

20th March 1930

THE

LEGISLATIVE ASSEMBLY DEBATES

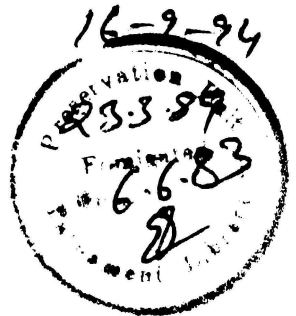
(25th February to 20th March, 1930)

SIXTH SESSION

OF THE

THIRD LEGISLATIVE ASSEMBLY, 1930

Chamber Fumigated. 18.10.73.....



DELHI
GOVERNMENT OF INDIA PRESS
1930

Legislative Assembly.

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THE HONOURABLE MR. V. J. PATEL.

Deputy President :

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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.

Thursday, 20th March, 1930.

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

MEMBERS SWORN.

Kumar Ganganand Sinha, M.L.A. (Bhagalpur, Purnea and Santhal Parganas: Non-Muhammadan) and Mr. G. S. Hardy, M.L.A. (Commerce Department: Nominated Official).

SHORT NOTICE QUESTIONS AND ANSWERS.

DECISION OF THE BRITISH GENERAL MEDICAL COUNCIL NOT TO RECOGNISE MEDICAL DEGREES OF INDIAN UNIVERSITIES.

Dr. B. S. Moonje: (i) Will Government please state if they have seen the news as published in the *Hindustan Times* of 17th March, 1930, page 6, at the top of fifth column, which is as follows:

“The *British Medical Journal* announces that the Executive Committee of the General Medical Council (of England) has decided to refuse to recognise for the time being the medical degrees of Indian Universities”?

(ii) If so, will Government please state if it is a fact and, if so, the reasons thereof?

(iii) Are Government aware that, up to last year, medical degrees of some of the Indian Universities, such as those of the Universities of Madras, Bombay, etc., were recognised as registrable by the General Medical Council of England?

(iv) If so, what has happened in the course of the last year which has led the General Medical Council to come to their above decision?

(v) What do Government propose to do to establish amicable relations between the General Medical Council of England on the one hand and the Indian Universities and the Indian Medical profession on the other?

Sir Frank Noyce: (i) Yes.

(ii) The Executive Committee of the General Medical Council has decided that, in the absence of authoritative information regarding the medical qualifications of the Universities of Bombay, Calcutta, Lucknow, Madras and the Punjab, it is unable, for the time being, to recognise the medical degrees of these Universities as furnishing details of guarantee of possession of requisite knowledge and skill for the efficient practice of medicine, surgery and midwifery in Great Britain.

(iii) Yes.

(iv) Since 1922, the recognition of Indian medical degrees by the General Medical Council has been dependent upon periodical inspection of examinations. The Council, however, came to the conclusion that isolated reports on final examinations had proved, after repeated experience, to be inadequate to enable it to satisfy itself on all important matters, on which it was its statutory duty to be satisfied before assuming the responsibility of recognition for purposes of registration. Pending the confirmation of the appointment of a Commissioner of Medical Qualifications and Standards, the Council agreed to continue recognition until the meeting of its Executive Committee in February, 1930. The Council has now withdrawn this conditional recognition.

(v) The situation which has arisen is engaging the earnest attention of Government.

Dr. B. S. Moonje: Have Government seen the answer given by the Minister of the Bombay Government in the Bombay Legislative Council yesterday which is as follows:

"The Government of Bombay alone objected to the appointment of a Commissioner, but subsequently agreed to the appointment as a temporary measure on the Central Government undertaking to give full consideration to the wishes of the Government of Bombay as regards any permanent arrangement."?

Sir Frank Noyce: I have not seen that statement, Sir, but the substance of it is perfectly correct. Might I submit to you, Sir, that there is another short notice question on the paper put by my Honourable and gallant friend, Colonel Gidney, and that it might be convenient if I answer that question before answering further supplementary questions?

Mr. President: Colonel Gidney.

DECISION OF THE BRITISH GENERAL MEDICAL COUNCIL NOT TO RECOGNISE MEDICAL DEGREES OF INDIAN UNIVERSITIES.

Lieut.-Colonel H. A. J. Gidney: (a) Has the attention of Government been drawn to the issue of the *Daily Chronicle*, dated 16th March, regarding the decision of the British General Medical Council to refuse, for the time being, recognition of the medical degrees of Indian Universities?

(b) Will the Honourable Member in charge of the portfolio be good enough to inform the House what the Government of India intend doing under the circumstances, especially in connection with the creation of an All-India Medical Council?

(c) Will Government be good enough to place on the table all the correspondence that has passed between it and the Secretary of State for India on this subject?

Sir Frank Noyce: (a) Yes.

(b) Government have so far received by telegraph only the text of the resolutions regarding Indian medical degrees passed at the meeting of the Executive Committee of the General Medical Council on the 24th February. They will decide what action should be taken when they are in possession of full papers, which are following by mail. Meanwhile I can assure the Honourable Member that every endeavour will be made to proceed with the proposal for the establishment of an All-India Medical Council without avoidable delay.

(c) A copy of the relevant correspondence is placed on the table of the House.

Letter from the General Medical Council to the India Office, No. 112, dated the 18th June, 1929.

Referring to your letter of 14th February, 1929, on the question of the appointment of a Commissioner of Medical Qualifications and Standards, and to the accompanying letter from Mr. Bajpai, the Secretary to the Government of India, of 17th January, 1929, which were considered by the Executive Committee on behalf of the General Medical Council on 25th February, 1929, I beg leave again to call your attention to the resolution of the Executive Committee then adopted and communicated to you.

The several individual reports proposed in paragraphs 1 and 2 of Mr. Bajpai's letter have now been received, and will be dealt with in July.

With regard to paragraph 3 the Committee resolved as follows :

"That the important matters referred to in para. 3 of the Government of India's letter will be subject to a further communication from the Council; but, in the convinced opinion of the Council, the only satisfactory solution to the difficulties of inspection of Medical Colleges and qualifying examinations of Indian Universities, until an All-India Medical Council is constituted, is the appointment of a whole-time Commissioner of Medical Qualifications and Standards by the Indian Government."

This "convinced opinion" was communicated to you in due course, and we gather from your letter of 21st March, that it was referred to the Government of India. We are still awaiting a reply. As regards the "further communication from the Council" indicated in the Resolution, this was intended, should the Government of India still hesitate to offer if necessary the special reasons for our inability to accept, as a satisfactory alternative, the continuance of a series of reports from one or more part-time Inspectors of Final Examinations only. The following are the considerations referred to.

1. The duty of the Council, imposed by statute, is to ensure that the curricula and degrees, which it recognises for British registration, shall be such as to furnish a sufficient guarantee of the requisite knowledge and skill for the efficient practice of Medicine, Surgery, and Midwifery in this country.

2. In order that it may fulfil this duty in this country it is empowered by law to appoint visitors and Inspectors to report on *all* the subjects of the curriculum required by the Home Licencing Bodies. These visitations are continually going on, and thus the Council is enabled to ascertain and to judge of the nature scope and methods of medical education in operation throughout the country, as well as the standards of examination in *all* the professional examinations.

3. In India the Council has no similar powers and the duty of furnishing the necessary guarantee would appear to devolve on the Indian Government indeed *continuous* supervision of medical qualifications and standards, carried out by means of visitations of colleges, as well as by inspection of examinations has now been shown to the satisfaction of the Council, to be necessary for the fulfilment of its functions in respect of Indian degrees. Isolated reports on the final examinations have proved, after repeated experience, to be inadequate to satisfy the Council on all-important matters on which it is its statutory duty to be satisfied before assuming the responsibility of recognition for purposes of registration.

4. The advances in Indian Medical Education which have been noted since 1922 have, the Council is assured, been stimulated and guided more by the visitation of Medical Colleges, and by the free discussion with University authorities, rendered possible by the visits to India of Sir Norman Walker and of Col. Needham, than by any other single factor, repeated inspection of qualifying examinations not excepted.

5. Such visitation of Colleges and discussion with Universities is still, we believe, urgently necessary if the advances noted are to be maintained. The reports of the Inspectors received in the last two years reveal deficiencies which would not be tolerated in this country, and which might and indeed ought to be removed under the counsel and direction of an official Commissioner, impartial as between the provinces, and familiar with home standards and methods. His whole time would properly be occupied with this work, and with the inspection of Final Examinations. The latter might quite well, as in this country, be spread over two years if necessary.

6. The reports of such a full-time Commissioner, authoritative, fully informed, and impartial would be received by the Council with full confidence as a basis of action; and the Commissioner would be continually accessible for dealing with communications on particular points on which the Council desired further information. This advantage is not afforded by the appointment of *ad hoc* part-time Inspectors.

7. The Council, seeing that the question of continued recognition of Indian Medical Degrees comes up for decision in July next, and that satisfactory materials for such a decision are not provided by the reports of the Inspectors before it, again urges upon the Government of India the expediency of appointing a whole-time Commissioner with the express duty of visiting Medical Colleges, of inspecting professional examinations, and of furnishing to the Council, through the Government of India, the guarantees that are indispensable for the due fulfilment of its statutory duties. These guarantees would incidentally be of great value to the Government of India in respect of the medical services which are central rather than provincial in their nature and extension.

Telegram from Viceroy, Education Department, to His Majesty's Secretary of State for India, London, No. 2973, dated the 1st October, 1929.

Your telegram dated 25th September, 1929. Appointment of Commissioner of Medical Qualifications and Standards. As expenditure was for a new service within meaning of rule 50 (1) (ii) of Indian Legislative Rules, demand for grant of a token sum was submitted to vote of Legislative Assembly on 25th instant, although Standing Finance Committee by majority of votes had not agreed. Demand was strongly opposed by Congress and National Parties who preferred establishment of All-India Medical Council, and did not consider creation of post of Commissioner as matter of urgency. They desired that question be postponed for consideration to next Delhi session. Explanation that interests of Indian medical students were at stake and that local Governments who were primarily concerned had agreed to creation of post on temporary basis and to divide expenditure among themselves did not satisfy opposition. Prolonged discussion took place. Debate had not concluded when President adjourned the House at 4-30 p.m. and therefore no decision by Assembly could be taken this Session. Proceedings of debate will follow by mail as soon as possible. In view of the turn events have taken we are considering what action is now feasible. It is clear that Standing Finance Committee having by majority of votes rejected the proposal, and in view of strong opposition in Assembly, no expenditure from Central revenues can be incurred. Needham should not, therefore, sail to take up new appointment until you receive further reference which we hope to communicate shortly.

Letter from General Council of Medical Education and Registration of the United Kingdom, to the India Office, No. 1515, dated the 9th October, 1929.

The Council has learned with concern of the difficulty which has arisen in connexion with Colonel Needham's departure for India as Commissioner for Medical Standards and Qualifications. I am instructed to point out that the delay makes the position very serious for India. At the meeting of the Executive Committee on July 22nd, 1929, the President was able to assure the Committee that the communications received from the India Office showed that the procedure for the appointment of a Commissioner was well advanced and would speedily be completed. On the strength of this assurance from the President, the Committee adopted the following *Resolutions* :

1. "That the Government of India be informed through the India Office that the Council are gratified to find that their proposal for the appointment of a full-time Commissioner to perform the duties set forth in the President's letter of June 12th, 1929, has been agreed to; and that the India Office be informed that the Council, pending the confirmation of the appointment of the Commissioner, have agreed to continue to recognise the degrees of the Universities of Bombay, Calcutta, Madras, Lahore and Lucknow until the meeting of the Executive Committee in February, next. (Page 6, July, Minutes.)
2. "That the recognition of the degrees of the Universities of Bombay, Calcutta, Lucknow, Madras, and Punjab be continued until the meeting of the Committee in February, 1930; but that recognition cannot be extended to the degrees of Patna University and the University of Rangoon pending the receipt of reports thereupon from the Commissioner of Medical Qualifications and Standards. (Page 43, July Minutes.)

When it was learned that Colonel Needham had received the offer of appointment as Commissioner on the 12th September, and learned later from Colonel Needham that he had accepted it, it was naturally assumed that matters would go straight forward, and that the conditions laid down by the Executive Committee would be fulfilled. Colonel Needham has booked a berth on the "Morea" leaving Marseilles on November 1st, which would get him to India in time to be present at the November and December examinations of certain Universities, and he was expected to be able to report on these to the Executive Committee in time for the February Meeting.

Unless prompt steps are taken to authorise the Commissioner to proceed to India as arranged so as to be in a position to furnish the Executive Committee with Reports and thus enable them to come to some decision in February, the position in regard to the recognition of Indian degrees will be similar to that occupied by Calcutta in 1924. The recognition of Calcutta degrees was then made conditional on a satisfactory report from the Inspector. The University thought fit to refuse his admission to their examinations, and the recognition lapsed. The Council in February, failing the authoritative information necessary for its statutory guarantee of efficiency, will have no choice but to allow its conditional recognition of all Indian medical degrees to lapse also; and those degrees will *ipso facto* cease to be registrable in the British Register. The responsibility for this grave result will lie with the Indian authorities. In the interest of Indian medical education the Council strongly deprecate it, but if the present position is not immediately rectified they will be unable, in consonance with their statutory duties and powers, to avert it.

Letter from the General Council of Medical Education and Registration of the United Kingdom to the India Office, No. 2449, dated the 6th December, 1929.

As promised by the Registrar of the General Medical Council, I brought your communication from the Secretary of State for India, of date 15th October, 1929, intimating the cancellation of the appointment of the Government Commissioner of Medical Qualifications and Standards, before the Executive Committee of this Council during the Session which closed on 30th November, 1929.

The Committee approved the terms of my letter to you of 9th October, 1929, written on its behalf, and instructed me to refer you to this letter, and to my letter of 12h June, 1929, addressed to the Secretary of State, for the grave reasons that have moved the Committee in suggesting that, in the best interests of India, such a temporary appointment is necessary, pending the establishment of an all-India Medical Council.

The Executive Committee is satisfied that, as the situation created by the cancellation now stands, when it meets in February 1930 to consider requests from Indian Universities, that their medical degrees shall in future be held to be registrable as qualifying for practice in this country, it cannot have before it the necessary authoritative information concerning the actual standards of their examinations, and the professional qualifications of their graduates. The evidence before the Committee shows that the mere possession of an Indian Medical Degree does not, by itself, ensure the possession of a qualification equivalent to the minimum qualification accepted in this country.

In the absence of such essential guarantees the Executive Committee cannot, consistently with the Medical Act, 1886, do other than withhold its statutory recognition from these degrees.

When the Government of India is in a position to supply such guarantees, by means of satisfactory reports from a Commissioner of Medical Standards and Qualifications, or from a legally-constituted India Medical Council, the Executive Committee, which, while it is sincerely concerned for the interests of medical education in India, is by law required to maintain the standard of qualifications admitting to the Medical Register for practice at home, will give applications from Indian Universities, transmitted by the Government of India, its careful and sympathetic consideration.

With reference to the proposed *ad interim* inspection of Rangoon University, the Committee has resolved that this University must be dealt with on the same lines as the other Indian Universities, and at the same time, namely, in February, 1930.

It has already been intimated to the Government of India (see my letter of 12th June, 1929) that separate Inspections by Inspectors appointed *ad hoc*, without reference to any common standard comparable with our own, are found to be no longer adequate for the purposes of the Committee.

I take the opportunity of forwarding, for the information of the Government, a copy of my Presidential Address to the Council at the opening of its recent Session, in which the question of Indian Degrees was dealt with at some length.

Telegram from His Excellency the Viceroy, Education Department, to His Majesty's Secretary of State for India, London, No. 42, dated the 6th January, 1930.

Continuance of recognition of Indian medical degrees. Local Governments now agree that the only solution of present difficulties is to be found in establishment of all-India Medical Council. We are most anxious to proceed with legislation with least possible delay but, in view of intricacy of subject and necessity for alterations in the Bill as originally drafted to meet criticisms and suggestions received from various quarters, on which it will probably be necessary to consult Local Governments it will not be possible to introduce legislative measure this session. We have given most careful consideration to arrangements which should be made to tide over interval which must elapse until statutory Medical Council is created. Appointment of Commissioner of Medical Qualifications appears to us out of the question in view of strong opposition to proposal manifested both in the Assembly and outside it. Conference of Indian Universities which met at Delhi in October, recorded view that appointment of Commissioner was not in consonance with best interests of medical education in India. It is clear that non-official opinion is very definitely against proposal and in these circumstances we do not consider it desirable to re-open question.

2. Conference of Universities recommended that pending creation of Indian Medical Council a Board consisting of representatives of Government of India and of Medical Faculties of Universities should be appointed immediately as temporary measure for determining and supervising medical qualifications and standards in Indian Universities. We regard suggestion as sound and agree that it is necessary to appoint a Board as preliminary to Indian Medical Council to be created by Act of Legislature. We therefore propose to establish Board consisting of our D. G., I. M. S. as President and one representative from each Medical Faculty of Universities in India as members. Board will appoint three Inspectors who will be specialists in their own subjects, namely, medicine, surgery and midwifery respectively, for the purpose of carrying out inspections and reporting on standards of medical education and examinations. Reports of Inspectors will be submitted to and considered by Board which will decide whether guarantee should or should not be given to General Medical Council that possession of medical degrees of a particular Indian University ensures possession of minimum qualifications accepted for registration in Great Britain. As there is little doubt that members of Board and Inspectors will all possess qualifications obtained in Great Britain, they will be in position to make satisfactory comparison between standards in India and those in Great Britain, and we trust guarantee furnished by Board which will be authoritative and competent body, will be acceptable to General Medical Council.

3. Before moving further in matter of constitution of temporary Board we should be glad if action which we propose to take could be intimated to General Medical Council and to be informed urgently of their probable attitude to proposal.

Telegram from Viceroy, Education Department, to His Majesty's Secretary of State for India, London, No. 544, dated the 17th February, 1930.

Immediate. Recognition of Indian medical degrees. Medical Examinations of Rangoon and Patna Universities commence on 27th February and 12th March, respectively. There will not be enough time to arrange for inspection of these examinations under the arrangements suggested in our telegram 42, dated 6th January, on assumption that proposal to create temporary Board meets with approval of General Medical Council. It is accordingly proposed that these examinations should be inspected by *ad hoc* Inspectors whose reports would be submitted to the Council as has been done in case of examinations of other Universities in past. We suggest that if General Medical Council is agreeable Sir Frank Connor should inspect Rangoon examinations and Lieutenant-Colonel Bradfield Patna examinations. Both Officers have inspected medical examinations on behalf of General Medical Council before and are well qualified. We shall be glad to be informed immediately whether General Medical Council agrees as otherwise it will not be possible for Connor to reach Rangoon by 27th. We would express our earnest hope that General Medical Council will accept this temporary expedient.

Medical examinations of other Universities will be held not earlier than April, and it should be possible to arrange for their inspection under new arrangements of General Medical Council agrees to these at its Executive Committee's meeting on 24th February.

Telegram from His Majesty's Secretary of State for India, London, to Viceroy, Education Department, No. 840, dated the 8th and (received 9th) March 1930.

Immediate. Indian Medical degrees. Following Resolutions were adopted at meeting of Executive Committee General Medical Council on February 24th. *Begins.*

(1) That in absence of authoritative information respecting Medical Qualifications and Standards, Bombay, Calcutta, Lucknow, Madras and Punjab Universities, Executive Committee is unable for the time being to recognise Medical degrees of these Universities as furnishing details of guarantee of possession of requisite knowledge and skill for efficient practice of medicine surgery and midwifery in this country and that accordingly conditional recognition hitherto granted to these degrees has now lapsed.

(2) Proposal of Government of India to appoint temporary Board contained in India Office letter of January 11th, 1930, has been carefully considered but Executive Committee were authoritative information on medical qualifications and standards in India and with necessary guarantee of sufficiency.

(3) Executive Committee has carefully considered proposal of Government of India to appoint temporary Inspector(s) for qualifying examinations of Rangoon and Patna Universities but find it undesirable for reasons given in Presidents' letters of June 12th and December 6th, 1929, to renew the practice of approving appointment of separate inspector(s) which it has already found inadequate for the purpose of ascertaining sufficient standard for Indian Medical degrees actually required and enforced by Universities. *Ends.*

Papers are being sent by next Air mail.

Lieut.-Colonel H. A. J. Gidney: Will the Honourable Member be good enough to place on the table of the House or in the Library a copy of the minutes of the proceedings of the Conference that took place last July between the Government of India and the Ministers of the Provincial Governments on the formation of an all-India Medical Council and of other cognate subjects?

Sir Frank Noyce: A copy of the proceedings of the Conference will be placed in the Library of the House.

Mr. Lalchand Navalrai: Will the Government of India, in these circumstances, consider the question why, when Indian degrees are not even recognised, British degrees should be recognised in India?

Sir Frank Noyce: That question will be considered.

Dr. B. S. Moonje: Will the Honourable Member state the reasons for the objections of the Bombay Government's Minister as regards the appointment of the Commissioner as proposed by the General Medical Council?

Sir Frank Noyce: The Honourable Member will find those objections fully stated in the proceedings of the Conference, a copy of which is being placed in the Library.

Diwan Chaman Lal: When did the Honourable Member receive intimation of the decision of the General Medical Council?

Sir Frank Noyce: The Secretary of State's telegram was received on the 9th March.

Lieut.-Colonel H. A. J. Gidney: With reference to the present situation, will the Honourable Member state whether it is a fact that, according to the present decision of the General Medical Council, Indians who receive

their degrees in India and which degrees are registrable in England will be precluded from entering the I. M. S. and whether Indians who do not possess British qualifications will be prevented from entering the I. M. S.?

Sir Frank Noyce: Will the Honourable Member kindly repeat his question?

Lieut.-Colonel H. A. J. Gidney: Will the Honourable Member kindly tell us whether, as things stand at present, Indians who are in possession of Indian degrees which are registrable in England are precluded today from entering the I. M. S. and whether Indians who do not possess British qualifications are prevented from entering the I. M. S. as things stand at present?

Sir Frank Noyce: Does the Honourable Member refer to the state of affairs which has ensued from the decision of the Medical Council?

Lieut.-Colonel H. A. J. Gidney: Yes.

Sir Frank Noyce: The position is, I think, Sir, that Indians in possession of Indian degrees up to the date of the General Medical Council's decision are in the same position as they were before, and they are not precluded from entering the I. M. S. I take it that the result of the decision of the General Medical Council is that Indians who do not possess qualifications registrable in the United Kingdom may be precluded from entering the I. M. S.

Dr. B. S. Moonje: We want to know, as a fact, whether, after the refusal of the General Medical Council to recognise the Indian Medical degrees, it will be impossible for people possessing Indian degrees to appear for the competitive examination for the I. M. S.?

Sir Frank Noyce: The legal position, Sir, will require careful examination.

Diwan Chaman Lall: May I ask the Honourable Member whether he has taken any action of protest against the action of the General Medical Council on behalf of the Government of India?

Sir Frank Noyce: I have already stated, Sir, that we are awaiting the receipt of full papers by mail before deciding upon the action which the Government of India should take.

Diwan Chaman Lall: Do I take it then that the Honourable Member means that the Government of India, since the receipt of this information from Great Britain, have not so far lodged a protest against the action of the General Medical Council?

Sir Frank Noyce: That is so. It is impossible to deal with a question of this complexity and gravity without full consideration of the implications of such action as the Government may decide to take, and it does not seem advisable to take that action until the Government of India are in full possession of all the facts.

Diwan Chaman Lall: Is the Honourable Member aware that this matter has been before the Government of India for several months and that they have had ample opportunity to make up their minds as to what action they should take in an eventuality of this nature arising?

Sir Frank Noyce: I think, Sir, the correspondence which I am placing on the table of the House will show that the Government of India have not been inactive during the last few months.

Pandit Hirday Nath Kunzru: May I ask, Sir, whether candidates desiring to compete for the I. M. S. are required to possess qualifications registrable in the United Kingdom?

Sir Frank Noyce: I have already answered that question, Sir.

(At this stage several Honourable Members rose in their seats to put supplementary questions.)

Mr. M. S. Aney: May I know, Sir, when two Members simultaneously stand up, who has got the priority of putting the supplementary question?

Mr. President: Whoever can talk louder than the other!

Sir Hari Singh Gour: About the question of registration of Indian medical degrees in the United Kingdom, it is not a question which has arisen recently. It arose some years back when Colonel Needham was appointed as Commissioner for Medical Education in India. I want to know what action the Government have been taking from that time when the British Medical Council had decided that, unless Colonel Needham was appointed, they would withdraw the privileges of the Indian medical graduates?

Sir Frank Noyce: In the proceedings of the Conference, which I am placing in the Library of the House, the House will find a full account of the history of this question during the last few years.

Dr. B. S. Moonje: Is it a fact that the Bombay Government's Minister did make a proposal to appoint a Committee of Members representing Medicine, Surgery and Midwifery, or in the alternative a Medical Board on the lines suggested by the Conference? If so, what action did the Government take on this proposal? Why was it turned down?

Sir Frank Noyce: There again I must ask the Honourable Member to read the papers. The reasons will be found in the proceedings of the Conference. It will perhaps satisfy the Honourable Member if I tell him what temporary arrangements the Government proposed to make. They suggested to the General Medical Council that a temporary Board should be appointed as a preliminary to an Indian Medical Council being created by an Act of the Legislature. They therefore proposed to establish a Board consisting of the Director General, Indian Medical Service, as President and one representative of each Medical Faculty of the Universities in India as Members. That was the recommendation made by the last Conference of Indian Universities, and with the modification that the Director General, Indian Medical Service, should be President of the Board it was accepted by the Government of India. It was suggested that the Board should appoint three Inspectors, who would be specialists in their own subjects, namely, Medicine, Surgery and Midwifery, respectively, for the purpose of carrying out inspections and reporting on standards of medical education and examinations. That suggestion of appointing three Inspectors was made by the Bombay Government. This proposal was not unfortunately accepted by the General Medical Council for reasons which will appear in the telegram that has recently been reviewed by the Government of India.

Dr. B. S. Moonje: Was it not a sufficient ground for the Government of India to protest against the refusal of the General Medical Council to accept the proposal of the Government of India?

Sir Frank Noyce: I think I have already answered that question, Sir. We have only had the General Medical Council's refusal before us for a very short time, and we are awaiting the receipt of papers before deciding what action to take.

Dr. B. S. Moonje: My point is this. The Government of India made a definite proposal to the General Medical Council, and that proposal was turned down by them. Was it not a sufficient ground for the Government of India to make a protest against their action? Did they make a protest?

Sir Frank Noyce: Until we have full information and heard more about the grounds on which the General Medical Council turned down that proposal, it seems useless to lodge a protest. In any case I find it a little difficult to understand what the use of such a protest will be at this stage.

Dr. B. S. Moonje: One more point of information, Sir.

Pandit Hirday Nath Kunzru: Have the Government of India represented to His Majesty's Government that candidates for the I. M. S. should no longer be required to possess degrees registrable in the United Kingdom, and that Indian medical qualifications should be regarded as sufficient?

Sir Frank Noyce: No, Sir.

Mr. M. A. Jinnah: I want to know, Sir, whether the Government of India are going to act with promptitude in this matter, and whether they are going to act in this matter as a national Government of this country?

Sir Frank Noyce: The Government of India will certainly do their best to act with promptitude.

As regards the second part of the question, I can give the Honourable Member a definite assurance that the Government of India have determined to ensure the autonomy of India in this matter by establishing an All-India Medical Council which will be able to regulate the recognition of medical qualifications on a basis of complete equality and full reciprocity as soon as possible.

MESSAGE FROM THE COUNCIL OF STATE.

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

I am directed to inform you that the Council of State have, at their meetings held on the 12th, 18th and 19th March, 1930, agreed without any amendments to the following Bills which were passed by the Legislative Assembly at their meetings held on the 23rd January, 27th February and 6th March, 1930, namely:

1. A Bill further to amend the Cantonments (House Accommodation) Act, 1923, for certain purposes;
2. A Bill to amend the law relating to insolvency for certain purposes;

3. A Bill further to amend the Inland Steam-vessels Act, 1917, for certain purposes;
4. A Bill further to amend the Indian Tariff Act, 1894, for certain purposes;
5. A Bill further to amend the Indian Income-tax Act, 1922, for a certain purpose;
6. A Bill further to amend the Indian Railways Act, 1890, for certain purposes; and
7. A Bill to amend the law relating to the fostering and development of the steel industry in British India for certain purposes.

STATEMENT OF BUSINESS.

The Honourable Sir James Orerar (Leader of the House): With your permission, Sir, I desire to make a statement as to the probable course of Government business in the week beginning the 24th March. You, Sir, have directed that the House shall sit for the transaction of official business on Monday, the 24th, Tuesday, the 25th, Wednesday, the 26th, Thursday, the 27th, and Friday, the 28th. Members are already aware of the Government business pending, but it may be desirable to set it forth briefly in the order in which it will probably be taken. Owing to the uncertainty as to the time which will be required for the completion of the Finance Bill and of the Cotton Textile Industry (Protection) Bill, it is not possible to allot particular items of business to particular days, and beginning from Monday, a consolidated list of outstanding business will be prepared for disposal on that day and on succeeding days. The order of that business will approximately be as follows:

1. The Finance Bill, if it is not passed by the evening of Saturday, the 22nd March.
2. The Cotton Textile Industry (Protection) Bill.
3. The Silver (Excise Duty) Bill.
4. The Bill further to amend the Indian Companies Act, 1913, as reported by the Select Committee.
5. The consideration of the formal amendments made by the Council of State in two Bills relating to the amendment of the Income-tax law, which have been passed by this House in this Session.
6. The consideration and passing by this House of two Bills which originated in the Council of State, namely, the Bill to amend the Transfer of Property (Amendment) Supplementary Act, 1929, and the Bill to amend the Destructive Insects and Pests Act, 1914.
7. The Supplementary Demands on the General Budget.
8. The Excess Demands and the discussion of the Report of the Public Accounts Committee.
9. The passing of the amendment to the Standing Orders of this House already reported by the Select Committee.

[Sir James Crerar.]

10. The Resolution of the Honourable Sir Bhupendra Nath Mitra relating to the recommendations of the International Labour Conference on the subject of the prevention of industrial accidents and the protection of power-driven machinery.

If at any time it becomes apparent that the business set out in this statement will not be concluded by the evening of Friday, the 28th March. I shall approach you, Sir, with a request to direct on what further days there shall be sittings of the Assembly.

THE INDIAN FINANCE BILL.

Mr. President: The House will now resume further discussion of the motion that the Finance Bill be taken into consideration.

Dr. B. S. Moonje (Nagpur Division: Non-Muhammadan): Resuming my speech, I say I charge the Government of India with wilful obstructiveness in the way of the Indian people exercising whatever little rights and privileges they have under the present Government of India Act. I would like to illustrate it by quoting an instance. It will be found, I hope, very instructive. I may remind the House of one of the recommendations made by the the Shea Committee. This recommendation is that:

“ . . . military education should commence wherever possible in schools. It should be continued in the universities and colleges by means of the University Training Corps and should be concluded in the units of the Indian Territorial Force.”

So if this arrangement is to be given effect to in accordance with the authoritative opinion of an authoritative Committee, then, going backwards from top to bottom, we have got the Indian Territorial Force; then we have the University Training Corps, and the only thing wanted now is that a scheme of military education suitable for the school should be devised so that, that education should be begun in the schools. Speaking on the analogy of general scholastic education we have got for the military education, secondary schools, *i.e.*, University Training Corps; we have got means for higher military education, *i.e.*, the Territorial Force, but we have not at present got the means of primary military education or elementary schools where the military education should begin. Anticipating this recommendation of the Shea Committee, I was intending to introduce a Bill for compulsory physical training, military drill and rifle practice for Indian Boys when I was a Member of the Central Provinces Legislative Council. I was told at the time, *i.e.*, in 1925, that the Bill fell within the scope of section 80A(3)(e) of the Government of India Act, on the ground that the Bill sought to regulate a Central subject, and that the Government of India had refused to grant the necessary sanction and that the measure can not therefore be introduced in the local Council. Fortunately, I soon happened to come to the Central Legislature. I had given notice of a similar Bill in this Assembly in 1927. I was, however, told this time that, “in so far as the training proposed by the Bill was to be carried out by the provincial educational authorities, the measure was one which should be introduced in a provincial Council”. The measure was in the first instance introduced in the Central Provinces Provincial Legislative Council and it was shunted off to the Central Legislature and when the

same measure was introduced in the Central Legislature, it was sought to be shunted back to the local Council. I did not however leave the matter there. Taking advantage of this definite expression of opinion, I asked a friend of mine, Mr. Kalikar, B.A., LL.B., M.L.C., to introduce the same Bill in the Central Provinces Legislative Council. He gave notice of it in October, 1928, and was told in the month of November, 1928, that previous sanction of the Governor General was required and that "action is being taken in respect of the requisite sanction". Nothing definite has yet been told us in the matter, although a year and a half have elapsed. I asked a question here in this connection on the 17th September, 1929, and I was told by the Honourable the Law Member that sanction was refused by the Governor General to that Bill of mine, not, as suggested in the question, because the Bill regulated a Central subject, but because it regulated a Central subject "in a manner not acceptable to the Government of India." This was the first time that I was so told somewhat more definitely. I really could not understand the answer at all. The answer was given by the Law Member. Do the Government of India mean that Indian boys should not be subjected to physical training, or drill, or that they should not be trained in rifle practice? I hope the Honourable the Law Member will enlighten me on the point as to how this Bill not only regulates a Central subject but regulates it in a manner not acceptable to him or the Government of India, and then I will reply to him. I pause for a reply. But I might mention for the information of the Honourable the Law Member, that though what was intended by my Bill affected a Central subject, it was already regulated in a manner which is acceptable to the Central Government as well as to the Local Governments. He might know that there is a rule known as rule 32 of the Indian Arms Act, which runs thus :

"A licence for the possession and use of fire arms for the purpose of target practice by the members of any military mess or of any club or association may, with the sanction of the Local Government, be granted in Form XV in the name of the mess, club or association."

So, if the objection of the Government of India related to the handling of rifles by Indian boys, which is a Central subject, then certainly this Bill of mine regulated a Central subject, but to their further objection that it regulates the Central subject in a manner not acceptable to them, the answer is already provided by this rule 32 of the Arms Act. I do not know in which other respects that Bill seeks to regulate a Central subject in a manner not acceptable to the Government of India. I hope the Honourable the Law Member will enlighten us in the matter.

Then, I asked the Government of India whether they proposed to give previous sanction to the Bill of my friend, Mr. Kalikar, and the Honourable the Law Member said :

"The matter has been under the consideration of the departments of the Government of India concerned and in view of the importance of the principles raised in the Bill it has been decided to address all Local Governments before making any recommendation to the Governor General."

The notice of the Bill was given in October, 1928. Up till September, 1929, when I reminded the Government of India by my questions, they did not think it worth their while to expedite consideration of this subject, and when they were aroused to take action, they said, "We shall now think of writing to the Local Governments before making any recommendation to the Governor General."

Pandit Thakur Das Bhargava (Ambala Division: Non-Muhammadan): It is a Central subject; what have the Local Governments to do with it?

Dr. B. S. Moonje: The Government of India wanted to know the opinions of the Local Governments before deciding whether previous sanction should or should not be given to the Bill of my friend, Mr. Kalikar. I do not know what connection there can be between the opinions of the Local Governments and the legal opinion of the Honourable the Law Member as to whether the Bill fell or does not fall within the scope of section 80A(3)(e) of the Government of India Act.

Mr. M. S. Aney (Berar Representative): Was the notice given to the Governor General in Council for getting the sanction and does the Honourable Member mean that the notice was withheld by some one in the Secretariat of the Government of India?

Dr. B. S. Moonje: The Honourable the Law Member will be able to reply to that question. I know this much, that an application was made for securing the previous sanction, and the reply was given, by the Secretary of the Central Provinces Legislative Council that action was being taken in respect of the requisite sanction. Let us proceed further. Perhaps they thought at the time, as the supplementary questions and answers were going on, that the time had not yet come for giving a proper or definite reply. Sir, it has been said that language was designed to give true expression to the thoughts and to the sentiments that spring from the heart, but the wily human art of concealing the thoughts and the sentiments of the heart has been so scientifically developed that the same very language can now be twisted and moulded artistically so that it may easily conceal the inner feelings effectively. Fearing that perhaps the language is not being artistically moulded while giving answers to the several supplementary questions that were being asked, the Honourable Sir James Crerar intervened and said that "the matter is one which requires very careful consideration and the Government of India have not yet finally arrived at a conclusion as to the terms in which the Local Governments should be addressed." One year had passed away by this time, and the Honourable the Home Member had not yet come to any decision as to the language in which to address the Local Government. I thought one year was enough for ransacking Webster's dictionary or the Encyclopædias to find out the terms in which to refer the matter to the Local Governments. When still further pressed by a volley of supplementary questions, the Home Member tried hard still further to improve his language and said, "we are considering the terms in which the Local Governments could be addressed in a manner which will cover the whole question adequately". Needless to say that my Honourable friend the Home Member, by this improvement of his language, went into still deeper waters. But I need not pursue the matter any further. I have given this as an illustration. Am I wrong in my indictment of the Government of India on their wilfully obstructive policy in the matter of our exercising whatever little privileges we have been given under the present Government of India Act? Can the Honourable the Law Member or the Honourable the Home Member say that I am wrong in supposing that the Government of India have been positively obstructive in the way of my getting this Bill introduced in the Local Council or in this Assembly? Now, why was I so anxious to introduce the Bill? What are the advantages that my

countrymen would have gained if that Bill had been introduced and passed in my Council? I had a solid majority behind me in my Council as a Leader of the Swaraj Party when I introduced that Bill, and if the Government of India had not been obstructive in the way they have been, the Bill would have been passed in no time. If that were done, I have no doubt similar Bills would have been introduced and passed in several other provinces.

I will now say a few words about the benefits anticipated to accrue from the Bill. I should however prefer to speak in the language of the Encyclopædia Britannica than which no better description could be given of the benefits derived by the Germans by enforcing a training of their boys and youths on the lines as proposed by my Bill. The Encyclopædia Britannica says:

"As years went by, the Prussian military machine was turning out year by year an ever increasing number of men who, by reason of the physical and moral training they had undergone, were head and shoulders above the class whence they had sprung. . . .

Briefly, however, it may be pointed out that under modern conditions of industry the greatest national wealth-producing power resides, not as formerly, in the technical skill of the individual which machinery is gradually superseding but in the power of continuous collective effort of organised bodies, and that physical health and the power of mental concentration are the principal qualities required by the units of such bodies. Now these are the two essential factors which modern methods of military training aim at developing and these methods in turn evolved naturally from the conditions of service which compulsion introduced. The men who have undergone this training leave the ranks with bodies steeled to resist disease and minds capable of prolonged concentrated effort. Hence they not only remain capable of work for a considerably longer period of time but they also do better work throughout the whole time. It has been estimated that on the average the trained German soldier's expectation of life is about 5 years better than the normal of his own class."

Is it not the nation-building programme that I was suggesting in my Bill? If that Bill had been allowed to be introduced and passed, it would have given all the advantages which the Germans are receiving under a similar course of training that is in force in their country. It would have increased the people's expectation of life; people's bodies would have been steeled to resist disease. They would not have died as they do now in India from any little epidemic of infection that might visit this country. Mental capacity and bodily strength of the people for prolonged concentration and for standing the strain of physical exertion for a considerably longer period of time would have been appreciably increased. The people would have produced a greater amount of wealth and enjoyed better health and vigour of body and mind. These are some of the benefits that would have accrued to them as a result of that Bill if it had not been obstructed. If the Government of India had not been so narrow-minded and oblique in vision and given me permission to introduce it in this Legislature, or my friend Mr. Kalikar in the Central Provinces Legislative Council, the whole country would have been blessing the Government of India for doing a good turn to the people once in a way.

Sir Zulfiqar Ali Khan (East Central Punjab: Muhammadan): What about the insanitary condition of the homes in India?

Dr. B. S. Moonje: That is a matter with which we are not concerned at the present moment. There are several methods by which bodies can be steeled, and this is one, the very best of the methods, and this happens to be exactly the one method which Government have not been able to look upon with favour.

[Dr. B. S. Moonje.]

Now, Sir, let us see what other nations are doing in the same direction leaving aside Germany. I have placed before this Assembly the pattern of Japan, which is a nation of hardly 75 years of growth on modern lines. What has it done? My Honourable friend, the Army Secretary, has been saying that the Government of India have discharged their obligations by establishing one so-called military college at Dehra Dun, and that Government are not bound to do anything more in the line; and the rest must depend on private enterprise. He says in effect if you want more military schools or colleges, let the people start them of their own accord and from their own money. He may be right from his own point of view in India but from my point of view which is nothing else than the national point of view, or the British point of view for British boys in England, he is absolutely wrong, and why he is wrong I am giving you an illustration of Japan to prove as I have already given that of England above. The Japanese Government did not say to the Japanese people, "We have discharged our obligation by establishing one military college and if you want more colleges or schools you may have your own privately". The Japanese Government did not say so. In Japan the military education is organised as follows:

There are military preparatory schools which are the lowest ladder in the scale of education for candidates aspiring to become officers where military education of the most elementary nature somewhat on the lines proposed by my Bill is given. Then come the military cadets' schools, which receive boys from the preparatory schools, and also other candidates. Then, at the top, stands the staff college, which gives the finishing polish to the Lieutenants and Captains. This is the arrangement of education for commissioned officers. Now, let us see what is the arrangement for the education of non-commissioned officers. For the benefit of those who aspire to become non-commissioned officers, three other military training schools have been established which accommodate 600 boys each. In each preparatory school, the general staff is composed of 29 members, students average 250 in number, and graduates that pass out yearly after examination number 50 on the average. In each military training school the general staff is composed of 45 members, students number 350 and graduates that come out, are 280 every year. In the cadets school the general staff is 207, students 1,257 and graduates that come out 428. Whereas if you search here for Indian boys receiving similar training what will you find? How many Indians are there in the cadet colleges of Sandhurst, Woolwich and Cranwell of England? You can hardly find five or six Indian boys taking education there. In a country consisting of 30 crores of men, and giving 55 crores of rupees every year to the Government for the Army Budget, military training is given to hardly five or six boys. How will you characterise the Government of India, which is responsible for this state of affairs? Let us resume our story. The training that is given in these military schools of Japan is given by none other than the Army officers in active service, who are specially detailed by the Minister of War for the purpose. As many as over 1,000 army officers have been selected from amongst the army divisions for the purpose and appointed as instructors in military training in University colleges, other high schools, middle schools, military schools, etc. Suppose, for instance taking the hint of my Honourable friend the Army Secretary, a private Indian gentleman were to establish a military school, will my Honourable friend come

forward and help him in giving him the loan of the service of an Army officer to give the military training in that school free of charge? I pause for a reply. I paused long enough for a reply. I know my Honourable friend will not give me a reply, and therefore I do say, and repeat my charge, my indictment against the Government of India that it has been thoroughly irresponsible and wilfully obstructive in the way of our exercise of whatever little privileges we have got under the present Government of India Act.

Now, Sir, as I promised yesterday that I would finish my speech in thirty minutes today, my last charge against the Government of India is that of being absolutely irresponsible. Yesterday I asked a question, but I did not receive any reply from the Army Secretary. In 1928, the vacancies in the Military College at Sandhurst that were allotted to us were 20, and it was recommended by the Skeen Committee that four additional vacancies ought to be reserved every year for Indian boys. I want to know if effect has been given to that recommendation of the Skeen Committee. If effect had been given to it, I should have expected in 1929, 20 vacancies of 1928, plus four additional vacancies for 1929, that is, I should have expected for 1929, 20 plus 4, or 24 vacancies, and these 24 vacancies to be equally distributed between the two examinations of June and November 1929. I should have therefore expected 12 vacancies for the June examination and 12 vacancies for the November examination. If there were 12 vacancies for the November examination, according to the recommendations of the Skeen Committee, which the Army Secretary said the other day the Government of India have accepted, I should have expected the 12 vacancies to have been filled after the November examination. But on the other hand only 10 vacancies have been filled, and 7 more cadets, though they have been declared to have successfully passed the Sandhurst competitive examination, were turned out and 2 out of the 12 vacancies for the November examination have been left unfilled. I should like to know if it is a fact or not and if so why these two vacancies have not been filled.

Mr. G. M. Young (Army Secretary): I have explained many times in this House what the decision of the Government of India and of His Majesty's Government in regard to these vacancies was. That decision was announced in 1928. At that time we could not get enough recruits of the requisite standard and fitness to fill the 10 vacancies. At that time we said that, although we could make an initial increase to 20, as recommended by the Committee, we would not make any further increase after that, until we were securing a steady flow of candidates of the right quality, who would justify such an increase. At this last examination, we have had more candidates qualified than there were vacancies; that is to say we have not had enough candidates for the existing vacancies until the last examination. At the last but one, we did send 11, but one of these was taken in a vacancy caused by the shortage at the preceding examination.

Dr. B. S. Moonje: I am very thankful to the Army Secretary. But taking that information as correct, I ask why two more cadets were not selected to fill the remaining two vacancies out of the seven passed cadets that were turned down? I want to have a reply on that question.

Mr. G. M. Young: I am afraid I have not understood that question.

Dr. B. S. Moonje: I will explain myself still more clearly. The Army Secretary said that candidates were not forthcoming in sufficient numbers adequately fit, possessing the qualifications as required by the Board. I admit for the sake of argument that a sufficient number of candidates did not appear for the examinations held before the November examination of 1929. But for the November examination there were a sufficiently large number of students competing for the examination and as many as 19 students have been declared to have passed the examination. I therefore ask, why were only 10 vacancies filled and two allowed to remain unfilled, if the Skeen Committee recommendation on the point have been given effect to as my Honourable friend says he has?

Mr. G. M. Young: I think I have made it clear that we do not contemplate extending the original number of vacancies until we have a steady flow of candidates forthcoming in sufficient numbers. As I have just observed, this examination was the first occasion on which we had competition, that is more people qualified than there was room for. It was never the intention of the Government of India to throw open as many vacancies at once as the number of persons qualified; for if that had been done, there would not have been competition at all.

Dr. B. S. Moonje: Therefore, in other words the Army Secretary has not accepted the recommendation on the point of the Skeen Committee to that extent. And he does not believe that there is enough competition even if six or seven times the number of students compete for 12 or 10 vacancies that are allotted.

Mr. G. M. Young: That has been made perfectly clear in March 1928.

Dr. B. S. Moonje: That recommendation has not been accepted by the Army Secretary, and therefore the statement that was made by the Honourable the Army Secretary that all the recommendations of the Skeen Committee have been accepted except two, that is, the Indian Sandhurst and the abolition of the eight units scheme, perhaps is not accurate.

I might also in this connection bring it to the notice of my Honourable friend the Army Secretary the following recommendations of the Skeen Committee which he says he has accepted:

"We recommend therefore that in 1928 eight vacancies should be allotted to Indians at the Royal Military Academy, Woolwich, and two at the Royal Air Force College, Cranwell, and that these members should be increased progressively in due proportion."

If this is so, then how could six boys have been accepted, as they were accepted last November because the Skeen Committee only recommended two? No doubt the proportion in 1929 should have been two cadets plus say about one-sixth of another cadet. Therefore, two and one-sixth of another cadet should have been, according to the recommendation of the Skeen Committee, accepted in 1929, but as many as six were accepted. Therefore, the only inference one can draw from it is, as it seems to me, that the Government of India have no objection to fill a larger number of vacancies, if a sufficient number of cadets equally qualified are available. I therefore ask, when there are or there ought to have been 12 vacancies and 18 candidates have been declared to have passed and when only 10 vacancies have been filled, are the Government of India prepared to recommend that those two vacancies also should be filled up out of the eight that have passed but were turned down? I want an answer to this question of mine if the Army Secretary will be pleased to give me one.

Mr. G. M. Young: I am afraid I cannot reply to the question in the course of this debate. I might perhaps reply later.

Dr. B. S. Moonje: It is my ill luck and the unfortunate condition of India that we cannot get a satisfactory response to a satisfactory claim established by facts.

Let us proceed further. There is one more point on which I may rightfully claim a favourable response from my Honourable friend, the Army Secretary. There is, rightly or wrongly, a feeling, as I said in my budget speech, that still the Army officers are imbued with a prejudice that only boys coming out from certain so-called martial communities alone are to be accepted and boys from other so-called non-martial communities are not to be accepted. I do not know whether this prejudice is there or is not there, but I know that people have got this misunderstanding. Will the Army Secretary be pleased to issue another communiqué to explain to the people that there is no such prejudice and that boys of any community and every community coming forward and found fit and competent for the Commissions will be accepted by Government without any reserve? Will he oblige us by coming forward with that communiqué so that people may know authoritatively that the prejudice which prevails is wrong and not based on facts? Can I expect a reply to that?

Mr. G. M. Young: Judging from the candidates who come forward for the examination, there is no need to issue a communiqué. It is perfectly understood that there is no discrimination in the matter of martial and non-martial classes, as they are called, in respect of officer candidates.

Dr. B. S. Moonje: Is it not one of the recommendations of the Skeen Committee that the duty of Government ought to be to carry on a propaganda to popularise these things among the people? Is it not one of the means of that propaganda to issue a communiqué to remove misunderstandings among the people, and will not Government oblige us to that extent? (*An Honourable Member:* "In England and not in India.") In England when they find that cadets are not coming forward in sufficient numbers they depute officers specially for this purpose to visit the universities, the schools and the colleges, to lecture to them and speak to them and offer all kinds of inducements to them so that they may come out in larger numbers. For India I only ask that, as a means of propaganda, a little communiqué be issued to remove a misunderstanding which I admit is not based on facts but which still does exist, amongst the people, and even that our Honourable friend, the Army Secretary, will not oblige us by doing. I can only say that it is our ill luck that we have to look up to others.

Then another thing is, did the Government give effect to the recommendations of the Territorial Forces Committee?

Mr. President: Order, order. This is not question time.

Dr. B. S. Moonje: I find that though four or five years have elapsed since the Territorial Forces Act has been passed, the Territorial forces are composed of only the infantry units. But in the Auxiliaries,—my Honourable friend, Colonel Gidney, is more fortunate,—I find they have got various units, the artillery, the cavalry, the engineers, the machine gun corps, the Royal Army Service Corps and so on. Will the Government of India be

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pleased to take this into consideration and try to expedite the starting of cavalry corps, artillery corps and machine gun corps in the Territorial forces as early as possible?

It is high time now that the Government should expedite the starting of Air Force units in connection with own University Training Corps.

Mr. President: Order, order.

Dr. B. S. Moonje: One minute, Sir. I promised to finish my speech in 30 minutes, Sir and I will keep my word and finish it very soon. I shall now conclude by explaining the reasons of the apparent indifference of Government. Why should Government not respond to our appeals, however earnest they may be? The late Lord Rawlinson, our former Commander-in-Chief, honest Englishman as he is, has come to our help in divining the motive of the Government. He says:

"The fact is that the Home Government, having introduced the Reforms scheme, are now afraid that they are going too fast. They are trying to put on the brake and the machine is inclined to run away from them. But we must either trust the Indian or not trust him. The schemes have got to be carried out honestly in their entirety with a view to eventual Dominion self-government, or else we must return to the old method of ruling India with the sword. There is no halfway house."

The Honourable Sir George Schuster (Finance Member): Sir, speaking on behalf of Government I have no desire to restrict the fullest discussion on the Finance Bill at every stage; but I venture to submit to you that, as we now have had two and a half days on this motion for consideration of the Finance Bill, and if none of the Leaders on the other side still desires to speak, I should be justified in requesting you to put the question. But as I say, we do not wish, on the Government side, to restrict a fair discussion of the Finance Bill proposal.

Mr. President: The Honourable Member who has moved the original motion makes a request, I think, under sub-order (2) of Standing Order 34, that the Chair should now put the question. It is not really a closure procedure as ordinarily understood but if the request is accepted, the Chair must proceed to put the question. I know there are several Honourable Members still willing to participate in the debate and Government do not wish to gag them. But I would ask Honourable Members to take their turn at a later stage and allow the House to proceed with the amendments. There is the third reading of the Bill when Honourable Members will have their innings. I will now proceed to put the question.

The question is:

"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."

The motion was adopted.

Clause 2 was added to the Bill.

Mr. President: The question is:

"That clause 3 stand part of the Bill."

Pandit Thakur Das Bhargava: Sir, I beg to move:

"That clause 3 be omitted and the subsequent clauses be renumbered accordingly."

Sir, as the House is aware, clause 3 of the Bill deals with the fixation of salt duty. This amendment says in effect that the House should not agree to any salt duty being imposed. Sir, the discussion in regard to the salt tax is a hardy annual. In the previous years attempts have been made to reduce the amount of taxation. This year, a motion was tabled by Mr. Aney while the budget demands were being considered, that the salt tax expenditure be abolished altogether, and when I heard him, as he dealt with only one aspect of the matter, I did not think that that aspect of the matter fully justified the abolition of the tax, because as the Honourable the Finance Member remarked in replying, the political situation could not be eased if this salt tax was abolished, and other laws could be broken. While hearing the Honourable the Finance Member at that time, I thought that the seven crores of rupees, if usefully employed in other directions, might be productive of much good to the country. That was the burden of the speech of the Honourable the Finance Member, and in so far as that speech indicated, in what way those seven crores of rupees should be spent, I do not think any Member of the House will disagree with him.

Mr. K. C. Neogy (Dacca Division: Non-Muhammadan Rural): Sir, in the interest of economy of time, may I interrupt my Honourable friend? I want my Honourable friend to realise what the effect of his amendment will be. For, under section 7 of the Indian Salt Act, the Government have got the fullest discretion to fix whatever rate they choose on salt, subject to certain limitations. All that this clause 3 seeks to do is to control that discretion of the Government of India. My Honourable friend, by seeking to omit this clause altogether, will only be giving the Executive Government the authority to fix whatever rate they can under the present law.

Pandit Thakur Das Bhargava: Sir, I already knew the position. But I thank Mr. Neogy for being good enough to point it out again. But the point at issue is whether we are going to consent to it, whether the Government will do so with our consent so far as this Finance Bill is concerned. That is the point at issue, and as I was remarking, when I heard the Honourable the Finance Member say that the amount of seven crores of rupees could be usefully employed in nation-building departments, I thought that if this possibility could be realised in practice, I would not be a party to the abolition of the salt tax. But this was a mere pious hope. Is it possible that this seven crores of rupees will be utilised in matters in which the Finance Member was pleased to say it could be employed? In fact, the reply that he gave was in the nature of suggestions as to how to utilise the money, and not how to utilise the money recovered from this duty. In his speech, Mr. Aney referred to a book, "Monograph on Salt", which has been lately issued by the Federation of the Indian Chambers of Commerce and Industry, and I took up the book from the Library and went through that book. After going through the book, the first thing that I have publicly to submit is that we are indebted to the Federation of the Indian Chambers of Commerce and Industry for having produced that book, and I would make a present of that book to the Honourable the Finance Member in the hope that he will kindly go through it. A study of this book will bring home the

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conviction that the abolition of this duty will do much more good than even if the money were at his disposal to be used in the way suggested by himself. Now, Sir, salt is one of the primary necessities of human beings, and the past policy of the Government of India themselves shows that the Government are alive to the fact that this duty has been hampering the due consumption of salt. They themselves have been reducing the duty on the ground that this duty is one which cannot be justified. Now, Sir, a reference to this book would show the history of the salt duty. I do not propose to enter at this stage into that history. Suffice it for me to say that the history in relation to the salt tax is in line with the history of many other industries of this country. In the interests of Cheshire and the British salt industry, the salt industry of India was killed, as so many other industries were killed. In olden times, Bengal used to produce its own salt at a much cheaper rate and, Bengal was almost self-sufficient. Today 30 per cent. of the total amount of consumption of salt in this country is imported from outside, for which Bengal is mainly responsible, which implies that this country cannot produce the salt which is imported from outside. But to any man who has got eyes it is abundantly clear that, in every part of India salt can be had for the mere collection. I do not know of any part of India in which salt does not exist abundantly.

Now, Sir, as I have submitted, the old history of killing all Indian industries was repeated in the case of the salt industry of Bengal. It is a melancholy reading through this book when one comes across the attempts of British manufacturers in imposing their will upon the Secretary of State and arranging matters in such a way that British salt was given preference. The ship industry of England also got a fillip, and it would appear that, in the interests of Great Britain, the salt industry of Bengal was, I should say, crushed out of existence. And then Madras and Bombay salt could have been quite sufficient to supply the needs of Bengal; but this was not allowed, and unjust laws were enacted which disfigure the Indian Statute-book even today. A reference to those laws would show that they are most iniquitous in their nature. They impose very great burdens upon the private owners of lands and the Government have taken undue advantage of their power in imposing those laws upon the people. An illustration of these laws was given yesterday in this House by Mr. T. Prakasam, and a perusal of this book would amply establish that, in the interests of revenue, even rights of private property were sacrificed. Sir, leaving aside the coast line of Madras and Bengal, salt produced in the Punjab is quite sufficient to supply the needs of the whole of India. The rock salt of the Khewra mines and the salt produced in Rajputana, and the possibilities of salt production in Sind are matters which have many times been brought to the notice of the Government in this House. I am glad, Sir, that last year the Honourable Mr. Kelkar submitted to this House that India could be made self-sufficient in the matter of salt, and the Government were pleased to refer the matter to the Tariff Board. I do not know when the Tariff Board will make a report. In this connection I would repeat the warning given by Sir Purshotamdas Thakurdas the other day in this House. But, Sir, if this salt duty were taken away, I think the great question of the unemployment of the poor people would be solved to a certain extent.

(At this stage Mr. President vacated the Chair which was taken by Sir Darcy Lindsay.)

Many poor people would be able to earn their living if this industry was allowed to grow up. It is true that it would cause a great loss to the revenues of this country, say, to the extent of seven crores of rupees, but then the result of the taking off of this duty, in the way of prosperity of the people, in increased agricultural production and the health of cattle would be sufficient to counterbalance the disadvantages to revenue.

Sir, an examination of the history of other countries will be useful. Let us take England. Before the year 1825, in England also there was a salt duty, but in 1825, after a complete inquiry in 1818, that salt tax was abolished, and the advantages accruing from the abolition of that salt duty were so great, that what was lost in revenue was more than compensated in the general prosperity of men, cattle and agricultural production of that country. Now, Sir, it has been pointed out previously many a time in this House that the consumption of salt *per capita* in India is very much below the average of other countries. In this book a table is given, and a perusal of that table will establish that, in other countries as much as 40 lbs. *per capita* is being consumed, whereas in India not even 10 lbs. is consumed, while according to medical authorities, in places where the people have a vegetable diet they ought to consume more. Thus, this salt tax constitutes an obstacle to the consumption of salt by Indians, and past history has shown that, whenever the tax has been reduced, the consumption has increased; from which it follows that for consumption to develop on its normal lines, it is necessary that the salt tax should be taken away.

Now, Sir, this salt tax is a tax upon the poor and the rich alike. It is idle to say that it is not a heavy tax. Two days back I submitted before this House how many poor people get only one anna a day as the wages of their labour of more than ten hours. If the Government calculation is accepted and three annas per head are regarded as the incidence, even then it would appear that labour of three days in the year has to be given for this salt tax alone. If you consider the other taxation along with it, you will find that this salt tax cannot be said to be light. In my humble opinion it is a crushing burden, and a tax of this nature on the very necessities of existence is totally unjustifiable. It may be that such incidence may not be of great consideration in a rich country, but here in India we have to guard against any sort of burden or any sort of tax upon the poor man, as he is incapable of bearing any sort of taxation as his income is very low. Sir, this salt tax does not only tax one of the necessities of life of human beings. So far as cattle are concerned, salt is a necessary ingredient of their diet also. Sir, of late years we do not find in many villages those big pieces of salt which were generally supplied by rich people and put in public places for the cattle to lick. That was an institution which I noticed twenty years ago. Now those big pieces of salt are not put in any village or town, and cattle are not allowed to have their portion of salt. Leaving aside the animal kingdom, Sir, so far as the plant kingdom is concerned, salt is a necessary ingredient in their diet by way of manure. It has been found in many other countries where there is no salt duty that salt is a very good manure, and a perusal of relevant portions from this book, which for economy of time I do not

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wish to read out, would establish that, in agricultural production, salt plays a very important part.

Now, Sir, leaving this aspect of the case aside, this salt duty in my humble opinion is a great check upon the development of other industries. A list of other industries is also given in this book in which salt plays a very important part, and if we want that these industries should develop on their natural lines, it is necessary that the salt tax should be abolished.

Now, Sir, it can be said that salt provides a very easy method for collecting revenue. The way in which the salt tax is collected and the rules and regulations which provide for entry into private houses quite clearly show that this claim is unfounded, but even taking that this salt tax is easy of collection, the question would arise whether a tax on another necessary of life would not be easier of collection. If the Government put a tax on water, if they placed a constable upon every well, I think they would be able to realise a large amount of revenue, and that revenue could be utilised for the education of the people and for other purposes. But would any Government think of such a measure? If salt is of such great necessity for human beings, cattle and plants, as has been found by experience in other countries, it does not stand to reason that, for the purposes of revenue, or for the reason that the tax is easy of collection, we should depart from the fundamental rules of taxation that foodstuffs and necessaries of life should not be taxed. Sir, I know that this amendment of mine will never find favour with the Government, and perhaps many Members of this House will never agree with me when I say that the salt tax should be abolished altogether. But I am fully conscious that, in any scheme of Government in which the poor man shall have his full representation, this salt tax is bound to disappear. Ordinarily people do not realise what this salt tax means and how it affects the poor people. I myself did not fully realise the implications of this tax until I went through this book, and I would therefore request all Members of this House to give this aspect of the case full consideration before they record their votes.

Now, Sir, one point more and I have done. We have seen in regard to almost all the industries of this country that the Government have behaved in a most step-motherly fashion. India was self-sufficient in cotton fabrics and exported them to the United Kingdom, but this Government adopted measures to kill the industry of India. Now that trade in cloth of coarse counts has been wrested from Great Britain, the Government think of inaugurating a policy of protection for cotton fabrics of coarser counts. Thus protection always comes when the interests of Great Britain and India have ceased to clash. With regard to Mauritius sugar again, when it has ceased to come into this country, Government have begun to give their thoughts to the indigenous sugar. In these last fifty years the imports of salt have decreased from 86 to 10 per cent. from the United Kingdom, and it is but meet and proper that, since the competition with the United Kingdom has practically ceased and the United Kingdom has diverted its attention to other things, Indian salt should be protected. Sir, the position is certainly very unsatisfactory, yet we are thankful to the Government for initiating a policy of protection for salt, but unless and until this salt tax is abolished altogether and free manufacture of salt is allowed, I do not think justice will have been done to

the poor man, the cattle and the plant life of India. With these words, Sir, I place this amendment before the House for acceptance.

The Honourable Sir George Schuster: On a point of order, Sir. May I ask you, Sir, to follow what, I think, has been the practice in preceding years and allow the various amendments which have substantially the same effect to be discussed together? We have an identical amendment in No. 6, and I think the effect and purpose of amendment No. 7 is practically the same, that is for the abolition of the salt tax altogether, and it would, I suggest, be convenient if amendments Nos. 5, 6 and 7 were taken together.

The Chairman: I think that will be the best course to pursue. We will take amendments 5, 6 and 7 as part of the present amendment.

Mr. Amar Nath Dutt (Burdwan Division: Non-Muhammadan Rural): Sir, I want

The Chairman: Are you going to speak on this present amendment or on your own amendment?

Mr. Amar Nath Dutt: I want to speak on my amendment, Sir.

The Chairman: I think we will come to your amendment later.

Mr. M. S. Aney: Sir, I have no amendment to move, but I am here to support the amendment moved by my friend Mr. Thakurdas Bhargava. I do not like to record a silent vote on this question. As Honourable Members are aware, during the discussion on Demands for Grants, I supported a cut moved by the Honourable Mr. Amar Nath Dutt, the ostensible effect of which would have been the same as the amendment moved by my friend Pandit Thakurdas Bhargava. The point was raised by my friend, Mr. Neogy, as to what would be the effect of the amendment upon the powers of the Government if that amendment were passed. He pointed out that, if this amendment were passed, the powers of the Government of India under section 7 of the Indian Salt Act would remain unrestricted, and Government would have the unrestricted right of imposing any duty on salt they liked, that is to say, instead of Rs. 1-4-0 as they propose to under the present law, they can impose any duty they like. I believe my friend Mr. Neogy was unnecessarily apprehensive about this point. The difficulty is not really very great. If this amendment is carried, it will at least mean one thing, that this House is against the imposition of duty even to the extent of Rs. 1-4-0, and therefore whatever discretion the Government of India will have to use, if they want to behave like a constitutional government at all, it will be for them to find out some duty not higher than Rs. 1-4-0 but lower than Rs. 1-4-0 if they want a duty at all. But if they don't want to follow that practice, it would not mean that they are given the privilege because an adverse vote is recorded on this clause by this House. It would be a wrong interpretation put upon the conduct of this House, and no Government would be justified in drawing that inference and no reasonable man would ever draw that inference. So this apprehension need not deter us from considering the amendment which is now before the House.

Sir, while speaking to the cut motion during the debate on Demands for Grants, I dealt with this question of salt duty at considerable length, and I therefore do not like to repeat the arguments which I then addressed

[Mr. M. S. Aney.]

to the House, as I am sure that some of my arguments must be fresh in the minds of those Honourable Members who were then present and attentive. But there is one point of difference between the cut motion which was supported by me then and the present amendment. The previous motion was for asking this House to sanction certain expenditure with a view to maintain the Department of Salt. That expenditure is however sanctioned by this House. The present motion is for enabling the Government to recover the revenue duty and have the supplies. If you cut off the supply, the result will be the same. The Department will be starved into extinction. Whether you cut off the supply, or whether you refuse the expenditure, the result would in my opinion be one and the same. I am quite sure that when we move these motions, it is not exactly this result which is contemplated by us. The Government have been telling us, and very reasonably telling us, rightly or wrongly, that it is upon them that the constitutional responsibility rests to run this huge machinery of the Government, in accordance with the principles which have been recognised by the Government for the time being. It is necessary to make provision for the expenditure which the Government have to incur to run the administration, and they have to come to this House and ask for the necessary supplies. That is a very reasonable position for the Government to take up. Nobody would deny that, so far as the particular requirements of the Government are concerned from their own standpoint. But we on this side have another duty to perform, namely, to find out what is the actual attitude of the people towards the particular question on which our opinion and vote is asked. It is not merely to see how far a particular opinion which we record on the floor of this House will make it convenient for the Government to run their administration. That is not the only attitude from which we can look at the thing. When we look at this question from this point of view, nobody who is following what is going on in the country at present can have any doubt that public opinion on the salt duty is definitely opposed to it. It has not remained simply vocal. This opposition to the salt duty has been expressed on the floor of this House from the time when popular representatives got the first right of expressing themselves. From that time onward, in one form or another, the opposition to the salt duty has been expressed in a legitimate and constitutional way during the last 50 years.

But people are now thinking that the mere expression of a vocal opinion is not sufficient. As Honourable Members know, a regular campaign to break the salt law has been launched. I believe the opposition of the public to the salt duty could not have been expressed in a more telling manner than the way in which it is being done today. I most emphatically assert, Sir, that the manner in which the popular opposition to the salt tax is being expressed in the form of a no-salt-tax campaign, led by no less a personality than Mahatma Gandhi himself, is a powerful and effective constitutional method of asserting our opposition to it. It is a perfectly legitimate method of opposition. I am fully alive to the fact that no less a person than His Excellency the Viceroy regarded such an agitation as illegal. I do not want to criticise the speech of His Excellency the Viceroy, but for the first time we heard that a no-tax campaign, or a campaign of passive resistance like that, is an unconstitutional one. It is a perfectly constitutional weapon consistent with every sense of loyalty. So long as the agitator is prepared to submit to punish-

ment, every one is entitled to refuse to pay a tax if he feels himself conscientiously opposed to it and is not prepared to submit to it. That being the position, I want this Government to understand the true significance and implication of the no-tax campaign that is being led by Mahatma Gandhi today. When that campaign is being led outside, I feel it my duty,—and I feel it is the duty of everybody who is an Indian, who has got an Indian heart, who professes to have sympathy for the masses, whether he be an Indian or an European, if he thinks that he owes a duty to the people of India to do so also,—to adjust my activity here in harmony with what is going on outside and to reflect and reproduce the opinions that are being asserted in the most emphatic and demonstrative form outside by the noblest of the living Indians. If we do not do that, we are not true to ourselves and to the principles for which we have been working in this House and to the big constituency, the great Indian public, who have sent us here. That is the main line of my attack on the salt duty.

I do not understand the way in which some of my friends are trying to minimise the importance of the big thing that is going on outside. I do not want to go into unnecessary irrelevant diversions like that. I want this House to understand fully that this vocal opposition has been expressed for over 50 years by men known for their sobriety and their responsibility. The opposition has been voiced by men like my friend Sir Purshotamdas Thakurdas, the late Mr. Gokhale and others, about whose sobriety and sanity and responsibility there cannot be the least doubt. After 50 years of this opposition, even the patience of this exemplary patient people of my country has been tired out and they have been driven to despair and to desperate measures. After all, it is only a desperate measure and with that desperate measure I say that all of us have full sympathy. We wish that campaign success, as we have undoubtedly failed in our agitation here to get redress of a petty grievance like this. After all, who are the men who suffer? It is not the man drawing a salary of Rs. 2,000 a month. It is not the man who draws a salary of Rs. 5,000 a month. It is the man whose income per year does not exceed Rs. 50 or 60 that suffers most. I am taking the most sanguine calculations made by the economists of this country in regard to the average income of the Indian. It is that man who suffers. I have already mentioned in my speech during the budget debate that if we take the total consumption of salt produced in this country and the salt imported and the total amount paid by way of duty and freight to the Government, the incidence of taxation *per capita* works to Re. 0-4-8. That is the amount to be paid by a man whose annual income does not exceed Rs. 50 or 60. It can in no sense be described as a small burden. Sir, the Government are taking away something from this miserable man without which he cannot live and support his family. That being the position, the Government have to think seriously. Therefore I suggest that Government should this year inaugurate a policy by declaring that they are out for the abolition of the salt duty within a period of say 5 years. They can certainly make a beginning this year. Seven crores spread over a period of five years works out to something like a crore and 40 lakhs for a year. It comes to about 7 crores, and they could put up with a loss like that if they really are inclined to reconcile public opinion.

Sir, I think that there was no time before, when the need for reconciling Indian public opinion was so supreme and so great and so paramount

[Mr. M. S. Aney.]

as it is today. The Government think of doing something by which the future of India will be altogether changed. They want the people to believe that something that is to come in the near future will be in the nature of the promised land and will turn the country into a paradise which my countrymen have been cherishing in their hearts in the name of the "Dominion Status". They have therefore the need, if they are sincere and serious in their speeches to create confidence in the minds of the people not by simply repeating the words "Dominion Status" in season and out of season, but by actually showing that there is a genuine desire on the part of the Government to do their utmost to make the lot of the poor man in this country less miserable than what it is today. They must find out first what are the necessaries of life which are taxed today. On this occasion we are asking them to follow up a policy of gradual reduction with a view to total abolition of the salt duty as I have suggested. If they had taken up that policy, I am sure that the result would have been quite different. Today the triumphal march of Mahatma Gandhi and the band of 79 crusaders, who are following him, would have been towards the Sabarmati Ashram instead of being in the direction of the sea shore through Gujerat. Mahatma Gandhi would then have been in a position to tell the people that here was the Government which meant to do something. But my Honourable friend Sir George Schuster, when he got up to give a reply to the debate on the salt motion last time, said that Government did not think that the mere abolition of the salt duty by a stroke of the pen would do anything to ease the situation. I know that my Honourable friend is a very great financier, but he does not seem to possess that imagination which enables a man to visualise before his mind's eye the change of situation which a stroke of policy brings about. It requires a closer study of human psychology and probably a more intimate knowledge of the Indian mind, which he has not yet had time enough to gauge. He will take a little more time to get that understanding. If a thing of this nature had been done by the Government on the very day on which the march had been begun, it would have appealed to the imagination of the people. This would have done more than the artificial propoganda that is carried on in various places through various big officers including Governors of the Provinces around whom gather crowds of toadies and sycophants, who place before them a false picture of the real state of affairs and who are not the real masses of the country. I can assure you, Sir, that this is not the right way of doing things. The right way is to search your own heart and have an insight into the hearts of those who are dying and crying for their miseries. Salt is one of those things about which the people have been crying for the last so many years. Their leader, Mahatma Gandhi, has declared his resolve either to exist or not to exist. Whatever you may say about that great man, he has this quality, that once he makes up his mind, he will not be deterred from carrying it to the bitter end. That great man has made his resolve which is this. Either a salt tax without Gandhi living in this world or a Gandhi without the salt tax in India. That is the issue before him. I am sure that time has come for the people to make a choice, and it is for you to intervene in time to prevent the catastrophe and save the country from the chaos in which you will find it soon plunged. Do not do this and then afterwards—well, the deluge. That is all I can see and say. I therefore support my friend Pandit Thakur Das Bhargava on the motion which he has moved.

The Chairman: (to Pandit Nilakantha Das): Do you wish to speak on your amendments? I rule that your amendments, numbers 6* and 7, are to be taken with amendment No. 5 which is now under discussion.

Pandit Nilakantha Das (Orissa Division: Non-Muhammadan): In that case, Sir, I shall move my amendment No. 7 which runs thus:

“For clause 3 of the Bill the following be substituted, namely:

‘3. In section 7 of the Indian Salt Act, 1882:

(a) Clauses (a) and (b) are hereby repealed.

(b) In clause (c) for the words ‘by or on behalf of the Government of’ the word ‘in’ shall be substituted.’

and consequential amendments be made in other sections of the Indian Salt Act, 1882.”

The effect of my amendment, if adopted, will be that the Governor General will have no power of levying or remitting any tax on salt. Now, under clause (a) of section 7, of the Indian Salt Act of 1882, the Governor General can levy taxes and under clause (b) he can remit them. Clause (c) provides that by or on behalf of the Government only salt can be manufactured and distributed or dealt out in India. This provision relates to the salt monopoly of the Government. My amendment of clause (c) takes away the monopoly of manufacture, but retains the duty of the Government properly to distribute salt all over India by controlling and regulating its price and supply. I say that salt should be properly supplied to the people at a moderate and regulated price by the Government, so that price and supply of salt may not be manipulated by merchants and middle men, but the manufacture of salt will be free. That will be the effect if my amendment is passed.

Now, the amendment of my friend Pandit Thakur Das Bhargava as well as my amendment No. 6 is to omit clause 3 of this Bill. But that may not achieve the object of abolishing the salt tax. For under a constitutional convention, as they call it, this Bill has been coming before this House from year to year. We know that even if we omit this clause altogether, or do not pass this Bill, or even if this Bill does not at all come before this House, there is still the power in the hands of the Governor General under section 7 of the Indian Salt Act to levy a tax up to Rs. 3 per maund. So I say, under this constitution for these 10 years there has been established what is called a convention for taking the vote of this House to fix the actual duty on salt. But in spite of this convention, the Democle's sword is hanging all right. The provisions of the Salt Act stand unrepealed. The mystery of this policy is evident.

Ours is a constitution for which, when need be, there should be shown little respect. It means that, if there is a necessity, a convention like this can be easily broken by Government. Government desiring, everything will be thrown into the waste-paper basket, and in spite of our conventions and conventions—“so-called” I should like to say—the tax will perhaps be levied with a vengeance even more than Rs. 1-4-0, if we omit clause 3. But here if I endorse the proposal to omit clause 3, I do it deliberately, for I should like to coerce the Government at this particular juncture in the

*“That clause 3 be omitted.”

[Pandit Nilakantha Das.]

country to come out with its autocratic fiat like that, and throw the convention into the waste paper basket. In that case for the 6 or 7 crores—for we have consideration of crores and crores only in this House and nothing else—I say, for the 6 or 7 crores that is derived from the salt tax, we shall give probably several more crores to the Honourable the Finance Member to fill his pockets with. If crores are the only thing that count with the Government, for these crores, we should like to coerce the Governor General, and the Government of India for the matter of that, to take to these extreme means, especially at a time when, by the greatest man in India, one of the greatest of men in all the world, Mahatma Gandhi, this particular weak spot of the Government is being challenged and attacked in open non-violent national war. I am simply very sorry that our Honourable friends on the opposite Benches lack a little imagination. Some of my Honourable friends have said that this Government have no soul, but I say this Government also lack imagination and therefore intelligence. If only the Honourable Members on the opposite Benches would make a clear breast of it and say that this tax clean goes, we do not know how the way will at once open by a magic wand, as it were, for a prolonged period of peace and prosperity in the land, and the entire agitation fraught with dire consequences will calm down and there will prevail a severe atmosphere of mutual trust and mutual understanding. At least the way will be well paved for this. But the Government not only lack imagination, but they will lack it till this mad Imperialism comes to an end. So, if they lack such imagination, and if they are not out to take to proper means of creating trust and understanding between themselves and the people over whom they rule, let them be coerced into means of repression, oppression and autocracy. With that particular object I gave notice of the amendment that clause 3 be omitted.

But my amendment No. 7, which I am moving, is a constructive measure. If it is accepted the Governor General will have no power to levy any tax on salt nor can any one again say that salt is a monopoly of the Government. That is the constructive aspect of the problem which I put before them. If they have any regard for the constitution which some of their friends call "Dominion Status in action"—I do not understand what it means—if they have respect for this convention, as they call it, let them come forward and accept this motion which will leave the power of taxing salt in the hands of the people, not by makeshift of convention, but under the rights conferred by a real constitution, and the stink of regulation, which still attaches to this salt law, will vanish. For the salt tax is practically levied under a regulation, so to say, for salt is a monopoly. Technically it may not be a regulation, for it is called an Act. But on the adoption of my amendment the entire position will become clarified.

Today salt is the most important subject engaging the attention of the Government as well as of the people. I need not enter into the inhuman and humiliating history of this tax. This has been narrated often and again on the floor of this very House. It is a tax which is felt in every home. When the poor peasant takes his small dish of rice, perhaps once a day, as it is his lot when for want of his purchasing power he cannot provide a little salt which is his only sauce, he remembers Mahatma Gandhi as well as the Honourable the Finance Member on that Bench. That is why the nation is out to attack the Government at its weakest point where it can be first attacked. It has all along remained an open sore in the

nation. In the hands of nationalists, it forms a very good handle for propaganda, and the effects of this propaganda will very easily reach the riff-raff and spread like a prairie fire. People need have no education, people need not attend platform oration, they need not read newspapers, they may be unlettered, but they will understand Mahatma Gandhi's attack on salt. But this Government's perversity is so obdurate and incorrigible that it is still out to levy that tax and keep salt as a monopoly. I say, Sir, this is the time and this is the occasion for this Government to come to its proper senses. They should not lose their heads. Of course it is the tradition of Imperialists to lose their heads in the very hour of their ruin. But we here extend to them a helping hand with this suggestion. I cannot express, Sir, the heaviness of feeling with which I move this my amendment. When I came into this House, I asked myself again why I came; but when I have come into this House, I should like to see that I co-operate at least in the fashion in which I can. That is, if I can put some new outlook into the adamant brains of the Government, I should perhaps be more than satisfied, and it is with that view that I have put down this amendment and I move it.

The Honourable Sir George Schuster: Sir, we have already had a somewhat full discussion on the question of salt policy, and there are certain other amendments which still remain to be discussed. I therefore hope that this House will not take it as indicating that I do not take this question of salt seriously if I confine myself now to a very short reply. I have already indicated to the House my general views on the question, and I feel sure that it is appreciated that the Government at this stage cannot for practical reasons accept these amendments which mean a loss of seven crores of revenue. At the same time I have full sympathy with a great deal that has been said by speakers on this question both now and in previous debates. Generally speaking, however, on the question of salt,

1 P.M. I would appeal to Honourable Members to confine themselves to short speeches this year, because, in response to what I believe was an expression of opinion representing the majority of this House, Government have agreed to the setting up of a Tariff Board inquiry into the whole question of the salt industry, and I feel that, whatever views we take on this question, we ought now to await the result of this inquiry before changing our policy in regard to salt. I have already indicated to Honourable Members

Mr. M. S. Aney: May I ask one question? Do the terms of reference to the Tariff Board also include an inquiry into the question of reducing or increasing the present duty?

The Honourable Sir George Schuster: I think that the Report which we shall get from the Tariff Board will throw a very great deal of light on the whole question as regards the salt trade in India. I believe the Report will deal not merely with the question of increasing the indigenous production of salt, but with the whole administration of the salt monopoly in India and with questions which affect the price at which the poor retail purchaser obtains his salt. I often feel myself, in discussing this matter, that insufficient attention is paid to this aspect of the question. After all, what we are out to do is to get into the hands of the people who actually purchase salt a good quality of salt at the cheapest possible price. Now, I feel myself that it is quite possible that changes in administration may

[Sir George Schuster.]

affect the price at which the poor man gets his salt almost as much as a complete abolition of the duty would do. If it is possible to improve matters by measures of that kind, it would obviously be much more in the public interest to work on those lines and retain the revenue for public purposes. It is for that reason that I suggest to this House that the whole question of salt can be better discussed when we have before us the results of the Tariff Board inquiry. For the moment, I can only take up the attitude that we must oppose these amendments.

The Chairman : The original question was :

“That clause 3 stand part of the Bill.”

Since which an amendment has been moved :

“That clause 3 be omitted and the subsequent clauses be renumbered accordingly.”

If that amendment is lost, I will, after that, put amendment No. 7 of Pandit Nilakantha Das, which is rather different. The question is :

“That clause 3 be omitted and the subsequent clauses be renumbered accordingly.”

The motion was negatived.

The Chairman : The question I now put is :

“That for clause 3 of the Bill, the following be substituted, namely :—

‘3. In section 7 of the Indian Salt Act, 1882 :

(a) Clauses (a) and (b) are hereby repealed.

(b) In clause (c) for the words ‘by or on behalf of the Government of’ the word ‘in’ shall be substituted.’

and consequential amendments be made in other sections of the Indian Salt Act, 1882.”

(At this stage Mr. President resumed the Chair.)

The Assembly divided :

AYES—30.

Abdoola Haroon, Haji.
Abdul Matin Chaudhury, Maulvi.
Agnihotri, Mr. K. B. L.
Aney, Mr. M. S.
Ayyangar, Mr. K. V. Rangaswami.
Bhargava, Pandit Thakur Das.
Das, Mr. B.
Das, Pandit Nilakantha.
Dutt, Mr. Amar Nath.
Farookhi, Mr. Abdul Latif Saheb.
Gour, Sir Hari Singh.
Iswar Saran, Munshi.
Kartar Singh, Sardar.
Kidwai, Sheikh Mushir Husain.
Lalchand Navalrai, Mr.
Malaviya, Pandit Krishna Kant.

Mohammad Ismail Khan, Haji
Chaudhury.
Moonje, Dr. B. S.
Mukhtar Singh, Mr.
Murtuza Saheb Bahadur, Maulvi
Sayyid.
Neogy, Mr. K. C.
Reddi, Mr. T. N. Ramakrishna.
Shafee Daoodi, Maulvi Mohammad.
Siddiqi, Mr. Abdul Qadir.
Singh, Mr. Gaya Prasad.
Sinha, Kumar Ganganand.
Sinha, Mr. Rajivaranjan Prasad.
Sitaramaraju, Mr. B.
Talatuley, Mr. S. D.
Venkatakrisnayya Choudhri, Mr. P

NOES—57.

Abdul Aziz, Khan Bahadur Mian.
 Abdul Qaiyum, Nawab Sir Sahibzada.
 Alexander, Mr. W.
 Banarji, Mr. Rajnarayan.
 Baum, Mr. E. F.
 Chatterjee, The Revd. J. C.
 Chettyar, Rao Bahadur P. T.
 Kumaraaswami.
 Chetty, Mr. R. K. Shanmukham.
 Cocke, Sir Hugh.
 Cosgrave, Mr. W. A.
 Crawford, Colonel J. D.
 Crerar, The Honourable Sir James.
 Crosthwaite, Mr. H. S.
 Dalal, Dr. R. D.
 Dutta, Rai Bahadur S. C.
 Ferrers, Mr. V. M.
 French, Mr. J. C.
 Ghazanfar Ali Khan, Raja.
 Gidney, Lieut.-Colonel H. A. J.
 Gwynne, Mr. C. W.
 Hamilton, Mr. K. L. B.
 Hardy, Mr. G. S.
 Heathcote, Mr. L. V.
 Hira Singh Brar, Sardar Bahadur,
 Honorary Captain.
 Howell, Mr. E. B.
 Jawahar Singh, Sardar Bahadur
 Sardar.
 Jehangir, Sir Cowasji.
 Lamb, Mr. W. S.

Lindsay, Sir Darcy.
 Mitra, The Honourable Sir Bhupendra
 Nath.
 Mitter, The Honourable Sir Brojendra.
 Monteath, Mr. J.
 Moore, Mr. Arthur.
 Mukerjee, Mr. Saradindu.
 Mukherjee, Rai Bahadur S. C.
 Noyce, Sir Frank.
 Pai, Mr. A. Upendra.
 Parsons, Mr. A. A. L.
 Purshotamdas Thakurdas, Sir.
 Rahimtulla, Mr. Fazal Ibrahim.
 Rainy, The Honourable Sir George.
 Rajah, Rao Bahadur M. C.
 Rau, Mr. H. Shankar.
 Roy, Mr. K. C.
 Sâhi, Mr. Ram Prashad Narayan.
 Sams, Mr. H. A.
 Sarfaraz Hussain Khan, Khan
 Bahadur.
 Sarma, Mr. R. S.
 Schuster, The Honourable Sir George.
 Scott, Mr. J. Ramsay.
 Singh, Mr. Adit Prasad.
 Slater, Mr. S. H.
 Sykes, Mr. E. F.
 Tin Tut, Mr.
 Yakub, Maulvi Muhammad.
 Young, Mr. G. M.
 Zulfiqar Ali Khan, Sir.

The motion was negatived.

Mr. President: Mr. Acharya.

(The Honourable Member was absent.)

Mr. President: Mr. Amar Nath Dutt.

Pandit Nilakantha Das: Sir, my amendment should in order come next. I am afraid it is a mistake that it is printed as No. 10. It is to remit the excise duty to the extent of Rs. 1-~~4~~-0

Mr. President: Does the Honourable Member wish to move his amendment?

Pandit Nilakantha Das: Yes, I wish to move it and get it recorded. Very briefly I shall move it.

The Honourable Sir George Schuster: Which amendment, Sir, is now being moved?

Mr. President: No 10 on the list.

Pandit Nilakantha Das: Sir, I move that:

"To clause 3, the following be added:

'and the said provisions shall, in so far as they enable the Governor General in Council to remit any duty so imposed, be construed as if, with effect from the 1st day of April, 1930, they remitted the duty to the extent of the said one rupee and four annas, and such remission shall be deemed to have been made out of the leviable duty by rule made under that section'."

Sir, section 7, sub-section (a) of the Indian Salt Act gives power to the Governor General to levy a tax to the extent of Rs. 8, as a maximum, on every maund of salt, and then sub-section (b), under which

[Pandit Nilakantha Das.]

comes my amendment, gives him power to remit any tax levied on salt under sub-section (a). The Governor General can remit a part of the tax or the whole tax which might be levied on salt. It is provided in the Salt Act that this tax will be levied on Indian inland salt, salt produced in India or carried by land into any part of India. It is rather misleading to some new Members who are perhaps under the misapprehension that this Act deals with excise salt only. It is not so. It deals also with imported salt in this way. The provision for duty on imported salt in the Indian Tariff Act is that the duty on imported salt will be just as much as the duty on inland salt. There is no provision that it should be one rupee and four annas or one rupee and eight annas or anything like that. So if we could have abolished the duty on inland salt, automatically the duty on imported salt would go. Now, that we have failed to do it, what I propose is that the Governor General, by the power vested in him under sub-section (b) of section 7 of the Salt Act will, under this provision of my amendment, if this amendment is passed, remit all the tax leviable on inland salt, that is, to the extent of one rupee and four annas. This is the amendment which I moved last year, but Government who, as I have said, always look to rupees, annas, pies, could not find their way to accept my amendment. I say this will take out of the pockets of the Government an amount to the extent of over Rs. 3 crores. My Honourable friend, the Finance Member, said, in replying to my last amendment, that the matter had been referred to the Tariff Board, but he has not said definitely that the Tariff Board, under the terms of their reference, have been asked to deal with the duty on salt. This salt duty, and Government monopoly of salt are the main problems before the country and before the Government today. But the Tariff Board, as I understand, are mainly looking to that aspect of the question by which India could be made self-sufficient in the matter of salt. Therefore, there will be nothing wrong now in remitting this tax leviable on inland salt. Of course, thereby Government are losing to the extent of Rs. 3 crores. For, I should make it clear to the Government, as I said in my last speech, that if we remit this tax and create the necessary atmosphere today in this vast land of India, money will not be wanting. It is the understanding that is wanting, and as I said, it is imagination in the Government that is wanting. Money will be forthcoming and pouring forth for them like anything if there is mutual trust, goodwill and mutual understanding. I say, Sir, let them not fear the loss that they are going to incur; let them adopt a statesmanlike policy; let them remit this tax leviable on inland salt. I still maintain that such a stroke of policy at this juncture will relieve the grave and dangerous situation that is coming and will save the Empire, which is otherwise sure to go to ruin, in spite of heavy crores so horribly jingling in the pockets of the Finance Member, in defiance of the loss of confidence and good-will of the impoverished people of this unfortunate land. Sir, I move my amendment.

*Raja Ghazanfar Ali Khan (North Punjab: Muhammadan): I rise to oppose this amendment, which I must confess has not been very seriously put forward. I have been suddenly called upon to speak, and I do not

*Speech not revised by the Honourable Member.

know what to say except that. We have already wasted sufficient time on talking of things which were mostly irrelevant to the Finance Bill, and one could hardly make out what was the question under discussion in the House, and now the best thing is to make short speeches and to take the vote. Therefore, Sir, I oppose this amendment.

The Honourable Sir George Schuster: Sir, this amendment in its present form has been before the House on several occasions. I confess that I have never been able clearly to understand what its intention was or what its effect would be. I believe myself that its effect would be to abolish the duty altogether, but I believe that its intention is to abolish the duty on salt manufactured in India or imported by land into India and to retain the duty of one rupee and four annas per maund on salt imported by sea. In the circumstances, Sir, if that is the intention, I suggest that that is exactly one of the questions on which we should await the Report of the Tariff Board before this House is asked to take a decision. I have nothing further to add.

Mr. President: The question is:

“To clause 3, the following be added:

‘and the said provisions shall, in so far as they enable the Governor General in Council to remit any duty so imposed, be construed as if, with effect from the 1st day of April, 1930, they remitted the duty to the extent of the said one rupee and four annas, and such remission shall be deemed to have been made out of the leviable duty by rule made under that section.’”

The motion was negatived.

Mr. Amar Nath Dutt: Sir, I beg to move the amendment standing in my name which runs as follows:

“In clause 3, for the words ‘one rupee and four annas’ the words ‘eight annas’ be substituted.”

Sir, I do not know whether this amendment will be acceptable to the Honourable the Finance Member who wants to have as much money as it is possible to spend. He probably does not take into consideration the case of the poor consumer, I mean, the poorest in the land on whom the incidence of this tax falls the heaviest. Finding that the Honourable the Finance Member has taken shelter under the Tariff Board inquiry in a matter like this, which affects the impoverished millions of this country, I do not know how far this amendment of mine will commend itself to him. But, Sir, allow me to make an appeal to every one of the Indian Members present here to vote for the amendment I am now moving, because I feel it is the bounden duty, nay the sacred duty, of every Indian Member to support my amendment. (*Some Honourable Members:* “To his salt?”) (Laughter.) (*An Honourable Member:* “What about the mill-owners?”) Probably if they are supported in what they want, they will vote. But I may remind them that they should beware, before deciding to tax the poorest of their countrymen. They may support the Bureaucracy, for they know that they are in the safe harbour with them. But a time may come when they will not be in safe harbour with them and I wish to point out to them that I do not wish to antagonise England in order to give preference to other countries who are not friends of India. I do not want to antagonise England for any reason whatever to benefit Japan. With all her faults, I love England. (*An*

[Mr. Amar Nath Dutt.]

Honourable Member: "Hear, hear"), because she has given us education, because she has brought peace in this land but we cannot forget that British rule has impoverished us to an extent that we cannot affirm that they had the real interests of this country at heart, and as a friend of England, which at the present moment rules my country, I appeal to the Government to help us, to help the famished millions of India by not taxing this prime necessity of life, namely, salt. As you want some money, I want to offer you 8 annas instead of Rs. 1-4-0 per maund. No doubt, Sir George Schuster's purse will not be full by the method, I suggest, but he should find out other ways and means to make up the deficit, and I hope he will see his way to support us at least in this matter.

This question of the salt tax has been discussed so often in this House that it is not necessary to repeat the arguments over again. The man who does not realise that salt should not be taxed, is either devoid of intelligence or has a heart of stone. There may be various motives which may induce gentlemen to vote against this amendment. It may be to please the powers that be, who can shower many a good thing upon some of them. Some Members may have an eye on titles and honours; some may have an eye upon future offices; some may have an eye for the protection of certain industries in which they are interested either as proprietors or as managing agents; and others may have an eye to please the powers that be; and lastly there is another section who must always support Government because they are the Government themselves and as you know the King of England does not rule India, but India is ruled by those who sit on the opposite Benches (*An Honourable Member*: "Shareholders?") Yes, they are the share-holders of the company that is known by the name of Government of India. But I make an appeal once more, I make a fervent appeal to every Indian, that he should not vote against my amendment, but every one should support it, and I shall be glad if the Government also see their way to support it for I feel it is the duty of the Government to see that the millions of the people in this country over whom they rule get a little salt to eat with the morsel of rice they boil in their pot. With these words, I place this amendment before the House for its acceptance.

Mr. Mukhtar Singh (Meerut Division: Non-Muhammadan Rural):
Sir, I want to . . .

Mr. President: Is the Honourable Member supporting the amendment?

Mr. Mukhtar Singh: I want to say only a few words, Sir.

Mr. President: There are three amendments in the name of Mr. Amar Nath Dutt.

Mr. Mukhtar Singh: I do not mind speaking on either this amendment or on any of the others.

Mr. President: Which particular amendment does the Honourable Member wish to speak to?

***Mr. Mukhtar Singh:** I want to draw the attention of the Honourable the Finance Member to one important point, and that is why I want to speak. I invited the attention of the Government previously also to the fact that the duty on salt has an effect not merely on man, animal life and vegetable kingdom, but it has also an effect on the chemical industries of this country, especially on the manufacture of sodium compounds. A reference to the latest trade review will clearly show that the imports of sodium compounds are daily increasing. The pre-war figure was 74,44,000 and the post-war figure is 85,71,000, whilst during the last two years we have imported sodium compounds to the extent of Rs. 1,12,35,000, and in 1928-29, we imported to the extent of Rs. 1,13,31,000. That clearly shows, Sir, that the chemical industries of this country are handicapped over the manufacture of sodium compounds. I may mention that I am specially interested to know the views of Government on this point, because mostly the imports of this chemical product come from England, and England being the direct competitor with Indian chemicals, it must be the duty of the Government to refer this matter also to the Tariff Board when they refer to them the point whether any special facilities are necessary for the manufacture of sodium compounds in this country, and in order to do this, whether it is necessary that the factories working in this country should have duty free salt for the manufacture of sodium compounds.

Sir Purshotamdas Thakurdas (Indian Merchants' Chamber: Indian Commerce): Sir, I shall be very brief. I would not have spoken but for the appeal made by my friend, Mr. Amar Nath Dutt, this necessitates that I should not give a silent vote on this motion. I do not feel any less than those of my friends who voted for the amendment of Mr. Nilakantha Das on the last division. But I am convinced that, if we really want that the poor should get not only cheap salt, but also salt of the right kind,—eatable and good salt, fit for consumption and which will not ruin their health,—it is necessary for this House to have a little patience. It is incumbent on this House to ensure people in the outlying districts where salt cannot be manufactured to devise a machinery, which will get them good cheap salt without profiteering by middlemen, for this it is very advisable that we should await the Report of the Tariff Board. The discussion today, and the earnest appeals which have been made to the Honourable the Finance Member, can only convey one lesson and that is that the Report of the Tariff Board should be dealt with by the Government with as little delay as possible. My best hope is that the Government may put before this House, before the Budget Session in 1931, a scheme which will satisfy us that the Government are moving in the right direction to ensure the supply of cheap and good salt for the welfare of man and beast and agriculture in India. I therefore suggest that in the best interests of all of them the Mover of these motions should not press his amendments today but should press for an assurance from the Honourable Member that there will be no delay in dealing with the Report of the Tariff Board. I request my friend not to press any of these amendments today.

The Honourable Sir George Schuster: I am quite ready to give my Honourable friend the assurance for which he has asked, and I trust

*Speech not revised by the Honourable Member.

[Sir George Schuster.]

that all those who have spoken with genuine feeling on the subject of salt during the last few years will feel at least that their efforts have not been entirely in vain if they have resulted in a good Report being prepared by the Tariff Board and appropriate action taken without delay on that Report. It is at least impossible to listen to the speeches that have been made without realising that there is genuine feeling on the subject, and I shall certainly take that into full consideration when dealing with the Report when it is before us.

Mr. President: The question is:

"In clause 3 for the words 'one rupee and four annas' the words 'eight annas' be substituted."

The motion was negatived.

Mr. Amar Nath Dutt: Sir, I move my next amendment:

"In clause 3 for the words 'one rupee and four annas' the words 'twelve annas' be substituted."

We have heard the Honourable the Finance Member and he has asked us to wait till the Tariff Board inquiry is finished, and has assured us that he will take the Report into consideration without delay. I am not going to be duped by these assurances. We have had many such assurances before from Government, which in the long run came to nothing. Even the assurances of Her Majesty the most gracious Queen Victoria is more honoured in the breach than in its observance. I remember one of our great patriots returning from England in the year 1909. We waited upon him at the railway station to give him a right royal reception. He gave us to understand that he had been assured by the Secretary of State for India that Swaraj was coming. We were all young men then. (*An Honourable Member:* "Not all of us.") At any rate, I was a young man. You might have been a child at that time. Well, we got the Morley-Minto reforms, which if they did not do anything else, brought the communal electorates to this unhappy land. However, Sir, that is outside the present discussion. We have been duped many a time by assurances. I hope Sir George Schuster will excuse me if I persist in moving my amendment. He has asked us to wait for one year. I shall make another request to him, and that is to accept 12 annas for one year. With these words, I move my amendment.

The Honourable Sir George Schuster: Sir, my Honourable friend seems to be carrying out a sort of Dutch auction as regards the salt tax, trying to tempt me with various bids, but I am afraid that all I said originally applies to his amendments right down the scale. As my Honourable friend asked that I should bear with him if he persists in moving his amendments, so also I hope that he will bear with me if I persist in repeating my assurance. I fully intend to carry out the assurance which I have given and I would say this, that perhaps it is easier to give effect to recommendations as regards the administration of salt than to carry out political reforms in a country like India. At any rate, I can promise that there will be no delay in dealing with the Report.

Mr. President: The question is:

"In clause 3, for the words 'one rupee and four annas' the words 'twelve annas' be substituted."

The motion was negatived.

Mr. Amar Nath Dutt: Like an unwearied beggar, I again knock at the doors of the Government and move my last amendment that:

"In clause 3, for the words 'one rupee and four annas' the words 'one rupee be substituted.'"

I hope the unwilling giver will now give a dole. It is a very humble and modest thing that I am asking. I am not threatening him. I hope the whole House will support me in this motion, and I shall ask the House to divide on this matter, even if the Finance Member does not agree. Without taking up more time, I once again make a fervent appeal on behalf of the famished people of India and ask the Government to accept this amendment and give as much relief as possible to the poor man in India.

Haji Abdoola Haroon (Sind: Muhamnadan Rural): I rise to support this last amendment, as there are no more amendments after that. Side by side he is asking for only four annas reduction in the salt tax. I do not know whether Government are absolutely against reducing the salt tax on principle or because of financial considerations. I find, Sir, that if this amendment of my friend, Mr. Amar Nath Dutt, is accepted, by the Honourable the Finance Member, I will show him one item from which he can get that money. It is this. In the Budget he has estimated from sugar duty only 180 lakhs, whereas according to the explanatory note of the Financial Secretary, I find that, during the last three years, they have recovered an average of about 7 crores of rupees. On that basis I find that Government might recover 293 lakhs instead of 180 lakhs. Last year's income of Government from the sugar duty according to the revised figure of 1929-30 is 835 lakhs and Government probably realized 278 lakhs. The reduction of four annas duty on salt will involve a loss of about 140 lakhs, but Government will have one crore of rupees more than what they estimated from the new sugar duty, thereby they had to lose only 40 lakhs after reduction of salt duty. Considering the present position of the country, I think it is high time that Government should reduce the salt tax by four annas and earn the blessings of the suffering millions of India.

The Honourable Sir George Schuster: Sir, as a new argument has been advanced, I must just say a few words. In the first place, as regards the proposed reduction, I always maintained in the course of the debates last year, that a reduction of 4 annas would really not be felt by the retail purchaser at all. I believe that, if we reduce the salt duty by 4 annas, we should be throwing away about a crore and a half of revenue and should be giving no appreciable benefit to the retail purchaser. With reference to what my Honourable friend who spoke last has said on the estimates for the sugar duty, I should be very glad indeed to believe that he was correct. But I think that in his calculations he has failed to take into account two factors. Firstly, that in the current year we are dealing with a year which has been very exceptional as regards the imports of sugar. We cannot count with any certainty on a repetition of such figures. And, secondly, he has failed to take into account that, with the increase in the duty, we must allow for some reduction in consumption. The reduction in consumption may come about in two ways. In the first place, immediately, because the increase in price will undoubtedly have some effect on the amount that is purchased. Secondly, there is no doubt that this duty which we are imposing now will have a protective effect,

[Sir George Schuster.]

and, although that may not be felt in the next 12 months, it is a factor which we are bound to take into account. I feel, therefore, that I cannot accept my Honourable friend's estimates and I must also remind him that the increased sugar duty has not yet been approved by this House. Therefore, I can hardly accept my Honourable friend's argument as a valid reason for accepting this reduction.

2 P.M.

Mr. President: The question is:

"In clause 3 for the words 'one rupee and four annas' the words 'one rupee' be substituted."

The Assembly divided:

AYES—32.

Abdoola Haroon, Haji.
Abdul Matin Chaudhury, Maulvi.
Agnihotri, Mr. K. B. L.
Aney, Mr. M. S.
Ayyangar, Mr. K. V. Rangaswami.
Bhargava, Pandit Thakur Das.
Das, Mr. B.
Das, Pandit Nilakantha.
Dutt, Mr. Amar Nath.
Dutta, Rai Bahadur S. C.
Iswar Saran, Munshi.
Kartar Singh, Sardar.
Kelkar, Mr. N. O.
Kidwai, Sheikh Mushir Husain.
Lalchand Navalrai, Mr.
Malaviya, Pandit Krishna Kant.

Mohammad Ismail Khan, Haji
Chaudhury.
Moonje, Dr. B. S.
Mukerjee, Mr. Saradindu.
Mukhtar Singh, Mr.
Munshi, Mr. Jehangir K.
Neogy, Mr. K. C.
Pandya, Mr. Vidya Sagar.
Patil, Rao Bahadur B. L.
Reddi, Mr. T. N. Ramakrishna.
Sarda, Rai Sahib Harbilas.
Shafee Daoodi, Maulvi Mohammad.
Siddiqi, Mr. Abdul Qadir.
Sinha, Kumar Ganganand.
Sinha, Mr. Rajivaranjan Prasad.
Telatuley, Mr. S. D.
Venkatakrishnayya, Choudhri, Mr. P.

NOES—53.

Abdul Aziz, Khan Bahadur Mian.
Abdul Qaiyum, Nawab Sir Sahibzada.
Alexander, Mr. W.
Banarji, Mr. Rajnarayan.
Baum, Mr. E. F.
Chatterjee, The Revd. J. C.
Chettiyar, Rao Bahadur P. T.
Kumaraswami.
Cocke, Sir Hugh.
Cosgrave, Mr. W. A.
Crawford, Colonel J. D.
Crerar, The Honourable Sir James.
Crosthwaite, Mr. H. S.
Dalal, Dr. R. D.
Ferrers, Mr. V. M.
French, Mr. J. C.
Ghazanfar Ali Khan, Raja.
Gidney, Lieut.-Colonel H. A. J.
Gwynne, Mr. C. W.
Hamilton, Mr. K. L. B.
Hardy, Mr. G. S.
Heathcote, Mr. L. V.
Hira Singh Brar, Sardar Bahadur,
Honorary Captain.
Howell, Mr. E. B.
Jawahar Singh, Sardar Bahadur
Sardar.
Jehangir, Sir Cowasji.
Lamb, Mr. W. S.

Lindsay, Sir Darcy.
Mitra, The Honourable Sir Bhupendra
Nath.
Mitter, The Honourable Sir Brojendra.
Mody, Mr. H. P.
Monteath, Mr. J.
Moore, Mr. Arthur.
Mukherjee, Rai Bahadur S. C.
Noyce, Sir Frank.
Pai, Mr. A. Upendra.
Parsons, Mr. A. A. L.
Purshotamdas Thakurdas, Sir.
Rahimtulla, Mr. Fazal Ibrahim.
Rainy, The Honourable Sir George.
Rajah, Rao Bahadur M. C.
Rau, Mr. H. Shankar.
Roy, Mr. K. C.
Sahi, Mr. Ram Prashad Narayan.
Sams, Mr. H. A.
Sarfaraz Hussain Khan, Khan
Bahadur.
Schuster, The Honourable Sir George.
Scott, Mr. J. Ramsay.
Singh, Mr. Adit Prasad.
Slater, Mr. S. H.
Sykes, Mr. E. F.
Tin Tut, Mr.
Yakub, Maulvi Muhammad.
Young, Mr. G. M.

The motion was negatived.

Sir Purshotamdas Thakurdas: Sir, before I move my amendment No. 11 which stands in my name, may I draw your attention to the fact that that amendment would more appropriately come in after Schedule No. I is passed?

Mr. President: Is this not an amendment to clause 3?

Sir Purshotamdas Thakurdas: No, Sir.

Mr. President: Then, I will put clause 3. The question is:

“That clause 3 stand part of the Bill.”

The motion was adopted.

Clause 3 was added to the Bill.

Mr. President: The question is:

“That clause 4 stand part of the Bill.”

Sir Purshotamdas Thakurdas: Sir, may I draw your attention to the fact that my amendment is consequential on item 5 in Schedule I being retained and I therefore suggest for your consideration that the consideration of clause 4 may be left over after Schedule I is passed.

Mr. K. O. Neogy: I would rather suggest that this amendment should be an amendment to the Schedule itself.

Sir Purshotamdas Thakurdas: In any case, even then it cannot come up now. I am suggesting that my amendment No. 11 may be considered after the Schedule is passed.

Mr. President: If it is put in the form of an amendment to the Schedule, we might proceed with clause 4.

Sir Purshotamdas Thakurdas: It can come in after clause 4. The legal advice that I received is that it should be an addition to clause 4, as stated in my amendment.

Mr. President: The Honourable the Law Member's advice?

Sir Purshotamdas Thakurdas: I think from one equally reliable.

The Honourable Sir George Schuster: I think my Honourable friend's suggestion is a reasonable one, that clause 4A may be discussed after the Schedule. But there is no other alternative except to include this amendment as a special clause. Otherwise I am advised there would be difficulties as regards the provisional collection of taxes and various other technical difficulties. That is why I understand this amendment is drafted in this particular form.

Mr. President: Is that the reason why the Honourable Member has drafted this amendment in that form?

Sir Purshotamdas Thakurdas: I have been advised from the legal point of view. That is all I can say. I know what I want, and the exact legal terminology was left to persons who knew legal drafting.

Mr. President: I think the consideration of clause 4 might be adjourn-
ed

The Honourable Sir George Schuster: Clause 4 can be put to the House now. I submit that is the proper procedure.

Mr. President: But the Honourable Member says he has an amendment to that clause.

The Honourable Sir Bhupendra Nath Mitra: But it is a new clause 4A.

Mr. President: What does it matter?

The Honourable Sir George Schuster: I submit it may be an amendment to the Bill but it is an additional clause. It is not an amendment to clause 4.

Mr. President: It does not do any harm if we postpone the consideration of clause 4 as suggested by the Honourable Member from Bombay.

Mr. M. A. Jinnah (Bombay: Muhammadan Urban): There is no amendment to clause 4. This amendment runs thus: "After clause 4 the following new clause be inserted, namely, 4A, etc." It would be clause 4A if it is passed. There is no amendment to clause 4.

Sir Purshotamdas Thakurdas: I see no objection to clause 4 being passed now. My amendment may come after the Schedule is passed.

Mr. President: The question is:

"That clause 4 stand part of the Bill."

Mr. K. C. Neogy: Well, Sir, what is the effect if clause 4 is added to the Bill? Clause 4 says that, "The amendments specified in the First Schedule to this Act shall be made in Schedules II and III to the Indian Tariff Act, 1894". If this clause is passed, Honourable Members who propose amendments to Schedule I might be precluded from doing so. Unless the Schedule itself is disposed of first, I do not think it would be quite right to pass clause 4.

Mr. President: But the Mover of the amendment has no objection.

Mr. K. C. Neogy: There are other amendments.

Mr. President: The Leader of the Independent Party was landing us into some trouble, if the view of Mr. Neogy was to prevail.

Mr. M. A. Jinnah: That was far from my intention. My point was a very simple one. Probably I have not been properly understood. As far as this particular amendment of my Honourable friend, Sir Purshotamdas Thakurdas, is concerned it is not an amendment to clause 4. That is all that I say. What my Honourable friend Mr. Neogy is saying is a very different thing altogether.

Mr. President: The Honourable Member wanted clause 4 to be put to vote.

Mr. M. A. Jinnah: I did not say so, Sir. I say, so far as we are concerned this is our position. I did not say there was no other amendment to the Schedule.

Mr. President: Then the original decision of the Chair that clause 4 should stand adjourned remains.

The Honourable Sir George Schuster: Sir, I submit that if you give that ruling, you will be departing from what has been the usual practice in discussing the Finance Bill. All the provisions as regards postal rates and income-tax are always settled by Schedule, and it frequently happens that amendments to the Schedule are afterwards considered; but that does not prevent the clause which is in the body of the Bill being passed in its proper order. I submit that when the Schedules contain in themselves alterations in taxation as compared with the previous year the practice should be just the same as it is when the Schedules contain no alterations as compared with the previous year, but are subject to proposals for amendment standing in the names of Honourable Members. I submit, Sir, that the proper course to be followed is to take these clauses in order as they stand in the Bill.

Mr. President: Would the acceptance of clause 4 mean the acceptance of the Schedule as it stands?

Several Honourable Members: No.

The Honourable Sir Bhupendra Nath Mitra: The Schedule will be put later on and then everybody will have an opportunity of bringing forward his amendment.

Mr. M. A. Jinnah: If I may point out most respectfully, that also seems to be clear. Clause 4 says this:

"The amendments specified in the First Schedule to this Act shall be made in Schedules II and III to the Indian Tariff Act, 1894."

If it is understood that, whatever amendments will be made in the Schedule hereafter, would stand part of clause 4, then it is all right. But if it is understood that no amendments can be moved to the Schedule after clause 4 is passed, then it is all wrong. Therefore I leave it to you to decide this point as you think best. But it seems to me, speaking for myself, that it will be open to the Honourable Members to move their amendments to the Schedule although clause 4 is passed.

Mr. President: I do not agree with the Honourable the Finance Member that the practice has always been to take the clauses of the Bill in the numerical order. Exceptions have been made in the past where the consideration of particular clauses has been postponed. I do not see any difficulty about it. Where circumstances justify the adoption of such a course, there is no reason why we should not do so. I know that in the past we had postponed consideration of particular clauses until other clauses were disposed of.

The Honourable Sir George Schuster: I must leave a ruling on this matter to you, Sir. My argument simply was that the mere fact that a clause was passed referring to a Schedule did not commit the House to accepting that Schedule as it stands in the Finance Bill.

Mr. President: That is a different matter altogether and I would be prepared to accept his view on that point.

The Honourable Sir George Schuster: I understood that that was your reason for suggesting a postponement of this clause. But I venture to submit that that was a reason against which there were many valid arguments. But if, in your opinion, it will be more convenient that this clause should be postponed. I certainly do not intend to press my objection to that course.

Mr. President: I think it will facilitate the consideration of the Bill as a whole if we postpone the consideration of clause 4. The consideration of clause 4 is therefore postponed.

The Assembly then adjourned for Lunch till Twenty-five Minutes Past Three of the Clock.

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

Clause 5 was added to the Bill.

Mr. President: The question is:

“That clause 6 stand part of the Bill.”

Pandit Thakur Das Bhargava: Sir, I move:

“That to sub-clause (3) of clause 6 the following proviso be added:

‘Provided that in the case of the Hindu undivided family each member of such family shall be assessed separately and his total income shall be deemed to be an income to which such member would have been entitled if such member were not joint.’”

Sir, every year since the present Assembly came into existence, this motion has been moved on the floor of this House and every year the reply given by the Honourable the Finance Member has been disappointing. If once for all the reply came from the Government that they are not going to make the change in the law—a change which is founded on justice and equity, no further alteration need have been attempted, but the justice of the amendment has always been realised, and we have always been hoping that something will be done in this respect by the Government, and it is in that hope that I am pressing this amendment. Sir, the point involved is very simple. The question is whether the Hindu joint family is to be penalised, because Hindus are usually taken to live in the social group known as the joint Hindu family. So far as the individual is concerned, there is no difference between a Hindu and a non-Hindu as regards liability to taxation. As soon as it comes to a collection of individuals, the difference arises. In the case of non-Hindus, if two or more persons live together, they are taxed separately. Their income is divided on the number of persons affected and they become liable to income-tax only if their income exceeds the minimum. But in the case of a joint Hindu family, which must consist of more than one member, the income is not divided between the persons constituting that family; but the total income is taken to be the income of the various persons constituting that family and the family is taxed as such. To illustrate my point, if two persons have an income of Rs. 3,000 a year, if they are non-Hindus, they will not be taxed, whereas, in the case of Hindus, their income will be taxed on Rs. 3,000. Now, it is not an uncommon thing to find a Hindu joint family being constituted by, say, six or eight members. In a case of this nature, an ordinary calculation will show that persons earning only Rs. 15 or 20 a month will come within the purview of the provisions of the Income-tax Act as their joint income is going to be taxed. Now, Sir, according

to section 14 of the Income-tax Act, the compensatory advantage which is sought to be given to the Hindu joint family may be illustrated thus. If a Hindu joint family has got income of Rs. 2,100 and one of the members of that family has got a separate income of Rs. 4,900, in that case the special income will be assessed, but the rate by which it will be assessed will not be the one which it would have been if the income was more than Rs. 5,000; so that in cases in which individuals have got large incomes, there is a compensatory advantage. But, Sir, in pressing the amendment before the House, I have never concealed my desire and I have always clearly expressed that I wish that this compensatory advantage may be taken away from the rich Hindu family.

Sir, I do not want to claim any special privilege or special concession for the Hindu. I want that he may be taxed like his Muhammadan or Parsee or Christian brother. At present, there is some advantage to richer families of the Hindus, and a disadvantage to the poor families of the Hindus. Now, Sir, this is a policy of robbing Peter to pay Paul. I do not know how a poor family living in the Punjab will feel the solace of section 14 if, in accordance with the provisions of that section, a family in Bengal is profited. I would, therefore, submit, Sir, that this compensatory advantage is also an advantage which discriminates between the poor and the rich families, and there is no reason why the rich families should be allowed this advantage. This amendment makes the whole position quite clear, and it is on the basis of the uniformity of taxation that I claim that this amendment should be accepted by the House. I want, Sir, that the members of the Hindu undivided family may be taken as if the family was divided, and on that basis, each individual may be taxed. Now, Sir, it is an admitted proposition that the Hindu joint family is not an economic entity. It is a social unit, and there is absolutely no reason why three or four persons living together, who are Hindus, should be taxed, whereas if the non-Hindus live in the same way as the Hindus usually do, they should not be taxed. It is not that I want that persons other than Hindus should be taxed as members of joint families. I want that the position of the members of Hindu joint families should be assimilated to the position of the members of other joint families other than Hindus. That is my claim.

Now, Sir, an objection may be raised that the Hindu joint family is in the nature of a corporation, but the objection has only to be stated to be refuted. May I humbly inquire from the Honourable the Finance Member if he thinks that a family of Jats and Rajputs living in a village, a family of chamars, or a family of Brahmins having agriculture as their means of livelihood, in which some of the members have recourse to trade, can be taken to constitute a trading concern or corporation? In this way I do not see why there should be a difference between the case of Hindus and others than Hindus. I would submit, Sir, therefore, that, in the interests of uniformity of taxation, it is necessary that the members of a Hindu joint family should be treated as if they had already divided. Now, Sir, as we all know, there is an initial presumption of law that all members of a Hindu family are undivided; that every Hindu family is a joint Hindu family. But from the conditions of social life, it is clear that that presumption has lost its strength. In the Punjab, the High Court of the Punjab has held in many rulings that the Hindu joint family of the Hindu Law does not exist in practice. As late as the year 1889 they held, as reported in P. R. 102, of 1889 that the Hindu joint

[Pandit Thakur Das Bhargava.]

family as such does not exist. In regard to other provinces also I can say confidently that the Hindu joint family, as used to exist in olden times, does not at present exist. The impact of modern civilization and other causes have, as a matter of fact, affected the Hindu joint family, and now we do not find the theoretical Hindu joint family in existence. But there is an initial presumption, and as soon as an assessee goes to an Income-tax Collector, there the threat is made, "You are a member of a joint Hindu family; the burden is on you to prove that you have ceased to be a member of a joint Hindu family".

Now, Sir, as opposed to this, that the initial presumption of Hindu Law is that a Hindu family is joint, there is another presumption of law which has been lately pronounced by the Honourable the Judges of the Privy Council. According to the Privy Council ruling every member of a Hindu joint family has got the key of separation in his own hands; he has only to declare that he has ceased to be a member of a joint Hindu family, and then and there the joint family ceases. In such a condition it becomes generally difficult for any income-tax officer, or even for the law courts to find out whether a Hindu family is joint or is not joint. In many cases the condition of the family and the relations between the various members are such that it is difficult to predicate of any family that it is joint or separate. Generally speaking, Sir, when the various members of a Hindu joint family do not live in the same place the state of that Hindu family is in a state of flux; one member acquires property; the other member whenever he comes to live with him lives in the same family without being charged anything, but as soon as he goes away to another place, he incurs his separate expenses and keeps his income separately. But as soon as member comes before the income-tax officer, inquiry is started as to whether a particular property alleged to belong to the joint Hindu family is a self-acquired one or a joint one. That at once gives rise to disputes and the minds of the various members of the family are agitated against each other; they begin to think that in the final partition this property will come to that man, or that property will not come to that man, and to question whether it is joint property or separate property. It happens sometimes that there are certain properties of which no member of a family can state at a particular time whether they are really joint or really separate, so that litigation sets in and the provisions of this Income-tax Act act as a great disruptive factor in the joint Hindu family. Now, Sir, any person who is not very much enamoured of the joint Hindu family system may like those provisions as tending to disintegrate the joint family system rather rapidly, but then, Sir, I would submit that a right-minded man would not like that the provisions of a law of this nature should interfere with the Hindu joint family and break it up in this way. At present these provisions give rise to disputes and litigation, which I do not think was the intention of the original framers of this Act.

Now, Sir, legally speaking or theoretically speaking, it may be argued that in a joint Hindu family you cannot say that a particular portion of income belongs to a particular member, or a particular item of property can be said to be the separate property or to be the ascertained property of one particular member. Now, Sir, to start with, I may point out that there are two systems of Hindu law which can apply to Hindu joint families. So far as Dayabhaga is concerned it is clear that such objection is untenable. According to Dayabhaga law, the interest of every member of a

Hindu joint family is separate and ascertained, and there is no reason why, in the case of those who follow the Dayabhaga law there should be any difficulty about it, because, according to that law, each person's share is ascertained and separate. In regard to Mitakshara law also I would submit that the Government regarded the Hindu joint family as a separate family in relation to another Act. I will refer you in this connection, Sir, to the Report of the Taxation Enquiry Committee. On page 275 in paragraph 874 of their Report they say :

"It is sometimes urged that inheritance taxation ought not to apply to the property of a Mitakshara joint family on the ground that, on the death of a co-parcener belonging to such a family, there is no mutation or acquisition which gives occasion for the levy of a duty. But it cannot be denied that a member of a Mitakshara joint family possesses a beneficial interest in the properties of the family during his lifetime, which he can sell or mortgage, and in some provinces, even dispose of by gift, and of which he can get a partition during his lifetime by suit, or effect severance by a mere unequivocal declaration communicated to the other members of intention to hold separately. This interest clearly passes on the death of the member, and is therefore a proper subject for a tax in the nature of a mutation duty. In the similar case in England, where property or an interest in property passes by survivorship, it is valued for purposes both of estate duty and succession duty. Again, in the Bill to amend the Court Fees Act now before the Central Legislature, it is expressly provided that, if any member of a joint Hindu family governed by the Mitakshara law applies for probate or letters of administration in respect of the estate of a deceased member of the joint family, such estate shall not be deemed to be property held in trust, and the applicant shall pay a fee on the value of the share in the joint family property which the deceased would have received if a partition of the property had been made immediately before his death. In the opinion of the Committee, this provision is based on the correct principle that there is no objection to subjecting to duty property or an interest in property passing by survivorship on the death of a co-parcener in just the same way as property or an interest in property passing by inheritance is so subjected."

Now, Sir, may I inquire if a member of the Hindu joint family can be treated as a separate member for the purpose of the Court-fees Act, in order to take from him duties on the death of a particular member, what justification is there for the Government not to treat him as a separate member in regard to assessing him to income-tax? It is true that, in one case, duty is taken from him, and in the other case the liability to being assessed to income-tax is taken away from him. After all, what is the difference between a Hindu joint family and a joint family of Parsees or Muhammadans? The difference is only this, that in the case of inheritance, survivorship obtains in one, while in the other it does not. Has the Muhammadan law of inheritance anything to do with income-tax? I think, Sir, that, so far as the legal question is concerned, and the theoretical aspect of the case is concerned, there is absolutely no justification for treating the joint Hindu family as a unit for taxation. If you will see the provisions for super-tax, you will be pleased to observe that, in the case of a joint Hindu family, a family is not liable unless the income of the family is Rs. 75,000, whereas, in the case of an individual belonging to any faith other than that of the Hindu, the income must be more than Rs. 50,000. Now, Sir, the difference has been realised, but is that enough? Can there be any family in which there are less than two members? So that practically every Hindu, who has got an income of Rs. 37,500 is liable to super-tax, whereas in families other than Hindus the minimum is only Rs. 50,000. I therefore submit that there is absolutely no justification for regarding the members of a Hindu joint family as being liable to tax in their capacity as members of that family.

In regard to corporations or firms, there may be a justification. Now, if you will see the provisions of the Civil Procedure Code, a firm as such

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is recognised, it has got a legal position, it can sue and be sued, but as regards Hindu joint families there is absolutely no justification why, for this purpose and for no other, the Hindu joint family should be regarded as a unit.

Now, Sir, last time when this point was raised in this House, the Finance Member was pleased to admit that the poor Hindu families were, to a certain extent, penalised at the expense of rich families, and he said that, when a general revision of the Act was undertaken, this question would be considered. But, Sir, how long are we to wait? And is it justifiable? If you accept the justice of the case, it does not lie in your mouth to say that you will delay in making a change in the law for a single day, for after all you must realise that you are taxing the poor man for no fault of his except that he belongs to a joint Hindu family.

Now, Sir, I will address a word to the various parties in this House. So far as the Government are concerned, I have submitted already that they have admitted the justice of the claim and they are only waiting for a general revision of the Act to consider the whole position. Now, Sir, I gave notice to bring in a Bill in this House for that purpose and sought the sanction of the Governor General in Council, but unfortunately I was not granted sanction to introduce that Bill. When this question arose last time, it fell from the mouth of the Honourable the Law Member that if a Bill of this nature came from Mr. Jayakar, he would be pleased to consider the question more favourably. On another amendment I brought this fact to his notice, that he had already made a statement and asked Mr. Jayakar to bring in a Bill as a substitute for my Bill, and he said that he gave no such assurance and resiled from the position. But, Sir, the position is this, and I know the reply of the Finance Member. He will again say that, unless a general revision of the Act is taken up, any attempts to change the law in this manner would be in the way of amateur legislation—I am using his very words, which he uttered on the last occasion. But then the difficulty is, if you bring in a regular Bill, the Government would not give sanction; if an amendment is brought forward in this way, they say they cannot effect any change by way of amateur legislation. Then how are we to change the law?

Then I shall say a word to the European Group also. Sir, in 1928 at the instance of one of the members of the European Group, we accepted the principle in this House in respect of uniformity of taxation, and a cut was carried through this House with the help of the votes of this party, as well as with the help of the other parties. This House and the European Group are therefore wedded to the principle of uniformity of taxation, and I expect, Sir, that in this particular instance, this party, who always claim to look at every question on its merits, will do me the justice of looking at this question from that standpoint, and if they think that a member of a Hindu joint family should not be penalised because he is a member of a Hindu joint family, they will vote with us on this question.

Sir, I need not address the Independent Party on this question, because they have always claimed, and claimed only some days back, that they also decide all questions on their merits. I hope, Sir, that this party also will look to the justice of the claim and vote with us. I may remind this party that many of its members, on previous occasions, have voted in

favour of this amendment, because they recognised the justice of the claim, and I beg of the leaders of all parties to consider this question dispassionately and see the justice of the claim I have made.

As regards the Muslim Party, Sir, who claim to be a democratic party, I hope they will recognise there is nothing communal about my claim. It is a square question. I do not want any special privileges for the Hindus. I want that they should be treated in the same way as non-Hindus are treated.

As regards my party, I need not appeal to them. The Hindus are disorganised. They do not care for their interests, and in this case it so happens that the poorer families of Hindus are affected, because this question, which has been discussed on the floor of this House during the last so many years, has not received the consideration it deserves. I would therefore beg of the Government and the various Members in this House to consider this amendment favourably.

Mr. Lalchand Navalrai (Sindh: Non-Muhammadan Rural): Sir, I rise to support this amendment. This question has been coming up in this House for a very long time, because it is well known that the income-tax law is not dealing justly and fairly with Hindu joint families. Sir, I am on principle against the income-tax altogether. I sent in a cut on Demand regarding income-tax the other day, but it was ruled out of order. I do not propose to deal with that question now. If I get an opportunity at the third reading of the Bill, I shall deal with it and also with certain other wrong policies of the Government, to which I desired to draw the attention of the House on previous occasions. At present, Sir, I fully support this amendment that each member of a joint Hindu family shall be assessed separately and not on the total income of the family.

Now, Sir, it is not necessary to make a very long speech in support of the motion made by my friend who has preceded me. Many of the salient points have been covered very ably and I would only submit a few words. When the income-tax was first introduced, there was a time when, even an income of Rs. 1,000 was assessable. Then it was considered that that was not just, because the poor people were being affected, and the limit was raised to Rs. 2,000, and that is the minimum taxable income at present; but so far as a member of a joint Hindu family is concerned he is taxed even though he earns less than Rs. 2,000. What an anomaly! What really happens in the case of a Hindu joint family is this. I shall give a concrete case. There are three brothers; one is earning Rs. 1,000, the other 500 and the third another 500. If these brothers were separate, none of them would be assessed at all, but in this case the income-tax officer will total up the income of all the three, and assess them on an income of Rs. 2,000. Is this fair? Is this reasonable? I ask. I submit that this procedure is very unjust, and the hardship should be relieved; again what further actually happens in practice of which several instances have happened, is that when the income-tax officer, while assessing income-tax, finds that there are brothers who actually live separately and also earn separately, but have some joint family property in lands and in houses only, and he holds them as members of a joint Hindu family, and charges them income-tax on the aggregate income of such brothers. Now,

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even though the Government may not wish that that should happen, that actually happens in practice. Then, Sir, according to section 14 of the Income-tax Act, the joint Hindu family member's share which falls to him as a member of the joint Hindu family has not to be joined with his private earnings in order to augment his own income for the purpose of assessment, but I know of cases where the income-tax officers do not care to make this distinction. They add all the income from whatever direction it comes and assess accordingly. That is wholly illegal and unreasonable. In short the joint family member should be treated as any other individual assessee and not penalised only because he happens to be a member of a family. I need not say more. I trust the House will carry this amendment.

Rai Bahadur S. C. Dutta (Surma Valley *cum* Shillong: Non-Muhammadan): As against the considerations put forward by the Mover of this amendment, I wish to point out that, as regards the undivided Hindu family, except in Bengal, the children are also members of the family so far as the ancestral property is concerned, whereas in other cases they are not. In regard to this proposal, the members of other communities cannot be put on a par with members of the Mitakshara Hindu joint family. As regards other families, so long as the father is there, the whole income is assessed, but in the case of the Mitakshara joint family the proposal is that the joint income is to be divided among all the co-parceners, including the children and thus divided many families will escape from the liability. (Interruption from some Honourable Members.) Sir, I was submitting that, so far as this proposal before the House is concerned, the burden on the different communities would not be equal if this proposal were adopted. Besides we find that there are other communities in which the joint family system prevails, and there is no reason why it should be confined to the Hindu joint family alone. I therefore submit that this is not a suitable occasion to propose such an amendment, which may be incongruous and inconsistent with the provisions of the Income-tax Act, which is not before us.

The Honourable Sir George Schuster: Sir, I rise to reply to this debate with some diffidence because I feel that I am treading on a subject which affects Hindus very closely and that, to deal with it properly, a great deal of knowledge of Hindu law and Hindu custom is certainly required. I should like to make one thing quite clear at the outset. The Government are not retaining the present method of taxation as a money making measure. Speaking on behalf of the Government, we should be quite prepared to consider any alteration of the law in this respect provided that we were certain that it would do justice, justice not only to Hindus but in the sense of treating Hindus fairly as compared with other taxpayers and other members of society in India. Now, Sir, the difficulty is this, that the Hindu family exists, and the Hindu family has certain legal attributes, that is to say, so far as the ownership of property and rights in income are concerned, the existence of the Hindu undivided family does create a state of affairs which is not exactly paralleled in the case of other families. As long as those conditions exist, it seems to me extremely difficult that the income-tax law should not be adjusted to deal with those particular conditions. Before I go any further I should like

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to make this point. I make it with no desire to burke discussion on this subject, but simply in order that the Honourable Members may realise what we are being asked to deal with. I would maintain that, in spite of what my Honourable friend, who moved this amendment, has said this is a very unsuitable occasion for attempting to alter the income-tax law. We cannot, in the course of the Finance Bill, give proper consideration to all that is involved in these alterations.

Pandit Thakur Das Bhargava: May I know in what other way this matter could be agitated, when Government do not give sanction to a private Bill?

The Honourable Sir George Schuster: I quite appreciate my Honourable friend's difficulty. I recognise that it is extremely difficult for a private Member to get legislation on these matters through, but I was going to say that, if the Government are satisfied that there is a strong and general movement in favour of some sort of legislation on this subject, I for one, as responsible for the income-tax administration, would be very pleased to give it special consideration. So far, I think we are justified in saying that we have not had before us any evidence of a strong general public feeling on this subject supporting an alteration in the law.

Mr. Lalchand Navalrai: May I know from the Honourable Member whether it is difficult for the Government to find this out?

The Honourable Sir George Schuster: I am afraid I could not catch the Honourable Member. Perhaps he would allow me to conclude my remarks and towards the end, if he finds that I have not dealt with any of his points, put any questions he may like to ask. What I was about to say was that there is difficulty in dealing with a matter of this kind in connection with the Finance Bill. I am advised, and I did call attention to this point last year—though not in the debate on this particular amendment—that if this particular amendment was passed, the result of it would be that no member of a Hindu undivided family would have to pay any income-tax at all, because it is necessary in order to avoid that, not only to make this amendment, but to amend section 14(1) of the Indian Income-tax Act. That section provides that no income in respect of an undivided family shall be taxed at all except through the undivided family. I merely mention this, not because it would not be an easy point to get over, but in order to show that, before you start altering the income-tax law, you will have to consider very carefully what the technical reactions and implications of any amendments are.

Then, Sir, on this question of justice in comparison between members of a Hindu undivided family and other members of the community, I understand that, if an alteration of law of this nature were introduced, and if the law as to the rights and property and income which now applies to a Hindu undivided family remained, then the income in every case of a Hindu family would be split up into a number of small units, so that you might have a number of individuals each taxed according to his share in the joint income and each perhaps falling below the taxable limit. But in the case of another family—not a Hindu undivided family—the breadwinner, the head of the family, has his income and he receives no allowance in respect of his wife or of his children. He has to pay a suitable rate according to the amount of his income, and it seems to me—it is an elementary point, but I have never been able to interpret the position in

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any other way—that if you were merely to introduce this amendment, you would, in fact, be putting the Hindu undivided family in a much more favourable position than any other family in the country. I am quite ready to admit that as the law stands at present there are frequent cases of—I might almost say—injustice, certainly of hardship, as regards taxation. But I do submit that the existence of those cases does not justify a wholesale alteration of the law without very careful consideration. And I believe that in this matter we ought to go much deeper than the mere consideration of the income-tax law. It was pointed out in the debate last year, that we are dealing with an ancient custom and an ancient law, and the income-tax law merely reflects the underlying realities of the situation which are created by this ancient custom and this ancient law. I think it is extremely difficult to alter the one in any way except concurrently with an alteration in the other.

Now, we have had put before us in this House one measure which is aimed at removing a certain kind of injustice as regards taxation of the earnings of the Hindu members of an undivided family. I refer to the measure which has been introduced by my Honourable friend, Mr. Jayakar. That is a carefully considered measure, but I believe that every one who has looked into it is convinced that it requires much consideration. I submit that, if you are going to put before this House proposals of a much wider nature than anything contained in the Bill which has been put forward by my Honourable friend, Mr. Jayakar, it should be done in a form which enables the House to give it careful consideration in a form which will enable it to be submitted to consideration in Select Committee and to circulation for opinion. That would be the proper way of dealing with the matter, and, as I said at the beginning, if the Government are convinced that there is a strong movement behind this, a strong and a universally felt desire for a change of this kind, I shall be very pleased, on behalf of the Government, to take the matter up and endeavour to find facilities for the consideration of such a Bill. But at the present moment I can only oppose this particular amendment.

Sir Purshotamdas Thakurdas: Sir, I wish to ask one or two questions regarding the Honourable Member's remarks. I have no doubt that he has realised that my Honourable friends Pandit Thakur Das Bhargava and Mr. Lalchand Navalrai have put forward the grievance of Hindus in this connection very fully. I am impressed by what the Honourable the Finance Member said regarding the complexity of the problem. Now, if it is difficult for a private individual to introduce a Bill in this connection, because it requires the Governor General's permission, may I ask the Honourable Member whether he proposes to wait until he gets representations from 100 or 200 various representative bodies, or will he take the discussion of this question during the last three years as sufficient indication that injustice is being done and something requires to be devised to avoid this injustice to Hindus? Luckily, Sir, I do not belong to a joint family, and I have nothing to share with anybody as a brother. At the same time, I cannot help feeling that, whilst the Hindus do not claim any special privilege in this connection, there is, on the very admission of my Honourable friend the Finance Member, injustice being done to Hindus because they are Hindus. Take the instance given by my Honourable friend, Mr. Lalchand. Three brothers between themselves if they

earn Rs. 2,000 and happen to be members of a joint family, are assessed to income-tax, but if they were not Hindus none of them would be assessable to income-tax. Now, the Honourable the Finance Member must see the gross injustice of such an action by the Income-tax Department—if what my Honourable friend Mr. Lalchand said is correct—and he will surely agree that this is a great hardship on the middle class Hindu families, and I wish to inquire whether he is prepared to take the discussion in this House from year to year as sufficient indication of this very strong feeling, which exists among the Hindus, and, whether he will circularise the Provincial Governments and try to get the opinions of such bodies as he may consider to be representative. Surely, Sir, because Hindus have not agitated against this injustice till now, as was mentioned by my friend, Mr. Lalchand, it should not give the Government the impression that the Hindus have no grievance at all. I submit, therefore that, if he does not want this motion to be pressed, he should at least assure us that the Government of India will try to find out from such quarters as they consider representative, Hindu opinion as to what the feeling is, and try and devise some procedure, which, whilst avoiding any special treatment to Hindus by way of a privilege, will at least ensure that the middle class Hindu families do not suffer owing to their peculiar system. I do not think that anybody can say that my Honourable friends Pandit Thakur Das Bhargava and Mr. Lalchand Navalrai are asking for any extraordinary treatment which is out of the way. If the Honourable the Finance Member is prepared to say that Government will move in that direction, I am sure my Honourable friend Pandit Thakur Das Bhargava will not like to press this amendment. If no such assurance, however, is forthcoming, and if the Governor General must refuse permission even to the introduction of a private Bill, I am afraid there will be no option left for us but to press this amendment and repeat this as a hardy annual every budget time.

Sir, it is no good saying that we cannot consider this on the Finance Bill. We cannot consider it on the Finance Bill because the time at our disposal is short. The question is a complicated one. We cannot consider it during the rest of the weeks of the year—51 weeks in the year—because the Governor General will not give the necessary permission. Surely it is a vicious circle out of which this House must help the Hindus to get out. I therefore strongly appeal to my friend to clear up the matter and to get the Government to move in the direction which will bring the Hindus, as is due to them, as citizens of India, on a par with the citizens of the other communities.

Sir Hari Singh Gour (Central Provinces Hindi Divisions: Non-Muhamadan): Sir, there is one observation that has fallen from the Honourable the Finance Member, which I have never been able to understand. He says that if there is a strong general feeling in the country for the change of law, then the Government would consider the desirability of introducing legislation for that purpose. Now, I ask Honourable Members in this House, I ask the Honourable the Finance Member, what are we here for? Are we not the representatives of the people, and are we not the plenipotentiaries of the public whose cause we represent? (Cheers.) I submit, Sir, that if there is a strong feeling in this House, it must be assumed as a strong general feeling in the country whose voices are

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represented by those of their representatives in this House. I submit, Sir, that there has been, for a long number of years, a strong expression of opinion on behalf of the non-official Members of this House, that this branch of law requires to be altered. The Honourable the Finance Member must make a note of it, and without waiting for a protest from a wider public, he must immediately examine the position, and with the help of such Members as he can invite to a conference with him, he should rectify the mistake. That is my first submission.

The second question that the Honourable the Finance Member has raised is a question which is wider than the first. He says, I admit that the Hindu joint family system is a unique institution in this country, the family being the unit instead of the individual and consequently the taxing person is the Hindu joint-family. Honourable Members on the other side have pointed out that that very fact was ignored when the income-tax law was enacted, and the result has been the creation of anomaly after anomaly, which have resulted in taxing members of a joint Hindu family because they happen to be members of a joint Hindu family. Take for instance incomes below Rs. 2,000. Supposing there are five brothers, and if all put their heads together and if all make Rs. 500 each, the joint Hindu family would be taxed because their aggregate income exceeds the individual income of every Member of that joint Hindu family. I submit, therefore, that there is an anomaly and that anomaly requires to be corrected. It does not require much public opinion to back the movement that has taken place in this country. As a matter of fact it has been voiced by Members of this House year after year that it is a palpable and apparent anomaly which requires to be corrected. That, I submit should be a sufficient justification for the Honourable the Finance Member to take action.

There is a third point. The Honourable the Finance Member speaks of Mr. Jayakar's Bill and he points out that, when some of the Honourable Members on the opposition side speak of their joint Hindu family, the implications go far beyond the implications of Mr. Jayakar's Bill. That may be so, Sir, but when the Hindu law was sought to be clarified by enunciating as to what is the income of a joint Hindu family and what should be regarded as individual acquisitions of the members of that family, the first to oppose the enactment of that law were the occupants of the Treasury Benches. Sir, three or four years ago a Bill was introduced called the Hindu Co-parceners Liability Bill, and that Bill went to the Select Committee, and afterwards on account of various reasons, into which I need not enter now, that Bill was not proceeded with. I have no doubt that there is a strong body of opinion on the part of Hindu Members of this House that that branch of the law should be clarified, but when we make an attempt to clarify that law, we meet with opposition. The result, therefore, is that the law remains obscure because we have no means of clarifying it, and because it is obscure, therefore it leads to anomalies, and because it leads to anomalies, my Honourable friends on the other side say, "Well, these are anomalies, but we do not see how these anomalies can be removed unless there is a consensus of public opinion crying out for removal of them. I submit, Sir, it is a perfectly clear case. The anomaly is there, and I have no doubt that the Honourable the Law Member knows that the anomaly is there, and

if the anomaly rests there, it has to be rectified whether there is public opinion outside this House in favour of it or not.

Nawab Sir Sahibzada Abdul Qaiyum (North West Frontier Province; Nominated Non-Official): Is the Honourable Member sure that there will be no agitation against a Bill of this sort on the ground that it is going to destroy or dismember Hindu society or family life?

Mr. M. A. Jinnah: May I ask the Honourable Member, Sir Hari Singh Gour, whether he would suggest how it could be done? He did not suggest anything. He did not suggest any way of doing it.

Sir Hari Singh Gour: I have a very easy way of suggesting it. I beg to suggest that, so far as income-tax officers are concerned, they must take the individual income of each member of a joint Hindu family. Instead of taking the collective income of all, the Members of a joint Hindu family for the purpose of income-tax, treat the members of a joint Hindu family as if they had belonged to Mr. Jinnah's family.

Mr. M. A. Jinnah: Thank you.

The Honourable Sir Brojendra Mitter (Law Member): Sir, the Honourable Sir Hari Singh Gour said that there was an anomaly in the law. I contest that. There is no anomaly whatsoever. A Hindu joint family is a unit. The jointness of a Hindu family consists of three elements—jointness in food, in worship and in estate. When there is jointness in these three matters, then the family is a joint family.

Pandit Thakur Das Bhargava: Then does the Honourable Member mean to say that, if there is absence of even one of the elements, the family ceases to be a joint family? If a person is not messing jointly, does he not remain a member of a joint Hindu family?

The Honourable Sir Brojendra Mitter: The idea is that jointness must be in these three things conjunctively and not disjunctively, jointness in food, in worship and in estate.

Sir Hari Singh Gour: These are the incidents not prerequisites of a joint family.

The Honourable Sir Brojendra Mitter: The Privy Council in a series of decisions has laid down that directly any member of a joint family signifies his intention of taking his share separately, the jointness *ipso facto* comes to an end. For separation all that a member has to do is to declare his intention that he would take his share separately. He need not actually take it separately, but directly he signifies his intention that he shall take his share separately jointness comes to an end. In that case he can immediately claim to be assessed as an individual and not as a member of joint family. It is entirely in his hands whether he should continue to be a Member of the joint family or he should enjoy his income separately. There is no anomaly in the law. Ordinarily the individual is the unit; he is assessed on his income. In the case of the joint Hindu family, the individual has no separate existence; it is the collection of individuals who compose the joint family. When a joint family is the unit, all the estate belongs to that family. The estate does not belong to any one of them. In other words, each one of them is the owner of the whole, but no one can say, "I have got so much share in that joint family property". How can you assess a particular member who has no definite share under the existing Hindu law.

Pandit Thakur Das Bhargava: Why?

Mr. M. S. Aney: How?

The Honourable Sir Brojendra Mitter: You can change the Hindu law by breaking up the joint family and give a share to each member of the Hindu family. In that case each individual's estate would be assessable. Now, these are the difficulties in the way of an amendment like this. You cannot change the income-tax law without at the same time trenching upon Hindu law. If it be the view of this House that the Hindu law in this respect should be changed, that is quite a different matter. But in that case I at any rate would advise Government to circulate that Bill for opinion of the different Hindu communities. We have had difficulties in the past in a matter like this which trenches upon one of the fundamental policies of Hindu law. If you want to change it, it cannot be done by a side-wind in the shape of an amendment to the Finance Bill. A matter like this should be canvassed all over the country and the orthodox as well as the reformers ought to be given full opportunity to consider the matter and then a measure should be brought before the House.

Mr. President: Who should bring the measure?

The Honourable Sir Brojendra Mitter: The reforming Hindus who want it.

Sir Purshotamdas Thakurdas: The Governor General will not give permission, and that is the whole point about it.

The Honourable Sir Brojendra Mitter: The Governor General will always give permission to the introduction of a Bill provided the Bill is not absurd on the face of it.

Pandit Thakur Das Bhargava: I applied for sanction and sanction was not given when I brought in a Bill in respect of this very matter. The Honourable the Law Member on the last occasion said that if the Bill were brought in by Mr. Jayakar he could consider the Bill, and when I brought this matter up again he said that he was in sympathy with this aspect of the question but that did not give any assurance with regard to it.

The Honourable Sir Brojendra Mitter: On what subject was this Bill brought?

Pandit Thakur Das Bhargava: Last year on this very amendment.

The Honourable Sir Brojendra Mitter: And did I say that, if Pandit Bhargava brought in the Bill I would object to it, but if Mr. Jayakar brought it in I would consider it? I never said anything so absurd as that.

Pandit Thakur Das Bhargava: With your permission, Sir, I will read it out. This is what the Honourable the Law Member said, and I am reading from page 2401 of last year's debates:

"I did not say that; I said that if Mr. Jayakar were to bring in a Bill of that description, personally speaking I would be in full sympathy with such a measure. All I am saying at the moment is that the House ought not to effect a revolutionary change in Hindu society by way of amending the Finance Act."

Then again he said:

"Sir, I have listened carefully to my Honourable friend Mr. Jayakar's speech. I am sorry I was not here just at the start, but I do not think I have missed the point which he has made. The point which I understood him to make is this. He said here is an opportunity to effect a social reform by accelerating or helping the disintegration."

The Honourable Sir Brojendra Mitter: Sir, I have got the passage and if my Honourable friend will pardon me I will read it out. 'This is what I said:

"If a proper measure were brought in by my friend Mr. Jayakar, probably I should vote with him."

This is all that I said.

Mr. Amar Nath Dutt: Not if it is brought by others?

The Honourable Sir Brojendra Mitter: There is no discrimination. I was dealing with an argument which had been advanced by Mr. Jayakar. He was making a certain suggestion, and all I said was that, if Mr. Jayakar were to bring in a proper measure, I would probably vote with him; and every time would I vote for it if a proper measure were brought before the House. Half-digested and ill-timed proposals like this I would never sympathise with nor vote for. This is much too important a matter to be brought before the House in the Finance Bill by a sort of side-wind which cuts across a fundamental principle of Hindu law. You are affecting the rights of members of Hindu joint families; you are breaking up Hindu joint families. What is the implication of this?

Sir Hari Singh Gour: How would a fiscal statute modify Hindu law?

The Honourable Sir Brojendra Mitter: Every statute should be consistent with the personal laws of the people to whom it applies, and since the fiscal laws apply to Hindus they should not be inconsistent with their personal laws. The implication of the amendment is very serious, because once you admit that the share of a particular member of a family can be separately treated, you immediately dissolve that joint family. It goes even beyond a mere declaration of intention. He is taking his share; he is paying the assessment upon his share. Once you have the idea that he has got a share there is an end to the joint family.

Sir Hari Singh Gour: Does the Honourable Member know that the Privy Council have, in a series of cases, laid down that the mere definition of shares in a mutation register has no effect upon the jointness of a family, because it is only a revenue entry and therefore it cannot affect Hindu law?

The Honourable Sir Brojendra Mitter: I am not to be drawn into a controversial discussion about the Privy Council decisions. The Privy Council decisions on this subject cover about half a century and they have changed from time to time, and what I gave the House is the view of the Privy Council which is now the law of the land. The idea of a separate share is inconsistent with the idea of a joint family, and if you are going to assess a share separately, then you are going counter to the whole idea of a joint family. My point is this. In the present Income-tax Act there is no anomaly. It is perfectly consistent with the existing notions of Hindu law and the proposed change would be inconsistent with such notions, and such an important change should not be brought in by a side-wind.

Mr. M. S. Aney: Sir, it has been my misfortune that I had to differ from my Honourable friend the Law Member on this question last year and this year too. All that he has been insisting upon since last year is that, unless the fundamental conception of Hindu law is changed, no change even for fiscal purposes can be introduced into this law. I believe he is unnecessarily straining the point. All that has been demanded here is, not that Government should take upon itself the burden of considering the whole question of the joint Hindu family system and the various principles which govern it, but for the purpose of taxation, it is asked that individuals having their individual income should be entitled to be assessed only on that income and that income should not be considered as part of the joint Hindu family income.

The Honourable Sir Brojendra Mitter: Sir, if my friend will pardon me for a minute will he answer this? Supposing the tax is not paid, will the share be liable to be sold in execution? When the joint family still continues but for fiscal purposes you separate the share, and the tax is not paid, could that individual's share in the joint family be sold in execution for the realisation of that tax?

Mr. M. S. Aney: I cannot understand why the ordinary law of recovering arrears of income-tax should not apply to that case.

The Honourable Sir Brojendra Mitter: Will the whole joint family property be liable?

Mr. M. S. Aney: When a man who is a member of an undivided Hindu family is found to be an offender and the court punishes him with a fine, how is the fine recovered from that man? By putting certain properties of the joint family to sale for that purpose, and the fine is recovered. So also if a man who is a member of an undivided joint family incurs debts and the creditor files a suit against him, how is that debt recovered? That rule will hold good,—the rule by which individual liabilities incurred by a member of a joint Hindu family are satisfied today,—that very procedure will hold good in the recovery of income-tax from a man assessed on his individual income, although he is a member of a joint Hindu family. I do not see any difficulty in the matter at all. The only thing is this. My Honourable friend has not yet put his head properly into this question and examined it in all its details. It generally comes before this House in the form of an amendment to the Finance Bill, and he gives his thoughts to it for a few moments that are available to him, and therefore he says that this question is beset with difficulties which according to him are insuperable or insurmountable. Members on this side have to think all along, and if there is an intention on the part of the Government to bring about this change, then these little difficulties could be provided for. But the difficulty is to convince the Government that this is a practicable thing. Simply because it means a certain amount of loss of revenue to the Government, they are not prepared to accept this. That is the difficulty. Otherwise for certain purposes the Hindu member is sometimes treated as an ordinary individual, and my Honourable friend knows that, in the case of the Transfer of Property Act, also an amendment was moved by him to the effect that, for purposes of interpreting provisions of Chapter II of that Act the personal law of the Hindus and Buddhists should be entirely ignored. At that time the question of the entire change of the whole Hindu law did not arise. When the Government is

determined upon ignoring the Hindu law, as such, they have got convenient reasons for doing so. But when they find that any departure involves them in a pecuniary loss, they are not prepared to accept it. Then they say that the question of the Hindu law must be considered as a whole. It is certainly a convenient argument to perpetuate the wrong.

Besides, there is another point. My Honourable friend, Pandit Thakur Das Bhargava had actually given an amending Bill and applied for sanction, but the sanction was not given. I am assured by him of this, though the grounds on which it has been withheld may be quite different from those he mentions. He says that the sanction was withheld because it was not Mr. Jayakar, but it was he. But I do not accept it. He seems to be under a misunderstanding. The fact is, this being a fiscal measure, an amending Bill, requires the sanction of the Government, and Government would not give it. If we come forward with amendments to the Finance Bill, they say, that they cannot deal with the subject in this piece-meal fashion, and the whole law must be carefully considered. In this dilemmatic position we Members on this side are placed, and we can therefore only record our protest and remain content with whatever the Government can carry with the votes of the majority which they command.

The Honourable Sir Brojendra Mitter: May I make this offer? If any of my friends on the Opposition Benches will prepare a Bill and send it to me, I shall thoroughly examine it with him or with a small committee of the House, if that be the common desire and then see how far we can meet them. We cannot do it in a manner like this.

Pandit Thakur Das Bhargava: In view of the assurance of the Honourable Member, I beg leave to withdraw my amendment.

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

Clause 6 was added to the Bill.

Mr. President: The question is:

"That clause 7 stand part of the Bill."

Mr. M. S. Aney: Sir, I move:

"That clause 7 be omitted and the subsequent clauses be re-numbered accordingly."

Clause 7 of the Bill is this:

"In proviso to section 5 of the Indian Finance Act, 1922, for the words 'one anna' the words 'one anna and six pies' shall be substituted."

There is an excise duty of one anna on kerosene according to the Indian Finance Act, 1922, and that duty is sought to be increased by half an anna by clause 7 of the present Finance Bill. My object is to do away with this excise duty altogether. That is the net result of the amendment I am moving. There is another amendment of which I have given notice to clause 4. According to my understanding of the question, the increase in the excise duty necessarily means an addition to the cost of production of that article, and that addition in the cost of production is bound to be reflected in the price at which that article will be sold to the consumers. Now, kerosene is an article which is universally used by all from the poor up to the richest man, and I am against, as far as possible, any taxation which is likely to affect adversely articles of

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necessity, particularly for the poorer classes. Therefore, if we do away with the excise duty altogether and also the import duty, the result will be that there will be greater quantities of imported oil in this country, and the cost of production of the article locally will also be reduced, and in that competition, according to my understanding, the price of kerosene will naturally go down lower and lower, and the article will be available to the consumers at a rate lower than what it is today. Honourable Members will remember that there was a Tariff Board inquiry as regards oil two years ago and that Report is published. On account of a combine, the two companies, the Burmah Oil Company and the Standard Oil Company, have managed to sell petrol and kerosene oil in this country at a rate much higher than what they should have done, and the little competition which we had from imported oil could not succeed in putting down the rates at which these companies sold the oil in this country. In fact, it has been held in the Report of the Tariff Board—I do not exactly remember the passage—that the net burden which the Indian consumers have to bear on account of their annual consumption of petrol and kerosene oil up to the year under inquiry in this country is something coming up to 5 crores of rupees annually in excess of what he should have ordinarily to pay if it was sold at equitable prices. That is the finding by the Tariff Board. Now, if the increased excise duty is sanctioned by us, and if the small reduction of the import duty which the Finance Bill proposes to make will not succeed in putting down the price, as is anticipated, in my opinion the increase of half an anna will, on the other hand, impose on the poor Indian an additional burden of, say, about 50 lakhs of rupees, which is calculated to be the income likely to accrue from this increased duty, in addition to the 5 crores already existing as calculated by the Tariff Board. It is on that understanding that I have moved this amendment. If I get some explanation which shows that I am mistaken, then I will consider what I should do with my motion. But I think that the proposal of the Government is not likely to reduce but rather to increase the price of the kerosene and make it more costly to the consumers. I therefore move my amendment.

Mr. W. S. Lamb (Burma: European): Sir, I am not quite sure about the effect of this amendment. According to Mr. Aney, apparently he desires to take off the whole of the excise duty. Is that his intention or is he merely moving his amendment against the Government's proposal to increase the excise duty from one anna to one anna six pies?

Mr. M. S. Aney: I only want to cancel clause 7, and if the effect of that cancellation of clause 7 is to retain the duty according to the Finance Act of 1922, well it remains there; and if the effect is to eliminate that clause altogether, then the whole of the excise duty will go away. According to my interpretation, the clause relating to excise duty on kerosene in the Finance Act of 1922 was to be in force up to the end of March of the year 1930 under the Finance Act of 1929. So the net effect will be that there will be no excise duty at all. That is what I understand to be the meaning of my amendment. At least that is my purpose.

Mr. W. S. Lamb: Sir, I rise to support this amendment. I understand it is not actually an amendment; it is a straight negative. The reason why I desire to support a direct negative to Government's proposition is that six pies are sought to be added to the excise duty. Sir,

Mr. Aney has made particular reference to the report of the Tariff Board and to an allegation that the country is suffering a loss of five crores yearly from the machinations of two companies. In his argument, Sir, he made a reference to the Burmah Oil Company. Mr. Birla, who has a particular interest in this matter as an importer of American oil, also had something to say of the Burmah Oil Company. Actually I would suggest to the Honourable Members and to the Finance Member, that the reason why these proposals are brought forward before the House, is that they are an attack upon the Burmah Oil Company, and in making that attack, they appear to be indifferent as to how much encouragement we give to foreign oil and to what extent the small companies may suffer. The position is, I may tell Mr. Aney, that if the Government's proposals are accepted, perhaps, if not tomorrow, within the next week, most certainly that extra duty will be taken fully from the consumer. There is no doubt about that, and Honourable Members should understand and appreciate that this 50 lakhs, or a great part of it, is coming out of the consumer.

I should like to make a few remarks about the Burmah Oil Company, since I am quite sure my friend Mr. Birla is very anxious to have a further hit at that Company. I have not got the Tariff Board's Report; I have to speak without the book, but I think I am right in saying that the majority report was that, "We are not satisfied that India was benefiting greatly by the guarantee of the Burmah Oil Company that the price would not be above a certain figure". They said they were not satisfied. That is very different from declaring, as has been declared, that it is costing the country crores and crores of rupees. Now, Sir, I have been in the oil business for some 30 years, and I had an intimate connection with the Burmah Oil Company for many years, and I have a very distinct recollection of the agreement which they came to in the year 1905, that is 25 years ago. They gave an undertaking that they would maintain and would not exceed a certain maximum. That was 25 years ago, and it can be declared that they kept their guarantee, and I declare now that they keep that agreement, and I should like to point out to Honourable Members that, during the war, many fortunes were made by profiteering; costs went up; other people were seen to be making profits; but the Burmah Oil Company, during the whole of the war, maintained that guarantee which they gave Government. Other people of course profited; but the Burmah Oil Company did not profit by the war, and notwithstanding the terms of the Tariff Board's Report, I would like this House to understand that this guarantee of the Burmah Oil Company is a very real and a very profitable thing for the poor consumer. I would like them to understand also that if the Burmah Oil Company is going to be attacked in this manner, it cannot be expected to maintain such a position as it has been maintaining for the last 25 years.

Now, I would like to put it to the House that these proposals, although I think they are designed to hit the Burmah Oil Company, actually they hit only the consumers and the small companies, for there is not the slightest doubt that the Burmah Oil Company will take the full amount that they pay, out of the consumer. But that increase will not make good to the small companies all the excise. Therefore, I make a special appeal to the House to support this amendment. In the first place the extra duty is going to hit the consumer, and in the next place it is going to hit the small companies. If I had time at my disposal, I should like to take the House through the history of some

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of these small companies. I made some remarks when I was speaking on the general discussion of the Budget. It is impossible, on the floor of this House, to come to a conclusion in matters of this kind, but I do declare that these small companies are of the utmost value to India, and to take Rs. 10 lakhs out of them is a real injustice. We take 50 lakhs out of the oil companies, and then give Rs. 15 lakhs to the foreigners. I have a vision of the Honourable the Finance Member or his friend the Honourable the Commerce Member proceeding to the Government of India to welcome foreign importers with a gift of these 15 lakhs, that they may well support the burdens and heat of the day.

Now, Sir, these proposals have a very special significance today. Honourable Members will have seen in the papers a reference to a threatened war of rates between the Shell and the Standard Oil Companies. These matters are beyond our control, but there seems little doubt, at least there is a very serious possibility, that, in a very short time, we shall have a war of rates such as we had in 1928, possibly worse. We will then have this situation. You will have the foreign companies encouraged by this reduction of import duty—I am told that the Standard Oil Company are rubbing their hands in glee, because of the Government proposals,—and on the other hand you have the small companies with an additional burden of four annas per unit.

Sir, I would repeat what I said in the general discussion on the Budget. This is a serious matter for the small companies, for the consumers and for India. I may tell the Honourable the Finance Member that I am authorised, speaking for the group to which I belong, to say that the attitude of the Government gives the group much concern, and if this is an example of the manner in which European companies are to be attacked, because this can only be regarded as a direct attack, then it must affect the group's consideration of certain other proposals which may be put before them.

Mr. Ghanshyam Das Birla (Benares and Gorakhpur Divisions: Non-Muhammadan Rural): Sir, I want to. . . .

Mr. President: How long is the Honourable Member likely to take?

Mr. Ghanshyam Das Birla: Only five minutes, Sir.

Sir, my friend Mr. Lamb rightly remarked that I had some personal interest in the import of oil. It is quite correct that I have a small interest in the import of kerosene oil, but in this House, Sir, I represent only one interest, that is the national interest. I am not here to represent my personal interest or any other interest. Sir, it is a mere coincidence that I happen to have a special interest in all the five things which it is proposed to tax in the present Finance Bill. Sir, I am a small importer of sugar, and as such I do not like the import duty; and yet, in the national interest, I have supported it. Then, Sir, I carry large stocks of silver, and therefore the silver duty has benefited me considerably, and yet I have opposed the silver duty. Then again, Sir, the income-tax touches my pocket directly, but I have not said a word against it. And, Sir, the proposal for Imperial Preference is calculated to benefit my own mills—situated as they are in up-country—more than the Bombay mills, and yet, in the national interest, I have opposed it.

Therefore, Sir, if I have supported the present proposal, I have done so because I felt that the national interest demanded that the excise duty and the import duty must be equalised.

Now, my friend Mr. Aney must have felt very uncomfortable when he found Mr. Lamb getting up to support his amendment. There could be no greater condemnation of his amendment than the fact that Mr. Lamb should support it. I hope, Sir, that Mr. Aney now realises his blunder, and that he will either withdraw his amendment or probably he will be the first person to vote against it, although he is its Mover.

Now, Sir, it is exactly the ground taken up by Mr. Aney, *viz.*, the consumer's interest on which the Indian Chamber of Commerce, Calcutta, suggested that the excise and the import duties should be equalised. They said that you have put an undue handicap on the imports of kerosene oil and thereby you are preventing full competition and putting huge sums into the pockets of the Burmah Oil producers. This point was confirmed by the Tariff Board, and as my friend Mr. Aney said just now, according to that Board, the measure of the exploitation of the Indian consumer by the oil producer was about 5 crores per annum.

Now, Sir, what the Government through the present Finance Bill propose to do is this. They want to reduce the import duty by three pies which, though giving relief to the consumer, to my mind, is not sufficient. At the same time they want to put up the excise duty, because the Burmese producers so far were getting about one and a half anna per gallon protection, which they never required, and it is with a view to divert the money which has been going to the Burmese producer into the coffers of the Government, that this new departure is being made, and therefore, Sir, I think we should all welcome it. My complaint is that as the oil producers do not require any protection, there is no necessity at all for the protection of 9 pies which is being given to the producer under the proposed arrangement, but I hope that in the next Budget, the Finance Member will see his way to do away with this iniquity. All the same, I think it is our duty, in the interest of the consumer, that we should support the present proposal, and therefore I oppose the amendment of my friend Mr. Aney.

Mr. M. S. Aney: Will you please allow me to withdraw my amendment?

Mr. President: The question is that leave be given to Mr. Aney to withdraw his amendment.

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

Sardar Gulab Singh (West Punjab: Sikh): I rise to move that:

"In clause 7, for the words 'one anna and six pies' the words 'one anna and three pies' be substituted."

It is apparent from the "Annual Statement of the Sea Borne Trade of British India with the British Empire and foreign countries" for the fiscal year ending 31st March, 1929, Vol. II, India has been importing kerosene in bulk and in tins from British and non-British Territories for the last 10 years. From British possessions we have been importing kerosene in tins only from Aden and its dependencies, and in tins and bulk from British

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Borneo, Strait Settlements including Luban and the United Kingdom itself; and from the non-British countries we have been getting this kerosene in bulk only from Russia, Georgia, Egypt and the Celebes Islands, and in bulk and tins both from Persia, Sumatra, Dutch Borneo and the United States of America.

The increase in excise duty and the decrease in import duty will surely encourage the imports and discourage the indigenous production, and industry which would in turn stimulate the already ever-increasing unemployment, embitterment and dissatisfaction in the country.

According to the Statistical Abstract for British India for 1917-18 to 1926-27, the supply of kerosene available for consumption in British India has been raised from 13,87,91,878 gallons to 20,58,69,950 gallons in these ten years, and in all this period the productive output from the Punjab and Assam, including the coasting net imports from Burma, have hardly risen from 10,77,97,444 gallons to 13,90,98,598, whereas the imports have gone up from 3,06,77,906 gallons to 6,84,74,556 in the same period, i.e., 1917-18 and 1926-27. In other words, India imported Rs. 4,72,50,710 worth of kerosene in 1924-25 and Rs. 5,75,60,432 in 1928-29, which means a net increase of Rs. 1,03,09,722 in five years only. My Honourable friends here would be surprised to hear that the percentage of Indian oil consumed has fallen from 90.3 in 1918-19 to 64 in 1925-26, whereas, on the other hand, the percentage of foreign oil consumed in India has climbed up from 9.7 in 1918-19 to 36 in 1925-26.

This is the relative or the comparative rate at which the country kerosene and the foreign kerosene have been marching in the very near past. And exactly corresponding should be the rate at which the excise and import duties ought to be varied so that we should be able to consume more of our home produce than the imported one and thus help the growing home industry.

It may have been the fact that the kerosene imports in bulk and tins from the British possessions have decreased from 23,26,007 gallons in 1924-25 to 8,52,238 in 1928-29, and thereby could hardly earn Rs. 6,28,198 in 1928-29, as compared to Rs. 11,99,460 earned in 1924-25. But on the other hand the foreign countries are capturing the Indian market of kerosene, and their exports to India have considerably increased from 6,96,53,913 gallons in 1924-25, to 10,38,07,567 in 1928-29, which could fetch them Rs. 5,69,32,234 in 1928-29 in face of Rs. 4,65,51,250 in 1924-25.

But if the imports from foreign countries have covered a net increase of Rs. 1,03,80,984 and those from British Possessions have decreased by Rs. 5,71,262 in the last five years, it must be due to the quality and quotations of the commodity alone. Let India also attempt to produce a better quality of kerosene at cheaper rates, and then compete with the foreign products, instead of clamouring for a decrease of import duty in India. A loss of Rs. 5,71,262 to the trade of British Possessions for kerosene in India never warrants by itself any decrease in the import customs in this country at all.

It was nothing but natural that, if the import duty had got to be diminished, there ought to have been effected a rise in the excise for home commodities which would have served two purposes with a single stroke: firstly of keeping the balance for the revenue yield, and secondly of

diminishing the price of the imported oil and increasing that of the country oil—and thus stimulating the foreign oil to sell better than the indigenous one.

The percentage of consumption of Indian oil has already gone down from 90·3 to 64 in seven years and that of foreign oil has enormously increased from 9·7 to 36 in the same period, as I have already mentioned.

Pandit Nilakantha Das: Will my Honourable friend tell the House what he means by "Indian oil"?

Sardar Gulab Singh: I refer to Attock oil and Burma oil. We can never support any increment in the excise duty. If the import duty has got to be decreased by three pies, the excise duty should not be raised by double that sum. It should not go anything beyond one anna and three pies at all, so that both should balance each other. And if the question of raising the revenue to meet the deficit in the present Budget comes in, and this diminishing of three pies in the proposed excise duty seems to cost the Government Rs. 35 lakhs, let Government maintain the two annas and six pies import duty instead of decreasing it to two annas and three pies.

The marginal duty may vary in that way, but it will still be less than the one existing at present, and both the objects of the Government will be achieved in this way, *i.e.*, of reducing the marginal duty and raising the revenue.

With these words, Sir, I close my remarks.

Sir Darcy Lindsay (Bengal: European): Sir, I desire to support the amendment moved by my Honourable friend Sardar Gulab Singh because I consider it to be an amendment that will best meet the case, because it will give Government a good deal of the revenue that they say they require and at the same time do as little as possible to disturb the price of oil to the consumer. In supporting this amendment to reduce the proposed excise increase from 6 pies to 3 pies, I assume that, if it were acceptable to the Government and the House, then the proposed reduction in the import duty of 3 pies would fall to the ground. That, Sir, would then leave my Honourable friend the Finance Member in possession of 25 lakhs, and with the various windfalls that are coming his way in the shape of excise on silver, and the heavy increase in sugar duties, I think he can well afford the prospective loss of ten lakhs. The argument that I use, Sir, in favour of this amendment is that, in my opinion, it is more likely to keep down the price of oil to the consumer than the proposal put forward by the Finance Member to increase the excise by 6 pies. I know that either he or the Commerce Member anticipate that, by the prevailing reduction of 3 pies in the import duty, it will help to equalise matters and keep down the price. But I am not at all sure that his premises are safe. When we are dealing with oil, it is a very difficult proposition. It is a world industry, and the price of the commodity is controlled by a very few. If they wish to raise the price, they can do so.

Now, Sir, in India you have heard it said, that from 1905, the Burmah Oil Company, by the convention that they entered into with the Government

The Honourable Sir George Rainy (Member for Commerce and Railways): May I say, Sir, that there is no convention between the Government of India and the Burmah Oil Company?

Sir Darcy Lindsay: Possibly Sir. We will not call it a convention, but we will call it an understanding.

The Honourable Sir George Rainy: No, Sir. I object to the word understanding.

Sir Darcy Lindsay: Very well, Sir. But the fact remains that, from 1905, the Burmah Oil Company have given India the bed-rock price for a certain quality of oil, which, I think, is known as the Victoria brand. It is a yellow oil and is not refined to the extent of other burning oils. I have always understood rightly or wrongly, and I have had it on the very best authority from a former Commerce Member, Sir Charles Innes, that the action of the Burmah Oil Company in stabilising the price for yellow oil, has had the effect of keeping down the price of the higher quality oil. And I believe, Sir, that, for the past 25 years, there has been a considerable difference in price between these two oils. When the Government of India thought it necessary to impose an excise duty on oil, the price of the yellow oil went up against the consumer, as did the price of the other oil. But it was perfectly open to the Burmah Oil Company then, as it is today, who, I believe, with the other indigenous companies supply at a specially low rate to themselves, something like 195,000 tons of this low quality oil to the very poor people of India, to stop that supply. I know my Honourable friend, the Commerce Member, is not in agreement with me there, but I say, Sir, it is a fact that, if these refining companies decide to stop the supply of this yellow oil and refine it into white oil and petrol, they can do so, and in all probability gain a higher price than they are at present obtaining. That, Sir, to my mind is the danger of this measure. Why the Government of India think it necessary to recover this amount of money from this particular company that is undoubtedly prospering, and why they think it necessary to drag in their wake these smaller companies that are struggling for existence, is not for me to say. But I do feel that, if they continue and press the increase in the excise duty through this House, there is a very grave danger to the poorest people in India to have prices raised against them. It is mainly on this ground, Sir, that I appeal to the Honourable the Finance Member to forego 10 lakhs of rupees and accept the amendment of my Honourable friend. As I said before, the price at which oil can be fixed is in the hands of a very few. We have heard this afternoon of a probability of a rate war and for the next few months, till the rate war comes to an end, I have no doubt that the price of oil will fall considerably below the present prices and for a short period there will be an advantage to the consumer. But the unhappiness of the position is that these big combines come together again and up go the prices.

Now, Sir, if in India we had other prosperous companies in addition to the Burmah Oil Company, I think we would be in a better position to dictate our own terms. But unhappily these other companies have, so to speak, not struck oil. They are exploring all the time. I give you the instance of the Attock Oil Company in the Punjab. They have expended large sums of money in the endeavour to produce oil in paying quantity in the Punjab. They are still living in hope that the happy day will come

along when they will strike oil rich. Last year, or a little more than a year ago, I think, they were hopeful of success, and then the wells began to dry up again and that Company, if this extra taxation goes through, will be placed in a parlous position and be unable to spend the money that they want to do on new development. The same applies to other companies, companies in Burma and companies in Assam. The company in Assam, I believe, within the past few years, has expended a million and a half of money in drilling wells, and they have increased their output by something like six times the quantity that was formerly extracted. Now, Sir, the value to India of these indigenous companies to my mind is very great. Take the Attock Oil Company alone. They are placed in the position of supplying oil to India, independent of Burma and independent of the rest of the world. Look what an asset it is to the country. I give one little instance, Sir. A few years ago, two or three years ago, during a railway strike, it was difficult for the railway companies to bring axle oil up into the the interior from the seaport owing to the strike. The Attock Oil Company, being a company in the interior of India, was able to distribute axle oil and saved the railway companies from very considerable loss. That is just one little instance of the value to the country of maintaining these indigenous small companies. I appeal, Sir, most strongly to my Honourable friend, the Finance Member, and my Honourable friend the Commerce Member to give this matter very serious consideration, and if they can possibly do so, to meet us in this very modest demand of giving them Rs. 25 lakhs from the excise duty and not reducing the import duty.

(Several Honourable Members then stood up to take part in the debate.)

Mr. President: There are several Members wishing to speak. We had better adjourn. The House stands adjourned till tomorrow.

The Assembly then adjourned till Eleven of the Clock on Friday, the 21st March, 1930.