

18th March 1930

THE

# LEGISLATIVE ASSEMBLY DEBATES

(25th February to 20th March, 1930)

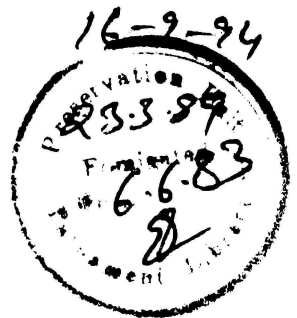
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## SIXTH SESSION

OF THE

## THIRD LEGISLATIVE ASSEMBLY, 1930

Chamber Fumigated. 18.10.73.....



DELHI  
GOVERNMENT OF INDIA PRESS  
1930

# Legislative Assembly.

## *President :*

THE HONOURABLE MR. V. J. PATEL.

## *Deputy President :*

MAULVI MUHAMMAD YAKUB, M.L.A.

## *Panel of Chairmen :*

PANDIT MADAN MOHAN MALAVIYA, M.L.A.

MR. M. A. JINNAH, M.L.A.

SIR DARCY LINDSAY, KT., C.B.E., M.I.A.

SIR ZULFIQAR ALI KHAN, KT., C.S.I., M.L.A.

## *Secretary :*

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

## *Assistant of the Secretary :*

RAI SAHIB D. DUTT.

## *Marshal :*

CAPTAIN SURAJ SINGH BAHADUR, I.O.M.

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# LEGISLATIVE ASSEMBLY.

Tuesday, 18th March, 1930.

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

## MEMBER SWORN:

Mr. Tangutur Prakasam, M.L.A. (East Godavari and West Godavari *cum* Kistna: Non-Muhammadan Rural).

## QUESTIONS AND ANSWERS.

### SUPERIOR NON-GAZETTED POSTS IN THE EDUCATION DEPARTMENT OF AJMER-MERWARA.

629. \*Mr. Abdul Latif Sahib Farookhi: With reference to Government's reply to part (d) of starred question No. 430 in the Legislative Assembly on the 12th September, 1929, will Government please put on the table of the House a statement regarding the eight non-gazetted posts of Rs. 200 or over which there are in the Education Department of Ajmer-Merwara, giving against each post, (i) the name of the present incumbent, (ii) the present pay of the incumbent, (iii) the designation of the post, (iv) the sanctioned maximum pay of the post?

**Sir Frank Noyce:** The information asked for is being collected and will be supplied to the Honourable Member later.

### COMPLAINTS AGAINST CERTAIN EDUCATIONAL OFFICERS IN AJMER-MERWARA.

630. \*Mr. Abdul Latif Sahib Farookhi: (a) With reference to Government's reply to starred question No. 432, given on the 12th September, 1929, regarding the complaints by lady teachers of the Central Girls' School, Ajmer, against Mr. P. B. Joshi, Assistant Superintendent of Education, and Munshi Gaya Prasad, will Government please state if they have collected the information asked for?

(b) If the reply to part (a) is in the affirmative, will Government please communicate the said information to the House?

**Sir Frank Noyce:** (a) Yes.

(b) The Honourable Member is referred to the reply given to the starred question No. 588 asked yesterday by Maulvi Muhammad Yakub.

## GRIEVANCES OF RAILWAY EMPLOYEES IN MORADABAD.

631. \*Maulvi Muhammad Yakub: (a) Are Government aware that last year Mr. Hayman paid a visit to Moradabad in order to investigate the grievances of the railway employees in the Moradabad Division?

(b) Will Government be pleased to state what was the nature of the grievances which were investigated by Mr. Hayman, and what was his finding about those grievances? What steps were taken by the authorities on Mr. Hayman's report?

(c) Are Government aware that the Divisional Superintendent, East Indian Railway, Moradabad, refused to grant an interview to the responsible officers of the Railway Employees' Union to discuss the grievances of the railway staff?

(d) Will Government be pleased to state what action was taken in the matter by the Railway Board?

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

(b) Mr. Hayman investigated the general grievances complained of and also examined some of the complaints made that particular individuals had not been properly treated.

A memorandum showing the action taken to remove the general grievances has been placed in the Library. Mr. Hayman did not consider it necessary that the discretion of the Agent should be interfered with in regard to the individual cases he examined. He suggested, however, that some of them should be re-examined by the Agent, and my Honourable friend, the Deputy President, who is the President of the East Indian Railway Union, Moradabad, was informed by the Railway Board, last January, that he should apply to the Agent, East Indian Railway, for any information he desired on this subject.

(c) Yes.

(d) The attitude of the Railway Board in this matter is contained in Railway Board's letter No. 101-L., dated the 5th March, 1930, to the address of the President, East Indian Railway Union, Moradabad, a copy of which has been placed in the Library.

**Maulvi Muhammad Yakub:** Are Government aware that the President of the Moradabad Railway Union asked the Agent of the East Indian Railway to give him information about the report of Mr. Hayman and they did not send in the report but said that necessary action had been taken?

**Mr. A. A. L. Parsons:** No, Sir; I was not aware of that fact, but I am content to take it from the Honourable the Deputy President.

## LACK OF SUITABLE LADIES' WAITING ROOMS AT MORADABAD STATION.

632. \*Maulvi Muhammad Yakub: (a) Are Government aware that the third class ladies' waiting hall at the Railway Station, Moradabad, is very inconvenient for the ladies?

(b) Did Mr. Hayman pay a visit to this hall in August last when he was in Moradabad?

(c) What steps, if any, were taken to remedy the inconvenience of the women?

(d) Are Government aware that there is no intermediate class ladies' waiting hall at the Moradabad Railway Station?

(e) Do Government propose to direct the construction of an intermediate class ladies waiting hall at the Railway Station, Moradabad, on the main platform?

**Mr. A. A. L. Parsons:** The answer to part (b) is in the affirmative.

Parts (a), (c), (d) and (e). The matters raised in the other parts have been referred to the Agent, East Indian Railway, and I will communicate later with the Honourable Member.

#### PAY OF STAFF OF CURRENCY OFFICES.

633. **\*Mr. S. O. Mitra:** Will Government be now pleased to answer in this House my unstarred questions Nos. 185 to 189 and 192, the reply to which they promised on the 23rd September, 1920, to send to me as soon as possible but which remain still unanswered?

**The Honourable Sir George Schuster:** Replies were despatched to the Honourable Member on the 6th March. A copy has been placed in the Library of the House.

#### EXCESSIVE HOURS OF WORK IN THE GOVERNMENT OF INDIA PRESS, DELHI.

634. **\*Mr. S. O. Mitra:** (a) Will Government be pleased to state if it is a fact that the workers in the Government of India Press, Delhi, are forced to work more than 12 hours on any one day against the provisions of the Indian Factories Act?

(b) Is it a fact that on the 26th and 27th February, 1930, a large number of workers were forcibly detained by the Manager of the Delhi Press and made to work for 18 to 20 hours on each day?

(c) Will Government be pleased to state the number of workers who were forced to work for more than 12 hours on each day on the 26th and 27th February, 1930?

(d) Is it a fact that the Manager of the Delhi Press breaks the rules of the Factory Act and no notice is taken of his conduct by Government or the Inspector of Factories?

(e) Is the Government of India Press, Delhi, under the administrative control of the Government of India, Department of Industries and Labour? If so, why does that Department allow the Manager of the Press to break the Factories Act?

**The Honourable Sir Bhupendra Nath Mitra:** An enquiry is being made and the result will be communicated to the Honourable Member in due course.

#### COMPLAINTS AGAINST THE MANAGER OF THE GOVERNMENT OF INDIA PRESS, DELHI.

635. **\*Mr. S. O. Mitra:** (a) Will Government be pleased to state if it is a fact that, in the Delhi Press a number of Anglo-Indian and Christian readers have been promoted from Rs. 60—4—100 grade to Rs. 110—8—150,

and then to Rs. 160—10—200 grade within a period of 18 months over the head of a number of more senior Indian readers? If so, who is responsible for racial and communal discrimination observed in departmental promotions?

(b) Will Government be pleased to furnish a statement showing the number of proof readers employed in the Delhi Press in each grade and their university qualifications, if any?

(c) Is it a fact that the Manager of the Delhi Press is promoting temporary copyholders of one or two years' service as proof readers and is ignoring the claims of permanent copyholders with considerable service to their credit?

(d) Will Government be pleased to state on what considerations is the Manager of the Delhi Press allowed a rent free bungalow, and what is the value per mensem of the concession?

(e) Is it a fact that the Manager of the Delhi Press has recently been granted honoraria during the last two years for supervising budget work? If so, was an honorarium granted for the same work to Messrs. Hall and Aylmer, who held charge of the Delhi Press for years? If not, why not?

**The Honourable Sir Bhupendra Nath Mitra:** An enquiry is being made and the result will be communicated to the Honourable Member in due course.

#### EMPLOYMENT OF CADETS TRAINED ON THE "DUFFERIN".

636. \***Mr. Gaya Prasad Singh:** (a) Is it a fact that His Excellency the Governor of Bombay and the Naval Commander in Bombay and other high officials have spoken in highly appreciative terms about the cadets on the "Dufferin"?

(b) If the answer is in the affirmative, will Government be pleased to say whether cadets receive special training for three years on the ship in meteorology, astronomy and engineering, in addition to the other school subjects, and if so, whether those cadets who do not wish or are medically found unfit to follow the sea career after passing out of the "Dufferin" and before obtaining the Board of Trade certificate, will be given special preference in securing appointments on land, say in the Meteorological Department, in the Railway engineering workshops as first class apprentices, or in the Railways as Crew Inspectors, or some such executive appointments as the cadets are trained as officers to hold executive appointments?

(c) Do Government contemplate to entertain some of the cadets, who are medically disqualified, to continue the sea profession in the ministerial establishment of the Marine Department of the Government of India and of the Local Governments or in the Preventive Customs Service? If not, why not?

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

(b) and (c). The "Dufferin" has been established by the Government of India to give a preliminary training to Indian youths who desire to follow the profession of Deck or Executive officers in the Mercantile Marine. This training includes instruction in Meteorology and Nautical Astronomy but not in Engineering. Should any cadet finally decide not to follow a sea career, it will be open to him to apply through the usual channels for an appointment under Government in the Departments referred to by the

Honourable Member. In making those appointments, however, Government do not contemplate that the cadets should be given any special preference over other applicants.

**APPOINTMENT OF INDIANS AS DREDGER MASTERS.**

637. \***Mr. Gaya Prasad Singh:** (a) What are the qualifications of Dredger Masters?

(b) What are their emoluments?

(c) Are there any Indians holding posts of Dredger Masters in India; if so, what are their emoluments?

(d) Where do the Dredger Masters receive their training?

(e) Do Government contemplate training some of the "Dufferin" cadets, after completing their three years' course as Dredger Masters?

**The Honourable Sir George Rainy:** (a) to (d). The required information is being obtained as regards the major ports in India and will be supplied to the Honourable Member in due course.

(e) No, Sir.

**APPOINTMENT OF A JOINT SECRETARY AND A DEPUTY SECRETARY FOR EMIGRATION WORK.**

638. \***Mr. Anwar-ul-Azim:** (a) Have the Government of India appointed a Joint Secretary in the Education Department only to deal with immigration work?

(b) Was the appointment made, because the immigration work was too heavy for the Secretary, or was it made to secure expert knowledge for the Department?

(c) What is the number of letters and telegrams received and despatched by the Department per day?

(d) Are Government contemplating the creation of a new post of Deputy Secretary to the immigration department?

(e) If the answer be in the affirmative, will Government state the reasons for making the new post?

(f) Is it due to the heavy work of the department or to add to the dignity of the Joint Secretary, or to provide an expert for him?

(g) Is this new post created to provide a living for a particular individual under contemplation?

(h) Are Government contemplating to advertise the post and secure the service of a person who possesses expert knowledge of immigration conditions?

**Sir Frank Noyce:** (a) No. A Joint Secretary was appointed in December 1927, in order to give the Secretary relief which became necessary owing to heavy increase in the general work of the Department. Besides "Emigration", the Joint Secretary deals with Forests, Archæology, the Survey of India and the Botanical and Zoological Surveys.

(b) I would refer the Honourable Member to the answer given by me to part (a) of this question. Special knowledge is of course required for dealing with overseas questions.

(c) The average number of letters, etc., received and despatched by the Department of Education, Health and Lands per day is 82 and 48, respectively.

(d) Government have decided to add from 1st April, 1930, a post of Deputy Secretary to the Department of Education, Health and Lands for a period of two years.

(e) and (f). The new post has been created primarily to enable the Joint Secretary to do touring, which is essential for the satisfactory discharge by the Government of India of their obligations in respect of Indians overseas, and to train an officer for handling overseas problems. The new Deputy Secretary will also assist in dealing with the general increase in the work of the Department.

(g) No.

(h) No.

**Maulvi Muhammad Yakub:** Is the Honourable Member aware that the Budget of this year is a deficit Budget and there is hardly any room for such expenditure?

**Sir Frank Noyce:** The budget proposals are carefully scrutinised by the Standing Finance Committee and they have agreed to this expenditure.

**Pandit Hirday Nath Kunzru:** Are Government aware of the importance of questions connected with emigration, and are they aware that questions on emigration are coming up every day?

**Sir Frank Noyce:** That is borne in upon them almost every day.

**Pandit Hirday Nath Kunzru:** Is it a fact that, in the last Session of the Assembly, it was proposed to consider, in consultation with the Emigration Committee, whether it was desirable to have a permanent arrangement of the kind which Government have instituted on a temporary basis only so far?

**Sir Frank Noyce:** In view of the impending changes, which will probably affect the whole constitution of the Department and the Secretariat generally, temporary arrangements seem advisable in present conditions.

**Nawab Sir Sahibzada Abdul Qayyum:** Is it a fact that this new appointment has chiefly been created for the sake of half a million Indians who have migrated from this country while the whole 300 millions of Indians were up to now quite efficiently looked after by one Secretary?

**Sir Frank Noyce:** I do not think it is necessary for me to add anything to my answer.

#### STATEMENTS MADE BY SIR CECIL WALSH REGARDING INDIAN TRAINED MEDICAL MEN.

639. \*Lieut.-Colonel H. A. J. Gidney: (a) Has the attention of Government been drawn to the remarks that have been widely circulated in the Press, both in England and in India, by Sir Cecil Walsh regarding the Indian trained medical men?

(b) Is it a fact that the author of this letter is in receipt of a pension from the Government as an ex-Judge of the United Provinces High Court?

(c) Are Government aware of the fact that the statements made by this ex-Judge have caused serious discontent among the people of India in general and the medical profession in particular?

(d) Will Government please state what action they propose to take in the matter?

**The Honourable Sir James Orerar:** (a) and (b). Yes.

(c) and (d). Government are aware that these expressions of opinion have been much resented. They are not, however, so far as I am aware, actionable.

**Mr. N. C. Kelkar:** Is it a fact that, as stated by the *Statesman* of Calcutta, Sir Cecil Walsh is the President of the Anglo-Indian Association, London, and that this Association has been recognised by the Secretary of State for India. If so, will the Honourable Member please convey to the Secretary of State for India the feelings of Indians towards this ex-Judge for his efforts to create racial hatred and contempt, and inform him that, unless he mends his ways, the Secretary of State would refuse to recognise him and his Association?

**The Honourable Sir James Orerar:** I have not the information on which the Honourable Member's supplementary question is based.

**Mr. Lalchand Navalrai:** In view of the discontent that is created here, will the Honourable Member please consider why Sir Cecil Walsh should not be prosecuted under section 153A, Indian Penal Code?

**The Honourable Sir James Orerar:** As I said, Sir, I do not think that the remarks attributed to Sir Cecil Walsh, though no doubt calculated to create a great deal of resentment, are actionable.

**Mr. M. R. Jayakar:** Do Government approve of pensioned officials of theirs, who have held exalted judicial posts in this country, in their retirement joining in press communications of this character?

**The Honourable Sir James Orerar:** However regrettable individual expressions of opinions may be, between that and taking action against them there is necessarily a distinction.

**Mr. M. R. Jayakar:** I only wanted to know whether Government approve such behaviour. I never spoke of any action in courts. I only wanted to know whether Government approve of such behaviour.

**The Honourable Sir James Orerar:** I think the Honourable Member's question goes very near to asking an expression of opinion.

**Mr. K. C. Neogy:** Have Government made enquiries into the allegations made by this gentleman with regard to the competence of Indian doctors?

**The Honourable Sir James Orerar:** I do not think an enquiry of that kind is in any way necessary.

**Mr. K. C. Neogy:** Do I take it that the answer of the Government is a commentary on the veracity of this gentleman?

**Mr. K. C. Roy:** May I ask the Leader of the House whether the Secretary of State has taken no action to refute the allegations made by Sir Cecil Walsh?

**The Honourable Sir James Orerar:** I have no information on the point.

**Mr. K. C. Roy:** Arising out of the answer given by the Leader of the House, may I enquire whether the Government of India has a policy to refute allegations against the Governor General in Council and against the people of India, made by retired officials like Sir Cecil Walsh in the British Press and platform?

**The Honourable Sir James Orerar:** Any action taken would depend on the circumstances of the case.

**Mr. K. C. Neogy:** May I draw the attention of the Government, particularly to the observation made by Sir Cecil Walsh with regard to the incompetence of Indian doctors in the domain of forensic medicine? Do the Government realise that, if his charges are correct, then the administration of justice is suffering from a severe handicap in this country?

**The Honourable Sir James Orerar:** That I think is a hypothetical question.

**Mr. K. C. Neogy:** May I read out the passage to which I want to draw the attention of the Government? This is what Sir Cecil Walsh says:

"I heard it often said in Court that at *post-mortems* some of them will not go inside the dissecting room, but look through the window and examine the parts when shown to them by the menial who does the dissecting under their direction. Appellate Judges in the High Court have had to complain of the inadequacy of the reports,"

—meaning the post-mortem reports,—

"when Indian gentlemen have done the work."

Does the Honourable Member in charge of the Home Department think it any part of his duty to make inquiries from the different High Courts and different Provincial Governments to find out whether this charge is correct or not? (Applause.)

**The Honourable Sir James Orerar:** I think if the High Courts had any doubts on this point, they would themselves have taken action.

**Mr. Lalchand Navalrai:** Will the Honourable Member kindly say why the Government is not going to undertake an enquiry whether it was merely his opinion or whether he made that statement to create racial hatred in this country?

**Pandit Hirday Nath Kunzru:** May I ask whether the Honourable Member is aware that this gentleman, when he was a Judge of the High Court, wrote a book animadverting on the professional morality of Indian lawyers, and that this book formed the subject of a heated discussion in the United Provinces Legislative Council?

**The Honourable Sir James Orerar:** I have no information, but I am prepared to accept the statement in the latter point of the Honourable Member.



**Pandit Hirday Nath Kunzru:** Will the Honourable Member bring to the notice of the Secretary of State the habit of this gentleman to inveigh against Indians in public capacity?

**The Honourable Sir James Orerar:** I have no doubt that the questions and answers on this subject will receive the attention of the Secretary of State.

**Pandit Hirday Nath Kunzru:** Since this gentleman has expressed his opinion about Indian doctors, may I ask the Honourable the Home Member whether he is aware of what was thought of the Judge himself by the Indian Bar while he was a Judge of the Allahabad High Court? (Hear. hear.)

**Mr. President:** Colonel Gidney.

**Lieut.-Colonel H. A. J. Gidney:** A supplementary question, Sir?

**Mr. President:** Next question.

APPOINTMENT OF COVENANTED NURSING SISTERS IN THE BRITISH FAMILY HOSPITAL, CHAKRATA.

640. \***Lieut.-Colonel H. A. J. Gidney:** (a) Will Government kindly inform this House of the expenditure incurred on the nursing staff of the British Family Hospital, Chakrata, during the years 1928-29 and 1929-30?

(b) Is it a fact that an Anglo-Indian matron, who was working in this hospital from 1927 to June 1929 was replaced by three covenanted Q. A. M. N. S. sisters on about Rs. 400 per mensem each?

(c) Is it a fact that the Anglo-Indian matron had been discharging her duties for a period of 2½ years with occasional and temporary outside assistance?

(d) Is it a fact that there are seven sisters in this hospital today?

(e) What was the staff of this hospital during the years 1927 to 1929?

(f) Is it a fact that these covenanted sisters are sent to the hills every three months and are given free conveyance?

(g) Will Government kindly state the reasons for engaging these three sisters on such high salaries and higher expenditure?

(h) Were these posts advertised in local newspapers, and were any efforts made to recruit them locally? If not, why not?

(i) Are Government prepared to consider the advisability of making every effort in future to recruit locally the nursing sisters required for British military family hospitals in India before covenanting them from England?

**Mr. G. M. Young:** (a) The expenditure incurred on the permanent staff was about Rs. 1,160 in 1928-29, and about Rs. 690 in 1929-30.

(b), (c), (d) and (e). The facts are as follows. Throughout 1928-29, a family hospital matron was employed on a salary of Rs. 87 per mensem.

A sister and a staff nurse of the Queen Alexandra's Imperial Military Nursing Service were temporarily transferred to the Military Family Hospital, Chakrata, for urgent cases of diphtheria. They remained there for one month and ten days (30th April, 1928 to 10th June, 1928). As these two lady nurses were found from the permanent cadre of lady nurses for the British Military Hospitals in Eastern Command, strictly speaking, no extra expenditure was involved in their employment at Chakrata. The matron continued to be employed in 1929-30 up to the 16th June, 1929, when she was transferred to Muttra, where a matron was required. The services of a sister of the Queen Alexandra's Imperial Military Nursing Service, who was employed at the British Military Hospital at Chakrata, were then utilised in the Family Hospital for 3 months. On the withdrawal of the Military nurses from Chakrata on the closing of the Military Hospital there, a family hospital matron (an Anglo-Indian) was employed on Rs. 80 per mensem plus Rs. 10 for rations, from the 29th October, 1929. This matron is still serving at Chakrata, and is in sole charge of the Hospital. Lady nurses of the Military Nursing Services are transferred in batches to military hospitals in the hills for periods of about three months in the year. They travel at Government expense.

(g) and (h). Do not arise.

(i) Nursing sisters are not recruited for British Military Family Hospitals. The permanent nursing staff of such hospitals consists of a matron only, who is invariably recruited locally.

**Lieut.-Colonel H. A. J. Gidney:** Is it the opinion of the Honourable Member that the difference between Rs. 80 and Rs. 400 signifies the qualities of duties performed by these two classes of nurses?

**Mr. G. M. Young:** I think, Sir, that that is a direct invitation to express an opinion.

**Lieut.-Colonel H. A. J. Gidney:** Is it a fact then, Sir, and not an opinion that these two classes of nurses who are equally well qualified—in fact the Indian one is better trained—are paid Rs. 80 in the one case and Rs. 400 in the other?

**Mr. G. M. Young:** I must ask for notice of that question.

**Mr. B. Das:** May I enquire if Hindu and Mussalman nurses are serving in any of the military hospitals? If not, are they allowed to apply for such posts?

**Mr. G. M. Young:** I should like to have notice of that question; and I should be glad if the Honourable Member, in giving notice of the question, would specify the hospitals he refers to.

#### GRANT OF FURLOUGH PREPARATORY TO RETIREMENT TO CERTAIN ASSISTANT SURGEONS.

641. **\*Lieut.-Colonel H. A. J. Gidney:** (a) Do Government recognise the grant of two years' furlough pending retirement to Officers and Warrant Officers of the Indian Medical Department?

(b) If the answer to part (a) be in the affirmative, will Government be pleased to explain why this privilege was not granted to those Military Assistant Surgeons of the Indian Medical Department, who were retrenched in 1923-24 under the Inchcape Committee's scheme and who had more than 15 years' service to their credit?

(c) Have Government considered the question of the advisability of compensating these men who were denied this privilege for no fault of their own?

**Mr. G. M. Young:** (a) Under the existing rules, 12 months' leave pending retirement is admissible on completion of service. This period may be extended to a maximum of two years at the discretion of the Government of India.

(b) and (c). The Assistant Surgeons whose services were terminated prematurely on account of retrenchment were granted special concessions appropriate to them. There would be no justification for granting them the ordinary retirement terms as well.

**Lieut.-Colonel H. A. J. Gidney:** Will the Honourable Member kindly say why there was no justification?

**Mr. G. M. Young:** I have already said, Sir, that the reason was that they were granted special concessions appropriate to them.

**Lieut.-Colonel H. A. J. Gidney:** May I know whether these concessions were better or worse than the concessions stated in part (a) of the question?

**Mr. G. M. Young:** The concessions differed in kind, because the services of these Assistant Surgeons were terminated prematurely.

#### COMPENSATION FOR CERTAIN ASSISTANT SURGEONS RETRENCHED.

642. **\*Lieut.-Colonel H. A. J. Gidney:** (a) When Military Assistant Surgeons of the Indian Medical Department are granted study leave to England, is it the intention of Government to encourage them to obtain a registrable qualification?

(b) Is it a fact that certain Assistant Surgeons of the Indian Medical Department who were in England on study leave were retrenched on the recommendations of the Inchcape Committee?

(c) Is it a fact that these officers had to return before completion of their studies without any registrable qualification?

(d) Have Government considered the cases of these men and do they propose to compensate them adequately to enable them to go to England to complete their studies? If so, with what result?

**Mr. G. M. Young:** (a) Yes.

(b) Yes. Four were retrenched compulsorily and six volunteered for retrenchment.

(c) I am unable to say whether any of these officers returned to India without completing their studies. One at least of the four who were compulsorily retired, obtained the diplomas of M. R. C. S. and L. R. C. P.

(d) All retrenched officers received pensions and compensatory gratuities. Further, under orders issued in 1926, retrenched Assistant Surgeons are eligible for re-employment, provided that they are under 50 years of age; and every Assistant Surgeon who fulfilled that condition and applied for re-employment has actually been re-employed.

#### X-RAY TREATMENT AT THE LADY HARDINGE HOSPITAL, DELHI.

643. \***Mr. M. K. Acharya:** (a) Will Government be pleased to state the reasons for the X-rays Department of the Lady Hardinge Medical College and Hospital for Women, Delhi, being available only for indoor female patients?

(b) Under what circumstances are the X-rays not made open for out door female patients on payment of the usual fee?

(c) Are Government aware that there is prejudice against seeking admission into the hospital among the orthodox Hindus as indoor patients?

(d) Are Government aware that there is no other X-rays' hospital where female patients can go in Delhi?

**Sir Frank Noyce:** With your permission, Sir, I shall answer questions Nos. 643 and 644 together.

The necessary information has been called for and will be supplied to the Honourable Member on receipt.

#### X-RAY TREATMENT AT THE LADY HARDINGE HOSPITAL, DELHI.

†644. \***Mr. M. K. Acharya:** (a) Is it a fact that, even male patients have been given X-ray and electrical treatment in the Lady Hardinge Medical College and Hospital, which is supposed to be exclusively for women?

(b) If the answer to part (a) be in the affirmative, will Government be pleased to state, the circumstances in which the Principal made this departure?

#### QUARTERS FOR INDIAN CLERKS AT SIMLA.

645. \***Khan Bahadur Sarfaraz Hussain Khan:** Will Government be pleased to state, how many classes of quarters with their respective dimensions exist at Simla for accommodating the Indian clerks?

**The Honourable Sir Bhupendra Nath Mitra:** It is presumed the Honourable Member seeks information about quarters in Simla for married Indian clerks. There are three classes of such quarters, viz., A, B and C. The accommodation provided in each type and the dimensions thereof are shown in the statement which I place on the table.

†For answer to this question, see answer to starred question No. 643.

*Married Indian Clerks Quarters at Phagis and Tooki Kanis with average dimensions.*

Class of quarter.	Main Rooms.	Servants Room.	Kitchen.	Store	Bath.	W. Cs.	Verandah and passages.	Average Plinth Area.
Class A . . . . .	$\left. \begin{array}{l} 13'9'' \times 11'7\frac{1}{2}'' \\ 13'9'' \times 9'7\frac{1}{2}'' \\ 13'9'' \times 9'7\frac{1}{2}'' \\ 13'9'' \times 11'7\frac{1}{2}'' \end{array} \right\} 4$	1—(11' 9" x 6' 9 $\frac{1}{2}$ ")	1—(8'9" x 6'9")	1—(6'10" x 4'4")	1—(6'4" x 5'0")	$\left. \begin{array}{l} 2'9'' \times 6'4'' \\ 2'9'' \times 6'4'' \\ \text{in 2 blocks but only} \\ \frac{1}{2} \text{ in the 3rd.} \end{array} \right\} 2$	$\left. \begin{array}{l} 36'4'' \times 4'6'' \\ 36'0'' \times 4'6'' \end{array} \right\} 2$	1445 square feet.
Class B . . . . .	$\left. \begin{array}{l} 13'0\frac{1}{2}'' \times 11'0\frac{1}{2}'' \\ 13'0\frac{1}{2}'' \times 9'7\frac{1}{2}'' \\ 13'0\frac{1}{2}'' \times 11'7\frac{1}{2}'' \end{array} \right\} 3$	1—(9'7 $\frac{1}{2}$ " x 6'7 $\frac{1}{2}$ ")	1—(8'9" x 7'3 $\frac{1}{2}$ ")	1—(6'9" x 4'6")	1—(6'4" x 5'8")	1—(6'9" x 5'3")	$\left. \begin{array}{l} 25' \times 5'2'' \\ 33' \times 6'2'' \end{array} \right\} 2$	1174 square feet.
Class C . . . . .	$\left. \begin{array}{l} 11'6'' \times 13'6'' \\ 11'6'' \times 13'6'' \end{array} \right\} 2$	1—(6'7 $\frac{1}{2}$ " x 6'7 $\frac{1}{2}$ ")	1—(6'9" x 7'9")	1—(5'6" x 4'6")	1—(7' x 5'0")	1—(7' x 5')	$\left. \begin{array}{l} 14'9'' \times 5' \\ 16'9'' \times 6' \end{array} \right\} 2$	917 square feet.

**REFUSAL OF LEAVE IN THE FOREIGN AND POLITICAL DEPARTMENT.**

646. \***Maulvi Muhammad Yakub:** (a) Is it a fact that, in the Foreign and Political Department, the employees are denied their privilege leave, without any apparent reason, while those applying for sick leave are required to submit, in support of their application, a medical certificate from the authority higher than that they are entitled to under the rules?

(b) If so, are Government prepared to put a stop to this practice?

**Mr. E. B. Howell:** The answer to the first part of the question is in the negative. Enquiries have failed to discover any instance of the practice to which the Honourable Member refers, but if he can give me any further information, inquiry will be made into any facts which may be disclosed.

**POWERS OF THE FINANCIAL COMMISSIONER OF RAILWAYS.**

647. \***Mr. E. F. Sykes:** With reference to the definition of the powers of the Financial Commissioner of Railways quoted by me during the general discussion on the Railway Budget, will Government please state what operations of the Railway Board do not involve expenditure or affect railway revenues?

**Mr. A. A. L. Parsons:** I am afraid it would be impossible to compile an exhaustive list of the matters which come before the Railway Board which do not involve expenditure. But as examples I would mention the posting of officers, regulations to secure the safety of the public, and much of the technical work both on the Engineering and Traffic sides which is carried on in the Board's office.

**USE OF STUCCO IN THE FACE-WORK OF THE ATTIC STOREY OF THE COUNCIL HOUSE.**

648. \***Mr. E. F. Sykes:** (a) Will Government be pleased to state how much was saved by the substitution of stucco for stone in the face-work of the attic storey of the Council House?

(b) Was this substitution made with the object of saving money, or of expediting the completion of the work?

(c) If the former, have Government, on seeing the result, been satisfied with it?

**The Honourable Sir Bhupendra Nath Mitra:** (a) The additional cost of stone surfaces for the exterior of the attic storey would have been Rs. 1,50,000.

(b) The drawings submitted by the architect showed plaster surfaces and the question whether stone should be used was not considered by Government who were satisfied that the plaster surface picked out with stone would be in keeping with the design as a whole.

(c) Yes.

**APPOINTMENT OF A MUHAMMADAN TO A GAZETTED POST IN THE OFFICE OF THE FINANCIAL ADVISER, MILITARY FINANCE.**

649. \***Mr. Abdul Hays:** (a) Will Government please state the total number of gazetted appointments in the office of the Financial Adviser, Military Finance, and the number of Europeans and Indians, respectively, holding these appointments?

(b) Is it a fact that there is no Muslim holding any of these appointments?

(c) Will Government please state whether any steps have been taken to secure some representation of Muslims for these appointments? If not, why not?

**The Honourable Sir George Schuster:** (a) The total number of appointments is 16 permanent and 2 temporary. Of these 7 are held by Europeans and the rest by Indians.

(b) The reply is in the affirmative.

(c) Of the 18 appointments mentioned, the appointment of Financial Adviser, Military Finance, is ordinarily reserved for a member of the Indian Civil Service. The four appointments of Deputy Financial Advisers are filled by senior officers of the Military Accounts Department. The remaining appointments are ordinarily filled by promotion from the clerical establishment, on the principle of selection by merit with due regard to seniority. Up to the present time there have been no Muslims in the Department eligible for selection.

**PERCENTAGE OF MUSLIMS IN NON-GAZETTED POSTS IN THE OFFICE OF THE FINANCIAL ADVISER, MILITARY FINANCE.**

650. **\*Mr. Abdul Haya:** Will Government please state the sanctioned appointments of non-gazetted ministerial staff in the office of the Financial Adviser, Military Finance, and the percentage of Muslims holding these appointments?

**The Honourable Sir George Schuster:** The sanctioned strength is 102 and the present percentage of Muslims is 10.

**PERCENTAGE OF MUSLIMS IN NON-GAZETTED POSTS IN THE OFFICE OF THE FINANCIAL ADVISER, MILITARY FINANCE.**

651. **\*Mr. Abdul Haya:** Will Government please state the number of permanent, temporary and officiating non-gazetted ministerial appointments which fell vacant in the office of the Financial Adviser, Military Finance, after the issue of the Home Department Memo. dated July 1925, regarding the representation of minorities in the services? What percentage of these appointments has been given to the Muslims?

**The Honourable Sir George Schuster:** The Home Department orders of 5th February, 1926, regarding the redress of communal inequalities, to which I presume the Honourable Member intends to refer, apply only to fresh recruitment to fill permanent vacancies. I therefore confine my reply to that class of appointments. The total number of vacancies in the period mentioned which involved fresh recruitment was 13. Of the 13 recruits, 4 (or roughly one-third) were members of the minority communities and, of these 4 members, 2 were Muslims.

**PERCENTAGE OF MUSLIMS IN NON-GAZETTED POSTS IN THE OFFICE OF THE FINANCIAL ADVISER, MILITARY FINANCE.**

652. **\*Mr. Abdul Haya:** Will Government please state whether any attempt has ever been made to ask the Public Services Commission to recommend Muslims for the Upper Division appointments, in the office of the Financial Adviser, Military Finance?

**The Honourable Sir George Schuster:** The answer is in the negative. Since the Home Department orders of 1926 were issued, there has been no occasion to ask the Public Service Commission to nominate candidates for direct appointment to the Upper Division of this Office. Vacancies have been filled by the promotion of qualified clerks already on the establishment.

**RECRUITMENT OF THE STAFF OF THE OFFICE OF FINANCIAL ADVISER, MILITARY FINANCE.**

653. \***Mr. Abdul Hays:** (a) Will Government please state the names of the Assistant Financial Advisers in charge of Establishments who have been responsible for recruitment of the staff in the office of the Financial Adviser, Military Finance, after the issue of the Home Department instructions regarding the representation of minorities in the Services? Is it a fact that none of these officers has ever attempted to reserve 33 per cent. of the vacancies for the minority communities?

(b) Will Government please state whether they have considered or propose to consider the desirability of appointing a special officer to investigate and fix responsibility for ignoring the Home Department instructions? If not, why not?

**The Honourable Sir George Schuster:** (a) The officer responsible for the recruitment of staff for the Office of the Financial Adviser, Military Finance, is the Financial Adviser himself. This question does not, therefore, arise.

(b) As I have just stated in reply to a previous question by the Honourable Member, out of 13 vacancies filled by direct recruitment since the Home Department orders of 1926 were issued, 4 were filled by members of minority communities. The proportion of 33 per cent. has therefore been practically worked up to. Consequently, this part of the question also does not arise.

**RECRUITMENT OF THE STAFF OF THE OFFICE OF THE FINANCIAL ADVISER, MILITARY FINANCE.**

654. \***Mr. Abdul Hays:** (a) Will Government please state whether it is a fact that recently some temporary clerks in the office of the Financial Adviser, Military Finance, have been confirmed without their having passed the prescribed test of the Public Service Commission?

(b) Is it a fact that the exemption for these clerks has been secured on account of their technical qualifications? Will the Government please state the nature of the technical qualifications? Were these so-called technical qualifications acquired before entering the Government service or after working for some time as temporary clerks?

(c) Will Government please state how many of the clerks in question are near relatives, e.g., sons, brother-in-law, etc., of Superintendents and senior assistants already working in that office?

**The Honourable Sir George Schuster:** (a) Yes. The Public Service Commission recently agreed that four temporary third division clerks might be exempted from passing the test prescribed for that Division and they have since been confirmed.



(b) The ground on which exemption was asked for and was agreed to was that by four years' experience of work connected with the maintenance of the Medical, Engineering, Artillery and Scientific Stores Vocabularies, a class of work which involves the laborious acquisition of detailed knowledge of the meaning of technical terms, these clerks had acquired special qualifications for that particular type of work. It would, therefore, have been detrimental to efficiency to replace them with new men who would, in their turn, have to acquire this detailed knowledge by experience before they could pull their weight.

(c) One of the 4 clerks so appointed had a father, one a brother, and one a cousin in the department. I may add that one of the 4 clerks so appointed was a Muslim. In giving these particulars I must make it clear that any implication that exemption was sought because some of the clerks happened to be relatives of men already working in the office is entirely without foundation.

#### INDIANISATION OF THE ARMY.

655. \*Dr. B. S. Moonje: (a) Has the attention of Government been drawn to a question recently asked in the House of Commons by Commander Kenworthy and answered by the Secretary of State for India, regarding the extension of the present system of Indianising the Army?

(b) If the reply to part (a) is in the affirmative, is it a fact, as reported in the *Hindustan Times* of the 7th March, that Mr. Wedgwood Benn gave the following reply?

"He was ready to consider the extension of the scheme when the Government of India felt justified in recommending it on the basis of the results already achieved."

(c) If the reply to part (b) is in the affirmative, will Government please state:

- (i) if they are satisfied with the results so far achieved; and
- (ii) if they are prepared to recommend the extension?

(d) If the answers to clauses (i) and (ii) of part (c) are in the negative, will Government be pleased to place on the table copies of the reports of the Commanding Officers under whom Indians holding the King's Commission are serving, and also copies of reports received from the Interview and the Record Board about the Indian boys who had appeared before the Board for selection for admission to the Cadet Colleges in England?

**Mr. G. M. Young:** (a) Yes.

(b) The report is substantially correct. The full text of the supplementary question and answer referred to is as follows:

*Question.*—Is the Secretary of State considering the extension of the present scheme of Indianizing 8 units of His Majesty's Army in India?

*Answer.*—I am ready to consider an extension as soon as the Government of India feel justified in recommending one on the results actually achieved."

(c) In the opinion of Government it is early as yet to pronounce upon the results of the Indianization scheme as a whole. But progress has lately been satisfactory, and the last half-yearly entrance examination for Cadet Colleges showed an improvement in the quality of the candidates

as compared with previous examinations. The Government of India are continuing to watch closely the progress of the scheme, and the question when a further move should be recommended is under consideration.

(d) Government are not prepared to publish the confidential reports of individual officers, as these reports would then cease to be confidential and would no longer serve their purpose. Any report that may be made by the Interview and Record Board is presented not to the Government of India but to the Civil Service Commissioners, who conduct the whole examination.

**Dr. B. S. Moonje:** Have Government seen the opinion of the Skeen Committee in their Report that, so far, the Indian officers serving under the British Commanding Officers have served very well and have earned very good opinions?

**Mr. G. M. Young:** I am not sure if my Honourable friend's quotation was absolutely correct, but something to that effect was said in the Report.

**Dr. B. S. Moonje:** That part was quoted in my speech the other day and I trust it is correct.

**Munshi Iswar Saran:** Will the Honourable Member give us a rough idea of the time when the Government of India will be prepared to report for an extension of the Indianisation scheme?

**Mr. G. M. Young:** I am afraid I cannot make any definite statement at the present moment.

**Munshi Iswar Saran:** May we take it that the Government of India will be prepared to make that recommendation after a century or 50 years or two centuries?

**Pandit Hirday Nath Kunzru:** May I ask whether the Government of India have decided to replace the Viceroy's Commissioned officers of the eight Indianised units by Indian King's Commissioned Officers, in order to test further the results of Indianisation?

**Mr. G. M. Young:** The Government of India propose, at a later stage, to reorganise the officer establishments of Indianising units on the British model. That involves the disappearance of the Viceroy's Commissioned officer and a large increase in the number of King's Commissioned officers.

**Pandit Hirday Nath Kunzru:** May I ask whether the Government of India will wait till the Viceroy's Commissioned officers have been replaced by the Indian King's Commissioned officers before expressing any opinion on the results of Indianisation?

**Mr. G. M. Young:** I cannot say that that is what the Government of India will do.

**Pandit Hirday Nath Kunzru:** May I take it then that the Government of India will express their opinion with regard to Indianisation of the eight units simply on the substitution of Indian officers for the present Company and Squadron officers?

**Mr. G. M. Young:** I am afraid I have not been able to follow that question.

**Pandit Hirday Nath Kunzru:** How do the Government of India propose to test the results of Indianisation in the eight units that are to be Indianised?

**Mr. G. M. Young:** I have already stated that the question when a further move should be undertaken is now under consideration. I cannot enter into any argument as to the precise direction that further move should take or when it should be made.

**Pandit Hirday Nath Kunzru:** May I take it that the Government of India are satisfied that the results that have been achieved so far are satisfactory?

**Mr. G. M. Young:** I have already answered that in my answer to the original question.

**Dr. B. S. Moonje:** Does the Honourable Member mean to say that he is not prepared to accept the recommendation of the Skeen Committee of creating four vacancies every year?

**Mr. G. M. Young:** The decision on that point was taken at the time when Government's decision on the Skeen Committee's Report was announced two years ago.

**Dr. B. S. Moonje:** My point is, are the Government of India prepared to create four vacancies every year, as recommended by the Skeen Committee, in order to accelerate Indianisation?

**Mr. G. M. Young:** I have already answered that. A decision on that point was taken two years ago and announced in this House.

**Mr. K. C. Roy:** May I ask if any further move is to be made on the basis of the Skeen Committee's Report or on the basis of a new proposal made by the Government of India?

**Mr. G. M. Young:** That is under consideration and I am unable to forecast it.

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UNSTARRED QUESTIONS AND ANSWERS.

APPOINTMENT OF BACHELORS OF COMMERCE IN THE POSTS AND TELEGRAPHS DEPARTMENT.

253. **Khan Bahadur Sarfaraz Hussain Khan:** (a) Has the attention of Government been drawn to the letter published in the *Hindustan Times*, dated the 5th March, under the caption "an anomaly"?

(b) Is it a fact that the Posts and Telegraphs Department do not recognise B. Com. diploma holders as graduates?

(c) If so, will Government please state why this distinction is being kept?

(d) If the reply is in the negative, will Government please state why the grade of Rs. 50 allowed to graduates of other universities is denied to B. Com. diploma holders?

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

(b) to (d). Government are already considering whether for purposes of appointments to clerical posts in the Posts and Telegraphs Department Bachelors and Diploma holders in Commerce should receive the same treatment as that accorded to graduates and intermediates in Arts and Science.

#### CONSTRUCTION OF A BUND ACROSS THE RIVER TUNGABHADRA.

254. **Rao Bahadur B. L. Patil:** Will Government be pleased to state whether the Government of Madras and the Government of Bombay are negotiating as to their jointly undertaking the construction of a bund across the river Tungabhadra for the purpose of carrying out irrigation schemes within their respective territorial limits?

**The Honourable Sir Bhupendra Nath Mitra:** I am not sure whether it would be correct to say that the Government of Madras and the Government of Bombay are negotiating with a view to undertaking the construction of the work referred to. From enquiries which I have made, I have ascertained that the position is that in 1927 the Madras Government asked the Bombay Government what their attitude would be to such a project. The latter Government asked for certain particulars some of which have since been given, others will be given as soon as certain investigations which are now being made have been completed.

#### REMISSION OF LAND REVENUE AND TAQUAVI IN THE DELHI PROVINCE.

255. **Pandit Thakur Das Bhargava:** (a) Is it a fact that, during the last months, five conferences of village people in the Delhi Province have passed resolutions requesting Government to suspend the collection of *taquavi* and to remit land revenue for the last harvest which has totally failed? Is it also a fact that more than 100 petitions have been submitted with the same request during this period and about seven deputations have waited on the authorities concerned and laid before them their request in this particular?

(b) If the reply to the above is in the affirmative, will Government kindly state what action, if any, they have taken or propose to take in this matter?

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

#### DEMOLITION OF A BAZAAR IN AMBALA CANTONMENT.

256. **Pandit Thakur Das Bhargava:** (a) Has the attention of Government been drawn to an article headed "The Regimental Coffee Shop Contractor" in the *Cantonment Advocate* of November, 1929?

(b) Is it a fact that the N. C. Line Bazaar, Ambala, is going to be demolished to benefit the coffee shop contractor of the regiment stationed near the bazaar? If the reply is in the negative, what are the reasons for its proposed demolition?

(c) Since when has the bazaar been in existence?

(d) Have the shopkeepers of the bazaar protested against the demolition? What action has been taken on their protest?

(e) Do Government propose to compensate them for the sudden dislocation of their business, established there for several scores of years?

(f) How do Government intend to proceed in case of the refusal of the shopkeepers to vacate the shops?

(g) Has the regimental bazaar at Nasirabad been put out of bounds for months together? If so, why?

(h) Has the All-India Cantonments Association approached His Excellency the Commander-in-Chief, for an interview in this matter? If so, has His Excellency been pleased to grant the interview?

(i) What is the coupon system prevailing in the regiments? Since when has it been introduced? Does it affect the interests of the soldiers in the way referred to in the article?

(j) Do Government propose to go through the whole question of coffee shop contracts with a view to safeguard the interests of shopkeepers, who have settled for generations in the cantonments?

**Mr. G. M. Young:** (a) Yes.

(b) No, Sir. The demolition of the bazaar forms part of the project for the reconstruction of the Hardinge Line.

(c) The Government have no information.

(d) In December 1929, the shopkeepers submitted a petition praying that they might be given a further six months' notice of vacation as they had understood that the notice issued in February 1929 had been withdrawn. The original notice had *not* been withdrawn, and they were informed that they must vacate before the 10th February, which date was later extended to 10th March, 1930, as an act of grace.

(e) The bazaar is the property of Government. The shopkeepers are tenants and have been given adequate notice. The question of compensation does not therefore arise.

(f) I cannot answer a hypothetical question.

(g) Yes, Sir, for reasons which Government consider good and sufficient. The Officer Commanding the station has full discretion in the matter.

(h) The Association sent a memorial to His Excellency the Commander-in-Chief in October, 1929, but did not ask for an interview. The last part of the question does not therefore arise.

(i) The Coupon system is a system under which a soldier buys a book of coupons from the contractor, the cost of which is debited against his pay, and uses the coupons instead of cash in making purchases from the contractor. The system has been in force in India for very many years, and Government have no reason to believe that it affects the interests of the soldier in the manner referred to.

(j) No, Sir.

#### POWERS DELEGATED TO THE EXECUTIVE OFFICER, CAWNPORE CANTONMENT

257. **Pandit Thakur Das Bhargava:** (a) Is it a fact that the Cantonment Authority of Cawnpore has delegated some of its powers under the Cantonments Act, to the Executive Officer? If so, will Government state specifically what the delegated powers are?

(b) Under what section of the Cantonments Act, has the Cantonment Authority delegated its powers to the Executive Officer?

(c) Does the Executive Officer, Cawnpore, sanction all prosecutions and launch them himself on behalf of the Cantonment Authority without reference to it? If so, under what section of the Cantonments Act he has been permitted to do so?

(d) Are Government aware that there is considerable discontent in Cawnpore Cantonment, owing to the Executive Officer's sanctioning prosecutions without the Board's sanction?

(e) If the delegation of powers by a Cantonment Authority to the Executive Officer be not legal, do Government propose to take steps to issue instructions that this is not to be done?

**Mr. G. M. Young:** Government have no information.

I am making inquiries and will let the Honourable Member know the result.

**REJECTION OF A RE-BUILDING APPLICATION BY THE EXECUTIVE OFFICER, CAWNPORE CANTONMENT.**

**258. Pandit Thakur Das Bhargava:** (a) Is it a fact that one Kaloo Mohant, a resident of Mirpore Street in Cawnpore Cantonment, applied last year for the rebuilding of his house, No. 394?

(b) Is it a fact that the Executive Officer returned his application and refused to entertain it on the ground that the land under his house had been resumed?

(c) Are Government aware that Kaloo Mohant protested that the land was still in his possession, that no legal proceedings had ever been taken for its resumption, and that his application should be laid before the Cantonment Board for disposal under section 181 of the Cantonments Act, 1924?

(d) Is it a fact that, in spite of his protest and repeated requests, the Executive Officer did not lay his application before the Cantonment Board and refused to entertain it?

(e) Under what section of the Cantonment Act did the Cantonment Authority refuse building applications on the ground that the ownership of the land is disputed by Government?

(f) Is it a fact that Government have issued instructions to every Cantonment Authority in India that it should not use its municipal powers of sanctioning building applications to establish Government rights in land? If so, what action do Government propose to take for the infringement of their instructions in this case?

(g) Under what section did the Executive Officer dispose of a building application submitted to the Cantonment Authority? Did the Cantonment Authority delegate its power under section 181 of the Cantonments Act to the Executive Officer? If so, under what section?

(h) If the delegation is not legal what action do Government propose to take in order to undo the act of the Executive Officer, Cawnpore?

**Mr. G. M. Young:** I am inquiring into the facts of this case, and will inform the Honourable Member as soon as I am in a position to do so.

#### RESUMPTION OF BAZAAR SITES IN CAWNPORE.

**259. Pandit Thakur Das Bhargava:** (a) Has the attention of the Government been drawn to an article headed "Resumption of small Bazaar sites in Cawnpore", in the *Cantonment Advocate*?

(b) If so, will Government be pleased to state for what purpose these petty sites have been resumed? What procedure was adopted in resuming the same in each case?

(c) Are Government aware that the owners of these sites are very poor people, rendered homeless by the alleged resumption, and that they hold regular sale deeds for the property standing on these sites?

(d) Are Government aware that the only reason for resuming these sites was that the houses standing thereon were in a dilapidated condition and that there was some delay on the part of the owners to rebuild them?

(e) Is it a fact that, when these owners applied to rebuild their houses, they were informed that their applications could not be entertained as their sites were resumed?

(f) Has the All-India Cantonments Association made a reference about this subject to Government? If so, what reply has been sent to the Association?

(g) Do Government propose to consider the question of cancelling the alleged resumptions?

**Mr. G. M. Young:** The Honourable Member is referred to the answer given by me on the 22nd February to unstarred question No. 172.

#### LEVY OF A PROFESSIONAL TAX IN DALHOUSIE CANTONMENT.

**260. Pandit Thakur Das Bhargava:** (a) Are Government aware that the Cantonment Authority of Dalhousie, which is a corporation sole, has proposed to levy a professional tax on the people?

(b) Will Government state what has led to the proposal of this new tax?

(c) What is the total civilian population of Dalhousie Cantonment at present? How does it stand as compared with the last census?

(d) What is the estimated yield from the new tax?

(e) Is it a fact that, even a petty shopkeeper selling petty goods not worth Rs. 40 in all, will have to pay an all round amount as professional tax under the proposed rates of the Cantonment Authority?

(f) Why do Government not give some grant-in-aid to the Dalhousie Cantonment, if there be some deficit to justify the new tax?

**Mr. G. M. Young:** The Government of India have no information. Taxation in Cantonments is the concern of the Local Government, to whom a copy of this question and answer will be communicated.

## ELECTION OF MEMBERS TO THE COMMITTEE ON PUBLIC ACCOUNTS.

**Mr. President:** I have to inform the Assembly that the following three Members have been elected to the Committee on Public Accounts, namely:

1. Mr. S. C. Mitra.
2. Mr. G. Sarvotham Rao.
3. Mr. Anwar-ul-Azim.

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## ELECTION OF MEMBERS TO THE STANDING COMMITTEE FOR ROADS.

**Mr. President:** Members will now proceed to elect six Members to the Standing Committee for Roads. There are 14 candidates whose names are printed on the ballot papers which will now be supplied to Honourable Members in the order in which I call them.

(The ballot was then taken.)

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## THE INDIAN FINANCE BILL.

**The Honourable Sir George Schuster** (Finance Member): Sir, I beg to move:

“That the Bill further to amend the Sea Customs Act, 1878, to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to fix rates of income-tax, to vary the excise duty on kerosene leviable under the Indian Finance Act, 1922, and further to amend the Indian Paper Currency Act, 1923, and the Indian Finance Act, 1925, be taken into consideration.”

It is not necessary for me at this stage to add to the general explanations as to the purport of this measure which I have already given to this House in my budget speech. There are two points on which I desire to convey certain information to this House. In the first case, I have to inform Honourable Members of the decisions taken by the Governor General in Council as to the cuts in Demands for Grants which have been passed in this House. It has been decided by the Governor General in Council to restore the amount of Rs. 5,46,999 cut from the Demand under Army Department. The other three cuts will be allowed to stand.

The second point on which I would like to give certain information to the House is in connection with the import duty on silver. I have had the advantage, since the introduction of the Budget, of receiving certain suggestions from non-official Members as to the implications of the proposed import duty on silver. I am glad to take this opportunity of acknowledging the value of the suggestions which I have received. As a result, Government have decided, in the first place, to introduce a Bill imposing a countervailing excise duty on silver, and in the second place, I can say that Government have decided to accept the amendments to be moved by my



Honourable friend, Sir Purshotamdas Thakurdas, for increasing the import duty on silver thread and silver ware. The object of these amendments is that the imposition of an import duty on silver should not place manufacturers of silver thread and silver ware in a less favourable position than they would have been if the import duty on silver were not to be imposed.

Sir, that concludes all that I have to say in connection with the Finance Bill at the present stage.

**Sir Purshotamdas Thakurdas** (Indian Merchants' Chamber: Indian Commerce): Sir, in rising to support the motion made by the Honourable the Finance Member, I need hardly remind the Honourable Members that the Finance Bill is the authority given by this House to the Government to collect certain duties to most of which we have been accustomed for the last few years. In the ordinary course, one would have hesitated to support a motion which involves additional taxation to the tune of six crores of rupees, and feeling as we do on this side of the House that the capacity of the Indian taxpayer to pay any additional taxation has ere now been reached, it is with a heavy heart that I extend my support to this Bill. I feel that, in spite of the explanations which the Government of India have given of the policy which they have till now followed, many on this side of the House are not convinced that the Government of India are progressing towards an exit from the dark forest of depression in which they have put this country—depression which may be due to world conditions, but which certainly has been accentuated by the currency policy that the Government of India have persisted in following since October, 1924, when the 1s. 4d gold exchange rate was deliberately passed. Sir, this Bill involves change in taxation under seven heads and if one tried to discuss the implication of each new tax or of remission in taxation, I am afraid the discussion on this motion of my Honourable friend might take much longer than has been the case with the Bill which we left behind yesterday in order to catch up time to see the Finance Bill through. I do not know if the House will consider me bold if I suggest that, on this motion, we restrict ourselves only to general observations without going into the details of each taxation, because, on the agenda paper, I see a large number of amendments dealing with each head of taxation. In any case, Sir, I propose myself not to dwell at any length on the various items of taxation, either new taxation or reduction in taxation, and I will make a few observations regarding what I consider to be general observations which cannot be mentioned under the various amendments which will come up for discussion later.

My first complaint, Sir, regarding the Honourable the Finance Member's proposals for new taxation is that he seeks to draw much more from fresh taxation than he needs to balance the budget. Judging from page 6 of the Explanatory Memorandum by the Financial Secretary, it appears that for the Budget of 1930-31 the Finance Department are estimating for an additional net revenue of Rs. 4 crores 10 lakhs under the six heads of taxation mentioned therein, and Rs. 70 lakhs more from income-tax, which must be added to it. This makes it Rs. 4 crores and 80 lakhs, and as a result of this fresh taxation, which will come into force within the current year, another Rs. 35 lakhs more would be raised. The total net receipt to Government from fresh taxation would therefore be about Rs. 5 crores and 15 lakhs during the thirteen months from 1st March, 1930, to 31st March, 1931. Sir, these estimates are very much on the

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over-conservative side, and I cannot help feeling that, on a very modest calculation, of the minimum which the Finance Department should receive by this fresh taxation will be at least Rs. 6 crores during the year 1930-31. A friend behind me, Sir, suggests that it will be more than six crores. I said "basing it on a very modest calculation". I wish to mention, when I give this figure of Rs. 6 crores as my estimate, the fact that, if the Government of India do not sell silver in India during the next year, the revenue under the head silver duty will be considerably higher than what has been estimated by Government. And their estimate is a crore; my estimate is that Government will get a crore and a half at least. But should the Government sell silver here, it must be clear that the price of that silver will include the duty which is proposed, and to the extent of the duty Government will get, though not directly under the head "Customs revenue", in their coffers that extra four annas per ounce in the price of silver which they realise. I am aware that the Honourable the Finance Member has said that he does not desire to commit himself to any particular policy regarding sales of silver, but what we would like is that the Government of India should make a clear declaration of their policy if the savings of the masses of India, which are mostly in silver, are to be saved further artificial depreciation. But I will not dwell on this here; I see that there are one or two amendments in that connection on the paper, and I will now revert to the main theme with which I began, namely, that the Government of India seek to draw more from fresh taxation than is necessary for the purpose of balancing their Budget.

I am convinced, Sir, that it is not necessary for Government to draw as much as six crores of rupees which these various items of fresh taxation indicate. In spite of the hope which the Honourable the Finance Member has mentioned in his budget speech that, should there be a surplus at the end of the year, that surplus may be earmarked for the use of the provinces when the next reforms come to be started. I feel that in spite of this assurance, we owe it to the taxpayer to give to the Government of India only just enough to balance the Budget and no more. As to what exact item or items the Government of India would be prepared to cut out from their proposals, I would like to know from the Honourable the Finance Member himself. Although the various items of additional taxation are not, on the whole, as exasperating as, at times, they have been in the past, there is no doubt that, regarding the question of silver duty, there are two views, equally justifiably held by both sides, the one view being the view held by the Honourable the Finance Member himself, and the other view being that held by the Indian public, and especially by that section of the public which is solicitous of the well being of the masses. Not that I wish to suggest that this latter aspect has escaped the notice of the Honourable the Finance Member. But I wish to warn the Government that the silver duty may be selected for omission. I do not wish to touch upon the merits of the other items, and I will pass on to a few observations which I wish to make regarding one or two special heads of taxation, which I think might very well have received the Honourable the Finance Member's attention.

Sir, I desire to mention to the Honourable the Finance Member a situation which has arisen in connection with the salt trade of India. Thanks to the Honourable Member's anxiety to be responsive to what

may come from this side of the House; he has, as a result of continued representation from us, referred to the Tariff Board the question of the salt industry in India,—I need hardly assure the Honourable the Finance Member that we on this side, and I especially, appreciate his response to our request in that connection. Under the able guidance of the retiring President, Sir Padumji Ginwalla, I understand that the Tariff Board's inquiry is very nearly completed, but I wish to give to the House and to my Honourable friend, the Finance Member, an idea as to how vested interests from abroad begin to work up by anticipating any measure which the Government of India may take in order to make this country self-contained, and I wish to draw the Honourable the Finance Member's particular attention to the necessity of taking some urgent action if real disaster to Indian enterprise in this connection is to be avoided. The Tariff Board have already issued a volume of their preliminary evidence, and I refer to page 172 of that volume, in which are given, under Appendix A, the rates of common salt, I mean the average wholesale prices in Calcutta. It begins with the year 1890, when the rate of salt ex-ship was Rs. 85-12-2 per hundred maunds and goes on till 1929, when the rate is given at Rs. 66-9-0. In February of this year the rate was as low as Rs. 55, and this is the lowest rate for salt during the last forty years. There is a strong suspicion that this drop may have been brought about for the purpose of stampeding out indigenous efforts in this enterprise, and the rate of Rs. 55, which was touched last month, leaves not only no profit to the indigenous producer but almost brings on him a loss of about Rs. 7 to Rs. 8 per 100 maunds. Now, I ask, how long do the Government of India propose to be silent onlookers of such a policy of tiring out efforts at manufacture of salt here? It may be asked here, what is my complaint while salt is available to the people at such a cheap rate? If it was a genuine effort in that direction, none would be more glad than myself, but it is a desperate effort to retain and fortify the monopoly which foreign interests have enjoyed till now. I wish to suggest very earnestly to the Honourable the Finance Member that, if the good work which he has started by referring the salt question to the Tariff Board is not to be frustrated, it is very necessary to ask the Tariff Board to submit an *interim* Report whether any *interim* action is required to be taken whilst the Government of India take their usual time to consider the Tariff Board Report and to come to their own conclusions. Let me say, Sir, that, in the ordinary course of business, such efforts by people who have vested interests are not unknown. I am not complaining against the people who resort to this method of a steady lowering of prices in order to tire out prospective competitors. For, from the year 1927, when the Assembly began unmistakably to assert their opinion on the salt question and it looked likely that some steps would be taken by the Government of India in this direction, the price of salt has dropped steadily. In 1927 the price was Rs. 104-9-0, a rate which left a very good margin of profit to local manufacturers and to those who imported salt in this country; in 1928 the price dropped to Rs. 88-4-0; in 1929 it fell to Rs. 66-9-0, and in February of the current year the price has gone as low as Rs. 55, a rate which leaves not only no profit, but as I said before, involves a loss. It is likely that, with the policy which Government have consistently pursued in the matter of closing down all private enterprise to create their monopoly in salt for a hundred years, it may take some time for Government to get in India all the necessary salt

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works going. The Government of India may take a couple of years or more to come to a decision. In the meantime, are those who have invested in these enterprises to be left at the tender mercies of these foreign syndicates and allowed to be wiped out of existence? I earnestly trust that the Honourable the Finance Member will look upon my suggestion as only a corollary to what he has done till now. If the Tariff Board reports that nothing requires to be done in this direction, I will have nothing to say. All that I am urging is that the Tariff Board may be asked to report on the conditions which have developed owing to the drop in prices, so that the public may be satisfied that the Government of India do not wait to take their decisions until the worst has been done to the Indian enterprise, which appears to be developing in the right direction, as far as my information goes.

Sir, the interests concerned in imported salt are not British interests. India is one of the principal countries to which mostly British salt was exported at one time. This, however, gradually declined since 1888-89 when it was 78·55 per cent. of the imports into Calcutta of British salt, and it has now dropped to 13·65 per cent. in 1927-28, as is shown in the following statement. In 1889, the total imports of salt into Calcutta

12 Noon. were 366,565 tons, of which the import from the United Kingdom was 287,945 tons. It steadily declined till in 1927-28, the total import into Calcutta was 596,220 tons, of which the United Kingdom's share is 81,225 tons, being a percentage of 13·63. I need hardly say that salt from Aden cannot by any stretch of imagination be included in foreign salt, but if this import from the United Kingdom is as small as these figures which I have just now quoted indicate, may I ask whether it is necessary to hesitate to find out exactly why these foreign interests, which control the price of salt—and that is being done from Calcutta—should have any special consideration from the Government of India.

**The Honourable Sir George Schuster:** Does my Honourable friend suggest that we are less ready to inquire if the imports are from the United Kingdom?

**Sir Purshotamdas Thakurdas:** I am very glad to have this assurance from the Honourable the Finance Member. I wished to mention that, as in this particular case the trade of the United Kingdom with India is not to be affected, it may be easier to have an inquiry without delay. I am grateful to my Honourable friend that he has put me a question which carries its own answer, that whether salt came from the United Kingdom or from other countries, the attitude of the Government of India would be the same. I therefore leave this subject with this earnest appeal to the Government of India to follow up the good work which they have started by reference of the salt question to the Tariff Board.

Sir, I wish to know why the Honourable the Finance Member did not turn his attention when he wanted more revenue by import duties to imports of wine, liquors and spirits. Every year during the last two or three years during the discussion on the Finance Bill I have indicated the great responsibility which lies on the shoulders of the Government of India in connection with very prompt action about the question of prohibition in India. I know the question is a provincial one, but I also know that many provinces who wish to progress in this connection have found

themselves rather badly fettered when they find that side by side with their prohibition policy imported liquor and wine have a free field in their provinces. Naturally they felt that their self-denial, as far as their province was concerned, only happened to be the gain of the Government of India. Sir, I cannot believe that the Government of India, or the Honourable the Finance Member, can possibly be anxious to earn the reputation of blocking the efforts of the Ministers in the provinces, who are making genuine and self-sacrificing efforts in the direction of prohibition. Why have the Government of India not taken any steps to find out what the provinces desire, and why is wine, liquor and imported spirit, left completely untouched in this Finance Bill? Is it the apprehension of the Government of India that they would be hitting the consumer of these, if they raised the duties beyond a certain point? Or, is it that they apprehend that, if they raise these duties above the present figure, they would not get more than what they get at present? What is the consideration given by the Honourable the Finance Member to what sane India—I particularly use the word “sane” in its fullest significance—has been pleading to stop the intoxication of our masses? Can it be the anxiety of the Government of India not to make liquor as costly as possible? I would very much like to hear from the Honourable the Finance Member why this one head of revenue has not yet attracted his attention? Even if Government get half a crore, it would be such a healthy indication given to the various provinces of the sympathy of the Government of India, that I am very much inclined to suggest to the Honourable the Finance Member, just for the purpose of giving a heartening gesture to the provinces, that this duty may be thought of even now. It would be more welcome to this side of the House than any of the duties which he has got in his schedule. I do not wish to say more about it. I am convinced that the Honourable the Finance Member only needs a little more pressure from us here, in order to enable him to do his best in this connection. May be this year, he has concentrated his attention on what will bring in crores and not attached much importance to multiples of ten lakhs.

Now, Sir, regarding the import duty on silver, may I congratulate the Honourable Member on the completion of his scheme by introduction of the Bill which he introduced yesterday in connection with the excise duty on silver. Regarding income-tax, I, for one, feel that, if taxation has to be increased, those who pay income-tax on incomes over Rs. 15,000 may well bear their share of the additional taxation. My Chamber do not support this, but I am sure that they would support this increase in income-tax and super-tax but for sound reason for their not doing so. That reason is this. They feel that the Finance Department have not attended to the bare requirements in justice of those who pay income-tax and super-tax. In England there is a very useful provision that, if a man has incurred loss in the previous year, for the purpose of assessment of income-tax he is allowed to write-off the previous year's loss up to a certain extent. The Government of India had perceived the equity of this, and my Honourable friend the Finance Member has told us before now that he will try and have it introduced in India hereafter. Surely, Sir, if the Government of India feel that those who pay income-tax and super-tax should carry their burden of the additional taxation, is it not up to them to see that, side by side with that call of duty, they also do bare justice to those who at present are being treated very unfairly? A man may have lost, say Rs. 1,00,000 last year, and naturally there is no taxation which

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he has to pay. He may make a profit of Rs. 2,50,000 this year and he is assessed to it. He may again make a loss of Rs. 2,00,000 next year and he finds that taking the period of three years as a whole his loss in business, viz., Rs. 50,000 is increased by the payment of income-tax and super-tax on Rs. 2½ lakhs profit in the second year. Now, I ask the Honourable the Finance Member whether he does not owe it to this class of taxpayers that he should do them justice side by side when he asks them to increase their burden. We of the commercial community are prepared to bear our burden of the additional taxation which may be required, but we do expect that the Finance Department should first attend to our genuine grievances without trying our patience and then ask us to shoulder a fresh burden of taxation.

I feel, Sir, that I should not take up more time of the House today, and I will only say one word regarding my amendment on the silver duty, namely, the readiness with which the Honourable the Finance Member saw the point of view which I put forward marks a welcome departure in the mentality of the Government of India as exhibited till now. I will develop this point later on when my relative amendment comes.

**Mr. N. O. Kelkar** (Bombay Central Division: Non-Muhammadan Rural): Sir, my friend, Sir Purshotamdas Thakurdas, has said that he is prepared to give the Government what is enough to balance the Budget. I rise to strike quite a different note, namely, to oppose the motion that the Bill be taken into consideration. And as I am going to explain my purpose presently, it is necessary that I should follow this method at the beginning rather than at the end. It is much easier to oppose a motion that the Bill be taken into consideration than to oppose it when the Bill has been amended and practically the House has expressed its opinion upon its details. My opposition is based on principle and I think I must raise that opposition at the very beginning. By this Bill the Finance Member, of course, asks for supplies to this Government which, as I said on a previous occasion, is irresponsible to the Legislature and therefore in my opinion it does not deserve any supplies at the hands of the Legislature till it becomes responsible to it. Therefore, I oppose this Bill.

Sir, there are three recognised occasions for the opposition in this House to comment upon the Finance Member's policy or the policy of the Government. In the general discussion of the Budget we are supposed to criticise mainly only the financial policy of the Budget. In the discussion on the Demands for Grants we give cut motions. There we discuss the merits of a thing here and a thing there, though, of course, even those cuts are intended to a certain extent to express our censure upon the departmental administration, or at least certain aspects of it. But that, if I may say so, is only a retail business of censure. The Finance Bill, however, is a consolidated measure asking for revenue and supplies and in that sense therefore it is a consolidated measure for asking the confidence of this House. Sir, if it is a consolidated demand for confidence, we must take the earliest opportunity to meet that demand for confidence by a consolidated measure of censure. This, therefore, is a wholesale business and the other was a retail business.

**Mr. M. A. Jinnah** (Bombay City: Muhammadan Urban): Same man cannot do both.

**Mr. N. C. Kelkar:** Some people have two shops in one city, one of them is a retail shop and the other a wholesale shop.

Sir, "grievances before supplies" is the common place of parliamentary theory and practice. In these three simple words is embodied a world of political wisdom. It is a consecrated formula and has so been consecrated by the practice of free nations up to this time. Sir, it is not very pleasant to oppose the whole of the Finance Bill, but it is a clear constitutional duty. I may assure the Honourable the Finance Member that I do not like to hear my own voice any more than he likes to hear his own voice. But if he cannot escape from opening his lips for demanding supplies, I cannot escape from opening my lips for refusing that supply, and this process must go on till the Government actually become responsible in course of time. It may be said that our opposition is not going to succeed. I know that, but that is no reason why we should not offer that opposition. Guaranteed success is not the only condition of effort and endeavour in this world. Our purpose will be proportionately served if we can say something about our opinion of this Government which will ring in their ears. We shall make them hear our opinion about them and then leave to their guilty conscience and to their supplies which will be tainted with our censure. The other day Mr. Baldwin said something very similar to the Labour Government. He said: "My censure motion may be defeated, but just as the rains washed out corn laws, so will unemployment wash out this Government." Varying the phrase, I shall say to this Government: My opposition may be defeated, but a day will come when this irresponsible Government will be washed out by the unceasing national agitation of the country. My opposition to the Finance Bill is not irresponsible. My friend Mr. Jinnah rightly described himself as a responsible Member of the Assembly, but even he and the whole of the Swaraj Party, of which I am proud to say you, Sir, were at one time a responsible member, headed by Pandit Motilal Nehru, that astute practical politician, threw out the Finance Bill in 1924 and the Bill had to be restored.

**Mr. M. A. Jinnah:** I may remind the Honourable Member that I was neither present at the time nor did I vote on that occasion.

**Mr. N. C. Kelkar:** Did you ever throw out any Finance Bill?

**Mr. M. A. Jinnah:** No.

**Mr. N. C. Kelkar:** I will have to verify that. In 1923 the Assembly refused to sanction an increase in the salt-tax and amended the Finance Bill. The Governor General then took the responsibility of restoring it. In 1928 we made large cuts in the expenditure of the Executive Council, under Miscellaneous and under Expenditure in England. This year Mr. Jinnah voted to cut down Rs. 5,46,999 under Army expenditure. All this was done with the full knowledge that the present irresponsible Government would restore the items. Also with the knowledge that the administration of these departments in that year would not go on without having much money to spend. If that action was regarded by the authors of that action as responsible, surely there is no reason why my opposition or our opposition to the whole Finance Bill should be regarded as irresponsible. In view of the chances of its failure, our opposition to the Finance Bill may be regarded by some as merely formal. In the first place, it is not formal in the sense of being insincere. By my opposition

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I do exactly mean what I say. But I would like this irresponsible Government to come to grief for want of funds to carry on the administration. But, even supposing it has the appearance of formality, what does it matter? Are not there so many other formalities through which we in this House have to pass from the ushering in of the President to the adjournment of the House? If supply must be asked for in a formal manner, it must also be opposed in a formal manner. They are the two poles, the positive and the negative, of one constitutional action. If Government's administration must go on, so also must the nation's protests and His Majesty's opposition. Sir, we cannot afford to go by default in this matter; for the pretence of Government before the world is that they govern and get supplies for their Government by the free consent of the nation. We must therefore knock down that pretence on the head and as promptly and as forcibly as we can. As in legal practice, so in this Legislature any prejudicial assertion must be met promptly by its denial. The Government may be irresponsible, but we are responsible to our electors and the nation, for a prompt, active and vocal protest. The protest must be put on record point by point, as often and in as many forms as the demands themselves are made upon this House. In offering my protest and my opposition, I am therefore in full earnest, but I shall not however use any strong words of abuse and that will be so, not because this Government does not deserve any such words of abuse but because words of abuse may spoil one's culture. In 1928, Sir Basil Blackett said "Whatever the merits of the censure that was intended, it was obvious that the money was required". In that callous spirit our acquiescence is always demanded for supply and expenditure. No opportunity is wasted by the Government to tell us in effect this, "We shall have our own way whether we get your consent or not". That is in all conscience, a very humiliating position for the nation. And our reply to that callous observation will be this, "Whatever the merits of your demand for supply, it is obvious that the nation must record its uniform protest". It may take some time for us to bring Government to its knees. But we, the elected Members, will be unworthy of our trust, if we ever fail to record our protest at every point of contact where Government is likely to construe our silence into consent.

Sir, in free countries, Cabinets are responsible to the Legislature. And the practice about votes of censure is different from that in this country. There Cabinets are so susceptible of honour and dishonour, confidence and censure that Cabinets resign if any important cut, motion or amendment of a Bill, much more so in money Bill, in respect of a material particular, is carried against them. They keep their official escutcheon so polished and clean that any tiny blot thrown upon it, they regard as a challenge for a fight. They take up their sword and shield and go to the arena to fight a duel in new election with their political opponents. And the whole nation ultimately gives the verdict. The purpose of censure is therefore satisfied in these countries by motions or amendments on details. It very rarely comes to throwing out the Finance Bill. Success in a skirmish on the mere outposts naturally obviates a battle royal. But in this country it is quite otherwise. Here an irresponsible Government is permanently installed in office. Their body, from top to bottom, is covered with a two inches thick hide of rhinoceros of irresponsibility. What effects, therefore, can the slings and arrows of our censure produce on



this pachydermatous beast? We have therefore to take wholesale measures against them. And if we cannot seize upon their throats and kill them, we may at least try to fell them by pulling their legs. (Laughter.) Sir, if I go on pointing out our grievances and the blemishes and weaknesses of this Government and of their failures in duty, it would be quite a long roll and it would be quite tedious. I therefore give up that aspect of the debate in this matter.

I shall only take up the central question, namely, about the policy of Government, and show where the whole policy of the Government is wrong in a number of ways. I shall therefore briefly explain the heads under which I consider the policy of the Government is wrong. The first point about their policy is the exploitation of wealth and resources of India whether it be agricultural or mineral or otherwise. Secondly, they use India as a pivot of the Empire and use her military resources for aggression in other parts of the world unconnected absolutely with the defence of India or the interests of India. The other day I came across a cutting in the *Daily Herald*, which throws a flood of light upon all the activities of the Government of India here and of the English speaking people abroad. This is from the *Daily Herald*:

"In the middle of the Great War: it had come about that the British Government was subsidising ex-King Hussein of Iraq while the Government of India was subsidising King Ibn Saud. The British Empire, in fact, was backing both sides to fight while somewhere in the middle the British official, Mr. Philby, was trying to make peace."

This is how the activities in other countries are being financed and helped by the Government of India.

Then my third point of policy is that the Government are allowing other Members of the Empire a free hand in illtreating and humiliating Indians, and for that I need only mention the case of East Africa, South Africa and the latest case about the franchise in Ceylon. Then, the fourth point in their policy is the systematic suppression of Indian talents and abilities. Then the fifth point is the encouragement of disunion among classes, sections and races in India, that is the policy of divide and rule. The sixth point in their policy is the putting of heavy handicaps on industrial and economical development of India. The seventh and the last point is the emasculation of India's manhood by disarming and non-Indianisation of officers' ranks of the Army. The other day in the Library I came across a Red Book containing hundreds of pages giving the names of Indian soldiers who had won the V. C. in the War, and sometimes I feel tempted to fling that book at the head of any man who says that in India they cannot get Indians to man the officers' ranks in the Indian Army. But that subject I am going to leave to my Honourable friend Dr. Moonje who I think will more ably deal with it than myself.

**An Honourable Member:** Give him that Red Book.

**Mr. N. O. Kelkar:** Yes, I will give him that book. He will perhaps fling it more forcibly than myself. I say the Government should note one fact, that a gradual change, perhaps not gradual but even a swift change, is coming on political opinion in India. First, during the last 75 years, came the generation of loyalists and toadies in India, and they have had nothing to do with politics. The second generation was of admirers of British rule at a distance, and they were enamoured of that rule, but they were not toadies. That was an improvement. The third generation was

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of believers in reasoning and persuasion only. If they could produce statistics and figures and manipulate them by beautiful arguments, they were sure that the British Government were so reasonable in their minds that their best arguments were their best weapon. That was the next generation. Then came the generation of the sleeper awakened. In the three past generations, neither loyalty nor toadism, nor expressions of admiration and admiration nor sweet reasonableness or persuasive arguments had any effect on the Government. Then came the generation of people who saw that they were sleeping so far and they were now awakened. Then came the generation of people who combined co-operation with strong criticism but who did not go beyond strong criticism. Then came the generation of obstructionists who said—as I am saying now—that whatever the merits of the demands of Government, our duty was to put forward obstruction to Government, because what Government wanted to get out of the Legislature was not really out of the free will of the nation or the Legislature; and they wanted, as we do now, to knock that pretence on the head that, Government has the backing of the Legislature. Then came the passive resisters, men who were not afraid to go to jail. And lastly I may mention the generation of revolutionaries, who are now giving an account of their activities and sacrificing their lives like anything in the different parts of the country. All this change has taken place during the last 75 years. I wish Government to notice the fact that the change has been very swift in this country, and I will further explain by mentioning three or four people who were practically related to one another as teacher and disciple. First take Dadabhoy Naoroji. When he entered public life, he used positively to say and preach that British Government was a blessing to India. Then came Ranade, who was practically a disciple of Dadabhoy Naoroji. He did not like to say in a straightforward manner that it was a blessing, but he was a philosopher and used to say that British Government was a divine dispensation for India. "Divine dispensation" has of course more meanings than one. Therefore he just suggested the idea of blessing and kept something in reserve. Then came Mr. Gokhale, who did not like the interpretation of "divine dispensation" as a blessing for India, but he put the cap on the head of India and blamed India itself for keeping such a bad Government. He did not give up the formula of divine dispensation preached by his *Guru*, but everything bad as well as good is ultimately a dispensation of the Divinity. And so Gokhale improved upon Ranade, by saying that British rule certainly was a divine dispensation, no doubt, but it was neither a blessing nor a curse. But he attributed a double meaning to it and as between the Government and the people he said to the people that they deserved this bad Government. He openly called it bad; and then what is more interesting than all this, is that Gandhiji, who calls himself a disciple of Gokhale, openly came out and said that this Government is Satanic and a curse. This is how a change in political feeling and sentiment in India has come about in 75 years from one generation to another, and I have mentioned these four prominent names in the country who were in a way related as disciple and teacher in this political school of thought.

**An Honourable Member:** What does Kelkar say?

**Mr. N. C. Kelkar:** Kelkar does not count; he is neither Dadabhoy nor Ranade nor Gokhale.

Here I will read a few lines from the latest utterance of Mahatma Gandhi:

"British contact may be a good thing, may be a God-send, but British rule may be a curse and we may have the one without the other. My description of the rule as a curse would be accurate even though a knowledge of the good influences of British contact might be present with me at the time of giving the description. Personally I dispute much of the glorification whether of the British contact or the British rule. Is the doubtful character of the moral results on the educated few an ample or any compensation for the pauperisation of the millions? Nor do we fully realise the meaning of economic distress. It is below par in the sense that the distress has reduced the man in India below his species. He is an underfed beast of burden in human form and is daily sinking. The money taken from him is never used for his betterment."

These are the words of one of the greatest patriots that India now possesses.

Now, it may be said, and sometimes it is said, on behalf of Government that the British Government have conferred so many benefits upon India that India would be ungrateful if she did not accept British rule in consideration of those benefits. But here I would just like to quote an American author who looks at the connection between the British Government and India from a detached point of view. Let us see what he says about the so-called benefits of British rule:

"In estimating the true character of British policy in India one should seek rather to discover its ultimate object than judge it by casual results. The deep political purpose of an alien Government is not revealed by the material improvements it makes or those that occur under its administration of a country; railways, roads, imposing public buildings, factories and other betterments conduce and in modern times are essential to profitable economic development, as also are peace and public order. Betterments of this character in a country cannot be attributed altogether to a purpose of the Government to improve the condition of all the inhabitants. They occur in all countries and under all forms of government. The guiding motive may be profitable economic exploitation. It is possible for a policy of economic exploitation and a policy of political and intellectual repression to move side by side."

Now, to meet these sentiments and feelings on the part of nationalist India Government often come out on their part with declarations. This habit of coming out with declarations has been with them for about a century or more. Every declaration by this Government, however, has been very vague and unreal. In many cases it is like the acrostic which is called the Devil's or the Witch's Prayer; read from left to right it is a blessing, but read from right to left it is a curse. Take the Act of 1833. There the words are:

"Equality as between Indians and Englishmen."

The views of Munroe on this point are well known. Munroe was the first English statesman to advise this Government to go on with Indianisation, because he used to say that, if the services were not Indianised and if the Indians were not given a real chance and opportunity to learn the administration, then this Government would be working against its own plan and design. But Government have not yet done that completely for the last hundred years and still we are here in this House at present fighting for Indianisation. In some departments it is 50, in some departments it is 60, a promise in some departments of 75, and yet we are told that the progress must take so many years and so on.

Then came the Proclamation of 1858 and what are the words there? "In their contentment lies our happiness". Now the whole world sees

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what contentment there is and what happiness there is in India. If really that phrase were correct, if that sentiment was correct, then we can say of the present Sovereign in relation to India, "Uneasy lies the head that wears a crown". If the happiness of a King lay in contentment, here is Indian discontent incarnate, and therefore the King Emperor must really be unhappy to see India in such a state.

Then comes the declaration of 1917, and in respect of that, as I have already said, it may be turned into the witch's prayer. "Progressive-realisation of responsible government"! It may mean anything and everything. Then I can say the same thing about the latest declaration in which reference was made—I do not say who made it—but the latest declaration about the Round Table Conference and the offer about Dominion Status. But all these are superfluous declarations. What Government really feel in their hearts is something quite different and this American author after having had conversations with many prominent officials in this country has laid it down that Government feel a grudge as it were against even America for setting a bad example by giving liberty to the Philippines. He says:

"I found the British in India, both in and out of the government, in a state of subdued rage about what the Americans were doing and proposing to do in the Philippines. I found that they regarded the introduction of American policy into Asia as an unmitigated disaster. They were not shouting this opinion from the housetops (exigencies of imperial politics inhibited), but it was stated plainly in private talk, and imbued the English administrative and social organisms. I found that ideas of an intensive educational uplift of the natives, of conceding their right to administrative autonomy and hastening it, of perhaps quickly giving them national independence, in short, the extension of American political institutions and ideals to the Philippines were regarded as equivalent to throwing a political firebrand into Asia."

At that distance the Americans were doing it, and how do the British officers lose anything? But they feel that they come into automatic comparison with the American Government which is giving the rights of self-government to the Philippines and therefore they resent it. They not only do not give rights of freedom to the Indians but they resent that sort of behaviour from any other Government in any other part of Asia because they consider all Asia as one, as the one sphere, in which the incompetence of Indians has got to be established by common effort.

Then the latest declaration on the part of the Government about the Round Table Conference. I think here a hare has been started, but I am afraid there will be no kill. This Conference cannot be a success so long as the essential conditions of success are wanting. As my Honourable friend, Mr. Jayakar, is fond of saying, there is no atmosphere of reality about this Conference. Now, if there was a sincere belief on the part of those who offered the Round Table Conference that they are giving something real, then of course they would not evade and avoid the pronouncement of the fulfilment of certain conditions which are essential to the success of this Conference. What they offer is a clean slate and whatever you like to put on that clean table, of course you are responsible for it. So far as the Government themselves are concerned, there is absolutely nothing to be placed on their side on that table.

Then there is the minorities problem. They make difficulties about that. But they do not know that the League of Nations, where the conflict of

minorities is as keen as in India, have solved that problem through certain agreements to which all nations could come together and why was it a success there and not a success here? Because there they were moving in an atmosphere of reality and not in an atmosphere of delusion as we do in India. In Canada, the French and the English came to terms and settlement and agreement. They solved their own racial problems. Why did they do that? Because they were face to face with a reality. They were absolutely convinced in their mind that dominion self-government was coming and as soon as they saw it was coming they came to an agreement and solved their own problems. Then more surprising perhaps is the case of South Africa. In Canada there were two races fighting, but in South Africa there were four republics of different races and yet what happened there? In 1900 South Africa was a Crown Colony. In 1905, it obtained representative institutions and in 1909 it got full responsible government and became a Union. How was this done? Because there was the atmosphere of reality. These people were told on the eve of the Convention, "Whatever you do and settle amongst yourselves unani- mously, that will be given the shape of a statute by Parliament with- out the change of a single comma". I do say to the Government that if the British Cabinet does the same thing for us here, all the problems about minorities' conflict and other things will be solved. But here we are not in that atmosphere of reality. There is nothing real before us, no postulates and nothing of that sort, but only a clean slate put before us to write on. What happened in South Africa? Mr. Brand who writes about the Union of South Africa says this. He wonders, he had been all along wondering, how this Union has been accomplished and how the racial difficulties were got over. He says:

"What would President Kruger have said in 1899 if he had been told that in less than seven years after the complete destruction of the Republics and their annexation to the British Empire, a Constitution embodying all that the Uitlanders had struggled for would have been enthusiastically accepted by all parties and races in South Africa? Would he have believed his eyes had he seen appended to that document, side by side, the names of Dr. Jameson, who raided the independent Republic of the Transvaal in order to overthrow its government, and General Botha, who, then a leading citizen of the Republic, is said to have demanded that Dr. Jameson should be shot as a free- booter."

Here we see two unfriendly people sitting side by side, solving their problems and signing a convention and making a union possible. Why did they do it? Because there was an atmosphere of reality before their eyes and the British Cabinet had told them positively and in so many words to produce a unanimous constitution which they would carry out and give it the form of statute without the change of a comma. I can cite authorities for this from speeches of Mr. Churchill himself. So these are the declarations of our Government. These are the policies of Government and these are their offers for the betterment of our condi- tion and offers also for giving us self-government. Now, side by side with that, I can remind this House of the state of things that obtained in Ireland because there also there was a Round Table Conference as between Ireland and England. I will just read a few words as to what happened there in relation to the round table conference between the Irish leaders and British statesmen.

"It was guaranteed beforehand that full Dominion Status would at once be conceded."

[Mr. N. C. Kelkar.]

That undertaking was given.

"Neither in the preliminary talks nor at the round table conference did the Irish Delegation consist of the nominees of the British Government. The North was invited at the preliminary talks but not at the conference. When the peace pourparlars started, it is estimated there were several hundred Irishmen in prison for political offences and a few hundreds were "on the run". As soon as the talks commenced, four Irish leaders of the Dail were released from the Mountjoy Prison to take part in them. As soon as the truce was signed, the Dublin Castle released all the imprisoned Dail members and those hitherto "on the run" appeared freely at public meetings without receiving any notice from the police forces. A general amnesty followed as soon as the Treaty was signed."

Now, here I have given this Government the instances of Canada, South Africa and Ireland. In these three cases the problem of reconciliation has been solved satisfactorily as between the rulers and the ruled, but in India that is not being done, and that explains the change in political opinion that has come in India. A few moments ago I cited the example of Dadabhoj Naoroji who said and preached that British Rule was a blessing in India. But in 1906, that old man of 80, who presided over the Calcutta Congress, and who first propounded the doctrine of self-government or Swaraj for India said, "I have been so much disappointed, driven so much to desperation by the British Government that if I were a young man I would rebel against this Government". In that respect I would give one instance more about America. Dadabhoj Naoroji and George Washington I put on the same level. They were such high and illustrious characters, men of such eminence, men of such pure motives, and such great patriots that for a comparison with Dadabhoj Naoroji I could only give the example of George Washington, the President of the American Republic. Now, George Washington himself, like Dadabhoj Naoroji, was an admirer of the British Government. He was a loyalist; he was counted among the loyalists. But even he was driven to despair, and the world knows that ultimately he took the lead of the Army and was the first President of the American Republic. If Dadabhoj Naoroji also had an army, and if there was a chance for him to rebel, as he himself declared that he would rebel, then, I suppose he would have been victorious and would have become the first President of the Indian Republic. Of course that may or may not have been. That is not the point. But the parallel can legitimately be taken for explaining the change of feeling that has come in the people's mind in regard to politics. And now what Dadabhoj Naoroji could not do, the younger generation is doing. Dadabhoj Naoroji said he would rebel, though he did not actively preach rebellion, and yet, just as when there is a water gallery at a higher level, it springs out at the lower level in unexpected directions, so this rebellion is coming, and therefore you cannot hold this younger generation from what they are doing. You have no right to blame the younger generation for carrying out what Dadabhoj Naoroji himself said at the Calcutta Congress. Now, in order to make the parallel complete, I will say only one more thing. If Government betimes reconsider the whole position and offer sincerely, earnestly and speedily, self-government or Dominion Status to India, things may perhaps be quiet, but if that is not done, then we see—Independence has already been proclaimed, and in that respect I can imagine George the Fifth or perhaps his successor, I cannot say who, will have to be in the same position with India as

George the III was in respect of America. I will cite to you rather an interesting passage on this matter. You all know that George Washington fought and won his country's independence, but what were the relations afterwards between England and America?

"While it was not long after the surrender of Yorktown that John Adams recounted, with as much feeling as any Adams could evince, his first audience at St. James's as Envoy of the new country."

When America became free, England accepted and recognised her stable Government and accepted it as a nation of the World, and then naturally it allowed America to send envoys and ambassadors to England. Now the first envoy happened to arrive in the time of George III himself, who resisted independence, and this is what happened. The ambassador met the King. The ambassador of the nation was one who fought against England and the King was the King who resisted independence. When the interview took place, this is what King George III said: "Sir", said the King, "the circumstances of this audience are so extraordinary; the language you have held is so extremely proper, and the feelings you have discovered so justly adapted to the occasion, that I must say that I not only receive with pleasure the assurance of the friendly disposition of the United States, but that I am very glad the choice has fallen upon you to be their Minister" (because he had taken a prominent part in bringing about the independence).

**The Honourable Sir George Schuster:** Might I tell my Honourable friend that, if he would hold a class for constitutional lectures, I should be very pleased to attend them, but I suggest, Sir, that we might get on with the Budget now.

**Mr. N. C. Kelkar:** I shall be very glad to have the Finance Member to be in that class, but I am speaking for a definite purpose. As I said at the beginning, I do want to resist this motion and to say that I do not want to vote this Government supplies unless and until this Government give the assurance—though ultimately it may be in the hands of Parliament—but let this Executive Council come forward with a document, in which they tell the British Government that responsible government, Dominion Status, should be given to this country. When that is done, I will gladly give this Government supplies, but so long as that is not done, I am not going to give this Government any supplies. So I am not uselessly giving a harangue or a lecture on politics, but I am saying everything that is pertinent to the present occasion.

**Mr. President:** The discussion might be cut short if the Honourable Member is prepared to give the assurance asked!

**Mr. N. C. Kelkar:** I will conclude with three more sentences now. This is what the King said to the ambassador:

"I wish you, Sir, to believe and that it may be understood in America, that I have done nothing in the late contest but what I thought myself indispensably bound to do by the duty which I owed my people. I will be very free with you."

King George says to this ambassador: "I will be free with you. I was the last to consent to the separation; but the separation having been made, and having become inevitable, I have always said, as I say now, that I would be the first to meet the friendship of the United States as an independent Power".

[Mr. N. C. Kelkar.]

Therefore, I say, if the British Government grant Dominion Status, we are prepared to take it; if they fail to grant it, I have cited their own history, which will give them an idea of what may happen—and the future Sovereign of England will receive the ambassador from India and say to him, "I will be very free with you; I accept you as my ally".

**Pandit Nilakantha Das** (Orissa Division: Non-Muhammadian): Sir, it is somewhat awkward for me to stand here to oppose this Bill just after my Honourable friend Mr. Kelkar has spoken. He opposed the Bill on constitutional grounds. That is ground enough in itself on which all supplies should be refused. But, Sir, as the Bill relates to the entire Indian finances, and the financial policy of Government, I feel I should oppose this Bill as far as possible on financial grounds too. I shall first begin with the aspect of financial policy. In this Bill my Honourable friend the Finance Member adopts what he calls radical measures. It appears he is always living in a glass house, through which he sees the Indian Empire, and whatever radical measures he might introduce, they will have nothing to do with the real conditions prevailing in the country. The consumer and the taxpayer are the people by whom we, as their representatives, as well as the Members opposite as Members of the Government, have got duties to discharge, and I may say briefly that it is not by imposing duties in season and out of season that we discharge those duties. If we want to realise our duties by them, we must be acquainted with their real condition. Certain theories have cropped up during the course of ages, especially in a country like England, a country which has got to live by selling its manufactured goods, and our Government as well as many of us, on account of a tradition set up in this country, are fighting, on the strength of those much-made-of theories, for the development of our resources in a country which is agricultural and whose people to that extent have practically nothing in common with the people of England. There are also certain sentences in the Finance Member's budget speech which I may call budget baits. Some political advantages which may accrue from our agreeing to certain mischievous measures have also been pictured to us. His main burden of speech again seems to me to be that, like a very good housewife, he is after reserves. Last year he created what I may call a military reserve. It practically continues; and even when it began, the remark was made that these reserves are not only unnecessary considering the conditions prevailing among the taxpayers in India but they speak of a very bad future. There is also the ever-open sore called the Railway Reserve, on which any further discussion here would simply be tautology. Now, there are being created other reserves such as the debt redemption reserve and some other reserves, which I have forgotten, and they will be set apart, like untouchable individuals, in the dark corners of our public treasury. I do not know for what purpose they will be applied or invested in the meantime so long as they are not actually required for purposes for which they are reserved. It is, so to say, a kind of temporary embezzlement so far as the taxpayers' interests are concerned. Reserves may be *prima facie* very good things, but we must understand the real nature of the difficulties among the masses when we are going to impose fresh taxation to the extent of about 6 crores, and when, in the same breath, the Finance Member has himself said that the purchasing power of the poor peasant and the taxpayer in this country has gone down to a very



large extent, and it is a fact. At such a time to fall upon reserves like these is not only unnecessary and bad, but it is criminal, to say the least.

Then I come to what the Finance Member calls economy. The first item of economy that I wish to touch upon is the curtailment of expenditure in railway capital investment. Apparently it is a very good thing, but I may observe that, in effect, it will go to kill many of our new enterprising industries in this country. Last year this subject was discussed in connection with the stores purchase policy. After the war times were over, the manufacturers of railway materials in England wanted support, and ready purchasers to sell their articles at very high prices. For this purpose the then Member in charge of Commerce wanted to create a separate railway fund, and committed this Government, as well as this House, to an expenditure of 30 crores new investment each year for five years in the name of development of the country. This fund yearly set apart was so enormous that, in spite of inefficiency and lavish expenditure and mismanagement, the entire money could not be spent. What was at the bottom of all this? I deliberately say it was not for the development of India. It was to help the British manufacturer. In the Imperial Economic Conference in which Sir Charles Innes, the predecessor of the Member for Commerce represented India, he said so in so many words. Those words have often been repeated in this House and they will bear eternal repetition, as public memory is short. He said:

"Large sums have been set aside for the rehabilitation of her (India's) railways and I hope that we may be able to embark on some new construction. On railway material alone we spent last year, almost entirely in this country, more than 8½ millions sterling. Other development schemes are in contemplation, and in one way or another the Government estimate that something like 70 millions sterling will be spent on imported stores during the next five years for the railways and other development schemes. As in the past, so in the future, I have no doubt that the skill and enterprise of the British manufacturers will see to it that the vast bulk of their moneys will be spent in this country."

Again he says:

"The Government of India were required by rule to buy their imported stores through their Stores Department in London, which was under the control of the High Commissioner for India. The High Commissioner had to accept the lowest satisfactory tender; not necessarily the cheapest, for he has been given a wide latitude for selection."

Again:

"The practical result has been that between 90 and 95 per cent. of the value of the purchases made through the High Commissioner during the past year had been expended in England on articles produced by British manufacturers."

That is the result and it speaks for itself, I do not know whether there is, on the non-official side, as much anxiety to see to the promotion of the iron industry as there is for the cotton textile and other industries which are very well represented in this House. It was quite impossible even to divert at least 5 or 10 per cent of this money to the Indian market. If they had done so, many young industries would have come into being here, and if they went on progressing, perhaps this Government, led by the nose by a band of people six thousand miles away, would have come with a begging bowl in one hand and a pistol in the other for a preference, or even bounty to the British manufacturer for our railway purchases, with a view to kill our industry and re-establish the market which their forefathers had prepared for them in this land.

I put a pertinent question to my friend Mr. Parsons last year. I asked him, in course of the Railway Budget debates, whether it was not a fact

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that some of these firms (Indian manufacturing firms) were encouraged in this business (of making railway materials), and they are now no more, because they were starved out for want of orders. His clear answer was, "At any rate that is the position". What was wanted to be done in the interests of the British manufacturer was being achieved in this way.

I had the honour of being a member of the Railway Finance Committee last year. I went into this question very searchingly. I spent the entire year practically on this iron industry and the purchase of railway materials. I have tried my best constitutionally to impress my view on the Railway Board. But we have no power in that Committee. It is not a statutory committee and we can only recommend, and we do not know what becomes of our recommendations. I persistently pointed out the state of the iron industry in this country, and I wanted the Chairman of the Committee to divert the purchases to the Indian manufactured articles. Not only that. I wanted him to devise means so that railway materials that are not now manufactured in this country might be manufactured here in future. We are spending about 30 to 35 crores every year, both in open line and new construction, and if this money be properly diverted to the Indian markets, with the collaboration of the Members in charge of Industries and Labour, both here as well as in the Provinces, if need be, and if this money could also be utilised for the development of the iron industry in this country, it would not take ten years to stop purchasing in the British market each and every article that we purchase for our railways and even for Military and other purposes.

**Mr. President:** Was not the Honourable Member in the House when the Railway Budget was under discussion?

**Pandit Nilakantha Das:** Unfortunately I was not a Member of this House then. This Finance Bill is claimed to be for the development of the country, but I am shortly going to show that it is not for the development of our industries but for killing them, that these economies are going to be made. They are not real economies.

**An Honourable Member:** Convince the House.

**Pandit Nilakantha Das:** I shall convince the House, but unfortunately conviction carries no vote in this House.

I said just now that it would not take more than 10 years, and in order to bring matters home in this connection you will permit me, Sir, to enter, as briefly as possible, into the history of the iron industry in this country. Practically, it is the Tata Iron Works of Jamshedpur alone which provide raw materials to other iron industries, and that is the only Indian concern. I have used the word "Indian" deliberately, as there are other firms like the Bengal Iron firms, etc., which I call non-Indian. Of course, I am not now dealing with the textile industry, to which I shall come on some other occasion if you will permit me to do so. I am dealing with iron industry for the present. I made my headquarters at Jamshedpur in order to study this problem thoroughly from the point of view of labour, management of the industry, Government encouragement, and from every possible aspect I tried to study the question, though I was not in the beginning of my life an economist. What did I find there?

Today we see that people are coming for the protection of their industry at home, and, at the same time, instructions are being issued that India should participate in a Round Table Conference for self-government if, at

the expense of Indian development, England could be supported. Three years ago, in the case of the steel industry, the same plea was advanced. Now Imperial Preference is in its naked form, but then, as my Honourable friend Mr. Jinnah told me, it was not Imperial Preference as such. Be that as it may, we were asked to give the British manufacturer a chance. But what about the development of our own industry? We were asked to try to protect our own industries side by side with those of England and the taxpayer spent his money like water in order to do so. But what did I find after all this? After my searching inquiry and investigation, I came to know that no protection was necessary at all in India. It is simply a *camouflage* and a subterfuge to protect the manufacturers at home. Any protection that is given to our iron industry in the name of development of India is simply misdirected, manipulated and what I may call criminally abused. In this connection you will permit me, Sir, to read out to the House a Resolution which some Members have tabled to be moved in this Assembly. It runs thus:

"This Assembly recommends to the Governor General in Council that he may be pleased to appoint a Committee of officials and non-officials to enquire into and report and recommend remedial measures on the working of the Tata Iron and Steel Works of Jamshedpur with special reference to the following points:

- (a) Whether and to what extent the protection granted to save the Company is justified.
- (b) Whether and how far the Directorate and the Managing Agents, ultimately responsible for the control of the entire business, are in Indian hands as originally contemplated.
- (c) Whether and how far the present controlling agency is actually working for the Indianisation of the Industry with a view to promoting Indian economic and industrial interests.
- (d) Whether and to what extent the manufacture of Steel policy involved in the sale of products and scraps and the purchase of materials and machineries as well as the loan policy of the concern are justifiable.
- (e) Whether the State is doing whatever it can in its purchases and otherwise to encourage this basic Industry.
- (f) Whether and how far, if any, the management and the controlling agency are responsible for the danger of labour troubles kept up under manipulations of people interested in matters other than labour."

There is also a confidential memorandum which I hold in my hand. It shows that not only are the members of Government dictated to from Whitehall, but there are agencies throughout this country, even today, to strangle our industry or to use them for their home purposes.

In the course of my speech, I shall be compelled to use the word "Englishman" in a rather undignified manner, but I know there are exceptions and that all Englishmen are not alike. They are not all interested in killing other nations and filling their own pockets. Therefore, whenever I will use the word "Englishman", I will use it with this reservation.

This Tata Iron Industry is known to be an Indian industry, and its scope for development is enormous. I told you in the beginning, Sir, that, if properly nursed and looked after, in 10 years' time our industrial development would have killed the Indian market for all other nations outside India. Let me illustrate this with a reference to the Tata Works.

Who made this huge industry at Jamshedpur? Now, if you go inside the Tata Iron Works, you will find that almost every important branch of it, from top to bottom, is practically in the hands of or are controlled by Englishmen. (Mr. B. Das: "Americans.") I know they are not Americans, except the General Manager, Mr. Kinnen. Is Sawday American, is Peterson

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American? The business is practically now in English hands, and these English hands and English brains are responsible for and clandestinely and surreptitiously manufacturing and selling articles and managing the entire concern for the benefit of the people of the British Islands and the interests of the Imperial British race.

All honour to the name of Jamshedji N. Tata. He was a great patriot—a great man with great conceptions. His idea evidently was to build an Indian industry ultimately to be run by Indian hands for the benefit of India. So with that view perhaps it was well begun, as I shall presently show. During the last world war, it also did yeoman service to the Empire, and that at an enormous sacrifice—a sacrifice of several crores of rupees, which the concern could have made for itself if it so desired. But what came in return for all this? Now the plan is to let it pass into English hands anyhow by manipulation. Or if it is to remain Indian in name, it must be allowed to remain in a moribund state, burdened with heavy interest bearing English debentures, to supply raw materials to English concerns in peace time, and to be kept in readiness and reserve for war purposes, if ever any war threatens England so as to make that country depend on India for war materials. This is the clear position. It must be allowed to live, but it must never be allowed to contribute in any way to the development of Indian industry and Indian resources, which evidently was the object of the great mission of Jamshedji N. Tata.

Now what was primarily responsible for the original success of the Mission when Sir Dorab Tata started the concern in 1907?

**Sir Purshotamdas Thakurdas:** Mr. Jamsetji Tata was the first to conceive the idea!

**Pandit Nilakantha Das:** No, it was Sir Dorab Tata. Jamshedji Tata had been dead by that time. In 1907 shares were issued by Sir Dorab Tata and Mr. Padshah. The money market was then very tight in England. It is unfortunate that we have come to such a perverse state of culture that we have no strength to depend upon ourselves for anything. We turn our eyes to England. That is the subjugation of the culture or cultural subjugation, as I have often said on the floor of this House and elsewhere. So naturally, Sir, Sir Dorab Tata and his friends turned their eyes to England for money to establish an industry in India. Where can the money come from? It cannot come from India, you must go to England. The English money market was then tight. If only an Englishman had entered into that project, things would have been different. So the project was going to be abandoned. Mr. Lovat Fraser, in his book on Iron and Steel in India—a Chapter from the Life of Jamshedji N. Tata,—says:

“The Swadeshi movement which on its more praiseworthy side meant the cultivation of the doctrine that the resources and industries of India ought to be developed by the Indians themselves, had reached its height. All India was talking ‘Swadeshi’ and was eager to invest in ‘Swadeshi’ enterprises. Sir Dorab and Mr. Padshah, who had spent weary months in the City of London without avail, after their return, conceived, in conjunction with Mr. Bilimoria, the bold idea of appealing to the people of India for the capital needed. The decision was a risky one, and many predicted failure, but it was amply justified by the result. They issued a circular which was practically an appeal to Indians. It was followed by the publication of a prospectus, which bears the date August, 27th, 1907. Mr. Axel Sahlin, in a lecture delivered to the Staffordshire Iron and Steel Institute in 1912 has described the instant response. He says: ‘From early morning till late at night, the Tata offices in Bombay were besieged by an eager crowd of native investors.’”

In fact all the money was subscribed by seven to eight thousand Indian shareholders in three weeks. I need not tire the House by reading further quotations. This was how the company was financially begun, and then for the working capital the Maharaja of Indore purchased all the debenture shares. This is the whole fact about the huge financial starting of this concern. Money for enterprise is not wanting in this land. But the spirit is wanting—nay, it is being killed every day. The Honourable the Finance Member looked perhaps for money in England in vain the other day. The London money market is tight. Will he care to tap the "Swadeshi" spirit in India? Will he nurse it? Will he depend on it? No, he knows only to put his mailed hand into the almost empty pockets of the helpless and unwary taxpayer.

Then, let us see, who made it possible for the Tatas to fix the place of that industry in Jamshedpur. The American, the English and all other experts in geology and industrial mining and technics were requisitioned into service by Mr. Tata, and they had been looking into all the survey maps and geological atlases available, and moving in several places for years and years. After several years of weary labour, they could come to no conclusion, when at last an Indian, a Bengali, by name Mr. P. N. Bose, then in the geological research service of Mayurbhanj State of Orissa, boldly gave the uncalled for information that there were hills and fields of good iron ore in Gorumahisani in Mayurbhanj within better reach of the Jharia fields of cokable coal. As the results of the investigation on this information, the concern was finally established at Sakchi, now re-named Jamshedpur. The same author, Mr. Lovat Fraser, in the same book gives his appreciation of the practical character of Indian genius in these terms:

"In the story of the industrial development of India, Mr. Bose is assured a permanent mention. His enquiries were the prelude to the discoveries of Mr. Weld in the Durg area, and he now pointed the way to still more promising results. His work is one more refutation of the current criticism of Bengalis (and Indians, for that matter, I may say,) on the supposed ground that they are not practical men."

We are often told that we are not practical men, that we are not businessmen. So, the other day when I was discussing, in the Railway Finance Committee, the appointing of Trade Commissioners for the development of the Indian market elsewhere, I asked whether these Trade Commissioners—and my Honourable friend Mr. Fazal Ibrahim Rahimtulla was one with me in this—would be Indians. It was with much difficulty that we could make our friend the Chairman of the Railway Finance Committee, appear to agree for the time being to the reasonableness of the argument for appointing Indians for those posts abroad. But he said, that could only be achieved in course of time, for the one post under discussion had already been fixed for an Englishman. Now, I understand that six or eight Trade Commissioners will be spread all over the world with fat salaries, and I am sure, there will be no Indians amongst them, for Indians are not businessmen. These Trade Commissioners are all to be from the Indian Civil Service. Here are the Members of the "steel frame" who are *subjanta*, capable of looking after and managing all the affairs in the world, political, administrative, civil, military, educational, social, economic, commercial, industrial and what not. Apart from other considerations of manipulation, etc., I ask, what will other nations think of us and think of our "Dominion status in action", when not we, but

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foreigners, especially Englishmen in our pay will sit as our Trade Commissioners in their lands? The Indians, after being under the tutelage, as they would like to call it, of Britain for over 150 years, have not been fit enough to be appointed their own Trade Commissioners in foreign countries. For this idea of our own unfitness has been sedulously and perpetually instilled into our minds so that we have come to the habit of believing ourselves that we are unfit. So I say, if the policy changes today, if the Government come into national hands, if a bold policy of development of industries and resources is undertaken in the proper way, then in 10 years' time, the entire phase of the country and the standard of life of the people, or whatever you call it, would change completely. India is not potentially a poor country. Year after year the Finance Member comes into this House and tells us that India is a poor country. We agree, for we have no other way but to agree under the present conditions and circumstances, as the development of the country is not in our hands.

I must now turn to the development of this iron industry and the question of how it is manipulated. I may be allowed, in this connection, to read this confidential document which I have in my hand, and in the course of reading, I will explain the points for the benefit of my Honourable friends. This document says:

"The firm is in name Indian, but both general management and sales are perfectly and in detail controlled by Englishmen, some of whom were Members of the Indian Civil service."

Here again the Members of the steel frame come in, because they know everything. The document continues:

"The directors seem to be practically powerless,"

and of course my Honourable friend Sir Purshotamdas Thakurdas will excuse me for pointing this out. The proprietors of the company, I am afraid, do not take note of that. The document continues:

"The company is burdened with a heavy debenture raised in London. The outstanding debenture appears to be more than the share capital."

This is all after the war.

"The rates of interest are 7 to 8 per cent., and this interest is responsible for the fact that the shareholders get no dividends for a number of years. For these debentures the assets of the concern are liable."

And my Honourable friends in this House may well realise how it can be manipulated very easily, if, as the phrase is often put, we do not put our house in order, so that the entire concern will pass into English hands on account of these debentures, if for nothing else.

**Mr. B. Das:** What is that confidential document? Who is the author of that document?

**Pandit Nilakantha Das:** What is there in a name? Suppose it is yourself who is the author of the document. What is in a name? You may see it. Then it goes on:

"A Labour Federation has sprung up, with Mr. Homi as President, and this Mr. Homi is well known to the members of the Assembly. His activities have not benefited the concern while the labour troubles originating in his activities may lead to non-payment of the debenture, the result of which is likely to be disastrous and may cause the concern to pass to English hands."

Time and again this question has been raised on the floor of this House that even English officials are siding with him in creating troubles over put up grievances. For, as a matter of fact, the grievances for which all this trouble arises are practically non-existent today in Tata's. I must be excused by my Honourable friend, Mr. Chaman Lall, when I say this. There is of course plenty of room to improve, but I must say, in fairness to the heirs of that great man, Jamshedji Tata, that comparatively with other labour centres, here the labour is well cared for and well housed. When I come to labour, I shall compare them with the coolies in English firms. The name cooly is significant. It is humiliating and insulting to the Indian to hear that name applied to human beings. In Tata's they are not called coolies but they are called by other better names. Now coming to Mr. Homi, these English officials and even Englishmen at the helm of affairs in the management and in the other affairs of the Company are also secretly siding with him. This has often been said on the floor of this House, and I was myself responsible for publishing a document in the *Capital* of Calcutta in which there was a challenge. The whole publication of mine and the editorial comments of the *Capital* and other papers that followed in publishing the same was based on a letter from Mr. Homi to some Bombay share speculators, whereby his entire interest, as exposed in that letter, was to speculate in shares for which he used this labour trouble as a handle.

**Sir Hugh Cocks** (Bombay: European): Sir, on a point of order, may I ask whether there is any limit to the range of this discussion and whether the affairs of a public company can be discussed on the Finance Bill?

**Pandit Nilakantha Das**: Is it very trivial?

**Mr. President**: Perhaps the Honourable Member would like to take a few minutes more?

**Pandit Nilakantha Das**: Not a few minutes only. I shall have to finish this document. I had no other occasion to speak and I must finish the entire national and industrial development scheme, and show how it could be developed and how it is being developed. All this is relevant to the Finance Bill.

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

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

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**Pandit Nilakantha Das**: I was speaking about the chief iron industry of Tatas and how it is being manipulated by Englishmen and officials for Home purposes, and in this connection I have stated how the labour problems are affected by this manipulation through a gentleman named Mr. Homi. Now, I shall analyse it. In the manufacture and management, sale, public tender, contract and buildings and all these departments the same manipulation is going on, which if not prevented, however much we

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may impose duties on our poor consumers, we cannot relieve the industry of the present situation, nor will there be any development of the industry in this country. This is a principle which requires no argument to be accepted.

Now, Sir, the inner working and management are carried on in such a way as to prevent the concern from using its own pig-iron for manufacture of steel articles, and it becomes a source of supply of raw material to foreign countries. This pig-iron is a technical name, and I may be excused if I attempt at a little explanation of what pig-iron is. Pig-iron is a basic material for steel industry. It is a first product from the iron ore. Then in course of progress it comes to a stage where it is called billets. Out of these billets the steel articles are made. These are the three stages with which I shall deal. To have some idea of the management of business, the following points may be noted. The pig iron, which is the basic material for all steel industry, is produced very cheaply by the Tata Iron and Steel Company. Perhaps it is the cheapest pig iron produced in the whole world. It is sold in foreign countries in enormous quantities at a very low rate, at half the price at which it is sold in India to the home consumers. It may be attributing motives, but I am not going to do it all at once. There are two practical effects of this. Now they do not make steel, and their only object is to prepare that raw material, the pig-iron and to export it to foreign countries as raw material. The second effect is that other small iron industries, including the village artisan, are starved.

Now there is a combine of three firms, including the Tatas, for selling pig iron to the Indian consumer at an abnormally high fixed price. Tatas have no option to take a reasonable price, even if they desired. I do not know why the Tatas went to enter into this combine. Combine is a commercial term. It is something like an arrangement among the members of the combine themselves that they will sell pig iron at a certain rate to the Indian consumer. The Tatas, who sell very little of their pig iron in this country, have come to join this combine with the Bengal Iron Company and the Indian Iron and Steel Company Limited. These two latter make pig iron and their interest lies in the combine. These two are practically English concerns, English managed. One has sterling capital and the other rupee capital. I do not attach much importance to the difference between rupee and sterling capital. External capital is external capital all the same, and this theory was exposed in its naked reality when we were discussing the tin-plate labour strike in this House at Simla last. Therefore the only interest of these two *de facto* English firms is to make profits out of the pig iron, to manufacture castings out of pig iron, if need be, at a good margin of profit, to oust all Indian competition, and to keep the English manufacturer untouched. The Tata Iron and Steel Company joins this combine, nobody knows why. It is stated that its profit out of the arrangement is insignificant. It sells very little of its pig iron in this country, as I have stated. This subject was discussed last year during the discussion on the Railway Budget, and this way of crippling the home manufacturer and depriving our village artisans of the cheap raw material and supply of raw material to the manufacturer abroad was sufficiently criticised and condemned.



Then there are the steel billets. After selling out all this pig iron, what is the next stage? Steel billets. Steel billets are purchased by the Tatas from Europe at a cost of Rs. 95 per ton, whereas they sell pig iron at Rs. 36 to 40 per ton in foreign countries. This is a curious industrial phenomenon. They have got an arrangement with the Tin-plate company for steel sheets and bars and these tin sheets and bars are prepared out of these billets purchased at Rs. 95 per ton, but the tin sheets and bars are sold at Rs. 84 per ton. The State has got an arrangement for purchase of rails and probably steel sleepers at Rs. 110 per ton. An English Company pays Rs. 84 per ton whereas we taxpayers pay Rs. 110 per ton as price for the finished products of the Tatas. Steel joists and other finished products are sold to the Indian consumer at the rate of Rs. 130 per ton. It seems wonderful. I do not like to say now with what object the Company is running.

**The Honourable Sir George Schuster:** On a point of order. Is this at all relevant to the Finance Bill? Could the Honourable Member explain how it is relevant to the Finance Bill?

**Pandit Nilakantha Das:** I am just giving an idea to the Honourable Member how he could enter into all these things and how he could help to develop the iron industry. (Hear, hear.) This kind of superfluous measures of imposing duties and so on and sitting in glass houses will not do. I am explaining how things are working so far as the Tata Company is concerned, and I hope, instead of getting tired, my Honourable friend will bear with me. It is with a view to keep up a show of justifying protection that a figure of Rs. 130 per ton is perhaps maintained, but this has been instrumental in giving a sound and substantial market to English steel manufactures in India. The English steel industry cannot reasonably compete otherwise.

**Mr. Amar Nath Dutt** (Burdwan Division: Non-Muhammadan Rural): On a point of order, Sir. Can the Honourable the Commerce Member go out of the House when an Honourable Member is speaking about his Department?

**Pandit Nilakantha Das:** Without this manipulation, the English manufacturer can never compete with the steel manufactures of the world, much less with those of India. No protection was necessary. I do not know about the textile industry. I have not studied it. It may be the same. There is definite information in this confidential document to the effect that, even today, the Tatas are negotiating with an iron firm in England for sale of enormous quantities of pig iron on a contract extending over a good number of years. In this case the price will be even lower, say, about Rs. 90 per ton. It is, however, not known yet if any contract is contemplated with the same firm for the purchase of billets at more than Rs. 95 per ton.

Then comes the sales department, which is under an I. C. S. Englishman. The whole management is under this I. C. S. Englishman. This is how things are going on there. This department sells all scrap, that is second class products, to a private firm, not by public auction or by public tender, but by private arrangements. A very interesting thing I shall divulge in this connection. This firm has got among its staff some who had been officers in the Tata sales department itself. It is a big firm. Some of the Tata Company's officers have left their jobs in the sales department

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and have come to this firm as members or shareholders. Many of the articles sold as scrap are again not scrap, but finished products passed as scrap. All these articles are sold away every year, for about 20 lakhs of rupees, whereas the same articles are calculated to bring yearly double the money in the ordinary Indian market. The detailed working of this department is mysterious, as may be suggested from the single fact that the officers (Englishmen) in charge of the department found it more profitable to give up their lucrative jobs in the department to become members of the purchasing firm.

Then comes another department managed by one Englishman, the town administration department, which has to do with contracts for buildings and other engineering works. Here I may refer to the fact that purchase of plant and machinery is also made not by tender but by private arrangement. The town administration is, as I have said, in charge of an Englishman. I shall inform Members here that the town was planned by an Indian engineer of the Bombay Public Works Department, Mr. Godbole, but afterwards it has come into the hands of an Englishman, who knows nothing of engineering or planning. It is said that contracts by the town administration department are given privately to a selected few, whereas, if tenders had been invited, the cost would have been much less. Here I would cite an interesting example. There was a building belonging to an Indian club; the town administrator wanted to acquire it very urgently for the works of the Steel Company; it was purchased for Rs. 7,000, but soon after it was sold for Rs. 4,000 to one of the subordinate officers of the town administration department.

Then I come to the fourth point with which I shall finish this subject. Coal which is one of the biggest items of purchase is also, in several places, in the hands of Englishmen. The Tatas are being sued by various English coal concerns for specific performance of contracts, damages and on various other items for which the Company is being made legally liable for huge sums of money. All this has been the subject of Press criticism, and it is expected the whole thing will be laid bare in its savage reality and nakedness if an impartial inquiry is undertaken.

The authorities of the Company always say that there is profit in every sale they make. They make a profit in the export of pig iron and the sale of steel products. Even according to their own statement, there is a clear margin of profit in the sale of sheeting and bars for the Tin-plate Company, which are sold at Rs. 84 per ton, not to speak of rails which are sold to the taxpayer at Rs. 110 per ton, and joists tees and angles and other sections of bars and rounds, which are sold in huge quantities to the ordinary consumer at not less than Rs. 130 per ton. They also make large savings in freight at the expense of the taxpayer. With all this, the concern is so conducted as to be perpetually in heavy debts without paying any dividend to the shareholders. As a result, the growth of steel industry in this country, is not only discouraged in this country, but many living industries as well as the village artisans are being prevented from getting any advantage out of our primary steel concern. Thus the country is in danger of running into a great economic disaster, coupled with discredit to the Indian hand and the Indian genius, which were responsible for the very finest steel in the very dawn of civilisation.

These are a few suggestive hints given in this memorandum, and if an inquiry is undertaken everything will be laid open, more astounding facts in the detailed working will come to light exposing more vividly how some Englishmen in the concern are primarily responsible for this state of things for purposes which have nothing to do with the interests of Indian industry.

It may be said however that the directors, who are the *de jure* controlling authorities may intervene to set matters right. But unfortunately for the Indian taxpayer and the Indian Nation the directors, as I have said, are either powerless, or are indifferent in the matter. The Managing Agents have delegated all their powers to Mr. J. C. K. Peterson, an I. C. S. Englishman and the entire affairs of the concern are in his hands. An Englishman cannot ordinarily be trusted in the business of our industrial economy or development, particularly in a concern like the Tata Works, which, sincerely managed and developed, is well calculated to ruin the British steel market in India. Oftener than not, his sole and primary concern is to guard the interests of his Home manufacturer. Mr. Peterson is moreover a member of the "steel frame" of the Empire to boot. This simple truth the directors of the Tata Company may well be expected to realise. But they don't. The result is the ultimate ruin of our industrial prospects. Crores are being demanded today in this Bill to protect and develop so many of our industries. So they were often demanded and voted for to protect the Tata concern. But a thorough investigation, I am sure, will prove it beyond doubt that our ruling masters for their own purposes dupe the taxpayer into protections of this kind. The Tata Industry, for instance, never was really in need of protection, nor is it in need of protection even today. Even in spite of our giving unintelligent protection to the industry, it is today suffering from dangerous manipulation portending ultimate ruin to all our industrial and economic future. For as a clear indication of the effect, Indian money and enterprise has already grown suspicious. The Indian is daily losing his sense of self-reliance in business. It is high time for the Members of the Assembly to take the matter seriously, and demand an inquiry into the whole situation, which has been long overdue, and solve the problem once for all as to how we can develop our industry and resources to our own national ends.

We have complained all these years that the State has not really helped any industry. With all their apparent solicitude for putting a protective tariff on steel, practically no development has taken place. Here I may refer to the State purchases, by which a huge market could be provided for Indian industries very easily, and at the very door of the industry. Has the Finance Member thought of it? No purchase has ever been scientifically directed to this end. Still, in spite of the Government, some purchases could not but be made in India, and consequently some firms raise their head. They are to be killed by sharply cutting down and raising and then cutting down Railway capital expenditure. That expenditure is raised in the name of development of the country, and cut down in the name of economy to dupe this House.

One of the best recommendations of the Industrial Commission was the creation of the Indian Stores Department, which was established to give a perpetual stimulus and encouragement to Indian industries which would thereby be developed by regulating purchases and diverting them

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to the Indian market. The object of the Indian Stores Department was that all our main purchases should be made through this Department, so that this Department would be directly and indirectly responsible for the development of Indian industries. But let us see what has happened on account of the purchase policy of the State, before Government imposes heavy duties. My friend the Finance Member calls the imposition of this duty a radical measure, but before imposing this duty, I should like to ask him to take some radical measures to direct these purchases in a manner which would help the development of Indian industries. That is our first duty. But what has happened? Last year I was mistaken, because the figures that were given were misleading. I was given a Report for 1927-28, where I found that the loss to the Indian Stores Department was only Rs. 53,000. But now I find it is four or five times that for the self same year. I am coming to that. The Department was started in 1922. All these years it has been working at an enormous loss to the taxpayer, for little Government purchase is made through the Department. There are favourite manipulators among the officers everywhere to make purchases for the Government Departments and even Railways. Who cares for the helpless Stores Department? This Stores Department is not only not paying its way, but has all along been a heavy burden on the taxpayer, though it always gets some percentage for inspection and some commission on our purchases and sales, and though our entire State purchase for the Army, the Railways and for various other Departments are articles worth hundreds of crores of rupees. This is how the Indian Stores Department serves its end. Last year I was rather gratified to find that the loss was much less. In the Report for 1927-28, I found it was something like Rs. 53,594, whereas in two previous years it was over two and four lakhs of rupees respectively; and in the new Report I was expecting it to be still less for this year. Instead of that, I find there is a small note to the effect that the accounts were not complete last year, and the figures were wrong, and instead of Rs. 53,000 and odd loss, the nett deficit in 1927-28 comes to Rs. 2,89,699, or rather in round figures it is about 2½ lakhs. In the previous year the deficit was given as something like 2 lakhs and 18 thousand, and in the year under review, i.e., 1928-29, I find the figure given for the deficit is Rs. 4,96,783, that is practically 5 lakhs, and this is the charge on the pockets of our taxpayer for developing our industries. After this charge, we are again putting our hands into his pockets by imposing new duties. How can we bear it, being the representatives of those people whose purchasing power has diminished and is diminishing very considerably day by day? Sir, we have been made a poor people, and it is now the duty of the Government to see that we are first made rich so that we might be able to pay those duties which Government demand. Where there is a Government there is taxation, I quite admit, but such actions as the present which the Government are taking in this matter can be expected from no reasonable Government of modern times.

Before finishing this subject, Sir, I should like to bring to the notice of the Honourable Members a particular instance to illustrate how our investments and purchases are not only being manipulated for British purposes but mismanaged and passed over and even probably countenanced wherever there are English officers in the service of this Government . . .

**Mr. President:** Is the Honourable Member not going to deal with the ratio?

**Pandit Nilakantha Das:** I will come to it presently, Sir, (Laughter.) if I may not have been already too long. I am in a very awkward position. I hope my friends will bear with me for a few minutes. (*Some Honourable Members:* "Certainly, go on, go on.") I will try to be brief.

In the last Simla Session, Sir, I put some questions relating to the purchases of the Bengal Nagpur Railway. I need not read those questions and weary the House, because it will take a long time. My Honourable friend knows it over there. They will be found at page 573 of the Simla Debates . . . .

**Mr. B. Das** (Orissa Division: Non-Muhammadan): But the Honourable the Railway Member is not present in the House.

**Pandit Nilakantha Das:** I am sorry all our suggestions and all our criticisms are treated in this fashion, but we have got to make them, but whether our suggestions are considered by those in authority or they are thrown into the waste paper basket, I do not know. (*An Honourable Member:* "Most likely.") If it is likely, that is why we come to bid good bye, and we do not want to give them supplies, because they are not responsible. These are not small matters relating to the Bengal Nagpur Railway; they are sufficiently serious to merit the anxious consideration of the House as a whole. Let me tell the story briefly. The Agent, now retired, with three Chief Engineers of the Railway and some members of their family and one Member's wife, came together and formed a company called Henry Williams (India) Limited. I have got records to prove that the company is registered in their name with a very small capital, and it was said,—I do not understand what exactly it means.—that the paid-up capital was about 3 lakhs and Rs. 6 lakhs was to be considered paid-up for considerations other than actual payment or something like that. Anyhow, these people formed themselves into a registered company, and on a piece of land which belonged to the Bengal Nagpur Railway, at the cost of the same Railway, they got a wall and a siding line put up. After doing all this, the said company came into existence as a private company. Some of the members of this firm are still working as Chief Engineers in the Bengal Nagpur Railway. They somehow managed to get some patents, and under those patents they want to supply iron and steel sleepers, styling them as "Universal" sleepers. And what are these sleepers? How are they made? I found in course of my inquiry that the old steel sleepers were condemned as unfit by the Chief Engineers, who are members of this firm. They were purchased as scrap iron by the firm of Henry Williams Limited. They made slight cuts at the end and other alterations in these sleepers and passed them on as patented new sleepers at a huge profit. I am told the profit per sleeper is about Rs. 5. This thing has been going on for the last four or five years. (*Some Honourable Members:* "Shame".)

The other patent is for cast iron sleepers, for which the Bengal Iron Company got a monopoly by private arrangement perhaps of profit sharing. These cast iron sleepers were being purchased for the Bengal Nagpur Railway at a monopoly price which is decidedly much higher than the normal market rate.

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In the last year's Report on the Appropriation Account for Railways it was found out that the whole plot of land which is now possessed by Henry Williams has been rented at a very low rate, and it is calculated there that there is a loss of Rs. 52,000 in rent alone for the land in a year. When I saw this in the Report, I myself investigated into the matter, and I gave the whole thing in the questions. In reply I was promised by the Honourable Sir George Rainy a statement at Simla. I was not a Member of the House for so long here, and the statement that was promised has not been laid on the table. I have put a question on that, and I expect to get a statement. As my Honourable friend Sir Purshotamdas Thakurdas and other friends on the Railway Advisory Committee know, I gave a complete memorandum on the subject in that Advisory Committee. The Honourable Sir George Rainy said that it was a matter of detail and not of policy. But I must express my sincere thanks to my Honourable friend Sir Purshotamdas that on that contention he readily stood out to support me, and ultimately a departmental enquiry and a statement to be followed by an enquiry committee, if necessary, was promised by the Honourable Sir George Rainy. But nothing has yet been done. When the Government somehow feel the craving for an inquiry they appoint a Tariff Board or direct the Board to inquire, or set up a committee, and in a couple of months a report is made, considered, action is probably taken, and in fact everything is done. Crores of rupees are being made by swindling by some officers of the Company. I know what I say to be true. Still the heads of the departments are sitting tight, and the statement is not forthcoming. This is how the money that we are spending on railways is being mismanaged. I have got other instances which I may produce, but this one instance will illustrate the whole situation, and in the face of all this, we are today going to be taxed to the tune of 6 crores.

I shall discuss later on the effect of the textile tariff proposals and Imperial Preference on the handloom industry and the village artisans. May I ask the Government what is being done to help the agricultural population? These gentlemen on the Treasury Bench come from a country where village artisans and agricultural population are scarce. They live on their manufacturing industries. When do the Government propose to organise the village industries and small village factories? Here again in the name of agricultural improvement we are faced with heavy duties on sugar. A sum of 10 lakhs is also thrown away as a bait in the name of sugar industry research. I was not present in the House when the budget speech was made, and it reminded me of an old adage "You kill my cow and make a present of a pair of shoes to me". Now, I trust that my friend, Mr. Mukhtar Singh, will excuse me. I am not against the development of the sugar industry for which he is so keenly anxious, but I am apprehensive of the poor peasant who has no money, and you have deprived him of his sugar by this duty which now comes to be practically prohibitive to many. My Honourable friend the Finance Member compared the price of sugar in India with that in different countries. In England it is, say Rs. 11, in France it is, say Rs. 10 and probably it is Rs. 9 and Rs. 8 per maund in some other countries, and in India it must be the same. It is already a Dominion "in action", and I am afraid this is how we should prove our equality with other nations. But remember, Sir, we are taxing the poor man's sugar, which is an article of

food and a necessity of life. Why is not a bounty ever contemplated by the Government on such an item? In a country where opium is dealt out, salt is taxed, why should sugar expect a bounty?

Then, Sir, there is a provision for agricultural research. I do not understand this agricultural research. In the name of agricultural research, as I quite apprehended last year, some entomologists will be brought on fat salaries from across the seas. They will examine a few, say, half a dozen pinned insects under two or three microscopes for three or four years and then perhaps give the expert verdict that such and such an insect is a pest to such and such a crop and to make your fields free of them you must inundate your fields with the strong solution of potassium permanganate. This is what is done in the name of research. We suffer more from the mentality of importing foreign experts and that is more than anything else responsible for our cultural and moral subjugation.

In pursuance of my last budget debate remarks, I put a question during the last Simla Session and I was mortified to learn from the reply that foreign experts were actually recruited for agricultural research. The foreign Government are playing their game all right. We are eternally fit for nothing, and still development is smoothly going on in this country in every way. These are self-contradictory statements. But nothing is perhaps self-contradictory in handling the affairs of a subject race meant to be of use for the purposes of the conquering nation.

Then, Sir, money is being provided for the Banking Inquiry Committee. I am not a banker myself, but I am a representative of the people who are going to be benefited by it. Sir, I have seen many committees and I know what their value is. Of course, this Committee, like other Committees, will commit mistakes, as the Finance Member has admitted, but apart from the mistakes, I am quite apprehensive that this is a measure to carry the State usury to every door. (*An Honourable Member*: "This is an Indian Committee.") Yes, it is true that it is an Indian Committee, but this is not an Indian Government. That is my complaint. We shall take an illustrative lesson from the co-operative societies, which are also considered to be managed by our own committees. I have seen the co-operative societies working in the villages of which many of the Honourable Members have no idea. I will give you the credit, Sir, of having some knowledge of the village life, but you will excuse me if I say that many of my friends have not come in direct touch with the villages as such. If you will read the literature of the co-operative credit system in India, you will find as though the millenium were to come to this country within a period of five years. But what is happening in practice? I know of one society which is presided over by a favourite of the Deputy Magistrate of a sub-division. That favourite gentleman has since become a Rai Bahadur, or a Rai Sahib in recognition of his services in co-operative work. What was he doing in his co-operative society? He would ask the villagers to become its members, and to borrow the money provided easily. Then there is the *kist* time (payment of instalments) and when the *kist* time comes the borrowers who had spent the money in marriages, funerals, or such other items, as is usual in villages, could not pay back the instalment of the debt as stipulated. Then the Deputy Magistrate would bring in Kabuli moneylenders and would compel the villagers to borrow from them at the rate of 12 annas per rupee per annum, and pay the *kist*. Thus the accounts were clear and creditable. (*An Honourable Member*: "Where

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did it happen?") This was happening in Banki in the Cuttack district in my province. I am sure Mr. B. Das knows it and knows the man also. This is how your co-operative societies are working in many villages. People have no education, no enlightenment and no sense of responsibility or thrift, and you do not make them understand that this country is theirs, that this State is theirs and that this money is theirs. Why are you planning here to carry this State usury to every door? I know in the Puri Central Bank members are themselves usurers. You may ask, as to why we do not change them. I may at once say under this system of Government it is not possible or easy. We have thought of this very often, but votes are manipulated and those persons are not allowed to get in who have a nationalistic bias, tendencies or leaning. I have made a very clean statement, and I know you do not like this. If people having nationalistic views are debarred from such institutions, how can you expect that people will ever be benefited by any committees that you may set up. Your committees must be managed by your own men and those who will manage them can alone be expected to have an intimate knowledge of their inner conditions. Could you give me the name of one Provincial Banking Inquiry Committee even today where all these conditions do not prevail? If I had time. I would have analysed the very Bihar Committee person by person. But I do not like to tire the House out, nor do I wish to attack any persons.

Then money is provided for the Labour Commission. We are always between Committees and Commissions but nothing comes out of them. This Labour Commission has already been boycotted by perhaps the most influential section of labour, and I am very glad that this has been done. It is a mountain in labour but even a mouse is not expected. Mouse is food to some classes of people, but that which these committees will produce will be poison. First of all, my Honourable friends must realise that this is not a land of labourers. If there are labourers, they are not all collected in some industrial centres, but they are scattered over throughout the country. And we have contemplated no measure of relief to the labourer or the wage-earner in the vast number of villages in India.

Even for the collected labour in industrial centres, no measures of relief, I am sure, will affect the English concerns like the Tinsplate company or Clive Jute Mills, but fresh money may on the recommendation of the Commission be demanded from the poor villager, the taxpayer to cripple concerns like the Tata Company. Even for this commission the taxpayer is not paying a small amount.

This idea of fresh expense brings me to the question of the ratio. By raising the ratio, we have simply brought the purchasing power down to a very low level. And my Honourable friend Diwan Chaman Lall will excuse me when I say that we are doing this spade work for labour at an enormous cost for about 18 lakhs, which number, I believe is the same as that of the labour population of India. He will correct me if I am wrong.

**Diwan Chaman Lall** (West Punjab: Non-Muhammadan): May I ask my Honourable friend, what does he mean by labour population?

**Pandit Nilakantha Das**: I mean labour in industrial centres.

**Diwan Chaman Lall**: The industrial population of India in industrial centres is somewhere round about 20 millions.



**Maulvi Muhammad Yakub** (Rohilkund and Kamaon Divisions: Muhammadan Rural): Including the Members of the Labour Commission.

**Diwan Chaman Lal:** One of whom happens to be the Deputy President.

**Pandit Nilakantha Das:** My friend perhaps thinks of the entire population in industrial centres. This population may perhaps be larger than the labour population. I do not know about that, but all the same, I do not wish to contradict my Honourable friend Diwan Chaman Lal. Whatever that be, the greatest misfortune is that labour has no Indian or even human outlook. We have lost that under the benign tutelage of our task masters for these 170 years. The atmosphere in the British Empire is surcharged with old worn out English ideals, which are perverse, to say the least of them. Commissions and Committees are surely not expected to help us out of that ideal or outlook. Let me explain this first.

**Maulvi Muhammad Yakub:** Not the labours of the Honourable Member who makes long speeches in this House.

**Pandit Nilakantha Das:** I had the good fortune of coming across a small book which I have not got here, but I shall give its name. Its name is "Secret of High Wages", written by two Englishmen who were deputed by some industrial concerns in England or the Government of England, I do not remember exactly, who were deputed to America to study the labour and the industrial conditions there and to recommend measures with a view as to what could be done in England to cope with the competition so ruinously keen for England all over the industrial world, specially in America. In America—that was 20 years ago—what the labour was getting. The labour then was getting Rs. 90 a month as the lowest wage, and now the lowest wage of labour is Rs. 600 a month. Well, but in England there is a daily proposal to cut down the wages. If you ask why, I say that book exposes the whole thing clearly. It is the conservative spirit of the English people and the aristocratic way of looking on labour only as means of profit alone and nothing else, that is responsible for the waning of English industry, and if the angle of vision is not changed, if the outlook and attitude of the English industrialists are not properly modified and adopted to the needs of modern times, then there is no hope for the English industries. That is the conclusion of the book. They are two English industrialists. We are labouring under the same disabilities even here in India with the additional disadvantage that oftener than not our employers in management and the labourers do not belong to the same nationality. However much we may think of relieving labour and improving the industries, we have no way out, for our vision is circumscribed and unfortunately we feel subservient to a race whose ideal and culture are daily spreading and pervading the atmosphere to ruin India probably for all time to come. What are we doing for our industries so far particularly as labour is concerned? A labourer is a coolie in India, a very humiliating term applied to our men with a traditional stink about it. Of course, as I was saying in the Tata and other purely Indian concerns the outlook is a little better, the term coolie is not used there. The labourer has a more dignified name, in spite of the fact that there also there are people who do not like to see things better for their own ends.

I once went to visit a jute mill—probably the "Clive Jute Mill"—in Calcutta. Somebody said, "You just want to go to the coolie lines". I was interested in the word "coolie". It always stinks in my nostrils

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that our people are called coolies. The term, as I have indicated, has a history. It is a very obnoxious term. Well, I went there and what did I find? I found there long uniform rows of huts divided into rooms about 10 ft. by 10 ft. with one small window and one parapet wall just in front of that window. The verandah between the parapet wall and window wall is about 2 feet. There in that room six people were living, sometimes including one or two women, who were the wives of some of the inmates. They were cooking near that parapet wall. The outside of the parapet wall is used as a urinal, and there was no other window or anything else. Of course common latrines and pipes were supplied at a distance. I found that even the pigs are treated much better by dealers in pigs than those coolies are treated by the jute magnates there. With this state of things, what can the Labour Commission, or whatever Commission there may be, do for this labour population? Even if they take "radical" measures like the Finance Member over there, how can the labour population be improved? As suggested by my Honourable friend, radical measures mean fresh taxation. If we want money, there is always fresh taxation, with the result that the industrialists will prosper, but the coolie will always remain a coolie. For our idea is once a coolie always a coolie. In India if a man enters as a coolie he is doomed. He must die a coolie. But it is not so in America. A man enters as a labourer and goes out as a manager. He has opportunities for every little stroke of genius that he can evince, but in our industries what do we find? A coolie, as I have said, is always a coolie. Nobody cares for him because he has no learning in English or something of this kind. We are aristocratic, we are Babus, but they are coolies. I have seen some coolies do some very technical work for these 20 years and they are people who are primarily responsible for helping the manager or the head of a department in many very intricate problems. I have seen they were even praised for that. But a coolie remains a coolie so long as this is the outlook, so long as this is the condition. So long as the labourer is not allowed to feel nationally and intelligently interested in industry, in which he has a legitimate share, which he must be able to establish and enjoy by all means. Why do you simply bring down the engines of fresh taxation and fresh oppression under the names of Committees and Commissions when your view-point is always to shelve everything and to think of every new development in terms of fresh taxation and nothing else? Nothing else is being done.

As to money making and national development, I will simply refer to one small point in this speech. I also referred to it last year. I read things between the lines from Bihar and Orissa Budget papers. Last year I said to my Honourable friends—and my Honourable friend Sir Purshotamdas Thakurdas, who was just now talking of prohibition knows it—how the opium curse is being sedulously nursed and fostered in this unfortunate land even for what they called nation building. My Honourable friend knows, as well as I do, that this Government made a war on China to push opium into their country and to make them opium eaters for their own profit and revenue, and they even tried their best in the International Convention to see that Indians never give up both selling and eating opium. That is a very long and painful history which I do not like to repeat. That chapter has somehow been closed, and the opium which this Government was selling in other countries is now

going to be stopped. God help us. It is in spite of these gentlemen, who sit on the opposite Benches, that it has been done. But now they fall mainly upon excise opium with vengeance. Last year I showed how in 1925-26 we were told and since that date we are being told that excise opium is being sold to the provinces at a price which is practically the cost price, that is without any profit. Government make no profit. The Government sell that opium to the provinces at a fixed rate, that is, at the cost of production. But I showed last year that the price realised from the provinces for selling that opium was growing more and more from year to year. This year I expected the Honourable the Finance Member to make a very strenuous attempt to see that it was cut down. But there it is. We see that the consumption of opium is increasing. Under the excise duties in the provinces, it is not easy to calculate whether the consumption has increased or decreased. But here is given the price realised from the sale of opium to the provinces. This small column in the "Explanatory Memorandum" speaks for itself.

But there is not a word in the whole speech of the Finance Member about opium, as if it is not to be cared for; and in spite of all development schemes what do we find? Under Excise Opium and Miscellaneous (less refunds) we find that, in 1926-27, when the scheme of selling at cost price began, it was Rs. 81,65,000; then it decreased next year to Rs. 78,53,000, and in the year after that to Rs. 69,51,000. This was perhaps to show the effect of opium being sold at cost price. Then came an increase. There is no explanation and an attempt is made to keep this out of view by not referring to it, though this is growing to create a very serious situation. In 1929-30 the budget figures increased to Rs. 71,29,000, but actually the amount sold was Rs. 75,51,000, and this year the budget figures are more than the budget figures of the last year, and for Rs. 71,29,000 the figure this year is Rs. 71,65,000.

I am not a master of figures, nor am I willing to quote many, but this is a clear case that the consumption of opium in the provinces is growing from day to day and still the taxpayer is going to be taxed for his own development, God knows how. With these words I oppose the Bill.

**Sir Darcy Lindsay** (Bengal: European): Sir, I move that the question be now put.

**Mr. President:** How can I so soon? Pandit Thakur Das Bhargava.

**Pandit Thakur Das Bhargava** (Ambala Division: Non-Muhammadan): Sir, I thank you very much for allowing me to speak on an important motion like this. Sir, ordinarily on the occasion of the discussion of the Finance Bill the position of Government in all departments is reviewed by non-official Members, and I was simply surprised at the request of the Leader of the European Group on this occasion to stop further discussion.

**Sir Darcy Lindsay:** Sir, on a point of explanation, I would like to say that I would not have moved for the closure, had the speeches been confined to moderate length.

**Pandit Thakur Das Bhargava:** Unfortunately I have not caught what fell from my Honourable friend. Sir Darcy Lindsay. Sir, on the last occasion when I spoke on the Finance Bill I remember how the European Group behaved then. I have not so far made any complaint on that

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score, but since this request comes at this inopportune time, I will have a word about it also. Last time when I spoke in this House about the condition of the depressed classes, the European Group had not the heart to hear me. In fact the condition of the depressed classes is one which, not to speak of Government, the European Group even have not the heart to hear. They began thumping their desks and they did not allow me to proceed further. The reason is very clear. The condition of the masses, for whom Government always claim to be the trustees is so deplorable that it breaks one's heart to hear the entire story. These Europeans, who generally live in the cities never see beneath the surface. These big officials, who generally mix with the higher strata of society, do not know the actual condition of the masses; and if it be true that many of them know the real condition, they have not the heart to hear the actual condition from the non-official Members. Sir, the condition of the masses is really heart-rending, and if I were to depict to you the real condition of the district from which I come, I think you will not be able to hear that with equanimity. For about seven or eight years the harvests have failed, and yet the land revenue is being realised from these people. In all these years, if I mistake not, more than two-thirds of the cattle, their only wealth, have died, and yet Government have done very little for these people. At present, if an inhabitant of that place gets one anna a day, he blesses those who provide work for him. I have myself got experience of the condition of those people, and I can say, quite confidently, that if any Member of this House questions anything that I am

4 P.M. saying, he has only to run with me in a motor car a hundred miles from this place, and he will find that what I am submitting is absolutely correct. It is true that what I am submitting is unbelievable, but what I am stating exists in real fact. Sir, I myself did not believe that the *charkha* has got the potentiality for famine relief which is always claimed for it. Now, Sir, I have been convinced by my own experience that the best insurance for famine is the *charkha*, and those who get one anna a day bless those who provide work for them. I myself did not fully believe it when it was being said that one anna and six pies a day was the average income of an Indian, but now I have seen with my own eyes that people can subsist on three pice a day, and as a matter of fact in the Hissar district at present lakhs of people are not spending more than that for their diet. It is a fact that three persons died of mere starvation in Talwandi village in the Hissar district only a fortnight ago.

Sir, this is their economic condition. What have Government done to relieve that? Government appointed an officer drawing a salary of Rs. 2,500 per month, some Superintending Engineer, to find out the conditions in the Hissar district. He came into the district; he went to some villages; he went to some canal irrigated villages, and to some *barani* villages also, and he reported that still the cheeks of some of the children were rosy, that some of the girls were wearing silver bangles, and there was no famine in the district. But the Commissioner of the Division and the Deputy Commissioner, who saw the conditions with their own eyes, were not convinced by the report and they started some famine works in the district. Now, Sir, according to the Famine Code, two annas and three pies are given per day to every adult who is able-bodied and can work. People have to come from a distance of 5 miles or more to get that sum of two annas and three pies per day. They have to

walk for five miles each way and yet get only two annas and three pies per day, and this is regarded as sufficient for their own maintenance or for the maintenance of those who depend upon them, for their clothing and for all that a man requires. Yet, Sir, people in some places flock to those famine works. Sir, this discloses a state of things for which the Government of India or the Government of any country cannot take credit. In fact, Sir, the conviction is growing in me that this Government is most unsuited to the needs of the poor people of India. It is inherently incapable of looking after their needs and bringing comfort to them. Sir, I do not know if many of the Honourable Members have ever visited the house of a *chamar* or *chuhra* in a village. If they had gone there, they must have seen his possessions, his mode of living and other matters connected with him. Any person who has seen him labouring from day to day, labouring day and night, giving *begar*\* and doing all sorts of things which fall to his lot, must have perceived that, in all his occupations and in all what he has to do, he does not possess the characteristics and the standard of living which the subject of a civilised government should possess. Sir, the British Government always say that they are responsible for law and order, that all these taxes are taken with a view to insure security and peace to the people of India. May I judge this stunt from the point of view of that poor man, a member of the depressed classes, living in a village? What is there of his to be protected? Does he possess any property which has got to be protected? Does he possess any other thing which this Government alone can protect? He has got no possessions to be protected, and, Sir, if you look to the liberty of the person, I think a worse condition prevails. *Begar* is still taken from him not only by the landlord, but by the agents of this Government. Some time back, I put a question to the Honourable the Home Member, if on the occasion of the tour of His Excellency the Viceroy, people were made to stand by the railway line and if they were paid anything for that. The reply given was that it was not so. Sir, I received information from a very reliable source. A gentleman took down the statements of those persons who were asked to stand by the railway line, and he has sent those statements to the Commissioner of the Division as well as the Private Secretary to His Excellency the Viceroy. I do not know from where this information was conveyed to the Honourable the Home Member that there was no foundation so far as this statement was concerned. Now, Sir, an improvement is visible. Last time when the Viceroy went to Ajmer, people were paid 8 annas a day, and I understand that Rs. 18,000 were spent for payment to those who were made to stand on the railway lines and bridges to guard them. I have put in a question now and I hope the reply will be given that the Government do not know if people were made to stand. So that so far as the condition of the poor man is concerned, we find that impressment, forced labour, and all these things which are usually complained of in this House do exist in their primitive rigour.

Now, may I know whether the Finance Member has got anything to say, which would bring comfort to those poor people? The Finance Member has chosen to provide for revenue which he needed in a fashion which cannot be blessed by the poor man. Sir, I do not grudge any protection to the millowners of India. I would wish that this process of building up again the industries which were crushed by this Government itself was taken up with more earnestness. I wish that the industries in India would thrive. But, then, Sir, what will that bring to the poor man

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\*Forced labour.

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who may not appreciate these things? Will he get the clothing which he wears at a cheaper rate? After all, what is the clothing, Sir? If you be pleased to see the budget of the poor man, he only has got a *dhoti* and a *Kamri* (waist coat) during all the summer and the cold season and that will last him for a year. Will he get it cheaper? The reply is, no. Will he get his salt cheaper than before? The reply is, no. Will he get sugar cheaper than before? The same is the reply.

**Mr. President:** Who has given that reply?

**Pandit Thakur Das Bhargava:** Sir, the speech of the Finance Member gives that reply. Does he say a word about the poor man? He speaks of the consumers and he speaks of other things. But where does he speak of the poor man? After all, Sir, when he refers to that matter, he refers to the future in these words:

"In the first place, and above everything, it is necessary to stimulate and improve the agricultural production of the country and, as a supplement to this, to put the poorer agricultural classes into a position in which they can retain a greater proportion of their own produce for their own subsistence. In the second place, it is desirable to encourage industrial development provided that this can be done in conjunction with, and as a supplement to, the agricultural life of the country."

This is a poor solace, I submit. All Finance Members must have given this solace to the dying man. Does it bring immediate solace or does it solve the question at issue? It may happen, after 20 or 30 years, an industry which has not even been started now, may grow up and subsequently some persons may or may not be benefited. But today this Finance Bill is to be judged on its own merits. Now, Sir, the previous Finance Member gave us rosy hopes for the future. I remember the words of the last speech of Sir Basil Blackett, when he said that the future Finance Member would bring relief to India, and no doubt the future Finance Member has come and I do not know whether, when he leaves the shores of India, he will leave a similar legacy to the coming Finance Member. Be it said to the credit of the present Finance Member that, in his budget speech, he has been frank. But his frankness is, I should submit, more fearful to the ordinary man than perhaps some other quality of the past Finance Member, which it would be harsh in me to name in the absence of the past Finance Member. After all, out of his frankness, we get the true position, but the true position itself is very distressing. I know that the past Finance Member concealed certain liabilities and then, on account of the appreciation of the ratio, gave us some surplus Budgets which have not fallen to the lot of the present Finance Member. Anyhow, Sir, what has the present Finance Member done? At one stroke he wants new taxation of about Rs. 5 crores. This cannot bring any sort of solace to the poor man.

Now, Sir, leaving that aside, I will refer to another grievance, the grievance of the members of the depressed classes. Sir, it has been recognised by all economists that land is the chief source of all economic goods, and the right to acquire land is one of the elementary rights of the subject of any civilised government. The members of the depressed classes cannot buy land. I put a question in this House to the Government as regards Delhi, whether the Land Alienation Act has been extended to it or not, and the reply given was that it has been so extended. Now, Sir, it is quite clear that the members of the depressed classes have

agriculture as their chief means of livelihood, and it is by their labour that their landlords get their agricultural produce from land. May I again inquire on account of what policy, on account of what inherent defect in the members of the depressed classes they are not allowed to buy land? Sir, the truth is, this Government only exists to further the interests of British capitalists, and to that end every law is administered, every committee and every commission is appointed. If you will go to the root of the matter why members of the depressed classes are not allowed to buy land, you will come to the conclusion that this Government wants to stereotype divisions among the society. They want to perpetuate the classes and castes for all time to come. This is the result of that policy. Sir, the policy which monopolises the higher services in the Army for the Europeans, the policy which monopolises the railway service for the Anglo-Indians, the policy which divides the classes of this country into military and non-military, agricultural and non-agricultural classes, is responsible for the present state of things, and a foreign Government, which subsists not on inherent right and justice, but whose chief support of existence is favour to one community and disfavour to another, is bound to keep up these differences, and this inherent defect, this disability of the members of the depressed classes is based upon that necessity of a foreign Government. Now, Sir, this is not a complete summary of all the wrongs that a member of the depressed classes suffers from. In social matters he is not allowed to go to those schools to which students from other communities come. He is not allowed entry into certain temples. He is not allowed to take water from certain wells. He is not allowed to pass over certain roads on which others pass. Sir, it may be said that Government are not responsible for these social wrongs, but, Sir, if you will kindly go deep into the matter, you will come to the conclusion that it is the Government which is responsible for this mentality of the other classes towards those depressed classes.

Then, again, a Resolution was passed by this House to the effect that special facilities should be provided for entry into services, especially the Police and the Army, to members of these depressed classes. May I inquire whether it has been done? I am sure, Sir, this has not been done, and with your permission, Sir, I will point out the Administration Report of the North-West Frontier Province, in which it is distinctly stated that efforts were made to see that these persons who had come into the Police force in war time, and who belonged to the depressed classes, were eliminated, and as a matter of fact, I understand, as the result of that policy, members of the depressed classes who had come into the Police force, were expelled from that service. That will be found on page 7 of that Report of the North-West Frontier Province.

Now, Sir, in regard to other places, in regard to other services, this Government, which is the trustee of the depressed classes, has yet to render an account whether, in any case, they have been employed or not. I would submit, Sir, and I presume the reply will be, that the Government have done nothing in this matter. This Government have of late years been trying to rake up some differences between members of the depressed classes and other Hindus. Now the Government have got many arrows to their bow; there is the question between the Hindus and the depressed classes, there is the question between the urban classes and the rural classes, especially in the Punjab, and there are other differences.

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They are all as a matter of fact, bred, nursed and kept up by this Government's policy of divide and rule. Sir, so far as the condition of these poor people is concerned, that by itself is enough to condemn any Government, and if the Finance Member proposes to collect more taxes from the people. I would submit that requisition alone is quite sufficient to make us reject this Finance Bill. I refuse to consider this Finance Bill, because this Government is incapable of looking to the interests of the poor man.

Now, Sir, leaving the poor man, if you come to the middle classes, or the higher classes, you will be pleased to see that the Finance Member has himself admitted in his budget speech that they are not well off. He says, "It is very obvious at present that India is suffering from a general wave of depression". Further on, on page 59, he has said that the price of cotton and the price of wheat have both gone down, and as a result of world depression, or in consequence of certain factors peculiar to India, there is a depression in trade and industry. Now, Sir, if there is a depression in trade and industry, if the agriculturists are not all right, if the trades people are not all right, may I inquire from where the Rs. 70 lakhs of income-tax would come? Sir, in this country, not to speak of the poor man the middle classes are so very much over-taxed that they are incapable of bearing any fresh burdens of taxation. Sir, every bigha of land tilled by a poor man or by a rich man is taxed in this land. Every person who eats salt, who eats sugar, or who in any way uses anything imported into this country, or even things which are not imported, has to pay tax. Leaving aside the indirect taxation which is levied in this country, by way of customs, even the direct taxation is enough, and when proposals for fresh taxation are made, non-official Members cannot but oppose them.

Sir, the income-tax, as I have submitted, and the super-tax, which was regarded as a special war measure, have come to stay, and an increase in those taxes has to be justified by Government. Now, Sir, it is wrong to say that income below Rs. 2,000 are not taxed in this country. If a Hindu family has got five members, and if the joint income of those five persons comes to more than Rs. 2,000, that income is taxable. I would submit, Sir, that the land tax and other municipal taxes, if collected together, do amount to such a heavy figure that the poor people and persons belonging to the middle classes feel the pinch of those taxes, and I consider that this increase in the income-tax and super-tax as entirely unjustified.

Sir, so far as the present position is concerned, I submit that the step taken by the Executive in regard to the restoration of the Army cut is by itself one which should be condemned by this House. It shows, Sir, unmistakably that the Executive is irresponsible. In any other country, if in the Budget a proposal of this character was rejected by the House, it would have brought about the resignation of the Government. Now this cut has been treated by the Executive Government with such lightness, as if the Assembly has absolutely no power. After all, it was not difficult to provide for five lakhs of rupees in a Budget of 55 crores, and it shows, Sir, that this Government are not amenable to public opinion. Sir, if the entire Budget were framed with the consent of Members on this side of



the House, there would have been some sense in asking whether the cut, as passed by this House, was one for which provision should have been made by Government or not, but when the Government itself do not take this side of the House into their confidence, any cut made by this House should not have been restored on the ground that the House has shown no responsibility.

Sir, so far as the economic condition of the poor people of this country and of the middle classes is concerned, this position cannot be improved unless and until the Government of the day take it into their heads to provide for industrial and commercial development. Now, Sir, generally the impression was that the Government had not funds at their disposal and that they were doing something in the matter, but since I read the speech of the Honourable the Finance Member, I have come to believe that this Government do not want the industrial regeneration of this country, but are only anxious to have the regeneration for a specific purpose. The words of the Finance Member, which I have quoted already, will certainly bear repetition, and they are :

“In the second place, it is desirable to encourage industrial development, provided this can be done in conjunction with and as supplementary to the agricultural life of the country.”

Now, Sir, if we look at Japan, and if we read the history of the development of industries in Japan, what do we find? We find that a group of 10 or 15 villages has got its own industries, and there can be no famine in the land, because they have a subsidiary occupation for the inhabitants of those groups of villages, whereas in India there are no industries on which people can fall back in times of famine, and now the only industries, which the Government think they should provide for, are such as can be done in conjunction with and as supplementary to the agricultural life of the people. Sir, the Government do want that India should be prosperous agriculturally; they want that the people of India should have some purchasing power, so that the manufactured products of England and other foreign countries may be purchased by the people of this country; but apart from that, the Government are not anxious to do anything more for the people of this country.

Now, Sir, in the Finance Bill, we find a reference to the increased taxation on sugar. I for one do welcome protection for sugar, but this protection comes in only incidentally. If protection had come as it ought to have come, I would have certainly welcomed this taxation, and I would have only complained that the provision was not enough but here the taxation comes in only incidentally, not as a protective measure but as a revenue duty. Sir, may I inquire from the Members of this Government why they have fought shy of referring both these questions relating to sugar and cotton textiles to the Tariff Board? Why did they not submit these questions to the Tariff Board for their opinion? Sir, the sugar industry will yield about one crore and 80 lakhs, and only 10 lakhs are given for research, etc. Is it sufficient? Does it mean business? My submission is that this Government do not do these things with a view to help the development of these industries. If as a by-product of its efforts these things will come in, we cannot congratulate the Government.

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Now, Sir, the reference to the cotton textile industry will also show the same thing. We know that the Report of the Tariff Board came out in 1926, and the Government said, in reply to a question by me put on the 26th March, 1928, that they did not mean to do anything further than what they had done in 1927. We know that the Act of 1927 was not brought in as a result of the recommendations of the Tariff Report. The Tariff Report never made these recommendations on which the Act of 1927 proceeded, and further on, Sir, you will be pleased to find that the Tariff Report discountenanced all kind of Imperial Preference, and reported that the production of finer counts of yarn and finer cloth should be encouraged in this country. Because Government wanted revenue, therefore they brought in these duties, and protection comes in incidentally. If they were really anxious to provide protection to the hand-loom industry and to the mill industry, they ought to have referred back this matter to the Tariff Board and taken their opinion on it. Now, Sir, an incidental reference has also been made to the hand-loom industry. May I know on what basis and on what facts the Finance Member says that these measures will be of real benefit to the hand-loom industry throughout the country? The matter has not been referred to the Tariff Board and we have had no occasion to know whether that industry will be affected prejudicially or would be benefited by this measure. If good comes out incidentally, well and good, but the Government never thought that the hand-loom industry had to be protected, and they never sent the matter to the Tariff Board for report.

Now, Sir, if you refer to the policies of this Government, especially the railway policy, you will be pleased to see that there also it is not the poor man who is benefited.

Now, every year the pice post card comes up for discussion. Even today the measure of 1922, doubling the price of the pice post card, remains where it was. The difficulty felt by the Government is that money is not to be found, but when a deficit of five crores occurs in the Budget, the Finance Member comes in to help the Government, and five crores are found, whereas if the pice post card was to be restored, a sum of 70 or 75 lakhs only would have to be provided. From this it is quite clear that the Government do not realise the strength of the popular opinion. This Government do not care as to how the poor man is suffering. He is not vocal and nobody takes care of his interests.

Sir, if we look at the present political situation and the way in which this Government have handled it, I can say with confidence, and everybody in the House will agree with me, that the policy of the Government does not inspire confidence. A hope was kindled in the minds of Indians when the present Viceroy came back from England and made a speech on the 31st October, 1929. Public leaders with one voice welcomed that speech and issued a manifesto. A wise Government should have taken the opportunity of reconciling the leaders and Indian public opinion. But what followed? The situation was made worse by the reluctance of the present Government in India and in England to give the assurance to the leaders of Indian public opinion that they were wedded to the grant of Dominion Status. After all the difference was only this. Mahatma Gandhi and other leaders wanted an assurance from the present Government that they would do all in their power to see that Dominion Status was granted. I can understand that it is not in the power of the present

Government or the Government in England to ensure that Parliament will accept the suggestion that they will make. Sir, I know that this Government has been accused of making promises and then breaking them every now and then. This is a history of which no Government can be proud, but I do not understand what there was in making a promise and if they did not mean to keep it in breaking it the next day. That has been their history, and they would have stuck to their traditions if they had behaved like this. The utterance of 31st October, gave us every hope, but on the 25th January, this year that hope was shattered. Unless and until the Government adopt wise measures and conciliate Indian public opinion, I am afraid the situation will not be eased. This Government are proud of their Army. It may be that the attempt of Indians to force this Government to adopt a more conciliatory attitude, or to wrest from their hands the just rights of the Indians may not for some time succeed, but then, Sir, I do not know how to reconcile the past history of the British nation with their present attitude. We have been taught in English history to regard Englishmen as lovers of liberty and lovers of freedom and peace. We have seen how, in regard to their own liberty, they beheaded kings. They fought civil wars. They did everything in human power to preserve that liberty and that freedom. It is rather too great a strain on one's credence to believe that the same people, who fought in this way for their own liberty, should behave in this manner when the liberty of Indians is in question. Sir, I know that economic interests are perhaps more substantial and dense than sentiments, but now when India has awakened to its own interests, this Government fully know it is impossible to keep away from the Indians their just rights. It is a question of time only, but if the Government behaved properly, it is likely that, in the future days to come, amicable relations between the two peoples of India and of England may continue. But if this Government persist in their present policy, I have no suspicions in my mind that it will result in greater bitterness and alienation from each other. Sir, generally appeals are made whenever occasion arises, to our sentiments as members of the Empire. Now, Imperial Preference is coming, and on every occasion whenever the need arose, either in times of war or in times of peace, appeals were always made to Indians as members of the British Empire. Now, Sir, I do not know how it would delight the Englishmen, dominant partners of this Empire as they are, to participate in a war, non-violent though it may be, with their Indian fellow citizens. It pains one's heart to see that the Indian exchequer should spend sums of money to fight with Indians in a struggle which is peaceful, which is non-violent and which is meant only to vindicate the rights of Indians. Sir, the solution of this difficulty is not by way of convening a Round Table Conference in which Mahatma Gandhi, the soul of India, will not join. I do not doubt that statesmanship is not bankrupt and that wiser counsels shall prevail, and that both the British Government and the Government of India will devise some means to find out a solution. They must remember that they are fighting with a man who is today the most respected man in India. He is the man to whom every heart goes out in sympathy and in obedience. It is true that all these Honourable Members who are sitting here are co-operating with you, but I can assure the Government that our hearts are with Mahatma Gandhi. In the struggle which he is making against this Government, there is not a single Indian, whether

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official or non-official, who does not wish him victory. Sir, when the entire nation is behind Mahatma Gandhi, it is idle to think that the spirit of Mahatma Gandhi will be crushed. If any Government thinks like that, it requires some sort of treatment. Sir, I can without being a doctor, submit that this Government also require some sort of treatment. This Government are inebriated with power, but they must realise that, after all, the just rights of the people cannot be long denied and the inebriation of power cannot last for long. Sir, for all these reasons I have no option but to submit to the House that this Bill should be rejected.

**Mr. President** (to Haji Abdoola Haroon): Is the Honourable Member willing to conclude his observations in 10 minutes?

\***Haji Abdoola Haroon** (Sind: Muhammadan Rural): I will try, Sir, to finish my speech in 10 minutes.

Sir, I want to say only a few words on this Bill. In this Bill there are about five or six new taxes and many Members have already spoken on them. My Honourable friend, Sir Purshotamdas Thakurdas, has already spoken on silver, cotton and some other things; I want to speak on sugar. There are some Members who have also spoken on the sugar duty, but I want to draw the attention of the House to the fact that, already there is a tax on sugar to the extent of 75 per cent. With the new tax on it, it will go up to 100 per cent. Sir, sugar is consumed mostly by middle class people, and Honourable Members can visualise the hardship which they are already undergoing because of this tax. Of course, when I move my amendment to the Schedule, I will give the whole history of the sugar taxes, sugar industry and what the Government have up till now done so far as this industry is concerned. I do not want to take up the time of the House just now, as I have already promised to the Honourable the President to conclude my speech within a few minutes. Sir, when the Honourable the Finance Member introduced his Budget on the 28th February he raised the sugar tax by Re. 1—8 per cwt. I do not wish to touch upon the sugar trade of Karachi and Bombay which is sustaining many difficulties by the the arrangement of the Government of India with the Kathiawar States. I do not wish to open the old history and show how the settlement was arrived at between the Government and the Kathiawar States. But I want to draw the attention of the House and of the Honourable the Finance Member to the fact that, after levying this new duty on the 1st March, the merchants in Karachi, Bombay and Calcutta know very well that, according to the Sea Customs Act, any fresh duty which is levied must be paid on the 1st March, whether the new sugar or any sugar for the matter of that lies in the Indian ports or in the steamers. We think that everybody must pay the duty according to the Sea Customs Act

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\*Speech not revised by the Honourable Member.

and according to the customary law. But we have learnt that the Government of India have issued a circular saying that the sugar of the Kathiawar States should be passed through the Viramgam chold on old rates.

**Mr. President:** Is that so? Is there a circular to that effect?

**Sir Purshotamdas Thakurdas:** Yes, up to the 31st March, 1930.

**Haji Abdoola Haroon:** Up to the 31st March. Then the people of Bombay and Karachi learnt all these things and immediately sent a telegram to the Honourable the Finance Member. A deputation from the Bombay and Karachi ports, consisting of Members of recognised associations, then waited upon the Honourable the Finance Member, and I was included in the deputation. Not only that, the Chamber of Commerce of Karachi, which consists mostly of Europeans, wired to the Honourable the Finance Member. Besides the Sugar Importers Association of Calcutta, which consists of both Europeans and Indians, complained about these things.

**The Honourable Sir George Schuster:** I must supplement what my Honourable friend has said. I think he has perhaps given the House a misleading impression. The Government of India's circular referred to sugar imported into the Kathiawar ports before the 1st March of this year, that is to say, the regulation applicable to sugar imported into the Kathiawar ports was to be exactly the same as that applicable to sugar imported into British India ports subject to this, that as regards sugar imported into the Kathiawar ports it is subject to a further restriction. It must not only have been imported and landed before the 1st March, but it must also cross the Viramgam line before the 31st March. So that no discrimination was made in the arrangements specified by the Government of India between sugar imported into the Kathiawar ports and sugar imported into British India ports, but whereas a man who imports sugar into British Indian ports can keep it there as long as he likes an importer who has brought it into India through one of the Kathiawar ports has got to get it across the Viramgam line before the 31st March if he is to escape the higher duty.

**Haji Abdoola Haroon:** I am very thankful to the Honourable the Finance Member. But I wish to bring it to his notice that the Government of India have permitted the Kathiawar ports to pass through Viramgam sugar which has already reached those ports, that is before 31st March. The merchants of Bombay and Karachi always pay sugar taxes in cash to Government, but the Customs Collectors do not allow us any concessions. Whereas in Jamnagar and Kathiawar ports, I do not know whether the Honourable the Finance Member is aware on what quantity of sugar lying in those ports duty is paid. I have several times asked that question. I know that the Government of India have not got the figures before them as to how much duty is paid on sugar in Jamnagar. I wish to draw the attention of the Honourable the Finance Member to the fact that, whenever the steamers come with sugar, we, the merchants of Bombay and Karachi, have to pay full duty, whereas in Kathiawar ports, we learn that the State's officers are satisfied with taking some sort of security from the merchants and they consider that the sugar duty is paid. I also wish to ask the Honourable Member how

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much sugar has passed through the Viramgam line. I am sure that the Honourable the Finance Member will kindly compare the figures of sugar exports this month, *i.e.*, to the end of March, 1930, with the figures for March, 1929, that is, last year. Then he can understand how things are coming to pass and how the British Indian merchants in the ports have suffered. Of course, it may be said that everybody is agitating according to his own wish. But in this case, I wish to emphasise the fact that, not only Indian importers but also European importers, are complaining about this treatment of the British Indian ports and this discrimination between British Indian ports and Kathiawar ports. When I led the deputation of Bombay and Karachi merchants to the Honourable the Finance Member, he heard us very patiently and he treated us very kindly and we submitted a memorandum after that. I do not want to open all those matters now. But I wish to draw the attention of the Honourable the Finance Member to the fact that, since entering into an agreement between the Government of India and the Kathiawar States, we, the merchants of Bombay and Karachi, have specially suffered very heavily on account of this agreement. Not only that, not only have we suffered, but the Government of India also have suffered very heavily in the recovery of their duties. I am sorry, Sir, that my time is coming to an end . . . .

**Mr. President:** The Honourable Member might go on if he has got anything more to say.

**Haji Abdoola Haroon:** Thank you, Sir. I want once again to make it clear that the merchants of Bombay and Karachi are of opinion that, not only do the Government of India lose the duties, but also the State people, who are employed in the sugar trade, are enjoying an advantage at the expense of the British Indian Government. Their sugar trade is flourishing. It comes to this, that they are getting three months' credit to pay the taxes to the Government of India, after passing the Viramgam line, whereas we, people in British India, have to pay before taking delivery of sugar a minimum tax of Rs. 9, before, and now, Rs. 12 per bag immediately. Besides that, we also understand that a sort of sugar called *burā*—crushed sugar—is passing through the Viramgam line. That sugar is not taxed on the Viramgam line, because it is sugar manufactured in the State. I know very well Sir, that not a single State in Kathiawar manufactures sugar. On the pretext that it is locally manufactured the Java sugar is converted into *burā* sugar, and that passes the Viramgam line without paying a single pie as duty. I have no objection to the States benefiting by this, but the British Indian merchants are the losers in the bargain. You can understand, Sir, how in this manner the British Indian merchants of Bombay and Karachi have to compete with the State. Besides, the Rias of the States are helping their subjects, and coupled with the help that they indirectly get from the Government of India, they become too great a rival for us, and I do not think we can successfully compete with them in this way. Besides that, this new duty has risen, and according to the circular, which my Honourable friend has accepted, they have allowed sugar to pass till the 31st March. I want to say in this House that, with this condition, the sugar market could not rise along with the raising of the duty; and

therefore the Jamnagar people and the Kathiawar people are selling in Upper India, Delhi, the whole of Rajputana, and half of the Punjab and we are suffering on account of that. We have approached the Finance Member and told him that the Jamnagar people have been allowed to pass till the 31st March, sugar which was landed till the 28th February. Of course, according to the Customs Act, we are bound to pay the excise duty, but we should be given some facility. That means that, with regard to the sugar which has already reached the ports of Karachi, Bombay and Calcutta, and this sugar which is already lying on the shores of India, we should be relieved of that small amount of duty, namely, about 24 thousand tons. I hope he is considering the best way, and that he will give some little relief in this matter to the Karachi and Bombay people.

With these few words, I hope that, in the near future, these things will be properly considered by Government.

The Assembly then adjourned till Eleven of the Clock on Wednesday, the 19th March, 1930.