragraph of his speech is a high and noble ambition. May he be able to say exactly the same thing when he lays down the reins of his office. And he will not then find a more appreciative and a more grateful part of the House than this part of it, if his duties are carried out in the spirit which he aspires to.

Sir, in paragraph 20 of his speech, the Honourable the Finance Member has thought fit to warn the Assembly, quite frankly, that there may have to be fresh taxation next year. I have heard some people say that a warning like this was unnecessary by him just at the time when he has taken up his office—and it is barely three months, or certainly less than four months, since he landed in India to take charge of his office. Although some may think that Sir George Schuster need not have communicated this warning this session, I appreciate the frank manner in which he has spoken, and I very much appreciate that he has given us this warning as soon as he saw there was cause for such a warning. I am sure the Honourable Member will understand me in the most correct spirit when I on behalf of my constituency, and if I may say so on behalf of this side of the House, equally frankly tell him that, as far as I can see, he is not going to get our consent to any kind of additional taxation lightly or without his making out a case that that taxation is necessary and will be used for purposes which may advance the best interests of India in the long run. We, Sir, have protested in the past against many aspects of the policy of the Government of India; and it is not my purpose, nor will it serve any

useful end, if I refer to-day to one of these. But if, in spite of the warnings uttered by a majority of the Indian public, and certainly by this side of the House, the Government of India follow certain lines of action, it will hardly be right for us to encourage them in such disregard of popular opinion, when they find that they have landed themselves into positions where they can raise money only by one method, *viz.*, the method of grinding down the masses of India more and more with additional taxation. We feel, Sir, that the taxable capacity of the people of India, if it has not been exceeded in a serious manner, has certainly reached the maximum, and there is no question of any further taxation being voted by this side of the House, unless of course a case is made out to show that that taxation will be used for purposes or in a manner which will add to the national wealth of India. I deliberately make this condition in order that it cannot be said later that I commit myself to-day in a manner which may leave me no option under any set of circumstances. But I wish to warn the Finance Member that fresh taxation will not be agreed to by us lightly.

Sir, in paragraph 58 of his speech, the Honourable the Finance Member tells us how, during the past five years, productive capital expenditure amounting to about Rs. 185 crores has been undertaken with loan borrowings of about Rs. 90 crores—I have converted the sterling into rupees—thus claiming a reduction in unproductive public debt to the extent of Rs. 155 crores. He himself replies in paragraph 59 to the question where this money was found from. I suggest that the details which he gives in paragraph 59 show that, barring the accumulation of funds sanctioned by the Assembly there has been a change in the method of financing capital outlay by means of "other obligations" instead of public debt. For instance, the following obligations of the Government of India, even though they may not be included under the head "public debt"—I will quote a few of those which strike me as such—should be regarded as liabilities which cannot be less onerous to Government under all circumstances: Rs. 87 crores Post Office-Cash Certificates and Post Office Savings Bank deposits; Rs. 19½ crores Other Savings Bank deposits—these are all debts and liabilities of the Government of India—Rs. 3 crores Other Appropriations from Revenue—I am not quite sure about this, but I take it that this is a liability of the Government of India.

**The Honourable Sir George Schuster:** Revenue surplus.

**Sir Purshotamdas Thakurdas:** Then I will omit this. Rs. 16½ crores is a reduction in the opening Cash Balance in India. Rs. 9 crores is Provident Fund Balances from Railway Companies. That makes a total of 82½ crores for other liabilities. Sir George Schuster calls this "a remarkable achievement". I only hope that he will not repeat the achievement, or try to do it himself. I am afraid, with all deference, I must seriously differ from the Honourable the Finance Member. To the extent of "putting back surplus earnings into the business", as he calls it, I have not the slightest objection to due credit being given to the quarters deserving it; but I am convinced that this policy, which was started during the last 5 years, has been a bold experiment by the former Finance Member, which may turn out to be extremely embarrassing to Sir George Schuster, and is bound to have rather serious repercussions on the money market in India. It will be admitted, Sir, that this policy has depleted the liquid resources of the Government, and to that extent made the Government of India the best and, if I may say so, the most needy borrower in India during the

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last few months. With heavy liabilities to repay loans commencing from 1930 and going on year by year to 1937,—and there is not a single year of respite during the 8 years,—I am not surprised at the conclusion of the Government of India as mentioned in paragraph 61. This conclusion, Sir, is “that Government must be prepared, in the future, for having to raise a larger proportion of their capital expenditure in the form of public loans.” There is also a further corollary to that conclusion which is obvious and cannot be taken exception to. Now, Sir, with the deflations that have been done during the last three years, with the state of the money market in India as the Honourable the Finance Member finds it to be, may I ask whether he is going to find it easy or normal to float loans here? A few days back the Finance Member assumed full responsibility for the bank-rate having to be put up by the Imperial Bank of India—a question which certainly has come in for a good deal of criticism. I feel, Sir, therefore that, whilst it may have been pleasing for the moment in some of the past years for the Government of India to pat themselves on the back and say “See how we have improved the credit of India, and how the unproductive debt of India has gone down”, in the sphere of finance, Sir, there is little that will stand long in the shape of achievement simply by a waving of the magician’s wand. If Government in the past financed about 82 crores of capital works by utilising the liquid resources of the Government of India instead of borrowing at reasonable rates in long term loans and simultaneously with that—and that is the part which I wish to emphasise—followed a currency policy which necessitated deflation to the extent of Rs. 40 crores, who is it that can help or will sympathise with the Governor General in Council to-day when they come up, and in a helpless manner say, “Do help us to borrow at reasonable rates”?

Sir, in a deputation which was led before Lord Reading in 1922 by representatives of Indian commerce, European and Indian, praying that he might be pleased to appoint a Retrenchment Committee, the joint address presented by the two sections of Indian commerce said this:

“The ever-increasing price paid by Government for their borrowings tends to reduce the amount of India’s available capital and to raise the cost of money against the industrialist and the businessman.”

The result of the policy followed till now—which Sir George Schuster calls “a remarkable achievement” and of which Mr. K. C. Roy seems to be so enamoured and the defects of which he does not seem to realise—the result of that policy is that Government are dangerously near to the point where the money markets in India may get into a vicious circle of higher bank-rate, consequent Government loan flotations at higher rates of interest, higher rates of interest to be paid by commerce and industry, and consequent starving of the commerce and industry of the country, with all its attendant evils. I particularly point out this because I do not want history to repeat itself. Things may not actually be as bad to-day as they were in 1922, but it will not take long for the present state of things to get worse unless the Honourable the Finance Member, with a strong will and a firm hand will say, “so far and no farther.” Let us not play the fool with the natural laws of finance and currency.

Sir, if owing to this policy Government cannot get money in India the alternative to borrowing in India is borrowing in London. Here too there are important considerations, both economic and political, which cannot be overlooked. It is not my purpose

to-day to deal with the political considerations connected with borrowing in London. I am hoping that some of the political leaders will perhaps deal with the Honourable the Finance Member's appeal to them in this connection. But the question, Sir, is to what extent the market in London also can lend to India. The last loan floated after the Finance Member arrived here, I understand, has gone to a discount, which certainly cannot be considered to be trifling; but of course, Sir, London is the hub of the money market of the world and the investor there can perhaps overlook a small discount in quotations. But as far as I am aware, it may not be very easy for the Honourable the Finance Member to get, even in London, the very large amounts which he will want in the next eight years, giving him all the favourable conditions which he has appealed for. I wish, however, to point out to the Honourable the Finance Member that there appears to be little parallel between the borrowings of India in London and the recent borrowings of Japan in London, or of America before the War. Sir, the liability of the Japanese borrower and of the American borrower before the war was to the extent of paying regularly the interest due to the English lender and repaying eventually, on the due date, the capital to the English lender. Nothing more; nothing less. If we in India can borrow in London on the same terms without being told by our friends on these Benches here (pointing to the European Group) and without being reminded by the India Office and by the Governor General in Council, that the interests of the British investor here must be safeguarded by British staff and British efficiency, ensured through British personnel imported from across the seas, even though there may be Indians here equally efficient to serve in those places, is it any wonder, I ask my Honourable friend, the Finance Member; that the Indian public have a prejudice against capital got from abroad? Even as regards railways, which you tell us all along are nothing but a commercial proposition, which they should be, the Lee Commission thought it right to stipulate that 25 per cent. of certain staff should be British. What is there political about railway management? What is there in it that you can not trust an Indian about? Even where Indian Engineers and others are available the railway representative in this Assembly, in reply to questions, has to point out that 25 per cent. European personnel is necessary under the Lee Commission's recommendations. I therefore suggest to the Honourable the Finance Member that our objection to, and our hesitation regarding, your borrowing in London is based on this, that we do not borrow in London on the same terms as London lends to Japan and other parts of the world. You expect some additional return over and above the rate of interest which you charge us, and I put it to him whether, as a business man—and I know he has had a very creditable business career—he would not turn down such a proposition for advance even though he may have to pay half or one per cent. higher elsewhere? Naturally, therefore, while England lends to Japan at 6½ per cent., we in India look twice at an offer of a loan at say 5 per cent. per annum bearing in mind the history connected with India's borrowings from London till now.

The correct solution, Sir, regarding Government getting all they want for productive debts in India is of course what is indicated by the Honourable the Finance Member in paragraph 76, namely, investments by Indians from all over the country from out of their savings in Government securities. But the Honourable the Finance Member himself recognises that

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this can only come as a result of a steady course of education and the provision of better banking facilities, a matter which has been talked of before now, but which has not been seriously essayed by any previous Finance Member.

The House will, I am sure, note with satisfaction that the last part, namely, increased facilities for banking, is to be one of the main tasks of the Honourable the Finance Member, and one can only hope that the banking inquiry which he is contemplating will be started before long on lines which will bring relief to Indians, not only in the cities, but principally to those in the outlying districts,—the masses of the people.

Sir, the Honourable the Finance Member has thought it necessary to tell the House, or rather those who now perceive the privations of the adjustments to the new ratio, that they must not expect any reconsideration of this. Having myself been one of those who tried and agitated his level best to prevent this disaster to the country, I, Sir, expected nothing in the direction apprehended by the Honourable the Finance Member since April, 1927. I may say that the unequivocal statement of the Finance Member therefore does not surprise me. In fact, if it were not for the determination of the India Office and the Government of India from 1924 onwards, to force the higher ratio on this country, indeed we should not have had it at all. I do not propose, Sir, to say anything more about it. What cannot be cured must be endured. But I do feel that it is not right for those supporters of the 1s. 6d. ratio—and Sir George Schuster was not here then and therefore he does not come in at all—who may now feel a small pang of repentance or remorse—it will not do for them to be so sensitive as not to be able to stand the squealings and moanings of those who feel the pinch now.

But, I will pass on to another allied subject, which is, at least to me, less painful, and which may be a little less embarrassing to the Government. The Honourable the Finance Member, in paragraph 92, asked two questions: He asks:

“Is the country really suffering from any sudden and new disease? Are we not really in danger of exaggeration when such words are used.”

Now, Sir, I wonder if I may take the liberty of answering him quite frankly about this. Sir, if the poverty of the masses of India has been chronic—that is what I understand the Finance Member is trying to put before us—and of long standing, was it not all the more necessary for the Governor General in Council in 1927 to think several times before robbing the cultivator of India of the 12½ per cent. which was bound to ensue from the appreciation of the rupee? It is not much good quoting to us figures of foreign trade and railway returns. If seasons have been normal by mercy of Providence—and thank the Lord there has been somebody who has been merciful to India—in the last few years, and if crops have been grown Sir, the crops have to be moved. The holding capacity of the cultivator of India is proverbially small. The railway returns can therefore not show a falling off. If industries in India have not been encouraged by an active policy of protection, is there any wonder that your foreign trade returns have kept up with normal years? But, Sir, why speak only of these two to test and measure the normality of India's condition? May I ask the Honourable the Finance Member if it is the practice in other countries, such as France and Italy—which had unavoidably got into a

currency mess—may I ask if it is the practice in those two countries to watch the results of the country's progress with some other indices? I have here one of the latest weekly circulars of a well-known firm—Samuel Montagu and Co. of London. In their issue of 24th January, 1929, reviewing the conditions in France they say:

“According to the *Economist*, the Index Number representing Bourse quotations—that is their stock exchange—of 52 French issues returning fixed dividends, works out for December (based on 100 as representing quotations in 1913) at 84.1 against 80.4 in January last, 72 as the average figure during 1927, and 57 during 1926. The figure for 288 French issues of variable yield, which averaged 233 in 1926, 267 in 1927, and 345 last January, is returned for December as 483 (bank shares 361; insurance companies 963, northern collieries 439; iron and steel concerns 267; chemical companies 516; construction material undertakings 516; textiles 1,045; railways 124; electrical undertakings 606; shipping companies 376). The figure for foreign issues with variable yield, based on 17 descriptions quoted on the Paris Bourse, is returned as 684 (against 644 last January, an average of 596 in 1927 and one of 663 in 1926, the franc's worst year).”

May I ask if the Honourable the Finance Member can, for the satisfaction of some of us who have strong views in this connection, give us some similar index numbers affording an idea of the quotations for scrips in which the savings of the people of India are invested. He need not for that purpose take the quotations of cotton mill shares on the Bombay Stock Exchange alone; he must include in it the flourishing jute mills in Calcutta, the well-run tea gardens, the glass factories and so on. Take what you consider to be the average industrial investment of the country, and do let us have some comparative figures on the lines which France and Italy have. I do not wish to weary the House by reading the whole quotation,

4 P.M. but I am prepared to place it at the disposal of any Honourable Member who is interested in the matter. Why go only on the foreign trade and the railway returns? The crops, if grown, whatever the price may be, have to move. Why not tell us a little more about the internal prosperity? Why not get your figures on the lines which I have indicated, figures which are carefully studied in other countries?

Now, Sir, if I may say just in one word, it struck me that the Honourable the Finance Member's speech all through makes no mention of the industries of India. I am sure it cannot be his aim to overlook the industries in India. They will be one of the objects of solicitude from him during his term of office in the next five years. But I want to point out to him that, while he refers here and there to the agricultural and economic development of India, nowhere has he said a single word regarding either the flourishing jute mills of Calcutta or the depressed, and, as alleged, badly run, cotton mills of Bombay . . . . .

**The Honourable Sir George Schuster:** It is not quite correct to say that. I have not got the copy of my speech by me, but in one passage I specially said that the industrial prosperity of India must also be a main object of our pursuit, but that that is based ultimately on agricultural prosperity.

**Sir Purshotamdas Thakurdas:** What I was referring to in some detail was a picture to show how industries have fared during the past year, a period of which the Finance Member has taken on elaborate review. What I was pointing out was that, nowhere has the Honourable the Finance Member said anything about the condition of industries during the past year or prospects thereof during the coming year. I would like to give the House a little information on this matter which has come to me, not from

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a quarter from where I sought information, but from a person whom I do not know. Since I came here, a gentleman from Bombay, whom I have not the pleasure of knowing, wrote to me and asked me if I was wide awake, and if I was aware of the heavy depression in Bombay. The letter is in Gujarati, otherwise I would have sent it on to the Commerce and Finance Members because it is sure to interest them both. This gentleman from Bombay gives some quotations in his letter, and points out that there are mills in Bombay—and I am going to give the quotations of the scrips of at least six such mills,—the market value of whose shares today is either under or approximately about the amount of dividends which they paid in 1921-22. I will repeat what I have said. The market rate of the shares of these mills is lower today than the amounts of dividends paid by them in 1921-22. I know the obvious criticism of this. The obvious criticism will be—and I may as well anticipate Sir James Simpson before he says it—“This is just the reason why the Bombay mills are suffering today; they were extravagant with their dividends in 1921-22”. Whilst I do not wish to defend the Bombay mills against such a charge, if made,—it would be for my Honourable friend Sir Victor Sassoon to defend that—I do say that the depression in the industrial world of India is so heavy that it must call for the most serious attention of the Government of India. I am giving these figures regarding the Bombay cotton mills, because I have, by an accident, got reliable figures. I do not want the Government only to look at one industry; I want them to consider all the industries; I want them to take a bird's eye view of the entire industrial investments in India. For obvious reasons, I will not give to the House the names of the particular concerns referred to in the quotations, but I will give the names to any Honourable Member who may wish to verify my information. These are the figures, Sir:

Dividend in 1921-22	Rs. 80 to 100	Present Market Rate	Rs. 80-95
.. ..	75 to 80	.. ..	52½-55
.. ..	1,000	.. ..	1,150-1,200
.. ..	800	.. ..	1,150-1,200
.. ..	200	.. ..	225
.. ..	150	.. ..	200
.. ..	125	.. ..	225

I feel, Sir, that there is something fundamentally wrong regarding some of the governing factors in connection with the commerce and industries of this country, because some of these concerns, only seven years back, paid about Rs. 100 as dividend, while the market value of the shares of those concerns is somewhere in the neighbourhood of Rs. 100 today. I make all allowance for allegations of indifferent management, etc., etc., which may be urged. But nothing succeeds like success. The jute mills of Calcutta, owing to the monopoly that they have, are managed all right. Nobody dare say that there is bad management there, but simply because the cotton mills in Bombay have fallen on evil days—for reasons which no one goes into—all sorts of allegations are made against them. I am only mentioning this to draw the attention of the Honourable the Finance Member to the serious condition to which the industries of this country, as a whole, have been allowed to depreciate.

One more word, Sir, regarding the figures which . . . .

**Mr. President:** The Honourable Member probably does not realise that he has exceeded 35 minutes.

**Sir Purshotamdas Thakurdas:** I did not realise that. I am quite prepared to conclude my remarks if that be your wish.

**Lieut.-Colonel H. A. J. Gidney:** Sir, in congratulating the Honourable the Finance Member, I feel sure that he will pardon me if, in the words of the well-meaning friend who toasted the bridegroom, I "wish him many happy returns of the day". I think, Sir, that his speech has had a wonderful effect on this House, and being one of the oldest Members of this House, I was able to follow it with great interest, a thing which I have not been able to do in previous years.

Sir, as I am not very familiar with matters connected with the policy of high finance, I shall confine my remarks entirely to the military estimates which I have carefully studied in connection with the figures that have been presented to us. The military budget since 1922, except for the year following, that is 1923, has not been reduced very much, and today it stands at a figure almost the same as it did in 1924. We are now told that 55 crores will be the cost of the Army for the next five years. This figure has been reached owing to the saving of one crore of rupees obtained by reduced pay of British ranks and by a special economy campaign, which permits the putting away of sums which are not used into the suspense account for use on essentials. Sir, I am not one of those who advocates the reduction in the present army of a single rifle or a single man. But this does not imply that I am one who believes that the military budget cannot be reduced. On the contrary I believe that the military budget can be reduced and without lowered efficiency if we seriously attach it and deal with it as a business proposition. Colonel Crawford this morning struck a very true note when he said that there was not very much co-operation between the civil and military sides of the Government. In his appeal, he asked that military officers be allowed closer co-operation and training in the financial aspect of the Army. But it seems to me, Sir, that the Honourable the Finance Member, with the position he holds as a Member of the Government of India, is very seriously handicapped and if the military authorities demand more money for certain new projects he, not being a military man, can have very little to say in reply, because the military authorities seem to have the last word on anything connected with the Army. So, whilst we in this House call for a reduction in the military budget, the Finance Member tells us that we have come almost to the last point in reduction. His Excellency the Commander-in-Chief said the same last year, and the Honourable the Finance Member, in his speech, hints that there might be an increase, and so the battle of words rages in this House and nothing happens. In the few days we have had to study military estimates, I have been at some pains to familiarise myself with two or three departments in which I consider, as a lay man, that some retrenchment can be effected without loss in efficiency. I shall first confine my remarks to the cost of maintenance of Army Headquarters in which I shall include Commands and Lower Formations. Out of the total military budget of Rs. 55 crores, I find that Army Headquarters, with the Commands and the Lower Formations, cost almost Rs. 2 crores; that is about one twenty-seventh of the entire cost of the Army. Now, let me compare the Army to a business concern, for, after all, it is a business concern so

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far as the money of the Indian tax-payer is concerned. Can any one imagine any business firm—and many firms deal in Rs. 50 crores—I say can you imagine any business firm running for very long in which the administrative staff costs one-twenty-seventh of its total expenditure? Let me press my comparisons still further and ask what is the average amount of work performed daily by the majority of the Army Headquarters Staff? We know all business firms demand from their staff 'eight hours' work per diem. Does this obtain in most Army Headquarters Officers? From the work that is done at the Army Headquarters with some exceptions, I make bold to say that if you demand an eight hour day's work, you will be able to reduce your staff there and in Commands by at least one-third. I offer this criticism for the serious consideration of my Honourable friend, Mr. Young. There is not the slightest doubt that, if you make your men work a full eight hours a day you will get more work done than is being obtained today. (*An Honourable Member: "Hear, hear."*) Let me compare the cost of Army Headquarters with the cost of the War Office. I have been able to get the figures, and I find that the annual cost of the War Office is £855,000, or about Rs. 114 lakhs, as opposed to the Rs. 79 lakhs which is the cost of the Army Headquarters, excluding the Financial Adviser and the Army Department, which add to that a figure of Rs. 19½ lakhs. In other words, the Army Headquarters at Simla and Delhi cost the Government of India about one crore of rupees annually. Against this sum, you have the War Office in London costing Rs. 114 lakhs, but this sum includes the expenditure on organisation. Now, Sir, we know that if in any civil department of the Government of India the headquarter staff costs one crore, it would be at once severely criticised in this House. Members in charge of those departments would be attacked and they would be made to see their way to wholesale reduction. But this House is impotent to demand such reduction from the Army Department for it is a closed department. (*An Honourable Member: "Hear, hear."*) In my opinion, however, we would be quite justified if we asked for a ten per cent. reduction straight off in the cost of Army Headquarters.

The other department to which I have paid some attention is the Supply Department, to which my Honourable friend, Munshi Iswar Saran, referred. I find on page 222 of the military estimates that the total cost of purchase of stores, etc., is about Rs. 5 crores—about Rs. 3 crores from India and about Rs. 2 crores from England. My contention is this; the Army Department is not making enough use of the Indian Stores Department. As a member of the last year's Public Accounts Committee, I asked the Financial Secretary this very question. He did not think that the Army Department was able to make all its purchases through the Indian Stores Department. If this is so, I ask, what is the use of the Indian Stores Department when each Department of the Government of India insists on having its own Supply Departments and purchasing officers? True, there are some purchases in most departments, such as, the railways, where skilled and scientific advice, and supervision on the spot are necessary, but when you come to look at the Army Supply Department, I submit that with the exception of a few experienced senior officers, it is not run on business lines. Firstly, it does not adequately utilise the Indian Stores Department, and secondly, its

junior officers are not recruited from business men. The junior Army officer, who enters the Supply Department, does so practically ignorant of elementary modern business principles and his experience is gained at the expense of the Indian tax-payer. The Army officer, with all respect to him, is certainly not a business man, and therefore, I submit that if the Army intends to specialise all its departments, why not specialise the supply branch? The American army obtains its supply officers from business people. They are recruited in the United States Army as specialised officers, and they execute their work on real business lines. I submit this observation for the serious consideration of the Army Secretary.

The next point I wish to deal with is a subject to which I have repeatedly referred on the floor of this House. For the past four years I have been hammering at the door of the Army Department for retrenchment in the Medical Services of the Army, and they have turned a deaf ear to my requests. I here again wish to repeat my suggestions. The point is this. We have a Medical Service in the Army, which costs us about Rs. 1½ crores, or about one-thirtieth of the total cost of the Army. Being myself a medical man I would be the last to suggest any speculative reduction in such an important service as the Medical Service, for I realise that the strength and utility of an army depends on its health, and therefore it is necessary to have a well-organised and efficient medical service. But at what cost is this obtained today in India? Let me go into a few details in regard to this matter. I shall confine my remarks to two of the most important branches of the medical services in the Army. I shall first of all deal with the R. A. M. C. For those Members who do not know the meaning of the letters R. A. M. C., I would say that it means the Royal Army Medical Corps, which deals with British troops. The total cadre of the Royal Army Medical Corps under the control of the Adjutant General in India is less than the cadre of the Indian Medical Service, and yet the expenditure of that corps is more than the expenditure on the Indian Medical Service. You will naturally ask me why. If you would refer to the last Army List or any Army List for the last few years, you will find page after page of this Corps consisting of Majors, with a sprinkling of Colonels, Generals, who are performing the work that could be done, and was formerly done, by junior men at lower rates of pay, and so the Indian tax-payer is called upon to pay for the employment of senior men such as Majors to do the work that Captains and Lieutenants should do. Now, Sir, if the Army Department were truly desirous of economy, they would study this point more carefully. I understand that one of the terms of agreement between the War Office and the Indian Government regarding the British soldier coming to this country is that all British soldiers should receive similar professional medical treatment in India as they are accustomed to in England. If that is one of the terms, I take my stand on that. This term, I submit, is obtainable in this country and I will show the way in which it can be secured and economy effected. You have today a Department called the Indian Medical Department in which over 60 officers possess British qualifications. Some of them are employed in the provincial civil medical departments but these avenues of employment are being steadily closed today. The remainder are attached to British

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military hospitals in the position of glorified compounders and clerks. In some cases they are not allowed even to give a hypodermic injection. Can you imagine the indignity a medical man with British qualifications must feel when he is not allowed to give an injection, simply because he does not belong to the R. A. M. C.? And yet you persist in maintaining a medical corps consisting mainly of Majors. Now, Sir, I have asked His Excellency the Commander-in-Chief and the Army Department to look into this matter. I have asked them to utilise a body of men who will not only give equal efficiency, but be more economical, and which will in some measure reduce your expenditure on the medical service of the Army. Each of these requests of mine has been turned down. Last year an order was, I understand, issued by the Medical Directorate calling upon Officers Commanding various British hospitals to employ British qualified Indian Medical Department men as medical officers, but that order has been shelved, with very few exceptions. Here is a practical and constructive measure of economy and I would ask His Excellency the Commander-in-Chief and the Finance Member to give it their serious and early attention.

I shall now refer to another point concerning the corps of British nurses doing duty at British hospitals. There are about 260 such nurses maintained in India at a total cost of Rs. 9 lakhs. Compare this with the medical relief given by the nurses attached to the Indian Army hospital. In these hospitals there are 60 ladies maintained at a cost of a lakh and a half, though the Indian Army is larger in size. These nurses have first-class qualifications. I have nothing to say against the nurses attached to British hospitals, but the work which they do can be just as efficiently performed by nurses trained in this country, and at a cheaper rate. And yet the Army Department insists on retaining at a high cost a hospital luxury and not a medical necessity. This expensive system of bringing out nurses to India on consolidated salaries of about Rs. 400 per month when there are hundreds of efficient domiciled European and Anglo-Indian nurses roaming the streets of India seeking employment is, I consider, not the work of the true economist, but of a financial profligate. I again offer this suggestion for the consideration of the Army Department. With regard to the R. A. M. C., the Army Department say "it is no use, we cannot get recruits". This is the excuse given. The result is that they continue to maintain a R. A. M. Corps of Majors and highly paid nurses at a higher cost than is justifiable and the Indian tax-payer has to pay for them. This in my opinion is unwarranted. Why do you refuse to accept my advice, which will give you real economy without a reduction of efficiency? I challenge the Army Member to say that there will be any reduction in efficiency if he accepts the suggestions I have made.

I shall now refer to a totally different subject one which is quite outside the Army. It refers to a matter which I brought before this House last session. I refer to the Department of Education, Health and Lands, commonly known, I believe, as the Hotch Potch Department. It deals with a very serious matter in regard to the importation of spurious drugs into this country. The Indian markets today are being flooded with hundreds of spurious drugs offered for sale and which the ignorant public are buying in the belief of their being pure Western drugs. I ask the Finance Member, who controls the operation of the Sea Customs Act, to take

serious notice of what I have to say. Last year when I brought this matter up before the House I was subjected to great indignity at the hands of the Member in charge of this portfolio in the Assembly. I was much surprised to notice the callousness and the unsympathetic attitude shown by this Member towards this most serious matter, and the flamboyant attitude he adopted towards what I opine is one of the gravest perils to which the country is today exposed. Such treatment stands to the discredit of the department of the Government concerned. In India the annual mortality from malaria is about 4 millions and when I brought the quinine fraud to his notice, he coolly turned it down charging me with indenting on a lurid imagination and disposing of the official analysis that proved the fraud as being an interested Chemist's vapourings. I therefore ask the Honourable Member to state, for the benefit of the country, what action his department has taken. That some action is urgently necessary must be apparent, even to the Honourable Member. I am given to understand that certain action has been taken. We want to know what it is. Does he propose to introduce a Food and Drugs Act and a Pharmacy and Poisons Bill? I also want to ask the Finance Member whether he cannot have the Sea Customs Act operated at once in order to prevent any further importation into this country of thousands of pounds worth of rank useless spurious drugs. I desire to tell the Finance Member to whom this matter is quite new, that it has been proved by the official analyst of Lahore that the quinine tablets imported into India consists of  $3\frac{1}{2}$  grains of chalk, one grain of quinine and  $\frac{1}{2}$  grain of alum and this is being imported into India wholesale from England, Germany, Japan and America without any action being taken by the Government of India at its seaports. The life and health of the people of India demand immediate protective action.

The next point I shall touch upon refers to pensions, and here I must make an appeal to the Finance Member who is new to India and this House. In 1901 I had the honour of bringing a Resolution on this matter before this House, but it was rejected. The plea given by the then Finance Member was financial stringency. Today I again plead to the Finance Member on behalf of those aged faithful servants who have played their great part in the development of this country, men who practically laid the foundation stones of the edifices in which the various Governments in India are working today. Some of these faithful servants of Government retired before 1913, others before 1919. I shall not enter into all the details of this question today, as I have moved a motion on it. Suffice it to say that it was these old pensioners who submitted applications for increased pensions and on which the Islington Commission deliberated and acted. The Islington Commission came to India in 1912. Its Report was presented in 1914. Owing to the war, the Report was not published and did not operate till 1919. The Government of India, in accepting its recommendations, applied the enhanced pension rates to retirees after 1919 except for one section of its employees—the Public Works Department, to whom the Secretary of State had given a pledge of inclusion. They refused to give the enhanced pension rates to any other class of pensioners who retired before 1919. You will now see that I am appealing for two classes of pensioners, one set of which servants retired prior to 1918. All these pensioners are today over 70 years of age, they must be, their successors in office are now drawing twice their salaries and pensions. The only companions of these old pensioners are the funeral bells, while, in the case of their successors in office today, their companions are joy.

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bells, affording them every comfort, ease and happiness. Owing to their miserable pension these men are denied the very necessities of life, and faced with the high cost of living today it is a most pitiful sight to see some of these blind, deaf, paralysed decrepit old and faithful servants of Government denied a little addition to their pensions which means life to them. On behalf of those men I make an appeal to the Finance Member, now that financial stringency cannot be offered as an excuse to grant an increase to their pensions so far as the Government of India pensioners are concerned.

The other set refers to those pensioners who retired before 1919 other than those of the Public Works Department. The Government of India say that they had made a pledge to this section of the Public Works Department and they cannot extend it to any other departments. Surely the Government do not desire to ignore the service of old servants and deny them an addition to their pensions, while they are prepared to help only one section? If one desires it, surely all do, and I ask the Finance Member if he will kindly enquire into the matter and offer them some relief, *i.e.*, those whose annual pensions are between Rs. 400 and Rs. 5,000.

Now, Sir, I come to the last point of my speech, Indianization, and with your permission I would like to read this part of my speech as it is a matter in which I should not like to be misinterpreted. It refers to a subject closely concerning the community I have the honour to represent. I find that this subject has been again introduced on the floor of this House, especially during the recent demands for Railway Grants, when a concerted attack was made by a section of the Members on the community I have the honour to represent in this House. Unfortunately I was absent during that particular discussion, but, judging from the remarks made by certain Members, there is no doubt left in my mind that, to a certain section of Indians, though I was glad to notice the absence of Muslim critics, the interpretation of the word "Indianization" savours of anti-Anglo-Indianization. As Mr. Neogy put it, it means "full-blooded Indian Indian." I do not know what haemolytic standard Mr. Neogy had in his mind when he pleaded the cause of the "full-blooded Indian Indian." Surely he is not offering himself at that standard. In making these remarks I wish to assure Honourable Members on the opposite side of the House that I am with them whole-heartedly in their aspirations for Indianization of the Services, for I claim, as a son of India, and with great pride in the possession, that India is my motherland. I am whole-heartedly with them for Dominion Status in this country though we may differ as to its pace.

(Mr. Jamnadas Mehta made a remark which was inaudible to the Official Reporter.)

Please do not interrupt me, Mr. Jamnadas Mehta. I claim the attention of the opposite side of the House. I do not intend to emulate Mr. Neogy in the indecent and personal attack he made last year on the Anglo-Indian community during the Railway demands for grants. Suffice it to say that he is the very last person in this House who should have done so. To him Anglo-India is anathema. It is a nightmare. I however desire to appeal to those Members on the opposite side who I know take a broad minded view of the situation and who I feel sure do not agree with Mr. Neogy and people of his way of thinking. The attack made against my community was certainly disquieting. My Honourable

friend, Mr. Jayakar, complained of Anglo-Indian Railway employees' discourtesy towards Indian travellers. I have the highest regard for my friend Mr. Jayakar, and anything that comes from him I am prepared to accept as well meant and sincere. I am not going to discuss the situation today, because this is not the proper place, but had that charge been levelled against the community 10 or even 5 years ago, I should have in a measure pleaded guilty to it, and said that the fault lay on both sides. But today, with the cordial relations which exist between me and every single Indian Member in this House, I was shocked when I read that my friend had complained of the discourtesy of Anglo-Indian Railway employees. I take this opportunity to publicly refute in the main the charges he has made against the community. Ever since I became the leader of the community I have seized every opportunity of advising my people against ill-treatment of anyone, and I am glad to say it has borne fruit. I believe I travel in India more than most Members of this House. (*An Honourable Member*: "Question!") Yes, a question which I have answered. I am thus in daily contact with what happens at railway stations, and I can assure my friend Mr. Jayakar, although his experience on the Bombay station platform may have been an unfortunate one, that I have hardly ever seen any discourtesy shown by the Anglo-Indian staff on the railway to the travelling Indian public. (*An Honourable Member*: "You will never see it".) Mr. Jayakar's observation may be a case of mistaken identity when members of the Crew System—mainly Indians—dressed in their gorgeous uniforms are mistaken for Anglo-Indians. Indeed I have been particularly struck by the courtesy and kindness Anglo-Indians today show to the humblest of travellers. I go further and state that I have seen more discourtesy shown by the Indian staff to their fellow-countrymen than by the Anglo-Indian staff, and why?

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

**Lieut.-Colonel H. A. J. Gidney:** I have only got a little more, Sir.

I desire to tell my friends if there is any such discourtesy—and I say I am prepared to accept Mr. Jayakar's statement.

**Mr. B. K. Shanmukham Chetty** (Salem and Coimbatore *cum* North Arcot: Non-Muhammadan Rural): If one is absent, Sir, during the Railway Budget discussion, can one make a speech on the General Budget, a speech intended for the Railway Budget?

**Mr. President:** He can, so long as he is relevant.

**Lieut.-Colonel H. A. J. Gidney:** I say, Sir, I should like to assure him and this House that I have already taken steps to advise my people employed on railways to exercise the greatest kindness and consideration (*An Honourable Member*: "Thank you") to their fellow Indians, and this House may take it from me that my appeal will not go in vain, and that those men who have been guilty of this discourtesy will be the first to respond to my appeal.

But, Sir, a disquieting feature of the position occupied by the Anglo-Indian community is that, although they are natives of India, it seems to me that this House, or some sections of it, refuse to recognise that status or accept the community as such in their demands for Indianization. Their one desire seems to be to see Anglo-Indians ousted from their appointments and replaced by Indians, and when I make this statement I am mindful of the fact that the Government of India, after I brought

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this matter to the notice of the Secretary of State in 1925, addressed the heads of all departments to the effect that, in all schemes of Indianization, Anglo-Indians must be considered as Indians. Sir, I have travelled over almost the whole of India during the last three months, and I assure the Government and this House if I were to give you figures showing the extent to which Indianization has been carried out to the prejudice and economic ruin of Anglo-Indians, you would be surprised. I have figures here showing that the Post Office has been entirely Indianized, and there is no room for any further Indianization. The Police, Customs, Audit and Accounts, Municipalities, Government Secretariats are other departments in which Indianization is killing the economic interests of the domiciled community.

**An Honourable Member:** What about the Telegraphs?

**Lieut.-Colonel H. A. J. Gidney:** The percentage of Anglo-Indians in the Telegraph Department has been reduced since the Reforms in 1920, till today it constitutes about 40 per cent. and then only in certain parts of the Department. The change we know, Sir, is coming. We know it and are preparing to meet it, but in this preparation in which I am playing my humble part let me assure you I am trying my utmost to make my people realise that they must look upon India as their home and on Indians as their brothers. . . .

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

**Mr. V. V. Jogiah** (Ganjam *cum* Vizagapatam: Non-Muhammadian Rural): Sir, the budget presented to this House by the Honourable the Finance Member is not at all a spectacular budget. It gives no false hopes. The statement that the Finance Member made in his budget speech is a straightforward and candid one. He has had no recourse to manipulation of figures or financial juggleries. He hides no facts and conceals no figures. He keeps no secret from us, and he tells us plainly what he feels about the prospect before us. He made it plain that he will have recourse to taxation next year, if the circumstances do not favour him, and he has also told us that this budget is in effect a deficit budget. For all these things the present Finance Member cannot be held responsible. He received a bad legacy and he must manage affairs as best as he can. As a layman, it strikes me, Sir, as some think very strange and astonishing how this deficit budget has come about after six years of prosperity budgets, especially after fairly good crops and fairly good monsoons. Another matter of surprise is how this happens after the predecessor of the present Honourable the Finance Member told us in 1926, in his budget speech, that:

"Once again I commend to the House the Government budget proposals, which will achieve our long cherished project of getting rid of provincial contributions, and will open up the way next year or the year after for effective discussion of reduced taxation in every direction and increased provision for the nation-building services." Again in 1927 he gave expression to the same sentiments and envied his successor. He said:

"Intrinsically the financial position of the Government of India seems to me to be sound and prosperous. From 1929-30 and onwards, it will be the privilege of the House and of my Honourable friend and successor Sir George Schuster \* \* \* to find no outside elements to the recurring surpluses which I hope will be their good fortune to enjoy in the coming years."

In spite of these prophecies, I am sorry to find that we are very much disappointed. We expected, according to these prophecies, reduction of taxes and provision for nation-building services. But we do not find any tax being reduced or any provision being made for these services. This year, instead of reduction in taxation, we are threatened with taxation next year, unless something unforeseen happens.

The era of huge deficits in the Government of India budgets began with the year 1918 and continued till 1922. They amounted to almost 112 crores. All of a sudden, in the year 1923 it was announced that there was a prosperous budget and these budgets continued till 1928. I doubt, Sir, whether the budgets during the six years, 1923 to 1928, were really prosperous budgets or were simply shown as such. One test to find out whether a budget is prosperous or not is to see whether any substantial reduction in taxation is made. We find that the level of taxation, maintained now, is on a level with that which it was during the war, when conditions were abnormal. We find, in all other countries, though taxes were increased during the war, they were subsequently reduced and brought to the normal level. It has been very often pointed out in this House that, after the war, there had been an addition to our taxation of about 45 crores. Unlike other countries, this taxation here continues to be levied even in peace-times. It may be said that, during last year, there was some reduction in taxation to the extent of about 3 crores, by way of reduction in the cotton excise duty and in the import duty on motor cars and machinery. It may also be said that about 10 crores of provincial contribution were given up. With all that, still, there is an increase of at least 30 crores during the time after the war. As a matter of fact, I must say, Sir, that, not only has there been an increase in taxation, so far as the budgets of the Government of India are concerned, but also there has been an increase of taxation in the provinces, in spite of the fact that the provincial contributions were given up. I think the budgets for the last ten years, strictly speaking, were deficit budgets, and during the last six years they were made to appear as prosperous budgets by manipulation of figures.

What do these budgets really indicate? They indicate that India and its people are in a chronic state of poverty. The poor man of this country lives a most economic life. His wants are very limited. He really buys nothing except a little salt, a little cloth, perhaps a little kerosine oil, in addition to a little rice or wheat. He lives under a thatched, or more often a thatchless roof; and yet, in spite of his economy, he is not able to have a full meal even once a year. His income is only Rs. 2½ per month, and on this income he must depend for his sustenance, for the house he lives in, for his dress and for marriages and other festivities and ceremonies. Naturally the question arises as to what is the cause of this state of things. One of the causes is the heavy taxation to which India is subject. It is a well known fact that the people of this country are taxed more than twice as heavily as the people in England and more than three times as heavily as those in Scotland, in spite of the fact that taxation in countries which are rich like England and Scotland would not cause a fraction of the suffering caused to a poor country like India. One of the Members of Parliament, Mr. Watson said once, in the House of Commons:

"We know that the percentage of the taxes in India as related to the gross product is more than double of any other country."

[Mr. V. V. Jogiah.]

The taxes which are imposed here have no relation whatever to the great distress which the country suffers from.

Take for instance, as an illustration the salt tax. It is one of the few items which one cannot dispense with, in this country. It is a sort of *sine qua non* for life. It was proved, beyond all doubt, that, on an average, an Indian gets about one-third of the salt that is really required for a healthy existence. Yet this necessary requisite of life is taxed. No amount of representation, year after year, has had any effect.

Another grievance with regard to taxation is the income-tax and this is felt heavily and as a great hardship by the people of this country. What is felt more than the tax itself is the way in which it is administered. Times without number it was brought before this House that the grievances from which the income-tax assesses suffer are many, and I trust that the Government will take notice of these grievances and redress them. It is well known that an income-tax officer is more zealous than other officers of Government. He tries to secure as much income as possible to the Government. In spite of this, what do we find? We find that the taxes collected during the years 1923 up to now show that the people have not been able to earn as much as they were earning before. In 1923-24 the tax collected was Rs. 18½ crores. The next year it was Rs. 16 crores; the next year it was 15.9 crores; and the next year, i.e., in 1926-27, it was 15.65 crores. In the subsequent years also it fell short of the estimated amount. All this shows, Sir, that the income of the people has been falling from year to year. I do not wish to multiply instances of taxation like this.

Another cause of India's poverty is the destruction of her manufacture and industries by the British administration. Once, the people here manufactured many things, and the cotton manufactures especially were exported to Europe, and they found a good market in foreign countries. While supplying home wants, the manufactured articles were sent to other countries also. But now, on account of the measures adopted by the British administration, these have altogether disappeared.

Another important cause of our country's impoverishment is the heavy and unnecessary cost of administration. This is one of the most expensive Governments in the world. Nearly all the higher officers throughout the country are British, and they draw enormous salaries, during their tenure of office, and pensions, after their retirement. They remit their earnings to their homes during their service and after their retirement, they spend their savings in their own country. This causes both a material and moral drain. The experience which they acquire at the cost of the Indian taxpayer is spent after their retirement to the benefit, not of India, but of their own country. Yet another cause for the poverty of this country, Sir, is the heavy drain caused by the remittances called Home Charges of the India Government.

In conclusion I wish to refer to the heavy military expenditure, which has been going up by leaps and bounds for the last forty years. If means are found by which these expenses can be reduced, many salutary reforms

benefiting the poor can be introduced into the budget, and several oppressive taxes may be remitted. Within the last forty years, this military expenditure has risen by Rs. 40 crores. This, we may say, is one of the chief causes for the poverty of India. It is sometimes suggested that this increase in military expenditure is due to the increase in the cost of living. This may be partly true, but this is not the sole cause. The rise in expenditure comes to 300 per cent., and it cannot be said that it is due to the rise in the cost of living. The budget shows that all the votable demands put together come to about 30 to 32 crores; but the military expenditure alone comes to Rs. 52 and odd crores. It means that the military expenditure is about one and a half times the votable expenditure on all other heads put together. This is indeed horrible.

Let us next compare, Sir, this expenditure in India with that of the other countries. In England it is only a fifth of its income, and England, as everybody knows, is a rich country. Yet, there was a bitter complaint that the expenditure was exceedingly high, and the Ministers had to promise a policy of retrenchment. Accordingly, we read in the papers, that lately there was a retrenchment made in the military expenditure of England. In the Brussels Conference it was laid down that the military expenditure of any country should not exceed one-fifth of its resources in ordinary circumstances. The retrenchment committee that was appointed here recommended that it should be reduced to Rs. 50 crores in India. In spite of all this, Sir, the Indian Government spends about half its revenue on the military department. This state of things obtains nowhere in the world except in our own country. The only way of reducing the enormous expenses, as has often been pointed out on the floor of this House, lies in Indianising the Army. The pay of a British soldier is roughly four or five times, and it is said it is even seven times, that of an Indian sepoy; and I am glad to be told that there was some reduction in the pay of the soldier recently. This means, Sir, that Government can have four or five Indian sepoy for every European soldier; and all the European soldiers can be substituted by Indians. The Indian sepoy, Sir, has shown himself as hardy as his compeer the European soldier, if not harder still. His patriotic spirit will be of immense benefit to India in that he will be defending his own hearth and home. He has been acknowledged by the greatest authorities to be very brave, at least as brave as the British soldier. Sir, Lord Roberts, a distinguished predecessor of His Excellency the Commander-in-Chief, who was an eye-witness of the bravery of the Punjabi regiments in certain wars, said that they were good soldiers, in no way inferior to the British soldier. Lord Curzon also paid a similar compliment to the Indian sepoy. As for the commissioned ranks, Sir, I am sure an Indian will prove as efficient a commander as any British officer, if only opportunities are afforded to him. We have at present the privilege of only supplying fighting men, camp followers, food suppliers and stores suppliers; but the higher posts are all in the hands of foreigners. This was not so before the British came to this country. Our Rajas and Nawabs appointed Indians to posts of responsibility such as Generals of the Army, and our men have distinguished themselves in such posts. Akbar sent Raja Todar Mal and Raja Mansingh as Generals in the Army to put down the rebellions in the Khyber pass. Of what do the illustrious names of Shivaji, Ranjit Singh and the Rani of Jhansi remind us? Were not their armies better led and more devoted to the country than those we see today?

[Mr. V. V. Jogiah.]

So that, Sir, if only the Government place confidence in Indians and Indianize the ranks of commissioned officers, the huge waste now indulged in on the military side will disappear.

Another matter of importance in this connection is that the Indian Army is at present maintained, not only for the defence of India, but also for the defence of England. It is only just, Sir, that when the Indian Army is utilised also for defending England, the British Government should bear half the cost of maintaining the Indian army. But for the defence which the Indian Army affords to England, there is no need to maintain such a large Army for the defence merely of this country. If the Government, Sir, really wants to do its duty by India, let it adopt these measures and it will have enough funds to reduce the unjust tax on salt and similar commodities.

**Mr. President:** I am glad the Honourable Member has finished.

The Assembly then adjourned till Eleven of the Clock on Tuesday, the 5th March, 1929.

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## APPENDIX II.\*

**Khan Bahadur Makhdum Syed Rajan Bakhsh Shah** (South West Punjab: Muhammadan): The Honourable President, today the general discussion on the Railway Budget is being very warmly conducted in this House. Every Honourable Member appears to be anxious to point out the various defects on the railways with a view to afford greater conveniences to the public. The Honourable Sir George Rainy, Member in charge of the Railways, has indeed devoted his great erudition and learning to the preparation of the Railway Budget, and has every claim on our admiration. No doubt it is difficult to prepare the Budget, but quite easy to level our criticism against it.

I would particularly draw the attention of Sir George Rainy to the Karachi Mail, which starts from Lahore, because for a long time it has ceased to pass *via* Multan, a circumstance which has inflicted great hardship upon the inhabitants of the historic city of Multan, and the military officers of the Multan Cantonment. Just to make a little saving in the expenditure and to shorten the run between Lahore and Karachi by an hour and a half can, certainly, not be an adequate reason for inflicting so great a hardship, especially when the Cantonment of Multan is considered so very important politically.

Again, all the trains, whether express or passenger, are almost wholly composed of the most wretched rolling-stock; as though particular pains are taken to select the most unserviceable and old stock for this line. I wonder if the Honourable Sir George Rainy bears some unknown grudge to the passengers of this section of the line, or whether the matter has not been brought to his notice. The passengers, after travelling on the Calcutta Mail, Bombay Mail, Frontier Mail, and Kalka Express, etc., when faced by the Karachi Mail, or any train for Multan, find these latter to be simply disgusting. Apart from this fact, this section enjoys the special privilege of being run on a single line; and this has caused immense loss of life and property in recent times, due to repeated collisions.

On account of the absence of fans and lack of water-supply, the third class passengers have to suffer a great deal. Considering the heat to which this portion of the country is subjected, fans and an adequate water-supply are an absolute necessity. I very much regret to say that the Honourable Members exercise a good deal of their powers of flattery and impotency, and give out very great hopes at the time of their candidature to the Railway Finance Committee; but after they have secured their election, they grow quite oblivious to their solemn undertakings, in exactly the same manner as the Government officials in this House, after securing their votes, would not even condescend to own acquaintance of those very Members from whom they managed to secure their votes.

I have every hope that Sir George Rainy, apart from remedying the above inconveniences, will also take adequate steps to remove the disproportion in the number of Muslims prevailing in the Railway Services, and will see that their just claims are upheld. Finally, I hope that this short Urdu Speech of mine will not be wasted on this House.

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\*Vide page 1054 of these debates.