

Tuesday, 17th March, 1931
THE

LEGISLATIVE ASSEMBLY DEBATES

(Official Report)

Volume III, 1931

(12th March to 25th March, 1931)

FIRST SESSION

OF THE

FOURTH LEGISLATIVE ASSEMBLY,
1931



SIMLA
GOVERNMENT OF INDIA PRESS
1931

Legislative Assembly.

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LEGISLATIVE ASSEMBLY.

Tuesday, 17th March, 1931.

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

MEMBER SWORN:

Mr. Rama Shankar Bajpai, O.B.E., M.L.A. (Government of India: Nominated Official).

QUESTIONS AND ANSWERS.

EXAMINATION FOR PROMOTION OF POSTAL OFFICIALS.

977. ***Mr. S. C. Mitra:** (a) Is it a fact that Government introduced an examination in the Postal Department for promotion of officials on a time-scale of pay to the lowest selection grade?

(b) Is it a fact that the Director General, Posts and Telegraphs, issued a special general circular, No. 22, dated the 16th October, 1929, containing the rules for the examination?

(c) Is it a fact that the Director General, Posts and Telegraphs, notified in that Circular that all lowest selection grade appointments—temporary, officiating and permanent—would be filled up only by passed officials?

(d) Is it a fact that the Postmaster General, Bengal and Assam Circle, permitted certain unsuccessful candidates to continue to act in the lowest selection grade appointments despite the Director General's distinct circular?

(e) If so, will Government please say whether the Director General, Posts and Telegraphs, withdrew his special general circular No. 22 and issued some other circular in which he directed the Circle officers to extend certain concessions to the unsuccessful candidates?

(f) If so, will Government please quote the number and date of such circular?

(g) Do Government propose to issue immediate orders rescinding the orders of the Postmaster General, Bengal and Assam Circle, and direct him to fill up all lowest selection grade appointments only by passed officials as decided by the Director General, Posts and Telegraphs?

(h) If not, why not?

(i) Is it a fact that, in supersession of the rules contained in the Director General's special general circular No. 22, dated the 16th October, 1929, the Director General issued another special general circular No. 16, dated the 18th August, 1930, in which revised rules governing the examination for promotion to the lowest selection grade were published?

(j) Is it a fact that the Director General notified through this special general circular also that promotion to any of the appointments in the lowest selection grade—officiating, temporary and permanent—will be made only from officials who have passed the lowest selection grade examination?

(k) Is it not a fact that the Postmaster General, Bengal and Assam Circle, promoted Messrs. J. Kelly and Abdul Rahman, two unsuccessful candidates, to the lowest selection grade appointments in the Calcutta General Post Office in the month of November, 1930, i.e., even after the Director General's special general circular No. 16, dated the 18th August, 1930, was published and in contravention of the instructions of the Director General contained in that special general circular?

(l) Are Government prepared to issue orders for the reversion of the unsuccessful candidates and for filling up the lowest selection grade appointments by two senior passed officials?

Mr. J. A. Shillidy: (a), (b) and (c). Yes.

(d) to (h). The facts are not exactly as stated by the Honourable Member. The general rule is as stated by him, viz., that appointments to the lowest selection grade will be made only from those officials who have passed the lowest selection grade examination, but as this examination has been recently introduced and as some of the senior officials who failed to pass the first examination had already worked in the selection grade satisfactorily for a fairly long time, the Director-General decided, with the approval of Government, to treat the cases of such officials with special consideration. General orders on this subject were issued by the Director-General in his letter No. S. A.-250 (8), dated the 21st February, 1930, to the address of all Heads of Circles, along with the publication of the results of the first examination and subsequently he passed orders on the merits of each individual case. It was in accordance with those orders that the Postmaster-General, Bengal and Assam Circle, allowed certain unsuccessful candidates to continue to act in the lowest selection grade. Government are not prepared to rescind those orders.

(i) and (j). Yes.

(k) and (l). Government understand that Messrs. J. Kelly and Abdul Rahman were eligible for confirmation in the lowest selection grade in due course in accordance with the orders of the Director-General referred to in the answer to parts (d) to (h). Government do not intend to revise those orders.

PROMOTION OF CERTAIN POSTAL OFFICIALS.

978. **Mr. S. O. Mitra:** (a) Is it a fact that the then Deputy Postmaster General, Railway Mail Service, Eastern Circle, nominated Messrs. Suresh Chandra Chakravarty, Phanindranath Sandal and Girija Bhusan Banerji of the now defunct Calcutta Railway Mail Service and permitted them to sit for the examination for recruitment of Inspectors to the Railway Mail Service?

(b) Is it not a fact that the Director General, Posts and Telegraphs, decided that these officials after passing the examination would be eligible for promotion as Inspectors of Railway Mail Service, for which they were nominated?

(c) Is it a fact that the Postmaster General, Bengal and Assam, promoted Messrs. Phanindranath Sandal and Suresh Chandra Chakravarty, two junior officials on time-scale of pay in the Calcutta General Post Office who passed the examination for promotion to the grade of Inspectors of Railway Mail Service, to the lowest selection grade appointments of Supervisors, superseding the claims of all senior selection grade passed officials?

(d) Are Government prepared to issue orders for their transfer to the Railway Mail Service as Inspectors for which they were recruited and for filling up the selection grade appointments of Supervisors in the Calcutta General Post Office by two senior selection grade passed officials?

Mr. J. A. Shillidy: (a) to (d). Government have no information and they do not propose to call for it, as any officer feeling himself aggrieved by any particular appointment may use such remedies as are open to him by way of appeal.

RULES FOR PROMOTION OF POSTAL OFFICIALS.

979. ***Mr. S. C. Mitra:** (a) Is it a fact that Government abolished the examination for recruitment of Inspectors of Post Offices and Head Clerks to the Divisional Superintendents of Post Offices with the introduction of the lowest selection grade examination and decided that all selection grade appointments including those of Inspector of Post Offices and Head Clerks to the Divisional Superintendents of Post Offices would be filled up by selection grade passed officials?

(b) Is it a fact that the Director General, Posts and Telegraphs, issued special general circular No. 16, dated the 18th August, 1930, in supersession of his previous special general circular No. 22, dated the 16th October, 1929, in which revised rules governing the examination for promotion to the lowest selection grade were published?

(c) Is it a fact that the Director General, Posts and Telegraphs, permitted recruitment of 25 per cent. junior officials to appear at the second lowest selection grade examination and decided that these junior officials would be eligible for promotion against a fifth vacancy in the lowest selection grade—officiating, temporary or permanent—in their own cadres?

(d) Are Government aware that the lowest selection grade is confined to the presidency towns, *viz.*, Calcutta, Bombay, Madras and Rangoon? If so, will Government please say whether junior officials recruited in these presidency towns are also eligible for promotion against a fifth vacancy in the lowest selection grade? If the reply be in the affirmative, are Government aware that these junior officials will supersede the senior selection grade passed officials?

(e) Have Government considered the advisability of issuing clear instructions to the Circle officers, so that the interests of these qualified senior officials are duly protected?

Mr. J. A. Shillidy: (a) The fact is substantially as stated by the Honourable Member.

(b) and (c). Yes.

(d) Promotion to the lowest selection grade posts in the Presidency towns of Calcutta, Bombay and Madras and Rangoon is confined to the officials of those offices. The reply to the other parts of the question is in the affirmative, but Government do not admit that the senior passed officials have any special claims to hold all selection grade posts.

(e) No, in view of the concluding clause of the reply to (d) above, and because Government approve of the policy of giving accelerated promotion to a limited number of specially qualified and deserving junior officials to selection posts.

RECRUITMENT OF POSTAL OFFICIALS.

980. ***Mr. S. O. Mitra:** (a) Is it a fact that the second selection grade examination was held in December 1930 under the orders of the Director General, Posts and Telegraphs, with a view to recruiting some officials for promotion to the lowest selection grade?

(b) Is it a fact that there are 87 selection grade passed officials in the Calcutta General Post Office still unprovided for?

(c) Is there any likelihood of these officials being provided with selection grade appointments in the year 1931?

(d) If not, will Government please state reasons for holding the second examination for the purpose of recruitment of some more officials for promotion to the lowest selection grade?

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

(b) Government understand that the fact is substantially as stated by the Honourable Member.

(c) Possibly not.

(d) The reasons are stated in my Circular No. 17, dated the 18th August, 1930, a copy of which I am sending to the Honourable Member for his information.

ADDITIONAL POSTAL STAFF RECOMMENDED BY THE PRESIDENCY POSTMASTER, CALCUTTA.

981. ***Mr. S. O. Mitra:** (a) Is it a fact that Government accepted the time-test prepared by Mr. Bewoor for determining the staff of a Post Office?

(b) If so, will Government please state whether they have issued orders for the sanction of the staff justified by the "Bewoor time-test"?

(c) Is it a fact that the Presidency Postmaster, Calcutta, submitted to the Postmaster General, Bengal and Assam, several proposals for entertainment of additional staff, both supervisory and operative, justified by the "Bewoor time-test"?

(d) If so, will Government please state whether the Postmaster General, Bengal and Assam, has accorded sanction?

(e) If not, when is it expected?

Mr. J. A. Shillidy: (a) Yes.

(b) Orders have been issued to the effect that, when the requisite statistics have been compiled and the circumstances of individual offices examined as indicated in the Report, steps should be taken to effect appropriate revisions of staff where this has been shown to be necessary, prior attention being given to those offices in which the shortage of staff is most obvious. But no such revision will be possible while the present financial stringency continues.

(c), (d) and (e). Government have no information, but presume that the Postmaster-General is taking action in accordance with the orders issued.

UTILISATION OF SERVICES OF RESERVE CLERKS IN THE CALCUTTA GENERAL POST OFFICE.

982. ***Mr. S. C. Mitra:** (a) Is it a fact that the reserve clerks were entertained in the Postal Department to act only in the leave vacancies of clerks?

(b) Are Government aware that the reserve clerks of the Calcutta General Post Office were directed to act as auxiliaries in the Parcel, Registration and Letter Sorting Departments of the Calcutta General Post Office?

(c) Are Government aware that many clerks of the Calcutta General Post Office and its town sub-offices did not get leave during the period these reserve clerks worked in those Departments of the General Post Office as auxiliaries?

(d) Will Government please say whether the Postmaster General, Bengal and Assam, was empowered to utilise their services in other ways than that for which they were entertained?

(e) If not, will Government please say why the Postmaster General, Bengal and Assam, acted in contravention of the Government's orders on the subject?

(f) Do Government propose to issue orders for the proper utilisation of the services of these reserve clerks?

Mr. H. A. Sams: (a) A reserve of clerks is entertained to take the place of clerks absent on leave. When one of the reserve of clerks is not working for an absentee he is employed in assisting the regular staff.

(b) and (c). Enquiries are being made.

(d) to (f). Do not arise at present.

ARRANGEMENTS FOR DISPOSAL OF THE INWARD FOREIGN MAIL AT THE CALCUTTA GENERAL POST OFFICE.

983. ***Mr. S. C. Mitra:** (a) Is it a fact that Government sanctioned over-time allowance for the staff engaged in disposing of the inward foreign mail in Calcutta?

(b) Is it a fact that Government issued orders to the effect that staff engaged would get over-time allowance on condition that they must work for three hours and the mail must be disposed of within that period?

(c) Is it a fact that the imperial mail train carrying inward foreign mail was timed to arrive at the Howrah station at about 8 A.M. when the system of disposal of the mail at the Calcutta General Post Office was first introduced and delivery issued at 6 A.M.?

(d) Is it a fact that the imperial mail train now arrives at Howrah station at about 1 A.M. and delivery is made at 6 A.M.?

(e) Is it a fact that Government empowered the Presidency Postmaster, Calcutta, to decide the staff according to the volume of the mail and to select the staff?

(f) If so, will Government please state the formula by applying which the staff is to be engaged by the Presidency Postmaster, Calcutta?

(g) Are Government aware that the Postmaster General, Bengal and Assam, has reduced the staff to half?

(h) If so, will Government please say whether they have withdrawn their orders permitting the Presidency Postmaster, Calcutta, to decide and select the staff?

(i) If not, will Government please state the reason why the Postmaster General, Bengal and Assam, reduced the staff referred to above by half?

(j) Are Government aware that clerks are now compelled to work for more than five hours in place of three hours fixed by Government?

(k) Will Government please lay on the table a statement showing the number of bags received and the staff engaged when the system was first introduced and those received and the staff engaged now?

(l) Do Government propose to issue orders to appoint staff according to the formula sanctioned by Government and to see that the staff are not overworked and detained beyond the prescribed hours and delivery is not delayed?

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

(b) and (c). No.

(d) The time of arrival of the Imperial Indian mail train at Howrah normally depends on the time of its departure from Bombay, and this again is dependent on the time of arrival of the P. & O. mail steamer at Bombay. When the steamer arrives by 6-0 A.M. on Friday and the Imperial Indian mail train can leave Bombay at 11-0 A.M., the train is due to arrive at Howrah at about 1-0 A.M. on Sunday and the delivery of the foreign mail is made from the Calcutta General Post Office at about 6-0 A.M.

(e) The responsibility of deciding the number of staff to be employed on overtime was left to the Presidency Postmaster, who was to be guided by the volume of mails to be disposed of and by the accepted standards for the employment of overtime staff.

(f) A statement is being furnished to the Honourable Member separately.

(g) to (i). The Postmaster-General, to whom the Presidency Postmaster is subordinate, was instructed by the Director-General to make a thorough investigation into the system of employment of overtime staff in the Calcutta General Post Office, as it appeared that in many cases there were good grounds for doubting the admissibility of overtime pay with reference to the strict terms of the Government sanction. The final Report of the Postmaster-General is awaited.

(j) The hours of overtime duty have not been fixed by Government.

(k) The information, so far as it may be available, is being collected and will be communicated to the Honourable Member separately.

(l) Does not arise in view of the replies to parts (e) and (g) to (j).

APPOINTMENT OF SIKHS TO THE CIVIL AVIATION OFFICE.

984. *Sardar Sant Singh: (a) Will Government be pleased to state, after referring to the answer given to question No. 583, dated the 17th September, 1928, what steps have been taken since that date to remove the grievances of the Sikhs in the Civil Aviation Office? Has any Sikh been taken since then? If so, how many? If not, why not? How many vacancies occurred since that date? How many applicants were Sikhs? What is the proportional strength of the Sikhs in this particular service?

(b) Is it a fact that from 1st April, 1931, six appointments have been sanctioned in the Upper Division and eight in the Second Division in the Civil Aviation Office? Will Government state if in making these appointments Sikhs' interest would be taken into consideration, so that Sikh representation is brought to the level of other communities?

(c) How many men have been confirmed in this office since the 20th September, 1928? Was there any Sikh amongst them?

Mr. J. A. Shillidy: (a) and (c). Government are not aware of such a grievance. For five permanent posts which have been filled in the office since the 20th September, 1928, there was only one Sikh applicant, who subsequently withdrew his application. One Sikh is also holding a temporary post of assistant in that office.

(b) Five posts of assistants and eight of clerks have recently been sanctioned, and the question of securing a fair representation of the minority communities will, as usual, be considered in filling these posts.

APPOINTMENT OF SIKHS TO THE RAILWAY BOARD'S OFFICE.

985. *Sardar Sant Singh: (a) Will Government please refer to the reply given to question No. 560, dated the 17th September, 1929, and state the percentage of Sikhs in the Railway Board as it stood on the 1st February, 1931? If there is again a decrease in the percentage, what are the reasons for that and is that in accordance with the Home Department's orders issued in 1926?

(b) Since the answer referred to above was given what endeavours have been made to increase the number of Sikhs in that Office? If nothing has been done, is that the declared policy of the Railway Board towards this minority community and is it their intention to ignore the rights of the Sikhs altogether?

(c) How many vacancies on the permanent cadre of the Railway Board occurred during 1929 and 1930, and who were confirmed in those and why was no Sikh so confirmed? What are the qualifications of all these men and were they qualified by the Public Service Commission or recruited directly?

(d) How many temporary and leave vacancies occurred during the same period and how many of them were given to Sikhs, Hindus and Muhammadans? What are the names and qualifications of all these men and how were they recruited, i.e., whether through the Public Service Commission or directly?

(e) Of the men taken under part (d) above, who were confirmed later on and who are continuing still and how many of them are Sikhs?

(f) Why were the Sikhs, if there were any, not also retained or confirmed in the Railway Board? What were the qualifications of these Sikhs?

(g) In view of the assurance given by the Honourable Sir George Rainy on the 25th February, 1931, do Government propose to take steps to recruit Sikhs in future vacancies in order to give them their due share and to bring up the percentage? If not, why not?

Mr. A. A. L. Parsons: (a) The percentage of Sikhs on 1st February, 1931, was 2.5 and there has been no decrease.

(b) and (g). The claims of Sikhs as of other communities for a share in the recruitment to the ministerial staff of the Railway Board are and will be considered.

(c) No confirmations of the clerical staff were made during 1929 or 1930.

Two stenographers were confirmed in 1929, one of whom is a Sikh.

(d) As the office has a leave reserve, no appointments are made against leave vacancies.

44 men have been appointed from time to time against temporary vacancies, the communal composition being:

Hindus	.	.	.	.	.	.	.	.	24
Sikhs	.	.	.	.	.	.	.	.	3
Muhammadans	.	.	.	.	.	.	.	.	8

None of these has been confirmed.

They were recruited as follows:

By the Public Service Commission	.	.	.	3
From Railways and other offices	.	.	.	12
From outside sources	.	.	.	29

(e) None.

(f) Of the three Sikhs mentioned one was discharged due to return of men from deputation: One was transferred to the Home Department, and one has been transferred to the Controller of Railway Accounts where he has been since confirmed.

APPOINTMENT OF SIKH ENGINEERS IN THE PUNJAB PUBLIC WORKS DEPARTMENT.

986. ***Sardar Sant Singh:** (a) Is it a fact that out of a total number of 82 I. S. E. in the Building and Roads Section of the Punjab Public Works Department there are only three Sikhs?

(b) How many appointments have been made to this service since 1928 and why has no Sikh been taken in order to give them their legitimate share in this service?

(c) In view of the great paucity of Sikhs in this service, do Government propose to take a sufficient number of Sikhs as a result of this year's examination?

Mr. J. A. Shillidy: (a) The total number of Indian Service of Engineers officers in the Buildings and Roads Branch of the Punjab Public Works Department is now 28; of these 15 are Europeans and 13 Indians including 8 Sikh officers.

(b) and (c). As a result of the recommendations of the Lee Commission, recruitment to the Service in the Buildings and Roads Branch has been discontinued. Local Governments are empowered to create their own provincial services in the place of the Indian Service of Engineers in that branch and make recruitment thereto.

APPOINTMENT OF SIKHS TO THE INDIAN SERVICE OF RAILWAY ENGINEERS.

987. *Sardar Sant Singh: (a) How many appointments in the Indian Service of Railway Engineers have been reserved for redressing the communal inequalities during this year?

(b) Is it a fact that there are only three Sikhs in that service out of 216?

(c) If the reply to part (b) be in the affirmative, what steps do Government propose to take in order to bring in the required number of Sikhs in this service?

Mr. A. A. L. Parsons: (a) Three appointments have been reserved for the redress, so far as may be necessary, of marked communal inequalities.

(b) There are 5 Sikhs at present in the Indian Railway Service of Engineers out of a total of 218 appointments.

(c) The claims of qualified candidates of the Sikh community will be considered along with those of other minority communities, with due regard to the extent of the representation of each such community in the service, when selections are made to fill vacancies reserved for rectifying marked communal inequalities.

ABSENCE OF HONEYCOMB BRICKWORK IN NEW "D" CLASS QUARTERS IN NEW DELHI.

988. *Sardar Sant Singh: (a) Is it a fact that in the newly-built 'D' type orthodox quarters, the honeycomb brick work in the bath rooms does not exist? If so, why?

(b) If the reply to the above is in the affirmative, how long do Government propose to take to replace the honeycomb brick work of the old 'D' type orthodox quarters of New Delhi and thereby protect the occupants from cold draughts?

Mr. J. A. Shillidy: (a) Yes. Windows have been provided in place of honeycomb brickwork in the new "D" class orthodox clerks' quarters in view of the demand for the abolition of such brickwork, and of the fact that windows in the new quarters can be provided without increasing capital expenditure.

(b) The attention of the Honourable Member is invited to the reply given by Sir Bhupendra Nath Mitra in the Legislative Assembly on the 21st March, 1927, to question No. 209.

2. APPOINTMENT OF MUSLIMS ON THE NORTH WESTERN RAILWAY.

989. *Khan Bahadur Haji Wajihuddin: (a) With reference to the reply given by Government to question No. 186, asked by Mr. Muhammad Anwar-ul-Azim on the 29th January, 1931, will Government be pleased to state:

- (i) if the North Western Railway authorities have satisfied themselves as to whether, according to statistics, the Muslims or non-Muslims preponderate in the subordinate services of that Railway, and if so,
- (ii) what practical measures they have taken, as required by Government policy to prevent the preponderance of any one community by the recruitment of the members of the minority community?

(b) How many Muslims belonging to the North West Frontier Province have been admitted by the Department for training and subsequent recruitment in various branches of the Railway services during the last three years?

Mr. A. A. L. Parsons: (a) (i). The North Western Railway maintain statistics showing the communal composition of (a) the total staff, and (b) the subordinate staff on scales of pay rising to Rs. 250 and over. According to these statistics, on the 1st April, 1930, Muslims were represented to the extent of 56.7 per cent. in the total staff and 12.3 per cent. in the senior subordinate grades. The question whether further statistics are necessary is under consideration.

(ii) The measures recently adopted and the further action contemplated on all railways generally and on State Railways in particular to give full effect to the policy of Government are described in the Railway Board's Memorandum on the representation of Muslims in the railway services, copies of which have been supplied to Honourable Members. Since then an officer has been placed on special duty to assist Railway Administrations in promoting the recruitment of members of minority communities.

(b) Government regret that they cannot undertake to collect or supply statistics relating to the recruitment and training of Muslims belonging to a particular province.

DISMISSAL OF A CLERK FROM THE PESHAWAR TREASURY.

990. *Khan Bahadur Haji Wajihuddin: (a) Are Government aware that one Arbab Juma Khan, a clerk who served in the Peshawar Treasury, has been dismissed from the service on a charge that he failed to pay the arrears of land revenue?

(b) If the reply to part (a) be in the affirmative, will Government be pleased to state if non-payment of land revenue is a disqualification for Government service and it constitutes an offence embodied in Government Servants' Conduct Rules justifying dismissal of a Government servant?

(c) If the reply to part (b) above be in the negative, do Government propose to have inquiries made as to the justification of dismissal of the clerk on the charge mentioned in part (a)?

Mr. J. G. Acheson: The information has been called for from the local authorities and will be supplied to the Honourable Member in due course.

RESTORATION TO MUSLIMS OF LAND NEAR THE KACHERY MOSQUE IN PESHAWAR CANTONMENT.

991. ***Khan Bahadur Haji Wajihuddin:** (a) Will Government be pleased to state if it is a fact that:

(i) in 1926 a special committee appointed by the Cantonment authority of Peshawar recommended that the part of the Kachery Mosque land in Peshawar Cantonment used for the dumping of manure should be cleaned, planted with grass and leased in perpetuity to the Muslims;

(ii) the Cantonment authority accepted the recommendation; and

(iii) the land was subsequently taken possession of by the Military authority and included in the District Headquarter's garden?

(b) If replies to the above questions be in the affirmative, will Government be pleased to state if the land has since been restored to the Muslims as recommended by the special committee? If not, why not?

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

(b) The Honourable Member is referred to the answer given on the 30th January, 1929, to Haji Chaudhury Muhammad Ismail Khan's starred question No. 282. As I stated then, the difficulty of handing over the land is that there is no public body in Peshawar which represents the wishes and views of the Muslim community as a whole, and would be acceptable to the whole community as the tenant of the site.

ACCIDENTS CAUSED BY MILITARY LORRIES IN PESHAWAR CANTONMENT.

992. ***Khan Bahadur Haji Wajihuddin:** (a) Will Government be pleased to state the number of deaths in Peshawar Cantonment caused by over-running of military six-wheeler lorries during the past five months?

(b) What were the causes of the accidents; what punishment was awarded to the drivers for negligence and harsh driving and what compensation was given to the heirs of the deceased?

(c) How many of the drivers were British, and how many Indian soldiers accused of rash driving?

(d) What precautions have been taken to avoid recurrence of similar acts of carelessness?

(e) Are Government aware that the traffic of Government lorries is prohibited on the Mall and other connected roads and is limited to the roads particularly frequented by the Indian public? If so, why?

(f) Do Government propose to have an unfrequented road reserved for military lorry traffic in Peshawar Cantonment? If not, why not?

Mr. G. M. Young: I have called for the information and will communicate with the Honourable Member when it is received.

NOMINATION OF INDIAN MEMBERS TO THE PESHAWAR CANTONMENT BOARD.

993. *Khan Bahadur Haji Wajihuddin: (a) Are Government aware that:

- (i) a record exists in the offices of the Executive Officer, and Officer Commanding, Peshawar Cantonment, showing that in 1923 the practice in vogue was for the Cantonment authority to consult the local Hindu and Muslim bodies in respect of nomination of Indian members to serve on the Cantonment Board of Peshawar;
- (ii) the present Indian member was nominated after actually consulting the local Hindu Sabha and Muslim Association in 1923; and
- (iii) the practice mentioned at parts (i) and (ii) above was not followed in 1924?

(b) If replies to the above questions be in the affirmative, will Government be pleased to state why the usage consistent with the wishes of the Muslim public was abandoned when nominations were made in 1924, 1927, and 1931?

Mr. G. M. Young: I have made enquiries and will inform the Honourable Member in due course.

PROTESTS AGAINST THE NOMINATION OF A MEMBER TO THE PESHAWAR CANTONMENT BOARD.

994. *Khan Bahadur Haji Wajihuddin: (a) With reference to the reply given by Government to question No. 524 asked by Mr. Muhammad Ismail Khan on the 16th September 1929, will Government be pleased to state if it is a fact that:

- (1) the following protests and representations against the nomination of the present Muslim member of the Peshawar Cantonment Board have been received by the authorities mentioned below:
 - (i) Muslim Association's resolution dated the 3rd August, 1924, to the General Officer Commanding, Peshawar District,
 - (ii) Muslim Association's letter dated the 3rd August, 1924, to the Revenue Commissioner, North-West Frontier Province, Peshawar,
 - (iii) Muslim Association's representation dated the 2nd June, 1927, to the Honourable the Chief Commissioner, North-West Frontier Province, Peshawar,
 - (iv) Muslim Association's letter No. 40, dated the 2nd June, 1927, to the President, Cantonment Board;
 - (v) Muslim Association's resolution dated 26th August, 1928, to the Honourable the Chief Commissioner and General Officer Commanding;
 - (vi) Muslim Association's letter No. 262, dated 3rd July, 1930, to the Honourable the Chief Commissioner, and the General Officer Commanding-in-Chief, Northern Command, Rawalpindi,

(vii) Muslim Association's letter No. 664, dated 28th August, 1930, to the Honourable the Chief Commissioner, General Officer Commanding-in-Chief, Northern Command, and Government of India, Army Department;

(2) in spite of the above-mentioned protests the present member has again been nominated by the local Cantonment authority for a third time as a representative of the Muslim community?

(b) If replies to the above questions be in the affirmative, will Government be pleased to state:

(i) why repeated protests made by the community against the monopoly of nomination maintained by one person for a considerable number of years were not given due consideration; and

(ii) for what special consideration particular wishes of the Muslim public have not been acceded to so far, by allowing the present member to monopolize the office indefinitely?

Mr. G. M. Young: (a) Government are prepared to take the facts as stated by the Honourable Member. They have seen one of the resolutions referred to.

(b) The power of nomination is vested in the Local Administration, with whose discretion the Government of India do not propose to interfere. They understand that the Association referred to in the first part of the question does not represent the Muslim community of Peshawar as a whole.

INVESTIGATION AND PROMOTION OF FISHERIES.

995. ***Mr. B. N. Misra:** (a) Will Government be pleased to state:

(1) the extent of the sea coast of British India extending over (i) Bombay, (ii) Madras, (iii) Orissa, (iv) Bengal, and (v) Assam, respectively; and

(2) the number of (i) lakes, (ii) bays, and (iii) indentions, together with the coastal extent of each in British India?

(b) Will Government be pleased to state if they have considered the advisability of establishing a research institute for investigating the complex problems of fisheries which will encourage and improve the revenue of the Provinces?

(c) If the answer to the above question is in the negative, are Government prepared to consult the Local Governments to establish a research institute in the near future?

(d) If the answer to part (c) is in the negative, why not?

Mr. A. A. L. Parsons (on behalf of the Honourable Sir George Rainy): Sir, the Honourable the Commerce Member who is still indisposed has asked me to reply for him.

(a) (1) The approximate lengths of coast line are as follows:

	Miles.
(i) Bombay	785
(ii) Madras	1,350
(iii) Orissa	240
(iv) Bengal	540

Assam has no coast line.

(2) The compilation of this information would entail an amount of labour which would be incommensurate with its value when compiled.

(b) No.

(c) No.

(d) As "Fisheries" is a provincial transferred subject, the development of fisheries is primarily the concern of the Local Governments. Should the Local Governments consider that the establishment of a Central Research Institute would assist in the development of fisheries, they will doubtless address the Government of India.

**APPOINTMENT OF CLERKS IN THE OFFICE OF THE CONTROLLER OF PURCHASE,
INDIAN STORES DEPARTMENT, KARACHI.**

996. ***Sardar G. N. Mujumdar** (on behalf of Seth Haji Abdoola Haroon):

(a) Will Government be pleased to state the total number of senior and junior clerks appointed in the office of the Controller of Purchase, Indian Stores Department, Karachi, after the transfer of Mr. G. T. Thadhani to that Circle?

(b) How many Muslim senior and junior clerks were appointed?

(c) Is it a fact that the vacancies allotted to the Karachi Circle from time to time were never advertised in the local papers? If not, why not?

(d) Will Government be pleased to state the total number of senior and junior clerks made permanent during the period Mr. Thadhani has been acting as Controller of Purchase?

(e) How many Muslim clerks were made permanent during the same period?

(f) Is it a fact that there is a G. R. according to which an officer of the superior service cannot remain in one station for more than three years?

(g) If so, what are the reasons for retaining Mr. Thadhani in Karachi for about five years?

(h) Will Government be pleased to state the total number of officers of all grades and clerks working at the Headquarters Section and Purchase Section of the Karachi Indian Stores Department? How many of them are Hindus and how many Muslims and how many of other communities?

Mr. J. A. Shilldy: (a) Senior clerks—3.

Junior clerks—11.

(b) Senior clerks—Nil.

Junior clerks—4.

(c) Yes, because a very large number of applications from qualified candidates were received without incurring any expenditure on advertising.

(d) Senior clerks—3.

Junior clerks—5.

(e) None. I may explain in this connection that temporary clerks were confirmed strictly in accordance with seniority, when the temporary appointments held by them were placed on a permanent footing. The majority of the permanent clerks were appointed to the posts in which they were confirmed before Mr. Thadhani took over charge of the Circle.

(f) No.

(g) Does not arise.

(h) Two officers from the general Purchase Cadre of the Indian Stores Department are usually employed at Karachi. Both of them happen to be Hindus at present, but one will shortly be replaced by a Muslim.

The office is divided into six sections and the strength of each section is as follows :

Direction Section—1 Hindu.

Accounts Section—1 Hindu.

Indent Section—(8 Hindus, 2 Muhammadans, 1 Parsi).

Typing Section—3 Hindus and 1 Muhammadan.

Despatch Section—2 Hindus.

Stenographer—1 Hindu.

Mr. O. S. Ranga Iyer: Sir, I have arranged with the Honourable the Home Member for putting the question* tomorrow, and with your permission, I would like to postpone it till then.

ELECTION OF MEMBERS TO THE PUBLIC ACCOUNTS COMMITTEE.

Mr. President: I have to inform the House that the following Members have been elected to the Public Accounts Committee, namely:

1. Mr. S. C. Mitra.
 2. Kunwar Hajee Ismail Ali Khan.
 3. Sardar Sant Singh.
 4. Mr. T. N. Ramakrishna Reddi.
 5. Mr. B. Das.
 6. Mr. Abdul Matin Chaudhury.
 7. Rao Bahadur M. C. Rajah.
 8. Mr. Muhammad Anwar-ul-Azim.
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ELECTION OF MEMBERS TO THE GOVERNING BODY OF THE IMPERIAL COUNCIL OF AGRICULTURAL RESEARCH.

Mr. President: I have to inform the House that Maulvi Muhammad Shafee Dacodi and Mr. Hari Raj Swarup have been elected to sit on the Governing Body of the Imperial Council of Agricultural Research.

*Short Notice question regarding the Release of Political Prisoners.

ELECTION OF MEMBERS TO THE GOVERNING BODY OF THE INDIAN RESEARCH FUND ASSOCIATION.

Mr. President: Members will now proceed to elect two members to sit on the Governing Body of the Indian Research Fund Association. There are 6 candidates whose names are printed on the ballot papers which will now be supplied to Honourable Members in the order in which I call them.

(The ballot was then taken.)

THE SALT (ADDITIONAL IMPORT DUTY) BILL.

The Honourable Sir George Schuster (Finance Member): Sir, I move for leave to introduce a Bill to impose a temporary additional duty of customs on foreign salt.

I do not propose to anticipate what I may have to say in the discussion on the further stages of this Bill, but there are one or two things which I think it necessary to refer to at this stage. Honourable Members will see that the Report of the Committee of the Legislative Assembly on this question is not entirely unanimous, so that one must recognise that there is a certain amount of controversy on this subject. From the Government point of view, I would say that our action in this respect represents an attempt to practise the very difficult art of responsiveness, which we are often asked to practise by Honourable Members opposite. We took the course of putting ourselves in the hands of a Committee of the Legislative Assembly in this matter, and having taken that course, we propose to follow it out and to act on the recommendation of the majority of the Committee and take full responsibility for that action.

There are three points on which I would like to give explanations now, because from some of the comments that have appeared in the Press there seems to be some misunderstanding about these particular points. I would point out that clause 5 of the Bill provides for the exemption of salt produced in India from these new additional duties which are now proposed, and that the term "India" includes Aden, for in that respect we are acting on the recommendation of the Tariff Board. I would further point out that clause 5, and particularly sub-clause (2) of that clause, has been so worded as to secure that Indian salt shall enjoy its exemption from the additional duties from the very start and that the admission to this concession should not be delayed pending the framing of rules under clause 6 and subsequent correspondence with the producers. Lastly, I would point out that, although clause 3 of the Bill imposing an additional duty of customs on foreign imported salt refers only to ports in British India, the effect of section 5 of the Indian Tariff Act will be to impose the additional duty also on salt imported by land from French or Portuguese India.

That is all that I need say about the Bill as it stands, which should be read together with the Report of the Committee of this Assembly. I should like to add a word about the application of the proceeds of this additional duty. It is no part of the intention of the Government to use this measure to benefit general revenues by a back door. The Committee

has made certain recommendations as regards the application of the proceeds, and it would be our intention to adopt the procedure of bringing forward a Resolution before the Assembly laying down what the method of application should be. In taking that course, we should be following the precedent of the Road Fund, where, after the duty had been imposed in the Finance Bill, the late Member for Industries and Labour, Sir Bhupendra Nath Mitra, put a Resolution before the Assembly as to the application of the proceeds at the following Simla Session. That is the course which we propose to follow in this case. The drafting of the Resolution is a matter of some complication, and we certainly could not undertake it until we have had an expression of the views of this House on the recommendations of the Committee. Therefore, there will not be time to deal with it this Session.

Finally, I wish to take this first opportunity to make a statement on a certain personal matter. In one of the minutes of dissent there are certain remarks which might be taken as criticisms of a very distinguished public man, who has rendered very great service to the Government in connection with this business. I refer to Sir Chunilal Mehta, who acted as Chairman of the Salt Survey Committee which was appointed by the Government of India in accordance with the recommendation of the Tariff Board. In one of the minutes of dissent, the following passage occurs:

"I do not know what led Government to select Sir Chunilal Mehta for this inquiry; if I may say so, he was coming to the work with preconceived ideas. As Chairman of the Conference of Salt Producers held in Bombay on the 23rd September last, he had sent a telegram to the Government of India, urging emergency action on the lines of the recommendations of the Tariff Board in the interests of the Aden manufacturers among others. It would have been much better if the inquiry had been entrusted to some one who was not committed in advance to an acceptance of the Tariff Board's proposals."

Now, as far as that sentence is a criticism of the Government, I am perfectly prepared to deal with it and shall deal with it in the course of further debate if the matter is pursued. But I cannot allow that statement to stand in so far as it represents any sort of criticism of Sir Chunilal Mehta. Sir Chunilal Mehta was appointed as Chairman of the Salt Survey Committee several weeks before he was invited to preside over the Conference of Salt Producers in Bombay. They approached him to preside at that Conference and he informed them that he was going to be Chairman of the Salt Survey Committee and that he had no interest whatever in the salt trade. Nevertheless, they pressed him to preside, and he wrote at once to one of the members of the Central Board of Revenue, who replied to him that the opportunity of meeting the salt manufacturers in conference was very fortunate and that he trusted that Sir Chunilal Mehta would be able to obtain much useful information from them. So that, in presiding over that Conference, he was acting after full consultation with Government and acting in accordance with the wishes of the Government. In fact, we thought that it was a most business-like procedure that he should get into touch with them as that would help him very much in the work that he was asked to perform. In opening the Conference, he used the following words:

"I am much obliged to you for asking me to preside at the deliberations of your Conference. I am neither a producer myself nor have I any interest in the salt trade. I presume that I have been asked in view of the inquiries which the Government of India has decided to make on the question of supply of salt to this country by India

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herself. I take this as an earnest of your intention to help the inquiry in every way you can, and I am grateful to you for the same. I have of course at the moment neither the knowledge nor the desire to give any guidance in your deliberations, but I welcome this opportunity of hearing the views of the manufacturers. I am sure they will be of great assistance to my Committee."

I think it will be apparent from that, that Sir Chunilal Mehta has acted with complete propriety throughout. If there is any criticism to be made on the Government—which I entirely repudiate—that, I say, is a matter which can be dealt with later. I adhere to the opinion that Sir Chunilal Mehta was the best man that we could have got to preside over this inquiry and the work that he has done has fully justified us in our selection. Sir, I must apologise to the House for taking some time in making that explanation, but the gentleman to whom I have referred has felt the implied aspersion somewhat keenly and I felt that it was my duty to take the very first opportunity of giving prominence to the real facts of the case. Sir, I move.

The motion was adopted.

The Honourable Sir George Schuster: Sir, I introduce the Bill.

THE INDIAN FINANCE BILL—*contd.*

Mr. President: The House will now proceed with the further consideration of the Finance Bill.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): Sir, education is no doubt a transferred subject, but for three reasons which I am going to mention just now, I would like to discuss the matter here in the Assembly. My first reason is—I am strongly of opinion that the Government of India ought to give some money for primary and other forms of education. The Harlog Committee, which was an auxiliary committee to the Statutory Commission, strongly recommended that the Central Government ought to finance for the introduction of compulsory primary education. Sir, in every country, the money realised by taxes is spent for the growth and spread of education. In England the Central Government collects all the taxes and the local authorities collect the taxes. The Central Government pay not less than half of the expenditure incurred by the Local Education Authority. I think, Sir, it is the legitimate charge on the taxes realised by the Central Government and I think we ought to set aside some funds for the spread of primary education.

My second reason is that we are now introducing a lower franchise. We are discussing the question of adult suffrage and it is impossible to lower the franchise or to have universal voting unless compulsory primary education is introduced and voters become literate; and in this connection I give an illustration which happened in my own case. A voter came to the polling officer and the polling officer asked him for whom he wanted to vote. He said with clasped hands that he would vote for any person whom the polling officer would suggest. The polling officer pressed him to mention a name. The voter replied, "You put down your own name". If you really want adult franchise to be a reality, it is absolutely necessary that we

should introduce compulsory primary education in order to make voters literate. It is, Sir, impossible to introduce compulsion unless the Government of India who realise the money from the taxes, finance the provinces.

My third reason for discussing here the transferred subject is that in all countries where education is a transferred subject—for instance Germany—the principles are discussed at the Central Legislature, because at the Central Legislature we have got the representatives of all provinces who have the experience of the successes and the failures of the various measures tried in their respective provinces. Sir, here alone we can discuss the measures that have been adopted by different provinces and decide the manner in which we can introduce compulsory primary education. For these three reasons I take the liberty to discuss a few aspects of education. The first point I take up is the question of primary education. Primary education, as I just now mentioned, is no longer a luxury. It has become a necessity on account of the fact that we are introducing a lower franchise, and may possibly agree to adult suffrage. Sir, at present there is an enormous amount of illiteracy in the country, only 7·2 out of 100 can read and write, and if we do not take special steps and if the present rate of progress continues, it will take 150 years to attain the percentage of 80 which is supposed to be the percentage of literacy in civilised countries. This figure was challenged by Sir Philip Hartog, the President of the Auxiliary Committee, and I worked out the figures again and come to the conclusion that, with the present rate of expansion, it is impossible to introduce literacy in India within 150 years, and therefore special measures have to be adopted in order to make this country literate in the near future. For this reason I think that exceptional measures should be devised. The Imperial Government should come to the aid of the provinces and give grants to Provincial Governments for mass education. In England special measures are taken to finance the education of necessitous areas and we think it desirable, in the interests of British India as a whole, that similar means should be adopted in this country. The recurring cost of introducing compulsion in primary education has been calculated in several provinces, notably in Madras, Bengal, the United Provinces, and for India as a whole by the Hartog Committee, but there is one common mistake which was made in every case. I should like the mistake to be rectified. That is in calculating the cost per head on primary education at every place, they found out the figure by dividing the total expenditure by the total number of students now present in the primary schools, and by this method the cost of education was calculated to be Rs. 8 per head per annum. In every case it was admitted that the present schools are sufficient to take in a certain number of additional pupils without increasing the present cost and, therefore, really speaking, the true cost ought to be calculated not by dividing it by the present number, but by dividing it by the number, which the present schools can teach. If we divide it by this figure, then the cost per head will be reduced to Rs. 5 per head and not Rs. 8 per head. This is a thing which we ought to rectify and we ought to make our calculations on this basis. Sir, the Hartog Committee have urged that, in order to introduce compulsory primary education, we need a recurring expenditure of 20 crores of rupees every year. I calculated the figures roughly and I came to the conclusion that we require less than half of this amount, that is about 9 crores. We want 2 crores to introduce compulsory education in the case of boys and about 7 crores to introduce compulsory education in the

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case of girls and I will give you these figures presently. There are two other items on account of which it is possible to economise expenditure still further. We should have about half the number of the primary schools of the old Indian type which are called *maktabs* and *pathshalas*. These schools are quite good from the point of view of language instruction and the great advantage is that the cost of education is less than half of the cost per head in the ordinary primary schools. The cost of education will be reduced by one-fifth. The second item on account of which it is quite possible to have economy is, to reduce the period of compulsory education, at least for the present, from 5 to 4 years; and there is a bulk of evidence in proof of this fact, that in four years permanent literacy could be achieved. As to the point whether we could reduce the period from five to four years, I spent a good deal of time in inspecting primary schools in various places, and I came to the conclusion that though 5 years are certainly better than 4 years, and 6 years are certainly better than 5 years, in order to start a scheme of compulsion at a minimum cost, it would be better to begin with 4 years' programme.

The Revd. J. O. Chatterjee: May I ask the Honourable Member whether he could tell us whether he saw any country where the term of years for compulsory education is so low as 4 years? Is there any country that the Honourable gentleman visited where the period of compulsory education is only 4 years?

Dr. Ziauddin Ahmad: The period of compulsory education in England and Germany is eight years. In France it is seven. England is contemplating to raise it by one year. But, Sir, the period of compulsion was only four years when they first passed their Compulsory Primary Education Act in 1870. The duration of compulsion increases with our experience and with the resources of the country. (*An Honourable Member:* "In Bavaria it is four years".) In every country the compulsory period of instruction at the commencement was on a lower scale and they gradually increased it according to the resources of the country. We begin with the minimum period necessary to secure permanent literacy and the Hartog Committee was also of opinion that four years were sufficient. That is not a very important point; what I wanted to say was that, if the above two measures were adopted, then a further reduction could possibly be made. Sir, according to the figures given by Sir Phillip Hartog, there are 17 million boys of school-going age. Out of these, as it is universally maintained, we can never bring more than 80 per cent. of the children to our schools; then, we have to cater for about 14½ million boys, out of which 7½ million are already receiving instruction in the schools: so, really speaking, we have to provide for 7 million more. Now the Hartog Committee also maintained that out of this number—7½ million—we can put in 3 million more in the existing schools without incurring any additional charge. Therefore really we have to provide for the remaining 4 million boys, and the cost at the rate of Rs. 5 per head comes to Rs. 2 crores. So this is the money which is required in order to have compulsory primary education among the boys in the whole of British India. Now in the case of girls the figures are slightly worse, that is, out of 14½ million girls who are available for instruction out of which only 80 per cent. or 14½ million can be brought to schools, we have got only 1½ million already in our schools; then, we have to cater for the remaining 13 million girls. Now we know that in most villages we have got common instruction for both boys and girls up to the age of ten, and if we take it for granted that half of the girls may be taught in the

ordinary schools where the cost of education will be Rs. 5 and that the other half may be taught in separate girls' schools where the cost of education may be Rs. 8, then, calculating both these figures, we come to Rs. 8½ crores for compulsory primary education among the girls. Further reduction is possible if we adopt the two measures I have just described. We need 10½ crores and possibly less to introduce free compulsory education in the whole of British India. I know that the country is quite prepared to pay for the cost, provided they are satisfied on two points. I followed the discussion in the United Provinces, in Bengal and elsewhere. There are two fundamental points on which the public would like to be satisfied before they vote for new taxation. In the first place, we are not satisfied with the present administration of the Director of Public Instruction's office. We believe that a good deal of money is being wasted on costly buildings and in maintaining unnecessary staff. Therefore, it is very desirable that economy should be made, and we should fall back upon very modest buildings suitable to village life and have very modest staff. The people want a special committee to look after the proper utilization of special taxes for primary education, because they feel that if the whole amount is credited to general education funds, then a good morsel will be spent on inspection, direction and other administration and little will be left for the real object of providing primary education. The second thing we want to be satisfied on is that there should be a syllabus which may be quite in keeping with the requirements of villagers. We are not satisfied with the present syllabus, which does not take into account the real needs of the village boys, because after receiving education in the present schools, boys have a tendency to give up the profession of their forefathers, that is, agriculture, and shift to the industrial towns and to hanker after some kind of service and make the difficult problem of town life more difficult. When we are satisfied over these two points, and if the Government of India also contribute some money, it is quite possible that the Provincial Governments will come forward with additional taxation in order to enforce compulsory primary education.

Sir, another point which I should like to bring to your notice is the mischievous policy which the Government have adopted about secondary education. We all know that in secondary education lies the centre of gravity of the whole system. It affects primary education on the one side and higher education on the other. If you ask me what is the central point of English education, I have no hesitation in saying that this is the public schools in England. If you ask me which is the most important institution in France, I have no hesitation in saying that this is the Lycee. And if you ask me which is the centre of the German system of education, I shall have no hesitation in saying that this the Gymnasium. And if you ask me what is the most defective part in the Indian system of education, I will have to say that this is the High Schools. They have no policy, no traditions, and no attractive courses of instruction. The policy, the administration, the courses of instruction and manner of teaching require radical change. But unfortunately there are very few persons who advocate the promotion of secondary education. Sir, this policy of secondary education was first laid down by the Hunter Commission of 1882, and it was reiterated by Lord Curzon in his education policy of 1904 and again reiterated by the Government of India in 1913. This policy is that the Government, as a model, should maintain one High School in every district and leave the people of the country to establish their own High Schools, and the Government should help, or speaking more correctly, should put on their brakes under the

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excuse of grants, recognition and inspection and so forth. Sir, recognition and inspection are not carried on for the benefit of the people, but they are used to curb the efforts made by the people for the spread of secondary education. Sir, there are, I say, very strong objections to this system. One effect of this policy has been that secondary education is restricted to the richer classes. Those who are rich and can afford to pay at least half of the maintenance cost of secondary education get entitled to receive secondary education, and the rich class of people get richer. Secondary education is not given to persons who really need it, but to persons who have got plenty of money to enjoy as a luxury. Now the second defect in this policy is that these high schools are concentrated in the big towns; the big villages and smaller towns are left out. If the thing had been done properly, then probably there would have been a fair distribution throughout the country. My third objection to this principle is that the high schools are very stereotyped. One school is a model of the other, and there is no originality in instruction. We all condemn the present system of secondary education in India, and if we investigate the matter closely, we will find that the secondary schools are the root cause of our evils. They have got no variation in teaching, no educational experiments are performed, and the routine instruction is repeated day after day in the same manner as was done in the previous years.

Sir, I now come to the most important of our evils and which is really the root cause of all our political differences. At present we
 12 Noon. are complaining about the separatist policy and about communalism and so on, but I would remind the House that the seed of all these things is sown by the policy of the secondary education devised and practised by the Government. In this connection I may be permitted to read a certain passage. Before I do so, I may just mention that the provision of secondary education was not considered in England to be the duty of the State till 1902. In Germany and in France, however, the Government of the country were responsible directly for the secondary education of the people from the very outset. France at one time went one step further. She had State monopoly and did not permit for half a century any aided High School. In England secondary education was left to the effort of the people, but before the war and most prominently after the war she has changed her policy and, in England also the State has now recognised its duty to look after the secondary education and to provide as many High Schools as may be required for the people. The following is the passage I wished to quote :

"In India the State should consider the provision of proper education for the people in all stages as one of its established duties and then most of the existing educational and communal troubles will come to an end. It is the common experience of India as well as of all Western countries that educational institutions not maintained by the State are mostly denominational. In England schools were first established by religious organisations and a conscience clause was added afterwards. Every community in India will be compelled (as we are being compelled now) to set up its own organisation for collecting funds and to run its own educational machinery by holding conferences and organising committees and sub-committees. This will naturally lead every community in India to organise its own cultural societies and enlist volunteers or militia for the collection of funds for educational and other philanthropic purposes. A demand for cultural autonomy on the lines of the modern Central European States will be irresistible. The autonomy granted by the Estonian Government to various nationalities inhabiting the country is considered by the Germans to be an ideal one. Every community will become an *imperium in imperio*, and its organisations in highly developed forms will retard national growth. The State responsibility of all forms of education, as in most countries in the West, is the only solution of the difficulty."

Maulvi Muhammad Yakub: What book is that from which you have quoted?

Dr. Ziauddin Ahmad: That is a quotation from my own book entitled "Systems of education in England, France and Germany".

Sir, if we wish to form a real nationalism in this country, it is of utmost importance that we should revise the educational policy. Let the State take the entire responsibility of education and leave the people to carry on in exceptional cases a few experimental schools here and there. The State may support financially such measures. But if this policy of State responsibility is not adopted, and if every community is going to organise its own system of education, then I do not see how you can avoid, for instance, the demand of the Mussalmans and other classes for separation of funds for their schools and colleges. They would naturally demand that these funds should be regulated by the Muslim Members of the Legislature or by special societies of the Mussalmans. I do not see how you can refuse that demand. So, either the State should take the responsibility of the entire education and thus do away with these communal disputes in India or we will have to set aside educational funds for every community who will organise their own schools and colleges on the lines of German schools in Zeecho-Slovakia and ultimately have our own Departments of Education. We will not have to fight for a few posts, but we will have to fight for the separation of funds and separation of departments. The demand will be that our share of funds be entrusted to us and their division be according to our wishes. Now, this is the thing which would be unavoidable unless we change our policy of education, and the State should boldly undertake the State responsibility for education.

Sir, so far I have dealt with the expenditure. Now I will take up the third point, which will involve the curtailment of expenditure. I strongly advocate that the Advisory Committees which we have established in the provinces, the Central Advisory Committee which we have established in England, the advisers to the Indian students whom we are now maintaining in University towns, should all be abolished, not because they are useless, but because they are positively harmful. I have not come across a single Indian student, either in England or in India, who told me that he got admission and facilities on account of the help given to him by the Central Advisory Committee in London or the Advisory Committees in the provinces. I have however met a number of Indian students who have told me that, in spite of the opposition of the Advisory Committees, they have managed to secure admission in various Universities. So, if this is the case, I wonder why we are maintaining such a costly system and why we should pay for an organisation which, instead of being useful to Indian students, is proving to be positively dangerous. I think therefore that it is very desirable that all the expenditure that we are now incurring on these Advisory Committees should be done away with. If the Honourable the Finance Member decides finally to appoint a Retrenchment Committee, then I will certainly submit a note to this Committee to the effect that their first axe should fall on these Advisory Committees in the provinces and the Central Advisory Committee in England and the advisers of the Indian students. I had thought, Sir, that a time comes in every man's life when he is left to himself, and certainly such

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a time comes to a student when he goes to the British Universities. But our Indian students are watched very carefully. They are policed even in British Universities, in Oxford, Cambridge and other Universities. Now, if we abolish the Advisory Committees, it is very desirable that we should institute some kind of Information Bureau to supply information to Indian students about the Universities in the United Kingdom and about the Universities abroad. For this purpose I would very strongly recommend that the Government of India should establish an Advisory Committee with a Bureau of Information as recommended by the Hartog Committee. Now, this is exceedingly important. Every country in the world has got an Information Bureau which supplies information regarding the facilities provided in other countries for the benefit of the students. It is proving very useful in every country, and I would very strongly recommend that the establishment of the Bureau should be taken up immediately. Then there are some very important works which this Bureau ought to do. The first work which the Bureau may take upon itself immediately is to supply information about the foreign Universities to the Indian students. The Provincial Advisory Committees are now supposed to do this work. The Secretary of the Provincial Advisory Committee is supposed to supply such information, but he himself is ignorant of foreign Universities, and the work is really left undone. The Central Bureau can do the work more efficiently than the Provincial Secretaries can. The information may be supplied to the students through the Principals of the Colleges, the Vice-Chancellors of the Universities. Then the Bureau can also supply the necessary information to the British Universities, because for want of such information the present rules of British Universities for the recognition of Indian degrees and diplomas are very inconsistent. This is a point which I discussed last time about the inconsistency, and I do not like to take it up again in detail on the present occasion. The trouble that has recently arisen in connection with the recognition of Indian Universities by the General Medical Council would have been avoided if a central authority like the proposed Bureau of Information had supplied the useful and necessary information to the British Universities in time. It was pointed out to us that they took the action on account of the fact that information which they wanted to have was not supplied by the Indian Universities.

The information which is now supplied to the Indian students about foreign Universities outside Great Britain is very poor. On account of insufficient information about foreign countries, students unnecessarily waste their time. Provisions are made in other countries to supply information, and the lack of such organisation in India is very deplorable. Officials connected with the Students Advisory Committee in London keep themselves in touch with the British Universities, but their knowledge about the Indian Universities and other foreign Universities is out of date. The Advisory Board of Education, of which the Bureau of Information will be a branch, will be expected to do very useful work in this direction which at present is left undone. There is at present a standing charge against the Indian Government that they do not help like other countries in carrying on new educational experiments. They have done some work in agricultural research. Our training colleges and our teachers are ignorant

of the latest theories, our system is stereotyped and the Government of India is the best agency for carrying on the educational experiments. Perhaps an Advisory Board will be the best Agency for carrying on educational experiments.

Sir, on this occasion, I should like to mention, and I am sure Honourable Members will not believe me, but they will have to believe, because it is a fact. In the Training Colleges in India, the history of education is taught only up to the period of 1870 and all the improvements, all the discoveries and all the new methods that had been introduced in the world during the last fifty years have not yet found a place in the Training Colleges in India. It is on account of this reason that the Retrenchment Committee of Bengal definitely suggested that all the Training Colleges should be abolished, because they were perfectly useless. Of course I very much sympathise with their suggestion. I should not advocate that they should be abolished, but I should certainly advocate that their courses of instruction should be modified and the latest improvements in educational methods ought to be made known to the students, and the students of the Training Colleges should be made familiar with them. The Board will have another function allied to the new educational experiments, that is, it will publish pamphlets on special topics. I do not want to dilate on the other important functions, because I have formally communicated them to the Secretary of the Education Department and I hope he will have time to consider all the arguments that I have brought forward for the establishment of a Board at an early date.

Sir, the other point I should like to take up about education, is the technical education which I believe is one of the most important features. I am not sure whether the fullest meaning and purport of technical education have really been understood. I believe technical education, as is taught and as is professed to be taught, is very poor and it is really a deception. Sir, after the war, technical education has been made compulsory in Germany. In England they have established special types of schools, called the Central Schools, and in all the Central Schools, technical subjects form an important part of general curriculum. It is a recognised fact that technical education gives as much mental training as the teaching of history or geography, and really the old distinctions between the technical and liberal subjects are now being removed and replaced by humanistic and realistic subjects. I therefore submit that technical education should form a compulsory part of the programme of every Middle School, every High School and every College.

The other thing to which I would like to draw the attention of the House is that we send out a large number of our students to Europe, but unfortunately they do not get any opportunity for practical training. Of course, no doubt the High Commissioner sometimes succeeds in arranging for the practical training of a few students on the payment of a high premium, which very few students can afford. The present method adopted is not conducive to proper training of students. Therefore, what I strongly advocate, and it is the only satisfactory way of securing practical training for Indian students, is the method which Japan and other countries adopted in the early years of their industrial development. Factories are always willing to teach the use of machinery purchased from them. The Government of India, the Local Governments, the Ruling Chiefs and private individuals who purchase machinery from Europe and America in

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large quantities should make up their mind not to place any order until the factories are prepared to teach the use of this machinery to at least two Indian students. To this they must necessarily agree. If they do not, they cannot sell their machinery. If Indian Engineers trained at home or abroad are carefully selected without any regard to sectarian or provincial considerations, they will be able to see and learn much more than the mere use of machinery. The High Commissioner for India gives large orders on behalf of the Government of India. He should purchase only from such firms as are willing to take Indians as apprentices for practical work. Unless the High Commissioner for India and the Indian industrial magnates come forward and help in the practical training of Indian youths, mere opening of technical institutions and mere awarding of scholarships will not substantially promote the industrial development of India. As in other countries, industrial development depends upon the genuine co-operation between Government, the capitalists and the educationists. Therefore, Sir, I would like to advocate very strongly that in the Annual Report published by the High Commissioner a special Chapter should be devoted to giving the names of students and the names of firms who give facilities to Indian students for practical training in the use of machinery. Unless special instruction is given, I am afraid that the mere institution of a few scholarships will not really advance technical education.

Before I finish this aspect, I should like to emphasise one thing on this point. In many countries technical education is maintained by the funds realised from Customs and taxes. In Switzerland, as the Honourable the Finance Member will know, the Central Government has got only one source of revenue and that is the Customs. Even taxes are left to their Provincial Governments. From the Customs they maintain a whole series of technical educational schools in the country. There, they realise that the maintenance of technical institutions and technical colleges is a necessary charge on the funds of the country. Therefore, I think that there is another point on which the Government of India ought to support the Provinces.

The next thing I should like to touch upon—and on this I would have liked to have a full dress debate, but I cannot do so at the short time at my disposal—is the subject of the competitive system of examination. I entirely agree that for every appointment you must have the best man; I entirely agree that for every appointment, you must have the most efficient persons, but I strongly protest and I challenge the point that the most able and the most competent man can be selected by what is known as the competitive system of examination. This is a point on which I should like to dwell briefly.

An Honourable Member: Abolish then the Public Services Commission.

Dr. Ziauddin Ahmad: I will just come to it. Of course in India the administration is not new. The Brahmins and the old Indians had been carrying on their administration for a long time. Many other countries are carrying on their administration in their own way, but the recruitment of Civil and Military Officers by the system of a competitive examination was first devised by England and unfortunately copied by India. Not only

the system of competitive examination, but the whole system of examinations is really the great mischievous part in the British programme of education, and I wish they had not been adopted at all. Sir, you cannot judge by any system of competitive examination, and I challenge anybody to devise an examination by which human intelligence, character, honesty, self-reliance, sound judgment, common sense and resourcefulness, moral courage, and ability to lead and guide may be judged. These are the essential qualifications from the point of view of administrative officers. Yet none of these qualities can be judged by means of competitive examinations. Sir, there is a great difference between a test in a class room and a test for the selection of candidates. In class examination you only judge whether the candidate knows the subjects taught by his teachers, you really test his knowledge. In the case of recruitment for public services, you test his capacity and his ability to do certain work. In case of a candidate for service these are the more important qualities than his knowledge of facts. Really speaking, we do not want so much to see whether a person knows more about Geography, or whether he is able to work out more exercises in Geometry, or write better essays in English, or can solve some mathematical problems or repeat some classical quotations, as we want to know how far he is capable of discharging the duties of the post for which he is recruited. Sir, the point that I wish and emphasise to say is, it is scientifically impossible to determine order of merit in any examination by adding the marks which candidates have obtained in a series of papers scattered over different subjects. This particular question was scientifically discussed by Professor Edgeworth, and his researches led to the conclusion that in every examination there are certain errors—of course the word 'error' is a mathematical term—there are certain mistakes which are quite unavoidable even if the examiner be the most conscientious and the most honest person. Every person has got a certain human weakness, and there are certain mistakes which are unavoidable. These mistakes have been given a technical term, and they are called errors due to perception, the taste of the examiners or their idiosyncracies, difference in scale and the errors due to fatigue. This question was discussed by the Calcutta University Commission in greater detail and the results are published in the sixth Volume of its Report. Sir, I cannot discuss the details of these errors, but I will illustrate only one of these errors, that is, the perception of the examiner; and for this I will just quote an example of the difference of perception recorded by Dr. Ballard:

"In an examination in History in the year 1920, the papers were evaluated by six professors of History working as a panel. The candidates were required to get 60 out of 100 marks for a pass, and it was agreed that any paper which secured less than 60 marks should be circulated among the examiners in order to ensure fair-play to all border-line cases. One of the professors, who was exceedingly conscientious, began by writing out what he considered model answers to the questions, but inadvertently his model answer-paper got mixed up with the papers of those whom he had ploughed and was sent round to the other five professors for their appraisal. His paper was read by them as a *bona fide* answer-paper of an examinee, and some of his colleagues ploughed him, the marks ranging all the way from 40 to 80."

This is difference of perception of the examiners. Now, this question was investigated recently by Mr. Kuppuswami of Trivandram, his statistics are published in the *Hindu*, dated the 21st December, 1930. He gave the same paper to 48 different examiners and the marks awarded by

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examiners ranged all the way from 9 to 87. I think it is very desirable that more experiments should be carried on, and more statistics should be collected. So, Sir, the aggregate amount of all these four errors has been actually calculated by Professor Edgeworth and the actual amount is 7.5 per cent. This means that if a candidate has obtained 100 marks in any examination, his true marks may have been either 107.5 or 92.5, because within the limits of 92.5 and 107.5 it is impossible to judge the order of merit. The candidate who obtained 92 marks may be better than the candidate who obtained 107 marks. The one may have been profitously and the other may have been adversely affected by unavoidable examination errors. The determination of the order of merit by the total of marks is just equivalent to a toss. There is so much diversity in the system of marking that it is impossible to put down the order of merit and it is impossible to find the ablest and most efficient candidate by means of competitive examinations. Therefore this is a system which ought to be carefully looked into. We on this side have always opposed competitive examinations, but we do not oppose them on the ground that we do not want the best men or the most efficient men, but on the ground that by means of this method you really cannot pick up the best men required for the purpose. In the first place the order of merit is only a question of luck. Besides there are so many important qualities and qualifications which really cannot be judged by means of competitive examinations.

Mr. Gaya Prasad Singh (Muzaffarpur *cum* Champaran : Non-Muhamadani): Then what do you propose to substitute for it?

Dr. Ziauddin Ahmad: My Honourable friend asks me what is the substitute. We know that England is not the only country which selects candidates for public services. The selection method is followed in Germany; it is followed in France; it is followed in other countries; but to my mind, considering all the circumstances of the case, the method adopted by France is really the least objectionable. I should like to have a full-dress debate on this point, but I will take some other opportunity to explain this in greater detail. Now, Sir, I will leave the subject of education at this stage and will go on to the important subject of finance.

My first objection is to the new method which the Finance Department has adopted in including the figures of treasure in the imports. If I sell any article to England and they pay me in money for the article which I sell them, then naturally they will pay either in the shape of gold or silver, in the shape of bank notes or in the shape of other articles. If the money which I receive for the sale of my article is given to me in the shape of treasure, it is certainly not an import, but it is the price of the article which I sold. Therefore in the calculation of the figures of import, the figures of treasure ought to be excluded. We ought to take up only the figures of merchandise, whether private or of Government, and we should determine the balance of trade by the excess of export of merchandise over its import. The mistake in the statistics of our sea-borne trade ought to be rectified, and I am glad to see that the Report published by the Controller of the Currency makes the distinction clear. It gives the balance of trade in merchandise separately, then the total visible balance of trade in which treasure is taken into consideration, and then the total visible balance of

accounts obtained by allowing the demand made by England. I think this is the real method in which the statistics of the sea-borne trade ought to be published. These statistics are given on page 48 of this Report of the Controller of the Currency. The point which I now take up is the question of the exchange ratio of 1/6. I do not want in this case to begin from its early history. I do not like to follow the example of the German philosopher who began his address on the history of philosophy by discussing whether Adam was or was not a philosopher. So I will not take you to a very remote period, but I will just refer to the recommendations of the Fowler Committee in 1898. Our exchange policy was really fixed from that time, and until the outbreak of the war we have been following the policy recommended by the Fowler Committee. That was a very prosperous period from the point of view of Indian finance. Here sovereigns were made legal tender and the current coin ratio between the rupee and the pound was Rs. 15 and a gold sovereign was considered to be as good as a paper currency note. These notes were easily available and always interchangeable. The balance of trade at this time was always in favour of India and from the financial point of view our position was very prosperous. During this period of prosperity India absorbed £8.8 millions of gold in 1911-12, £11.1 millions of gold in 1912-13, and £12 millions worth of gold in 1914. And had the war not broken out and had she continued the absorption of gold in the same ratio, we would long ago have been in a position to introduce a gold currency in the whole of India, because we require only 108 million worth of sovereigns in order to have a gold currency in this country. Had this ratio been continued, then probably we would have stocked gold by this time valued at over £400 millions. During this period the exchange ratio remained pretty steady and it never went below 1s. 3 29/32d. and it never rose above 1.4½d. It varied between these very narrow limits always and India had always the best of it. From the point of view of trade, it was also a very prosperous period when we always had a net balance of trade of exports over imports of about 52.2 millions. This balance was spent in paying Indian liabilities in England amounting to about £.25 millions and in the purchase of gold and silver for the payment of our exports. Then came the war and the Government wanted silver and gold for war purposes; they gathered all they could get hold of and introduced paper rupees. The Government began to collect all the gold and silver coins and the people became sceptical and persons who had some treasure with them buried it with the object of using it later on during adverse times. During the war the currency in India remained more stable than the currency of any other country, because we had a very prosperous period during the preceding 19 years. After the war, England along with other countries was in financial embarrassment and England wanted to use India's resources to solve her financial problems. They appointed a committee under the Chairmanship of Sir Babington Smith. Its recommendations were intended not so much for the benefit of India as for the benefit of England. Out of eleven members there was only one Indian, Mr. Dalal, and he wrote a note of dissent; and the policy he laid down is recognised even today as the most suitable and sound policy for India. I will just read one or two of his recommendations. He said:

“(a) The money standard in India should remain unaltered; that is, the standard of the sovereign and gold mohurs with rupees related thereto at the ratio of 15 to 1:

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(b) Free and unfettered imports and exports by the public of gold bullion and gold coins.

(c) Free and unfettered imports and exports by the public of silver bullion and silver coins.

(d) The gold mint at Bombay to be continued and to receive gold bullion from the public and to coin free of charge gold mohurs of the same exact weight and fineness as the sovereign."

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(k) Government to sell Council Bills by competitive tenders for the amount defined in the Budget as required to be remitted to the Secretary of State. . . . Council Bills to be sold for Government requirements only.

(l) 'Reverse' drafts on London to be sold only at 1s. 3 29/32d."

These are the recommendations of Mr. Dalal and everybody today would admit that his proposals were very sane, and had they been followed, our financial position would have very much improved. While the Committee was sitting, the Government by executive action raised the exchange ratio. On the 12th April 1918 it was raised to 1s. 6d. On the 30th May 1919 it was raised to 1s. 8d. On the 12th August to 2s., on the 22nd November, to 2.2d. On the 12th December, 2.4d. And they even went so far as to sell Reverse Council Bills introduced in February, 1920, at 2s. 10 27/32d. That is the record figure at which they sold their Reverse Council Bills.

What were the reasons for all these things? At that time England had to pay gold to America in order to stabilise her own coin. They adopted a very clever policy, and though I do not speak with authority, I was given to understand by persons who understand finance that the Government decided to take gold from India by persuasive methods; and if persuasive methods failed then they would adopt other methods in order to collect sufficient gold in India to pay to America; they adopted a device which proved exceedingly successful; they lowered the exchange ratio to 2s. and they gave out that after a certain date the value of the sovereign would only be Rs. 10. On this most of the Ruling Chiefs and persons who had hoarded their sovereigns during the war found that the value of the sovereign would soon be reduced to ten rupees and thought it was much better to part with them for Rs. 15; and so a large number of sovereigns were sold to the Government at the price of Rs. 15 in the expectation that after a few months their price would come down to Rs. 10. Owing to this ill-advised policy of the Government, the whole trade was upset and the whole of the exchange policy was upset and commercial and financial difficulties ensued. Automatically the exchange ratio, instead of rising, came down to about 1s. 3d. and the Ruling Chiefs were very much annoyed when they saw that the sovereign, instead of going down to Rs. 10, went up to Rs. 16 and Rs. 18 and they thought they were shabbily treated by the Government. Government realised this position, and found that by the lowering of the exchange ratio, imports were falling rapidly, and on this account unemployment was increasing at home; and therefore they had no alternative but to increase the ratio again to 1.6d. This they did for two reasons: to please the Ruling Chiefs on one side and to solve the unemployment problem in England on the other side. They then appointed the Hilton Young Commission, which recommended just as we expected. I will just quote one or two of their recommendations. They

recommended that the legal tender quality of the sovereign and half-sovereign should be removed, that is, the sovereign and half-sovereign should not be recognised as legal tender. Next, the paper currency should cease to be convertible by law into silver coin. Next, the one rupee notes should be reintroduced and should be full legal tender. The next recommendation was that the stabilisation should be effected forthwith at a rate corresponding to the exchange ratio of 18*d.* Sir Purshotamdas Thakurdas who was also a member of this Committee wrote a strong note of dissent and he ended his note with this passage.

"The facts and figures that I have stated, and the records from which I have quoted, conclusively show that the Executive had made up their minds to work up to a 1*s.* 6*d.* ratio long before this Commission was appointed to examine the question. Indeed, they have presented to us the issue in this regard as a *fait accompli*, achieved by them, not having hesitated by manipulation to keep up the rate even while we were in Session. I cannot conceive of any parallel to such a procedure in any country."

And about the exchange ratio he said:

"A ratio moreover that stood for 20 years even during the American crisis, till 1917, and was only disturbed as a result of the War, in common with the ratios of other countries in the world, cannot lightly be said to be a ratio that is unnatural to the Indian currency system. No change is therefore called for simply because for the last ten months the Government of India have managed by artificial measures to keep the value of the rupee round about 1*s.* 6*d.*"

This was the opinion of the non-official Member of the Committee.

Now, Sir, I come to the debate on the 7th March, 1927, on this particular topic. Sir Basil Blackett on page 1748 of the printed debates, when introducing the Bill, clearly stated that it was a transitional measure, and that it was not fixed for ever. His first argument was that Government as currency authority could not leave the matter to the play of the natural forces which must fix some ratio. Should we leave it at 2*s.* as it was then prevalent? That is the ratio must be *de facto* and not artificial. This was the argument he used. He forgot that what he called the *de facto* ratio was the ratio introduced by himself.

The next argument which he used, and which I call a theoretical platitude, because it is not a convincing one, was this:

"There would be a sharp rise in prices all round, a rise of approximately 12½ per cent., the greater part of which would naturally take place at once. There would be labour unrest and social and economic discontent all over India. What answer could the Government and the Legislature give to bankrupt merchants and traders whose misfortunes were entirely due to their action? What answer could the Government and the Legislature give to wage-earners, industrial, agricultural and commercial, whose real wages had been suddenly and arbitrarily reduced?"

I call this only a theoretical platitude. Pandit Madan Mohan Malaviya replied in an equal strain, and which I also call a theoretical platitude, by giving a quotation from Mr. Dadabhoy. Sir, I do not want to go into these platitudes, but four years have now passed away, and we can now examine the effects. We were promised by the Finance Member in 1927 that with the change in the ratio the agricultural condition of the people would improve. Now, Sir, I ask you, have these conditions improved? We were promised the improvement of industrial conditions? I ask you, have these conditions improved? Now, when we look into our imports and exports, we find that certainly our exports have gone from bad to worse.

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Sir, one very important argument that was brought forward on that occasion was the argument by Sir Victor Sassoon, and he gave in his illustration the example of the cotton duties. He said that it is perfectly true that out of Rs. 100 worth of cotton an agriculturist has to pay Rs. 22 for freight and 60 per cent. for production and the profit of other persons. Then the present profit to the cultivator is only Rs. 18. If the exchange ratio be 1s. 4d. and if the ratio be increased from 1s. 4d. to 1s. 6d., it really means that his profit will be reduced from 18 per cent. to $5\frac{1}{2}$ per cent., because the remaining $12\frac{1}{2}$ per cent. will go in the exchange ratio. This was pointed out four years ago, and we are in the same position today. But, Sir, really the income of the cultivator has diminished. The other industry which is hit very hard is the industry of hides and skins which I will take up later on. Sir, as I said, we were promised agricultural prosperity, but we are not having it. We were promised industrial prosperity, but we find that the mills are closing down every day. I should like to know which of these things in India has prospered on account of the rise in the exchange duty.

Sir, India is a debtor country. We have to pay a certain amount every year in England for our obligations and unless there is a clear balance of trade in our favour it is impossible for us to pay all our obligations and therefore the balance of trade must always be kept in favour of India. Sir, the Honourable the Finance Member may possibly say that the present dullness in the trade is due to world conditions. He may also tell us that it is due to internal troubles in India. I agree that both these things have really played some part in the general condition of the country, but certainly they are not the most important part, because we find that the general depression in India began long before the world depression began, our internal troubles were increased and augmented on account of the financial policy of the Government of India. I am given to understand by several important merchants that they were sick of the financial policy of the Government of India, and on account of the constant troubles they had lent their support to all the things that have happened in this country during the last few months. Sir, one important effect of our exchange policy has been a fall in export. I will give the House now the export figures for the last three years since we introduced the exchange ratio of 1s. 6d., that is, our export was then 319 crores 15 lakhs; it fell to 310 crores, and now in the coming year it is not likely to improve. Sir, if any one asks me whether it is profitable or not to have an exchange ratio of 1s. 6d., I would put to him this simple question of arithmetic. We all agree that on account of the 1s. 6d. ratio we gain $12\frac{1}{2}$ per cent. on all the articles we purchase and we lose $12\frac{1}{2}$ per cent. on all the articles which we sell. I think this is a fact which nobody can dispute for a moment. Now let us see how the balance stands. You take up the difference between the two. If we sell more than we purchase, then we are losers at the rate of $12\frac{1}{2}$ per cent. on the balance. If we buy more than we sell, we are gainers by $12\frac{1}{2}$ per cent. We find really speaking that the balance of trade is in favour of India, that is, we are selling more than we are purchasing: 81 crores was the balance of trade in 1927-28, 86 crores in 1928-29 and 79 crores in 1929-30. Now the total during the last three years of the difference of exports over the imports is 247 crores of rupees. Therefore,

India by means of the exchange ratio has lost on these 247 crores at the rate of 12½ per cent. I need not calculate the arithmetical figures, because any Honourable Member of this House can calculate.

The Honourable Sir George Schuster (Finance Member): May I interrupt the Honourable Member for a moment? I am sure I shall not have an opportunity for dealing with all the points he makes in my reply on this subject, but I would like to point out to him that he is dealing only with the visible balance of trade. He has left entirely out of account all the invisible items in the balance of trade, and if he contemplates a country going on year after year buying more than she sells, I am afraid that country would very soon be pulled down to complete financial ruin. Unless something is going to happen in the way of ruin, a country must maintain an even balance of buying and selling, but that balance must take into account all sorts of invisible items which cannot of course figure in the balance of trade which only deals with merchandise and actual physical things that are imported or exported. I suggest to my Honourable friend that, if his argument is that a high exchange ratio is of value when you buy more than you sell and that you lose when you sell more than you buy, then there is a third alternative, namely, that, if you buy exactly the same amount as you sell, it does not matter to you at all whether your exchange ratio is high or low, and that, I suggest to my Honourable friend, is exactly what represents the truth in this matter. In the long run, if you have a stable exchange, it does not matter to you in the least whether the level is high or low because the balance of your payments must be equal to the balance of your receipts, and in that I think unconsciously my Honourable friend has brought us to the pith of the whole matter in his technical argument.

Dr. Ziauddin Ahmad: If you ask me to take up the visible balance I have got the visible balance. The visible balance after paying India's obligations is given in the Report of the Controller of the Currency. It is in favour of India in the year 1927-28 by 11.93 crores, in the year 1928-29 by 10.72 crores, and in the year 1929-30 by 31.81 crores. So that the visible balance is also in favour of India. (*An Honourable Member:* "What is visible balance?") After deducting payments and other things which we have to make in England, we get what is called the visible balance of accounts.

One thing which our exchange ratio has hit very hard is the industry of hides and skins, and it has been brought to the verge of ruin by the export duty of 5 per cent. The value to India of this industry taken as a whole is about forty to fifty crores; it provides employment to large numbers of men, and is a factor in the economic well-being of millions of the depressed classes. There is scope for work in order to reduce the national waste (Hide Cess Committee's Report p. 168).

The Report also tells us that the larger percentage of exports consists of inferior grade hides from animals which have died a natural death, while the greater proportion of the hides of animals which have been slaughtered in slaughter houses is utilised by Indian tanners. Sir, we find that on account of this exchange policy of the Government, coupled with the export duty, which is really an insult to injury added, we find that the trade of the export of hides is going down very rapidly. In 1928 the export

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of cow hides was 4,125,908 Pes. in 1929, 8,568,691 Pes. and in 1930 it was reduced to 2,608,074 Pes. The export of buffalo hides has been reduced from 741,662 to 401,884. Sir, the effect in the case of the hide industry has taken the form of complete strangulation of the source of income of many thousands of the lowest classes of village-dwellers. These men, who are engaged in the collection of hides from fallen animals and the preparation of such hides for sale in the various markets throughout India are immediately and particularly unfairly affected by a drop in the exports to foreign countries. The position today is that the prices which the shippers can afford to pay for their hides are so low that, by the time the material has been railed to the ports and the profit of the Beparis been set aside, there remains for the village flayer a figure so small that it is no longer worth his while to collect the hides and cart them to the market. Relating to the exports of hides for the period January to October 1930, compared with the same period in previous years, although it is not possible to give a definite value for the loss due to non-collection, the fact remains that although the exports have dropped considerably, there are no accumulations of stocks in Calcutta or in the mofussil; and as the quantities absorbed by the tanning industry have also dropped, the fall in the exports represents approximately the quantity of raw material which is being destroyed. This destruction is a total loss to the country and the case for the abolition of the duty is clear when it is realised by Government that, with the removal of this tax, shippers to foreign markets of Indian hides will be in a position to compete with other countries producing similar goods, to the benefit of the collectors, the Beparis, the Arathdars and the shippers. Following the unanimous recommendations of the Indian Fiscal Commission, the Government intended to abolish the export duty, but the efforts of the Government were frustrated only by the absenteeism of some of their nominal supporters. (Report page 143.)

Sir, this is an example of an industry which is on the verge of ruin by the exchange policy of the Government, and in the particular case, they not only adopted this exchange policy of $12\frac{1}{2}$ per cent., but they put on an additional duty of 5 per cent. on all the hides exported from this country. What is the result? By this artificial putting up of $17\frac{1}{2}$ per cent. on hides, India cannot compete with other countries in the European markets. We notice that the tanners in Germany and other countries have changed their machinery in order to take up the raw hides from other countries outside India. Other countries are helping this particular kind of industry by adopting various measures, but in this country, we first put up an artificial duty of $12\frac{1}{2}$ per cent. on account of exchange and then an additional duty of 5 per cent. on the export of hides.

Now, there is the other question of wheat. We know that India cannot compete at present in the open markets of the world in the case of wheat, and this is also due to various factors. One important factor is that we put a duty of $12\frac{1}{2}$ per cent. on account of exchange. We find that other wheat producing countries have reduced their exchange ratio for the benefit of their exporters. We want an import duty of 10 per cent. on wheat and not the export duty on hides and skins. In India we have taken action against her own interests, and therefore it is high time that we should now consider very carefully the effect of the exchange ratio on

the various industries, and especially the agricultural industries and revisit it again, because, as was pointed out by Sir Basil Blackett, the Act was only a temporary measure and it was not an Act which could not be revised. I leave the question of the exchange ratio at this stage.

Diwan Bahadur T. Rangachariar (South Arcot *cum* Chingleput: Non-Muhammadan Rural): May I trouble the Honourable Member before he leaves that question? May I ask him how he proposes to meet the argument that any attempt at revising it will land us in serious troubles? That is the real argument against revision.

Dr. Ziauddin Ahmad: In every change there will always be some temporary profit and some loss. I illustrate it by the duty of two annas on petrol. The moment the Honourable the Finance Member delivered his speech, the price of petrol was raised at every place in the whole of India by two annas per gallon and those who had imported it previously gained by it. During the period of transition, some persons will profit and some other persons will lose, but on the whole, the country will gain.

Diwan Bahadur T. Rangachariar: Have not matters adjusted themselves during the last six years?

Dr. Ziauddin Ahmad: That is what I called a theoretical platitude. This is the argument which Sir Basil Blackett used in 1927 and this is just what the Honourable the Finance Member would say. I have given the examples of these industries which are hard hit by exchange policy. I know the Finance Member will not agree with me and I cannot agree with him.

The next question which I take up—and I shall deal with it briefly—I know is a very difficult question, and that has been made intentionally a more difficult question. It is the question of the Reserve Bank. I have been reading the reports of commissions and committees from 1870, and there is not a single commission or committee about finance which has not written on the subject. So much has been written and said
1 P.M. and so much time has been wasted on this subject and so much money spent, that it would be better to institute a fellowship for studying the whole thing and writing dissertations. When I studied this problem the impression produced on my mind was that there was only one point of difference. What the Government wanted was, that after establishing the Reserve Bank in India, the centre of gravity of the Indian finances should continue to remain in East London and the Indian who did not agree with this wanted to bring the centre of gravity of Indian finances from East London to Delhi and Calcutta. This was really the central point on which they brought forward all kinds of arguments, financial, political, and economical. Practically everything converges to this particular central point, whether the centre of gravity should remain in East London or be brought to India.

Now, I shall take up a minor point, and that is the question of unclaimed interest. The late Sir Haroon Jaffer, a member of the Council of

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State, moved a Resolution on the 16th February, 1927, which ran as follows:

"This Council recommends to the Governor General in Council that he may be pleased to take steps to make available for the improvement and expansion of Muslim education all the interest accruing from the deposits in the Postal Savings Bank and the Government securities belonging to the Mussalmans who did not, owing to religious scruples, receive interest thereon and that this arrangement might be given effect to in provinces in which Muslim public opinion is agreeable to this scheme."

I do not want to impress upon the Government today how the money should be spent, but I do implore them that this amount ought to be shown really in the Budget. They must give in every Budget the exact amount of the unclaimed interest which is left over in the hands of the Government. I do not propose to discuss how it should be spent, but I certainly do insist that the exact amount ought to be shown in the annual returns of the financial statement of the Government of India.

There are three more points which I shall not take up at present because I have taken more time than I ought to have taken and probably I will have further opportunities later on. I refer to the question of petrol, income-tax and the question of salaries. I do believe that the salaries in India are very high. I know that we have to provide these salaries in order to induce Englishmen to come to this country, but there is no reason why the same high salaries should be given to the Indians where the cost of living is very low. I think this whole question of scales of salaries ought to be revised. I have got the figures with me for various countries like France, Germany and England. In the light of these figures, it is highly desirable that the whole system of salaries should be revised. We can provide a special overseas allowance for those persons whom we employ from England. I am sure that no Englishman will care to come out to this country unless we pay him a salary higher than he could get in his own country. I realise that, and therefore we ought to have a special overseas allowance, but there is no reason why for the sake of about 5 per cent., we should give high salaries to the remaining 95 per cent., whom we can employ on a salary according to the standard of living in this country. We can pay any amount of overseas allowance from Rs. 250 to Rs. 2,000 per month. With these remarks, I beg to conclude my observations.

The Assembly then adjourned for Lunch till a Quarter Past Two of the Clock.

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

Raja Bahadur G. Krishnamachariar (Tanjore *cum* Trichinopoly Non-Muhammadden Rural): Sir, my Honourable friend, Dr. Ziauddin Ahmad, has been placing before this House materials from which could be prepared schemes for mental uplift. Now a man cannot live upon mere mental food-stuffs; on the contrary, he has got to live physically before he can attain to mental advancement. I therefore, Sir, with your permission propose

to lay before this House for its consideration the grievances of the agricultural population, which constitutes as we all know, 90 per cent. of the total population of India. Sir, I am one of them, and I am proud to be one of them. Sir, the first and the foremost thing that concerns agriculture is production. So far, I respectfully submit, practically nothing has been done in order to give a lead to the agriculturist to produce two blades of grass where he traditionally produced one. There have been lots of Commissions, there have been lots of Reports, and everything that you want in the shape of Settlement Officers' Reports and so on and so forth, but, in effect, it has all been of absolutely no use because I say no one has considered what are the conditions under which the agriculturist cultivates his land. In the first instance, his land is divided into such minute holdings that most of it is uneconomic. The first thing under those circumstances that he wants is a favourable season. So far, he is dependent upon God Almighty alone for that. Now assuming that he has got a favourable season, the next thing is that he wants water for irrigation, manure for manuring his land and seeds for sowing the land. Now under all these heads he is always short. There is no attempt to find out why it is that, year in and year out, he is not able to put by anything in order to make up for the very very scanty cultivation he can put forth. Now anyhow he starts ploughing the field and sowing the seed, but between God Almighty and the irrigation officials he gets just enough water in order to scrape through the cultivation, and then the harvest season comes along. His produce naturally is not quite so plentiful as he would like. But look at his difficulty. I am talking especially of the Madras Presidency. In the month of December or January, the Government *kist* falls in to be paid. The headman has got a schedule with him for Rs. 35 divided into four parts—December, January, February and March. He does not budge an inch. Supposing the man has got to pay Rs. 35, he has got to find Rs. 8-12, for the first *kist*. Where is he going to get that? He cannot harvest his lands because he has got to wait another month. But, then he has got to pay Rs. 8-12 all the same; and as there is no institution from which he can get this, he goes straight to the money-lender. Well, the money-lender drives a hard bargain. He says, "All right, I take two units for one". A unit in its proper time would cost Rs. 2,—the money-lender drives his bargain for a rupee or Rs. 1-4. The man cannot help it. The headman is going to distrain his cooking pots and utensils and other goods in his house. Therefore he negotiates with this money-lender and takes this Rs. 8-12 and goes home. The first trouble is over, the *kist* is paid. Then the harvest begins. Unfortunately there is such a dearth of agricultural labour that what remains after having paid the tax-gatherer he has got to pay towards the temporary labourers whom he has got to employ if his harvest is not to be damaged and must be gathered in time. So, Sir, the remaining portion of whatever he might scrape through gets into the pockets of the labourer whom he has got to pay. He cannot grudge it, if he must gather what little there is in the field. Now he goes home—and what is the satisfaction that he has got?

A big Royai Agricultural Commission went all over the country, collected evidence, examined witnesses, but who were the witnesses? Among them were carefully engineered official witnesses, but not one man engaged in actual agriculture day in and day out, not one man who has suffered at the hands of the revenue officials, the irrigation officials, the police officials and other officials. There are the persons—carefully

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engineered men in Government service, people drawing Rs. 4,000 a month, people who go in special trains and reserved saloons and see on both sides of the railway carriage nice paddy fields, and say, "The agriculturist is prospering"—these are the persons whom the Royal Commission on Agriculture examined. If you care to look into these big volumes of theirs—about 23 of them in number—that the Government of India have issued, you will find that most of these gentlemen have absolutely no idea as to the real condition of these agriculturists. Now when the Royal Commission on Agriculture came to the Madras Presidency, I wrote to Marquess Linlithgow. I said I found from the list of witnesses that they were going to examine that there were not many people who were actually acquainted with the agricultural condition of the Presidency. And so if he and his party would kindly come in a special train to a certain place, then from that place right up to a circumference of 100 miles all the Members of the Commission would be my guests and I would take them over from village to village. I have lands in four of these villages and they would be able to see for themselves the exact condition of affairs. They need not spend one single pie, except the cost of their special train which I could not afford to pay. After some time I got a letter from the Noble Marquess saying that the programme had already been settled and he greatly regretted that it could not be altered, but that arrangements had been made to secure all kinds of interests to be represented before him. In this connection, Sir, I venture to place before the House the names of some witnesses who were examined by the Royal Commission on Agriculture. They were 26 in all. Out of this number, two came from Mysore, one was a Government lecturing chemist and another gentleman was a general scientific officer. Then they examined the Commissioner of Labour, the Director of Industries, the Director of Public Health, Representatives of Messrs. Berry and Co. and the Surgeon-General to the Government of Madras. These are the persons, Sir, who have been examined in an elaborate inquiry by the Royal Commission on Agriculture, a Commission which started touring about the country and which was to relieve the agriculturist of his distress. Because they examined such witnesses I gave them the invitation that I referred to and got the reply that I have already placed before the House. Well, Sir, we waited for this glorious Report for which, I believe, some 8 lakhs of rupees have been spent. And what is the result? There was a gentleman in Madras who occupied the position of the Director of Agriculture. He read the Report of the Royal Commission and made some weighty remarks. I do not know if Honourable Members have ever come across a small book called "Agriculture in India" written by Sir James McKenna, who occupied the position of the Agricultural Adviser to the Government of India some time ago. Sir, in 48 pages he wrote briefly all the endeavours that have been made by the Government of India in connection with agriculture during the previous 50 years. I believe his work is dated somewhere about the year 1920. Now, Sir, you will be surprised to hear that this huge Report of the Royal Commission on Agriculture is simply an elaborate paraphrase of what Sir James McKenna wrote in 48 pages. Sir, 8 lakhs of rupees have been spent on this Royal Commission. The mountain was in labour and brought forth a mouse. What Sir James McKenna wrote in 48 pages, the Royal Commission has spent 8 lakhs to find out and it has placed before us everything that we knew. They say that a Commission is an indirect way of

finding out what you already know. That is exactly what has happened in the case of this Royal Commission on Agriculture. But where are we? We were told one thing that all these agriculturists are wanting in thrift. Make them understand the ways of thrift and make them understand how to save their money and then you can make them prosperous. One of the most important witnesses that appeared before the Commission was the Member of the Board of Revenue in Madras. He was examined by Sir Ganga Ram who was himself very much interested in agriculture. He asked him, "Upon what basis do you say that the ryot lacks in thrift?" The first question that he put was: "Whenever things are favourable, do you think that the ryot has got very much to save in order to exercise his principle of thrift upon it?" He said, "No". Then followed a series of questions with which I need not weary the House and which extend over 4 pages of the evidence. Sir, it turned out in the end that the entire evidence is based upon mere guess work and nothing else. Everybody has said that the ryot is wanting in thrift and that is what we have got from this Royal Commission which cost us 8 lakhs of rupees. All this money had been spent on them in order to find out what everybody said already.

Then, Sir, what they said was that we should make the ryot feel that he wants more than what he gets. I do not think it is quite fair. Already he is suffering from want of funds to make both ends meet and you want to create more wants for him; how is he going to satisfy them? There is no way by which you could improve his land and by which you could improve his manuring capacity. I say that deliberately because it has been suggested for a long time that these manurial products should not be exported from India. There is some economic theory which we agriculturists do not understand. I suppose this theory has already been established in Europe, where these people sitting in their arm chairs and discussing commercial matters such as how products go from one place to another, say, that manure should go out from one place to another. This theory then travels to India from Europe and we have got to suffer from its result. They say that, so and so economist has come to the conclusion that manurial products should be exported. The result is that whatever manure I have got goes away in the shape of raw products. For instance, bones go away, oil seeds go away. The result is that most of our manure is gone. The resources for our cultivation have been snatched away from us and on the top of it all the value of the food grains has considerably gone down. Now, there is a small pamphlet which was circulated along with the Budget speech by the Government, in which the rise and the fall in prices has been given serialim for the chief agricultural products of India. That is rather an interesting book to study. Therein you will find that there has been a heavy drop in prices for the last two years and absolutely no notice has been taken as to why it is so. If you go to the commercial man, he says it is due to the exchange, another man says it is due to world depression; you are suffering from the effects of the world depression. Between these theories it is impossible for us to find out what the truth is and what it is not. But the fact remains the same, namely, that we get on the average—I am now talking of the Madras Presidency—from paddy, which is our chief product, 35 to 45 per cent. less than what I myself got three years ago. But the Government demand continues the same. On the 1st December comes the tax-gatherer and I have got to shell out the money

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whether I like it or not. There may be a calamity like the floods, there may be a want of rains or the prices may have gone down, but we have got to pay the revenue to the Government. Now, I very respectfully ask, after these rather discursive remarks which I have made before this Honourable House, how are these agriculturists to live from the income of their lands? It is all very well for you to say that there is a village uplift scheme. If you saw that village uplift scheme, it would provoke laughter. What is it you are uplifting? The man cannot live; he has not got the wherewithal to protect his wife and children; he has no money to buy his clothes. Half a dozen people come with big flags and you have got to feed them in the village. You have got to find their necessities. What do these men do? They come and give me a lecture, come and lecture to a man who has grown grey in the services of the village, a man who knows the troubles of the village. Well, these people are collected, and there is a lecture given. He says, "Look here, you people must live very clean, you must drink pure water, you must have free air and so on". Well, do I not know all these things? For the past 18 hundred generations, we know that we require pure air and fresh and clean water. But where is the man who brings it? If I want one extra well, I am told there is **no money**. The Government looks into its Budget 1,800 times before sanctioning any amount. If such and such a village wants an extra well, the Government say, "No money". If you require armoured cars, or tanks, or whatever they are, you can easily find out the money. I do not understand these armoured tanks, they are motor cars to shoot down people. Sir, in my school days, I read a book on the "Study of Sociology" by Herbert Spencer. He refers to a traveller who at the end of the 20th century stands on the broken parapets of the London bridge and views the broken statues that are standing all along what used to be London in its palmy days and he was wondering what sort of civilisation the English people had cultivated, that is, the greater the man's cleverness in finding out means to wipe out from the face of the earth a larger number of people, the greater is the statue that has been erected to him. I want to know if any statue has been erected to any man who has really conferred benefit upon humanity. If you find out a poison gas, you have a statue erected in your honour. If you find out a new machine gun, or a smokeless way of firing a gun, you have got a statue in your honour. I do not complain of all this. You have got to live. If you want to defend your life, and property, there is the Kshatrima to do it. But how are you going to improve the condition of the people and how are you going to make them prosperous? Sir, according to our old ways in which the community has been divided, Manu in his Dharma Shastras divided people into four classes. The one class is the parasite, which is the beggar class. Another class is the half-parasite—mark my words—the half parasite, because it is in Government service, and does not contribute any thing towards the protection. (Laughter.) Manu classed him as the half parasite. The third class is the one that is between this half parasite and half producing. There is the fourth class, the producer. Then Manu sits up solemnly and says or enjoins upon the Government to protect that one-fourth man, otherwise your Government will go to ruin. I belong to that one-fourth and I form part of that 25 per cent. There is absolutely no good of setting up Royal Commissions, or saying that this Royal Commission has done a

great deal for the agriculturist. On the other hand a great deal still remains to be done. What is the great deal that you say has been done? You have spent money. If you take a concrete case, you have got what they call the single seedling transplantation. Now, three hundred years ago, we have been practising the single seedling transplantation in the Madras Presidency. It struck some gentleman, this brilliant idea of renewing this practice, and he did renew it. He got all the praise and all the glories for this suggestion. What we have all along been doing has been suggested to be renewed, and we had to spend money on these experts. It is not that the Government do not know what our real grievances are. What our grievances are the Royal Commission on Agriculture has very elaborately found out and they have given our grievances in a few pages of their Report. So much the better, and thanks for these small mercies. What is the remedy they suggested? The first and the foremost thing is the Research Institute. A Research Institute has come into existence. Of course you want experts. Without experts, you cannot go on. How do you know whether a certain manure suits a certain soil or not? Well, what does the expert want? I have got in my place four pages of printed instructions issued by this expert, and unfortunately I forgot to bring that pamphlet. What does the expert want? He wants me to send in a neatly packed up box samples of my soil which he is going to examine and tell me whether there is nitrogen, oxygen, or hydrogen peroxide, or whatever it is, in my soil or not. He wants to find out whether all those compounds, which I learnt in my school days and which I have since forgotten, exist in my soil or not. He is going to tell me after examining the soil. I challenge anybody to read out these four pages of the pamphlet from top to bottom and help me to take one single sample of the soil from my land and pack it for the examination of this expert. You cannot do it. It is hedged in by so many restrictions. If you make a single mistake, the expert cannot examine it. I am a foolish villager and of course I cannot pack the soil in the way that the expert wants and I am liable to make mistakes. If I do not pack it properly, the expert cannot tell me the contents of the soil.

An Honourable Member: Potassium cyanide.

Raja Bahadur G. Krishnamachariar: Well, it is rather dangerous. Of course, I dare say you are not going to bring it into this room. I hope my Honourable friend, if he wants, will try these things outside. I hope he knows that the man who tried to manufacture hydro-cyanic acid in his laboratory fell dead. But potassium cyanide may be a good thing for some other person. But we do not want it for an agriculturist. So, Sir, you have got all this question of research. You go to the agricultural chemist, he does not know what your soil contains, rather he wants you to fill up the blanks in the form which he supplies you and which I cannot fill up properly. So what I did was this. You may call it a mistake or foolishness. I wrote to this chemist and said, "Well, it does not matter, I will pay you your *batta*, you come and stay in my village for one week and find out the nature of the soil yourself. You can come personally and analyse the soil". This is what I wrote to him. Mind you the Government are not put to any extra expenditure; the Government are not paying his travelling allowance. I offered to defray his travelling expenses. I only asked him to come to my place and analyse the soil

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personally. He simply said, he could not go to my place because he had no time. In the meanwhile, what happened? Before Mr. McKenna wrote his treatise on the chemical composition of manures and so on, what had happened? It is a very interesting story. We have got several companies in our Presidency, and particularly there is one Messrs. Parry and Co. I am only citing this as an example. I have no grievance against any of the companies, either individually or collectively. These companies which deal in manures write out long pamphlets in which they explain that the millennium will come if such and such a manure is used. They send all these pamphlets to you for consideration. They ask you to buy their manures, of course, not without consideration. You pay so many rupees per maund and you buy those manures. You put these manures into your soil, and then you are assured that everything will come all right. If it does not come all right, the man who sells you the manure says, he could not help it. He attributes the failure to the deficiency in rain, or lack of irrigation facilities or the act of God. So at present in our Presidency they are selling these chemical fertilisers. We are called backward people. They say, we are not advanced and that the agriculturist is so conservative that he cannot take to new methods of cultivation. I will tell you exactly how these new methods work. These propagandists come to our villages with huge flags. Then the people collect. The agents of these manures tell the people, "We have got very good manures. If you purchase them and spend Rs. 4 on an acre, it gives you a much better outturn". The result is the poor villagers buy after paying down cash. After all, these agents do not give manures on credit. The villagers buy and put the manures in the field. But eventually the villagers do not get any return. Of course, as I said before, either it is the fault of the man who ploughed the field, or it is the fault of the Government that do not supply water, or it is the fault of God Almighty for not giving water at the proper time. However, we have been fooling ourselves about these fertilisers, and lakhs and lakhs of rupees have been spent in the Tanjore district of the Madras Presidency on these chemical manures.

Now, there is a farm in England which is called Rothampstead Farm. A great philanthropist about a hundred years ago endowed all his property for agricultural benefit, and that farm does a great deal of good work. And what did that farm find out? It found out that the chemical fertilisers, over which we have been fooling, spoil the land and deteriorate the soil and in order to be effective, there should be half chemical fertiliser and half animal manure. Now, Sir, I have spent lakhs and lakhs of rupees and all my money is gone. Was it not the duty of Government to find out and tell me that I should go in for half chemical fertilisers and half of animal manure? Somebody like myself who had nothing particular to do found this out from an article in the Agricultural Journal of India. It was printed in the newspapers and it created a row, and it looked as if there was going to be a breach of the public peace between the agent and the ryots over this. Eventually we all settled down after losing some lakhs of rupees on foreign manure. That, Sir, is the position regarding the Research Institute so far as agricultural chemistry is concerned.

There is in Pusa an Agricultural Research Institute. My friend Dr. Ziauddin Ahmad said, abolish all these advisory boards. Abolish first of

all that Pusa Agricultural Research Institute. In the course of the examination of witnesses by the Royal Commission on Agriculture, they were asked the percentage of rice cultivation throughout India—it is a fairly big percentage though I do not now remember exactly what that percentage is—and they were asked what steps they had been taking to secure research for improving the production of rice in India. And they said that rice does not grow in or near about Pusa, and so they never troubled themselves about it. But I have got to pay, and my grievance is that I have got to pay for it. If you had not asked me for money, I would not have troubled about it at all. On the contrary see what happens in other places. Italy is a rice-producing country; America, California, etc., produce rice. If I want material to find out how to get rid of insects in rice, how to manure my field, how to produce a better tilth and what sort of implements I should use, I have got to go to Italy. I have got a big bundle of literature in Latin or Italian and I cannot make head or tail of it. If I go to California, I get a bundleful of literature on rice and rice alone. That is the way to improve your agriculture. What have the Government of India done? They have got agricultural bulletins. I do not know if any Honourable Member of this House has taken the trouble to go through them. But look at the troubles we are suffering from. I want a book about rice and the entire Indian production is rice and nothing else. Now as a result of the Royal Commission on Agriculture they have got experts, and people go out all over the country and talk of the improvement of the sugar-cane cultivation. I have nothing to do with sugar-cane and I am not going to trouble about it. But if you look at the Report on the sugar-cane industry and see the way in which they have tried to improve this sugar-cane cultivation, you will find that there is a great deal of romance, and from my standpoint, there is a great deal of tragedy behind it. Not in one item, not in a single place have they tried to tackle the real grievances from which we are suffering. And yet practically the entire money that Government make is from our produce and from our labour.

Mr. C. C. Biswas (Calcutta: Non-Muhammadan Urban): But there is a South Indian gentleman on the Imperial Agricultural Research Council.

Raja Bahadur G. Krishnamachariar: That is by good fortune or ill fortune the worst of it. Sir, I thank my Honourable friend for reminding me of that fact. According to the Government of India, the man who occupies a high position in some place or other is fit for everything else in the world. Great people, clever University men, successful lawyers, first-rate mathematicians, good professors they are fit for everything else in the world. Only they cannot be doctors because the result may be something calamitous; nor can they build bridges because we shall all go down when travelling on the railways. But barring these two things, where they do not allow these people to come in, these Government officials are fit for anything and everything that you can lay your hands on. You start a new establishment and you at once appoint a man in the Civil Service or some other service. He may be of course an Indian but that does not make any difference so long as he does not know anything about these things. That, Sir, is one of the tangible results of the Agricultural Commission. Another thing is that, wherever you go, you have got an advisory board. I will not dilate upon this advisory board but there also you find the same story as in Dr. Ziauddin's educational board. Most of them are

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amateurs, and have absolutely no time to think and do anything except to go at public expense to the central station, talk and go. Sir Nizami in his *Sikadarnama* has got a very nice couplet which may be applied to these advisory councils, and I hope this Assembly will excuse me if I quote it:

*"Paye Mushawarat mahfil arasthand
Nishistand wo guftand wo bakhastand."*

"They all arranged for the assembly; the members came, sat, spoke and went away."

I assert that in 99 cases out of a 100 this is the sort of advisory council that we have been fooled with. And the worst part of it is that I have to thrust my hands deeper and deeper into my pockets in order to find money for these people. It breaks one's heart and how long can one go on like this? In short, I want what they say in Urdu, "*Thorasa likhna bahut samajhna*".

I am only giving a taste of what I am suffering from. I assure the House that, if they can give me three days and bear with me all that time, I can lay my grievances before them. The result is that I want that these things should be carefully considered and that the Honourable Members of this House should go into the details of each item from which the agriculturists suffer, because I call them the backbone of the country, and try to redress their grievances. On the top of it all there is the land revenue policy. There have been lots of things tragical, comical and romantic about this land revenue. When I go and tell Government that I am suffering from this excess of assessment they say, "You have been paying it from time immemorial, from the time of Manu". Of course, I have been paying. And there is one thing which I want to say here publicly from my place in this House, and I can say it without fear of contradiction.

The ryot or agricultural producer does not want to shirk his liability to pay what in the old Hindu days was the Raj bhag or the King's share. He does not want to shirk it. They say one-sixth of the gross produce; but Lord Curzon in his peculiar way of mathematical calculation worked it out to half of the net produce—I shall come to this later on. We have been paying one-sixth of the gross produce from time immemorial. We never objected to paying that. As I shall presently show, we are now paying 75 per cent. of the net produce, which is rather more than one-sixth of the gross produce in all conscience. But what is the return that we get? If you take as the Raj bhag one-sixth share, you must return to me some benefit. I would like to know what is the benefit you have conferred on me. What is the present condition? When the English first acquired the diwani in Bengal and later on these provinces, they had no clear idea of land tenure. They had imported from Europe ideas about their own feudal tenure and the way money was collected from the land. They tried to fit in those ideas with our land system; and the fifth Report of the affairs of the East India Company would tell you the story about the way in which these things were done in order to find out how best to adjust. Eventually, so far as Bengal was concerned everybody knows that they came to the permanent settlement. But so far as the Madras Presidency was concerned, they fluctuated between the permanent settlement and the ryotwari

settlement. What that ryotwari settlement is nobody knows. You ask Major General Sir Thomas Munro who started it, whose evidence is recorded before the Committee on East India Affairs, who says that although ryotwari holding is a direct holding with the Government, it is yet a permanent settlement in the sense that you cannot change it. But no, says the Government, that does not mean ryotwari settlement and that is what has been held in later despatches. Whether it is a permanent settlement or whether it is a periodical revision, one thing that is now within the plane of practical politics is their constant harassing unsympathetic way of revision of settlements. With regard to this revision of settlements, I will just read what happens. The settlement is generally for 30 years. The settlement party's visitation—not visit—over each portion of the country has been going on, and it has practically finished its labours; in one place it is a fifteen years' contract; in another place it is 30 years; in a third place it is 40 years. The settlement party goes into those places where there are fixed periodical settlements. The years roll on; another party comes and this is what happens. I am quoting from the Report of the Indian Taxation Enquiry Committee and I want this House particularly to note this:

"At the resettlement, which takes place at the close of the thirty years settlement period, the settlement officer makes a detailed inquiry into the economic condition of the district and then comes to general conclusions as to whether there is justification for a change of the rates, and bases his suggestions for alteration of the assessment mainly on these general inquiries and on the average variations in prices of food grains during the preceding thirty years. The frame work of the original settlement is not usually disturbed unless it is discovered that it is patently unsound. Under recent orders of the Government, whatever the enhancement that might be indicated by the enforcement of the half-net rule, it has been directed that the maximum enhancement will be limited to 184 per cent. when the variation of rates consists only in a percentage enhancement based on the rise in prices."

If you take this paragraph bit by bit what do you find? "The settlement officer makes a detailed inquiry into the economic position of the district." You know what it is. He selects a typical village, or rather he writes to the Collector, the Collector writes to the Tahsildar and the Tahsildar writes to somebody else and they take hold of the best villages in their charge; they take very good care to see to that. The settlement officer goes there and goes about to find what is the yearly produce. The better sort of people know what all this is going to lead to and they make themselves scarce under the excuse of a marriage or funeral or something like that; and so they take hold of the landless man who sits on a *pial* in the village and weaves a theory of his own. This detailed inquiry referred to in the Report is from that man; and then he goes home and sends for the village accountant. This accountant is an extraordinary man; there is an old Tamil proverb which says that God Almighty first created the God of death, and there was a little bit of earth remaining in his hands; so he took hold of another person and called him the village *karnam* or accountant. That is the saying in South India. The village *karnam* goes to the settlement officer and gives him a magnificent account of the produce throughout the last thirty years, all verbal and all out of his memory. There is no doubt that man has got an extraordinary memory and if only he had chosen his proper sphere of life, he would have been a most brilliant man, however, he goes and gives him these details; and upon these details he makes out his assessment. Then there is the Sub-Registrar's record.

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That is rather a big document. It consists mostly of ways of making leases; I myself have made leases, but not in this haphazard fashion. They take hold of a man and ask him, for example, "How much will you give for these five acres that we want to lease?". He says "Rs. 100". They say, "No, no; you must give Rs. 200". Eventually they settle it for Rs. 100 actually, but I ask him to write out a lease for 200 rupees because there might be somebody else later on who might give them that amount. The result is that the settlement officer bases his recoveries upon this lease and says, "You realised 200 rupees of course from that man and so you can afford this increase in assessment and you are liable to it". That is the sort of inquiry that he makes; and if Honourable gentlemen will only refer to the Bardoli Enquiry Committee's Report—there is a whole elaborate 85-paragraph enquiry and so how can I trouble this House with that? I shall simply give you the conclusion of a distinguished judicial officer and a distinguished revenue officer, both of them Europeans—all honour to them.

"We are now in a position to sum up this part of our report. The question that was put to the Bardoli Enquiry Committee was based upon the allegation made by the Bardoli ryot that the reports accessible to the public did not contain sufficient data warranting enhancement, and that some of the data are wrong. We are bound to hold that the complaint referred to in point (b) of the terms of reference is substantially justified. The data in the reports apart from rental and sale statistics are obviously not sufficient to warrant either the general increases sanctioned in the maximum rates or the much higher increase in the case of particular villages. The rental and sale statistics have been carelessly compiled and demonstrably incorrect in a large number of cases, and in general must be regarded as completely unreliable."

This is only a sample. From the sample judge of the bulk. Wherever you go, whatever Settlement Officer might report, I challenge it, and I challenge it deliberately and without the least fear of contradiction, go to any Settlement Officer, this is the result. Only in Bardoli after 18 months' struggle, they were successful in getting a judicial officer who was able to go into the matter, and who came to the conclusion "in general must be regarded as completely unreliable".

I now turn to what the Taxation Inquiry Committee says:

"It is chiefly upon this detailed inquiry that the Settlement Officer makes that they increase the assessment."

There is one little thing that is very pertinent at this stage. After this inquiry, have you ever heard a Settlement Officer saying any time that no increment should be made in any village? The Settlement Officer's inquiry somehow or other leads him to the conclusion that there is scope for increase so much so that even the Government are some times scandalised that they themselves are either ashamed or astonished of their moderation.—I do not know what.—when they say that they do not want more than 18½. Detailed inquiries are wholly unreliable—result, increment, and there is always a percentage of increment,—based upon what? Rise in prices. Now, that rise in prices has got a little bit of story. Here again I am talking of the Madras Presidency. In the Madras Presidency, I believe Honourable Members know that in the ryotwari villages Government gives us what they call a *patta*. *Patta* is a document in which they enter our holding, and the rate at which we have got to pay our assessment, the total assessment due by us to the Government. It does not mean a single quote of a man's family, but it means the entire holding of one particular person whose

name is entered there either as the representative of the family or in his individual capacity. Now, Sir, when the Royal Commission on Agriculture were at their wits' end to find out materials, they were very angry with the Madras Government because they had not given them the summary of the conditions or the details of landholding and all that. However, eventually after a great deal of haggling, they were able to get the necessary materials from the Madras Government, and they found that there were five million eight hundred and seventy *pattadars* out of a total of 5 million 415 thousand 515,—that is the total number of *pattadars* in the Madras Presidency. Out of this total number of *pattadars* in the Madras Presidency, 5 million 870 *pattadars* pay Rs. 30 or less upon their holdings. Out of 5½ million *pattadars* roughly, 5 million pay Rs. 30 and less. Now, assuming Rs. 4 to Rs. 5,—it is very much more in the Deltaic districts of the Madras Presidency,—but even assuming that between Rs. 3 and Rs. 4 is the average tax of the holdings, and even supposing that all these people pay Rs. 30, which is not the case, out of these, 2 million 21 thousand *pattadars* pay below Rs. 10. Only 600,000 pay about Rs. 10 and below Rs. 30, assuming that, Sir, we have got nearly 9/10ths of the persons who hold land paying Rs. 30 and less upon holdings which are uneconomic. And what is the criterion upon which you justify yourself for raising the assessment? General inquiry and on the average variations of prices of food grains during the period of thirty years. Variations are all right. We all know of the Marwari who calculated the average depth of water in a river when it was in flood and who got himself washed away in midstream when he was in 12 ft. of water. But apart from that, what do you find? The average prices of food grains don't matter to him. Out of 5½ million *pattadars*, five million *pattadars* pay land revenue at the rate of Rs. 30 a year, which according to Lord Curzon's calculation, give him Rs. 30. Say it gives him some Rs. 60. What does it matter to him whether grains are sold at Rs. 8 or Rs. 2 a pallah. It does not matter to him at all, because he has not got any grain to sell. On the contrary, he has got to borrow in order to make both ends meet. Therefore, first of all the details collected by the Settlement Officers are all unreliable, because every time these officers come to a village there is an increase. If you ask them why they have done so, they say, "Oh, look here, look at the records. I must believe that your economic condition has improved".

That, Sir, is my grievance with regard to land revenue. So that, when all these grievances were placed before the Joint Parliamentary Committee, what did they say?

"The Committee are impressed by the objection raised by many witnesses by the manner in which certain classes of taxation can be levied upon the people of India by executive action without, in some cases, any statutory limitation of the rates and, in other cases, any adequate prescription by statute of the methods of assessment. They consider that the imposition of new burdens should be gradually brought more within the purview of the Legislature and without expressing any judgment on the question whether land revenue is a rent or tax they advise. At present the statutory basis for charging levy on the land vary in different Provinces; but in some at least the pitch of assessment is entirely at the discretion of the Executive Government."

Here you have got a little bit of buttering when they say "No branch of the administration is regulated with greater elaboration or care"—thanks to the testimony borne by the Joint Committee. We have seen

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what the Bardoli Commissioners have said about the elaboration and care. Proceeding further the Committee says:

"But the people who are most fitted have no voice in the shaping of the system and the rules are even obscure and imperfectly understood by those who pay the land revenue."

Here perhaps I may be pardoned for saying that the rules are imperfectly understood not by those who pay the land revenue but by those who administer the land revenue. I have got certified copies to show, if anybody challenges me:

"The Committee are therefore of opinion "

and that is the operative portion of it upon which, Sir, I base my criticism:

"that the time has come to embody in the law, the main principles by which land revenue is determined, the methods of valuation, the pitch of assessment, the periods of revision, the graduation of enhancement, and the other chief processes which touch the well-being of the revenue-payers."

Now, Sir, I am one of those revenue payers. These statements were recorded 12 years ago in the year 1919. From that time onwards we have been trying our best to improve the system. Our friend Diwan Bahadur Rangachariar, with all the experience he has acquired during his forty years' experience at the bar in connection with cases arising out of land revenue matters, has not been able to shake the citadel of the Government of India and to make them agree to bring forward a declaration of policy not to increase these cesses at every settlement. It took six years for the Madras Government to move. They were pressed and eventually they brought forward a Bill. And what did that Bill consist of? It consisted of procedure—what a man should do, and what a man should not do, and at what time. That is all that that Bill put forward. The Joint Parliamentary Committee said, "Fix the pitch of assessment". "No", said the Madras Government in the first instance, and then they introduced a Bill. The Legislative Council would not look at that Bill, and it is one of the few instances where even leave to introduce was refused after two days full-dress debate. When it came to the Government of India—and here I have a direct grievance to lay before this Honourable House—the Government of India would not allow the rate of assessment to be placed before the Legislative Council before it is applied to the country. In other words, when a Settlement Officer says that there shall be a certain increase in the settlement rate of a certain district, it is final. English is a foreign language to me. I do not profess to understand it, and even after nearly 40 years' experience I think I am talking in the worst possible language that any man could hear, and what little I knew I have forgotten during my residence in a Native State. In spite of all that, I believe I can say that the passage that I just now brought to the notice of the House clearly shows that the rate of assessment must be within the control of the people—that at any rate, is what the Joint Parliamentary Committee said. "No", says the Government of India. The Government of India do not agree that the Legislative Council should fix the rate of assessment. Then why do you go to the Round Table Conference? I do not understand it. We have all been told, no taxation without representation. If the

Legislature is going to be responsible, and all that sort of elaborate thing—directly you say something, Sir Cowasji Jehangir stands up and fires away for half an hour defending the Round Table Conference, and Mr. Ramaswami Mudaliar stands up and fires away for three quarters of an hour, and all that sort of thing. But what is the result? I say, "Don't raise the assessment without asking us". "No", says the Government of India. Then, a question was recently put by my Honourable friend Diwan Bahadur T. Rangachariar, in answer to which, after all, the Government of India specifically and definitely stated that the reason why the Madras Government was not allowed to carry through the Bill was that they (the Government of India) did not agree that the rate of assessment should be within the purview of the Legislative Council. Unfortunately, Mr. Rangachariar was not here in order to pursue the subject. So, I myself took courage in both hands because I did not know how to put a supplementary question. I got up and with your kind indulgence I put a question, "Why will not the Government allow it?". The answer was, "Because they will not allow it". (Laughter.) Sir, in the olden days, when we used to go to our schools late, the master used to ask with a cane in his hand, "Why did you come late?". "Sir, time passed". (Laughter.) Similarly, the Government of India were told by the Joint Parliamentary Committee to put the rate of assessment within the purview of the Legislative Council. You decline to do it, and I ask you, "Why?". You say, "Because I will not do it". (Laughter.) And yet you are surprised that the people are not happy with you. And yet you are surprised that there is discontent in the country. 400 years ago, the greatest, the wisest and I am sorry to add the meanest of men said, "When there is sedition in the country there must be some cause for it. Remedy it and do not go and repress it". Those words should be written on the portals of the Government of India now. They must read them every day and see why it is that there is discontent in the country. Don't go after useless people. Don't go to the demagogue round the street corner who declaims against you. Why does he declaim against you? Because there is material for him to declaim against you. You deprive him of the material and his work is gone, and you can go on with your work. I go to one place and I get a declaration. In another place that declaration is nullified, and you must agree with me that I have a grievance against you when you behave like that. Here is my Honourable friend the Finance Member saying that he wants 13 crores more. He says, "I do not care how you are going to pay it, but we are going to have it". Then comes the income-tax. I am not going to enter into it now. I shall have something to say about the grievance we have got in that respect, but for the present I am not going to take the time of the House over it.

There is only one other statement that I crave leave to bring to the notice of this Honourable House, and that is an extract from the official oral evidence given before the Indian Statutory Commission. (Mr. B. Das: "This House boycotted that Commission.") But surely you are not going to boycott the facts that were collected. You cannot boycott facts. (Hear, hear.) There they are staring you in the fact. I am only concerned with them, and not with the Statutory Commission. (An Honourable Member: "It is a misstatement of facts.") This is only about the voters. Out of the total number of voters, i.e., 1,280,000, 90 per cent. roughly come in through *pattadars*, and of this 90 per cent., 75 per cent.

[Raja Bahadur G. Krishnamachariar.]

pay less than Rs. 10. That is the position. That is the condition, that is the way in which the people are ground down in poverty.

Sir, I have in a sort of discursive way tried to place before the House facts in connection with the economic condition of the agricultural population, especially relating to Southern India, and I very respectfully ask the House that, before, it agrees to those items of taxation which would be placed before it, it should insist upon these things being redressed by the Government before agreeing to any such proposals. (Applause.)

Mr. B. Rajaram Pandian (Madura and Ramnad *cum* Tinnevely: Non-Muhammadan Rural): Mr. President, it is with a feeling of painful disappointment that I heard the deficit Budget presented by the Honourable the Finance Member. I had given notice of a token cut motion regarding kerosene oil in the Budget discussion, but some of my Honourable friends, who had given notice of similar cut motions, had already spoken about it, and hence I did not move mine.

Now, Sir, this is a matter in which every poor home is affected. In olden days, we had other oils, such as castor oil, for the lamps, but after the advent of kerosene, even in villages situated far remote from towns, you see, Sir, in every home kerosene lights. It has become a necessity in every day life, and without it, it is impossible for people to manage. In some places, where fuel woods are scarce, people use kerosene as fuel. In the rainy season, even in rich men's houses, they use kerosene first to light a stove, and in similar other ways. You are aware that in India most of the population are villagers; 80 per cent. of the population are agriculturists and are considerably poor. You are also aware that people are faced with a very gloomy situation owing to general depression all over, owing to floods due to excessive rainfall, and heavy damage to the crops and several other causes. The political unrest in the country also has contributed to a certain extent. This deficit Budget has taken the country by surprise, and every one is shocked. Every one is much agitated over these additional taxation proposals with a view to meet this deficit Budget. The enhancement of income-tax and super-tax has considerably affected the commercial class. Enhancement of taxes on luxuries will affect the middle class men. The increased duty on kerosene and sugar will affect every poor home. Sir, I would like to know who will feel pleased over these taxation proposals. Several Members of the House have abundantly given expression to their views on this unfortunate situation and at the same time have suggested several ways and means to meet this deficit without laying an additional burden on this poverty-stricken unfortunate country. The Government have come forward with a proposal of a Retrenchment Committee and many Members of this House, out of their own experience of committees, have clearly expressed the view that these committees have not improved matters to an appreciable degree. If I am permitted to suggest, Sir, I would suggest for the consideration of the Honourable the Finance Member that a further enhancement of taxes on the import of foreign liquors could be made and increased export duty to the extent of 25 per cent. may be levied on raw skins and 20 per cent. on raw hides. My Honourable friend, Mr. Jamal Muhammad, very clearly spoke the other day on the Budget speech about the proposed enhancement of export duty on raw hides and skins. I have received telegrams from the following important institutions,—The South Indian Liberal Federation, City Branch, South Indian Chamber of Commerce, South Indian

Merchants' Association, Tanners' Association, Dindigul, Skin Merchants' Association, Trichinopoly, and from the Calcutta *mujlis*, expressing their disappointment over the new taxation and asking me to place their grievances before this House, and to the Honourable the Finance Member for due consideration. My Honourable friend, Lala Hari Raj Swarup, elaborately spoke about the dumping of sugar the other day in the Budget discussion and carried his cut motion. Therefore, Sir, we have with all the vehemence that we could command to place the matter to the best of our ability before this House for due consideration and I cannot support the Bill as it stands.

Kunwar Raghubir Singh (Agra Division: Non-Muhammadan Rural):

First of all I wish to congratulate the Honourable the Finance Member on the lucidity of his expression in moving the Bill, and the completeness of the literature supplied to us but I will request him to see that this sort of literature should be supplied to us a little earlier, so that we might be able to study it and then give expression to our feelings in this House. The unfortunate feature of the proposals of the Bill is the taxation proposals. Now, Sir, the efficiency of a Government can be judged by its credit and by the efforts to reduce taxation. Mahatma Gandhi also laid stress on two things. The first was a change of heart, which fortunately seems to be forthcoming, but the second, the reduction of taxation, is not forthcoming. The position is worse because the Finance Member proposes a tax on several things, for example kerosene oil, which will hit hard the poorer classes, and this is a very good reason why it should not be levied. The betelnut tax also will fall under this category. The silver tax also comes third in this list. On account of its cheapness, poor people wanted to buy small articles of silver, but now they are debarred from doing so. Thirdly, I would point out that sanitation has not received sufficient attention nor village uplift, which are very necessary concomitants of Dominion Status. I would not prefer the destructive propaganda in Europe by Mr. F. L. Brayne, M.C., to the constructive work like that of Mr. P. W. Marsh, C.I.E., for village uplift. There is the question of economy which has not received sufficient attention. Fourthly roads. The condition of roads in my constituency is generally very bad. Particularly in Muttra and Mainpuri districts it is worse. When foreigners visit our country, do they like to praise your work and efficiency? No. Mr. Brailsford, a Member of Parliament, who visited the Mainpuri district recently speaks in very disparaging terms of the condition of the roads in the Mainpuri district. These things should be remedied before you hand over.

Retrenchment in the Army is the crying need of the hour. Do you think that by stopping the construction of some barracks here and some barracks there you will serve the purpose? No. The Department of Education of the Government of India should take more interest in the correction of the mistakes of new and reactionary Ministers than they have hitherto done. Lastly, I will appeal to the Honourable the Finance Member not to increase the income-tax, and instead reduce the Army Budget by at least two crores.

Mr. Jagan Nath Aggarwal (Jullundur Division: Non-Muhammadan):

I wish to draw the attention of the House to the problem of income-tax, which is a serious problem, Sir, for the present year. I trust the House will bear with me when I take it back to the early times when this tax first came on. The first all-India Act which applied this tax on incomes was in the year 1886. Right down from that year to 1918, this tax was

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assessed not by a specialised Department but by tahsildars and Deputy Commissioners, and it was assessed practically on certain general principles laying down almost a flat rate. If I may say so, it was a case of benevolent assessment. There was no question of very close scrutiny, looking into accounts and so on. You had to pay your tax with an occasional increase if you were found to be flourishing. In that way, it was a period of benevolent assessment. When the war came on, the yield from the tax was not found to be sufficient. Every year, it was pointed out that the income-tax yield was wholly insufficient for the needs of the country and then this specialised Department was brought into existence. First, the super-tax was added as a war measure. Now, Sir, it would repay to make a comparison. In the Budget figures for 1931-32 my Honourable friend, the Finance Member, has budgeted for 18.49 crores. For the last year, the figure was 15.79 crores and for the year before it was 16.70 crores, so that we are now in the neighbourhood of 16 to 18 crores under the heads of income-tax and super-tax. This is the second head of Government revenue, the highest being Customs which comes to 55 crores. How has income-tax come to be so important a source of revenue to the Government of India? We might just look back. If we start with the year 1911-12, we will find that the income-tax revenue calculated in pounds was roughly 1 million 642 thousand odd. Translating this into Indian money, we get roughly 2.40 crores. 20 years ago, we had an income-tax of nearly 2½ crores. There was no super-tax then. It gradually increased in 1912 and 1913. It was about 2.6 crores. In 1913-14 it was about 3 crores and in 1915-16 also it was about 3 crores. Now came the period of increase in 1918-19. Then we had something like 11 crores. The exact figure was £7,700,000. In 1919-20, the figure was 15 million pounds, something higher than even what we have today. That was soon after the war and it was about 22 crores. In 1920-21 we had £11 million, something like 15 crores. Now, Sir, we have seen how it has been gradually working up during the 20 years from Rs. 2 crores to Rs. 18 crores.

Now, Sir, we have to see, if this income-tax which is going to make a serious inroad on private incomes is not a serious problem for the middle classes. Now, I wish to examine the question whether the increase in the income-tax, the recent increase according to modern principles, has kept pace with the modern principles of assessment also. In other words, is the Honourable the Finance Member only to apply the rate according to modern conditions and not to apply the modern machinery of assessment or modern principles of taxation in applying this tax? Now, Sir, the first thing to which I would invite the attention of the House is that there is a distinction under the English law between earned and unearned income and earned income is treated differently from unearned income. Let me just examine the provisions a little bit more closely. A man living on the profits of investments, on money earned or inherited from the past, is treated in our country in the same way as a man who is living on his wits, being either engaged in the professions or making money by trade or otherwise. Now there is a world of difference between the two. The one has simply got to live, has got only to be there to make his earnings,—the other has got to work; and there is no justification for treating the two in the same way. There is, Sir, precedent for my contention in the English law. They say in England with regard to earned income, one-tenth—this was in the year 1923 and I speak subject to correction as to what has happened later.

perhaps there has been better relief—one-tenth of the income is deducted before you arrive at the taxable income. Is that principle applied here? About this relief to the middle classes, to the worker, to the trader, to the professional man there is no mention, not even a whisper from my Honourable friend, the Finance Member, that he is going to treat earned income in any such fashion.

Now, Sir, when we come to the various heads of exemptions and allowances under English law, we find a large number of them. We find, that there is firstly this allowance on earned income; then you have an allowance for your family, wife, children and dependants. If you have a wife, you are allowed a certain allowance. This was in that year for which books are available in the Library, *viz.*, 1923. Thus, if a man is supporting a wife, he gets an allowance of £225. Then if he has one or more children of school-going age at school or in the university, he has an allowance of £36 for the first child and £27 for every other child. If people in this country are taking steps to educate their sons, and daughters as well, then it is only right and proper that the person with a fixed salary or the professional man should be shown some concession for the way in which he is discharging the responsibility that lies upon him of educating the future citizens of the country. Now, Sir, if you do not have a wife in England you have also provisions for relief. If you have a house-keeper to look after your children, you are given certain allowances; and what is more, if you have a dependent mother or somebody else, whom you have to support—and the corresponding classes here have a very large number of dependants as a rule in this country—a certain allowance is granted. Now this provision has absolutely been ignored here. I therefore say it is a matter of disgrace that when you are going to raise the income-tax—which was formerly administered, as I said, in that benevolent way and which was just a paltry sum which came to the coffers of the Government and thus it was a matter in which people might not have had much to say—when the income-tax is going to be such a huge thing, when it is going to be direct taxation amounting to something like 5 crores more if the present Bill is passed, I submit it is a matter for serious consideration why all these exemptions, all these allowances, all these remedies I have cited should not be seriously considered by the Honourable the Finance Member.

Now, I come to another aspect of it. The question of these exemptions was mentioned also the other day by an Honourable Member of the European Group when he said that the first portion of this income up to a certain limit should be tax-free. That again is a problem. One can very well understand that when you are taxing a man's income, obviously some part of it which is used by him is not saved, and for that reason it is recognized in the advanced systems of administration that the first part of an income up to a certain limit must be treated as tax-free, or the rate of tax on the first part of an income (in England £225) is half the rate. Now, Sir, that is a very excellent suggestion and that is a principle which the Honourable the Finance Member might seriously consider, because we all know that 80 per cent. increase is going to be made in the case of the lower incomes, and 60 to 40 per cent. in the case of others. Now the point to which I wish to draw the attention of the House at this stage is the position of the ordinary landholder in this country. According to the principles in force in England, a man

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living singly pays according to a certain formula and is granted an exemption; a man living with a wife has a certain exemption; a man living with and supporting children and dependants has a certain exemption—what is the position in this country? You have the case of the joint Hindu family. Let us see if my Honourable friend has treated them fairly. If one person is living with his wife and children, he has an exemption; but what, if two persons are living with their wives and children? How is the Finance Bill going to treat them? It treats them by taking the incomes of the two and lumping them and then forgetting all about them. Is that a fair way of doing it? If you had two partners, and they were registered as a partnership with the Department you would only take the incomes according to their shares for purposes of taxing, and there is relief afforded in some ways. If a man is living with his wife and children, he gets all sorts of allowances in England: if two persons are living as partners, they get allowances even here; but what if two or three persons happen to live as branches of a joint Hindu family? The joint Hindu family, Sir, is an institution which has not disappeared in the course of generations; and I take it that the Finance Member is very well aware of its existence because he makes provision with regard to it under super-tax because he takes the initial limit for its tax at Rs. 75,000 as against an individual's Rs. 50,000. But he makes no provision for this Hindu family when you know that one branch, two branches or three branches may be living together because of the great sentiment that joint families should not be broken up, and I ask, where is the point in ignoring this vital principle? If two people live together, you allow them certain concessions, but if two members of the same family live together, you make no provision. I submit that is absolutely unfair; and when you have recognized this principle in the higher reaches of the income-tax administration, you must do so in the case of the lower reaches as well. I take it that it is far from the intentions of the British Government to penalize Hindu families and to disintegrate them. If that is not the case, then it is only fair and just that you should take a note of this also, that in the lower grades of the income-tax scale, the existence of the joint family should be taken into account, and according to the number of persons comprised in it, you should tax them according to their proportionate share. Now, Sir, there are various other matters which would press hardly on the assessees. One or two such were mentioned the other day. One concerns the commercial community and relates to the important question of the carry-forward of losses. As we all know, under the English law we have income-tax assessed on the basis of the average of three years. A man has an extraordinary income in one year, he probably has no income the next year, and a small income in the third year,—and you have the system of averages, and you are not treated unfairly. It goes year after year on the average of more than one year, but the difficulty here is that you may make a profit in one year and pay income-tax and the next year when you have incurred a loss you will be left severely alone. If in the next year you begin to make money, you will be taxed again on it regardless of the loss suffered in the past. The man who has suffered the loss has to meet it out of income but the income-tax people do not take this fact into consideration. This carrying-over of losses is a proposition which may be looked into.

Next, Sir, I come to a very important matter, namely, the matter of depreciation. Unless we have some sound principles, the administration of the law tends to repress industry and to stop the growth of trade and manufacture. Now, Sir, the ordinary law does not make any provision for the excessive working of mills. It is a matter which has come into prominence only recently that factories can work day and night. The ordinary principle of depreciation is that you can allow a certain percentage taking the factory to work 8 or 10 hours a day. But the depreciation will be much greater if it works day and night. No provision is made for such cases, and some provision should be made in this direction also. Now, Sir, in this connection the only redeeming feature that one can find in the Income-tax Bill which has been introduced by the Honourable the Finance Member is that he is going to catch the foreign investments of people in this country and he has tried to get them into his net.

Sir, I have pointed out a few of the heads under which improvement is very urgently needed in the administration of the law. Now, I come to another important subject, namely, the machinery of assessment. That is a subject on which a good deal can be done and ought to be done before long. Now, Sir, the present position of this centralised Department of the Government of India is that the tax is assessed by the officers of the Government who are appointed by the Central Board of Revenue. Appeals are heard by them and it is only when a question of law arises from the appellate decision that a reference can be claimed. The only outside body that can have any say in the matter is the High Court, and that only on a point of law. The facts are final so far as the Department is concerned, and the assessee cannot claim any outside body to sit in judgment to hold the scales even between the Department and him. In a matter like this, it is not only important to do justice and to be fair, but to have the appearance of being just and fair. When it is a question between the taxpayer on the one side and the tax levying agency on the other, it is of the highest importance that you must have a third party in the show. In this connection, I could not do better than quote the opinion of the Punjab Government, which was pronounced in the year 1923 when they reported on the working of the reforms. I am quoting from the Reforms Inquiry Committee's Report of 1923-24, pages 202-203. My Honourable friend opposite, Sir Fazl-i-Hussain, was then a Member of the Punjab Government and this note of the Punjab Government will repay perusal:

(At this stage Mr. President vacated the Chair which was taken by Mr. Deputy President.)

"There is another matter of general importance in which considerable difficulty has been experienced, the administration of the Income-tax Department. With the principle of a specialised department for assessment of the tax—especially in view of the more intricate form which the law now takes—there can be no disagreement. But the method of assessment, and the attention given to objections and appeals, have an important bearing on the political attitude of the monied classes. There was no feature more noticeable in the disturbances of 1919 than the sudden emergence of these classes as a political factor, deeply interested in the *Satyagraha* agitation; and it was recognised at the time that their change of attitude was due in part, at all events, to the recent enhancement of income-tax rates."

[Mr. Jagan Nath Aggarwal.]

I hope, Sir, my Honourable friend opposite will not have to face this situation this year.

"Under the present system, the local Government is liable to receive, and does indeed actually receive, complaints regarding the personnel and attitude of the Income-tax Department. It is obliged to confess its inability either to superintend or interfere with their operations. This was a danger which was forecasted by some local Governments when the system was introduced, and experience in the Punjab shows that their attitude was not unreasonable. It is difficult to suggest a remedy; a specialised department is necessary and should be under specialised central control. It is possible that a solution might be found in providing an appeal to the Courts on questions of fact as well as law. The people of this country are not yet prepared to accept the position that a department interested in the assessment and collection of revenue can properly provide the final tribunal for deciding on the correctness of questioned assessments."

These are the words of the Punjab Government and were pronounced eight years ago, that the final word in assessment should not be left with the Department and that we should have a third party to hold the scales even between the assessee and the Government. Now, Sir, with regard to this, it is as well to turn to the example of other countries. And in this connection I would just draw the attention of the House to the way in which these assessments are made in England. I am now quoting from Sanders' "Income-tax and Super-tax" and on page 2 of this book we find the following passage:

"Practically the sole conduct of Income Tax administration is entrusted by law to Commissioners, of whom there are two bodies—the Local Commissioners and the Special Commissioners. The former bodies are distributed throughout Great Britain in divisions of varying size, while the latter have offices in London and hold meetings in certain centres. . . . The taxpayer may exercise the option of assessment by either body of Commissioners, but, comparatively, assessment by Special Commissioners is seldom resorted to."

Then comes the important part:

"The local Commissioners are in no way interested in the amount of Revenue produced under their jurisdiction, and their duties are to see that the scales of justice are held fairly between the Inspector of Taxes and the taxpayer; and, in order to carry out the original intentions of the legislature, the Commissioners are allowed, for all material purposes, despotic discretionary powers on matters of hardship."

That is a matter to which I wish to draw the attention of the House. Here is a body from which you can claim assessment as a matter of right and who are entirely independent of the Board of Revenue and who are absolutely unofficial people. Further on we find:

"The District Commissioners are *absolutely* independent of the Board of Inland Revenue and of any other Government department, except in irrelevant details such as increasing the number of Commissioners."

That is an important aspect of the assessment and of appeals therefrom. In a way the position is that from their decision it is often the collector of income-tax who claims a reference to the High Court just as the assessee can also do. I shall make one more quotation from another book called

"The Income Tax in Great Britain and the United States" by Spalding. On page 248, I find the following statement:

"The General Commissioners are theoretically responsible, in their respective divisions, for the assessment and collection of the tax. They are entirely independent of the Board of Inland Revenue, and are local, unpaid officers. There are about 5,600 General Commissioners in the 725 divisions into which the United Kingdom is divided. They are nominated by the Land Tax Commissioners, ordinarily from their own numbers. How the Land Tax Commissioners are nominated is a matter of mystery! The 1920 Royal Commission made an effort to fathom this mystery, but with no great success."

In a way the proposition that we have now before us is that they have devised a system by which you have an independent body which goes into these points of assessment and also which hears appeals in these matters. If that is so, then a good deal of the hardship caused to the people is generally avoided. I submit that as we are going to alter the whole basis of the income-tax, and as we are making an extraordinary increase, it is time that we changed the fundamental basis also of allowances and deductions and of the machinery of assessment. We have seen that in the previous year we had a slight increase in income-tax and there were loud protests on the floor of the House, and this year we are budgeting for an increase of no less than 5½ crores. I submit that this is such a serious and alarming proposition, this income-tax Budget is such a heavy Budget, which will press on the middle classes and the wage earning classes, that immediate steps should be taken in the present Income-tax Bill by the Honourable the Finance Member to mitigate the hardships that will be caused to the people. In this connection, there are a good many provisions of the Finance Bill which one may examine, but I take it there will be time enough to discuss them when the various clauses will be coming up for consideration. Therefore, I will leave it for the present at this. (Applause.)

Mr. B. Das (Orissa Division: Non-Muhammadan): Sir, first of all I will offer my sympathetic consolation to my Honourable friends, Dr. Ziauddin Ahmad and Raja Bahadur Krishnamachariar, for tilting their two lances, the lance of education and the lance of agriculture against the grinding mill of taxation of the Honourable the Finance Member. The Honourable the Finance Member has no mercy for education, nor for agriculture. He has the machine of torture—the mill of taxation. It is the machine of inquisition that goes on grinding the masses so that they can be squeezed out of life. Sir, the *Statesman* characterised the Budget as a Swadeshi Budget. My Honourable friend, Mr. Arthur Moore, is not present here, but I believe he was the writer of that article. I should think the Honourable the Finance Member brought out a Swadeshi Budget; if I could thank him on behalf of those that will occupy the Treasury Benches two years hence, I do thank him on behalf of those gentlemen that will replace him. Every new Government will be faced with new taxation and the Honourable the Finance Member has solved that problem and has so raised the taxation that the increased expenditure that will be required under a democratic Government,—as the Honourable the Finance Member himself mentioned it on another occasion—they will meet it from the heavy taxation which has been levied by the Honourable the Finance Member and for which he does not get any credit today from this side of the House, but he will indirectly get credit from those that will succeed him there. My Honourable friend, Sir Fazl-i-Husain, who is now smiling, I hope, will

[Mr. B. Das.]

come by the other door and be a Member with us on the other side. Sir, since the Honourable the Finance Member made his announcement about the Retrenchment Committee, I have heard that there has been negotiation between the Honourable the Finance Member and the Leaders of Parties, and I understand that the Honourable the Finance Member has already changed his views about the scope of the enquiry of that Retrenchment Committee. I understand that negotiations are going on so that the Railways and the Army should form part of the enquiry by the Retrenchment Committee. If so, then I whole-heartedly support the idea of a Retrenchment Committee.

Another thing is this. Whether the Retrenchment Committee should consist only of Members of this House, and as the Honourable the Finance Member has subsequently conceded, a seat should be given to a Member of the other House, or better still there should be experts from outside from the country, these are matters which are to be settled between the leading Members on this part of the House and the Honourable the Finance Member. If this Retrenchment Committee is going to enquire into the Railways and the Army, the question arises whether there should be an official who has certain experience of the finances of the Army on that Retrenchment Committee and also, as the Honourable the Railway Member is so anxious that his affairs should be examined by experts—I believe he means technical experts—a technical man with railway experience may be added to that Committee, so that they can all go into the question of retrenchment thoroughly and comprehensively. But the Committee will not do any useful work, unless it has on its personnel an eminent Indian financier, who is not a Member of this House and who will carry on the necessary watch and compel the Government Departments to produce the necessary documents, which they are often chary enough to produce. If this Committee is at all going to come, it must sit soon and it must produce a Report by August or September next so that its recommendations are taken advantage of by the Honourable the Finance Member in retrenching his expenditure during the next six months of the Budget of 1931-32 and also in the next year's Budget. If that Committee chooses to

4 P.M.

report in March or April, 1932, then there is no necessity for that Committee to work, because those who will succeed the Treasury Benches will not get any material help, and as the Honourable the Finance Member has limited the scope of the enquiry of that Committee, and said that it will not go into the policy of the Army and the Railways and the Services, it will be better that the Committee should not materialise. But if the Committee will report by August next, then I whole-heartedly support the idea of a Retrenchment Committee.

I give now certain points which the Committee ought to examine and whereby the expenditure can be reduced. In 1922-23, there was the wild cry of the Services that the index of prices had gone up and so they got the Lee concessions, whereby they got certain overseas allowances and increments in their salaries. The Honourable the Finance Member himself produced a Blue Book in which the Director of Statistics has shown that the prices have fallen. While the Honourable the Commerce Member spoke on the Railway Budget, he said that the prices had fallen only for the Indians and not for the Europeans, but I do not agree with him. But the statement which the Honourable the Finance Member has produced shows that there is a drop in prices in the index figures for those who live

on the European standard of living also. Therefore I say, without going into the policy whether at present there can be a reduction in salary of the services from what was fixed by the Secretary of State at the time of recruitment, the Committee can reduce straight away all allowances in the shape of overseas allowances, Lee concessions and special allowances, and I would go to the extent to say that if the Committee cannot reduce these high rates of salaries for the superior services, there is really no use of appointing a Retrenchment Committee. Then, Sir, there is the abnormal increase in the number of special officers whether in the Army or in the railways or in the civil side and they all get abnormal allowances. All these allowances should be revised and reduced. If they are to be given certain allowances, then let these allowances be fixed on the same scale as they are in the provinces. Let the allowances be fixed at Rs. 150 or Rs. 250. I know instances in the Railway Board where special officers get allowances as much as Rs. 700 or Rs. 1,000 per month when they do some special work. This is not economy but this is waste of public money.

About other points of retrenchment, I would suggest only one Department, that is the Public Works Department, which is generally known as the Public Waste Department, of which my Honourable friend, Mr Shillidy, is in charge. Everybody knows that when Mr. Montagu visited India, he expected that 6½ crores of rupees would be spent on the new Capital of Delhi, but we now know that so much as 14½ crores were spent on it. I want to know what happened to the huge staff of Chief Engineers, Executive Engineers, Superintending Engineers that were employed under the P. W. D. Have they been discharged? I do not know and I do not believe that any staff has been reduced. They have all been absorbed in the P. W. D. to look after the drains and roads and building repairs of Delhi and the North-West Frontier Province civil works. There must be retrenchment in the P. W. D. and some of the posts of Superintending Engineers and Chief Engineers and Executive Engineers should be abolished. The whole of the Delhi Public Works Department can be managed by a Superintending Engineer or an Executive Engineer with a few Assistant Engineers. That is a side of retrenchment which the Committee ought to look into.

Then the other day my Honourable friend, Sir Joseph Bhore, pointed out that the Committee of my friend, Sir Cowasji Jehangir, which is going to look into the Postal Accounts will look also at the side of Postal retrenchment, and my Honourable friend, the Finance Member, also said that. But I said that there is no scope for that. I said the other day that already the Postal Department is going on with an increment of salaries owing to a mistaken policy to which, on account of appeals from this side of the House, Sir B. N. Mitra succumbed; and they have given a scale of salaries by which, as my friend, Sir Joseph Bhore, said, the expenditure of the Postal Department would be increased by another 50 lakhs. So I suggested about three years ago, and I suggest it once again, that the Postal Department should take steps to have combined post offices. The Postal Department already has Postmasters General who combine both telegraph experience and postal experience. They have got a combined man, a telegraph man, who controls the post office and the telegraphs, in Bombay and also I think in Burma. They should adopt that policy whereby certain high officers' posts can be abolished. Not only that, but

[Mr. B. Das.]

even in the smaller post offices, if they have combined post and telegraph offices, much of the staff can be reduced. Of course in the Postal Department, as my Honourable friend, Sir Cowasji Jehangir, will find when he goes into the details, there is a particular vested interest, the vested interests of telegraphists in Bombay and Calcutta as confined to the Anglo-Indian community. That is a thorny question, but that is a question which should be gone into, and it should also be considered whether a certain number of posts should be specially reserved at high salaries for a certain class whereby the losses of the Postal Department run into high figures. I may also mention the trunk telephone extensions whereby much loss is still being incurred. That point also should be gone into by the Retrenchment Committee.

Sir, about railway retrenchment we discussed it thoroughly at the time of the Railway Budget, and I hope the Retrenchment Committee will go into those criticisms and suggestions which were advanced from this side of the House.

As regards the Military Department I am glad that the Finance Member has thrown it open to be examined by the Retrenchment Committee. There are many special officers who knock about in Simla Army Headquarters with special allowances. It is well known that very recently British Army officers have had their salaries reduced by 8 or 10 per cent. I should like the Committee and also the Finance Member to examine whether similar reductions have simultaneously taken place in India and whether the allowances that Army officers get in India are not abnormal. I do not want to refer to the capitation charges because those will be altogether matters of policy which I hope my Honourable friend, Sir Cowasji Jehangir, will look into when he visits England for the next Round Table Conference.

Sir, I pointed out one thing in connection with the Railway Budget and I point it out again today. I find that as we are nearing the day of the transfer of control from the Treasury Benches to Indians, the expenditure on the non-voted side is going up abnormally. I challenged the Railway Department and at last after two or three challenges Mr. Parsons was pleased to say that they have no hand in it but it is the Secretary of State's order that the salaries of certain officers should be transferred to the non-voted side. I find the same thing in the Finance Member's Budget. I find that under Customs, from 2 lakhs 88 thousand it has gone up to 3 lakhs and 53 thousand; under Income-tax it has gone up from 2 lakhs 43 thousand to 4 lakhs and 12 thousand. I am comparing the figures of 1930-31 with those of 1931-32. Under Salt it has gone up from 17 thousand to 36 thousand; under Ports and Pilotage from 6 lakhs 55 thousand to 7 lakhs odd; under Meteorology from 39 thousand to 88 thousand; under the Indian Stores Department—which was supposed to be completely under the administration of this Legislature—it has gone up from 45 thousand to 1 lakh and 90 thousand; and I find that in the headquarters of the Indian Stores Department it has gone up from 36,700 to 1,48,000. Under Ecclesiastical, which is a Department which nobody wants, and which is completely non-voted, the expenditure has gone up from 29 lakhs 95 thousand to 30 lakhs and 17 thousand; and under Foreign and Political, which is my friend Mr. Acheson's Department and where he can spend anything he likes, it has gone up from 1,87,000 to 2,34,800.

Is it that the Secretary of State who sits at Whitehall wants not only that those Europeans who were recruited at home should be protected but that certain Anglo-Indians and country-born Europeans who were recruited here for subordinate posts should be also linked up with the non-voted side, so that when we get the control we will not be able to reduce their salaries or posts or ask them to leave their posts when we find that they are unfit for their posts? This is a very dangerous principle that has been introduced, and at a time when the control of the purse and power is going to be transferred from that side to this side.

Sir, I will now go into the system of new taxation. My friend, the Finance Member, has introduced various taxes. The other day my friend, Mr. Henthcote, suggested certain new taxes. He felt very sorry that income-tax was going to be put up and he suggested that *pan* should be taxed. Of course I did speak on it that day but since then I have studied the problem thoroughly and today I will say that the Finance Member can safely reduce the taxation which he has proposed under Income-tax and certain other heads and can increase the taxation under certain other heads. Sir, I suggest that there should be an equalising duty on kerosene oil. The Finance Member said last year that he has gone half-way in the matter of raising the excise duty on kerosene; I thought he would this year go the whole way. He went half-way last year and brought up the excise duty nearer to the duty on import. If he had got that figure equalised and kept at the figure of 3 annas I think the Finance Member would get another 52 lakhs more. Then I suggest to him that he has not put any excise duty on lubricating oil. Last year he found that there was no excise duty on the silver that is produced in India and he brought up a Bill before the House to do away that irregularity. But why not levy an excise duty on lubricating oil manufactured by the Burma Oil Company and the Attock Oil Company? Why not levy an excise duty on those lubricating and other oils? They are used mostly by rich people, like factory owners, millowners and motor car owners, and they can very easily afford to give a little bit more extra money and from this my Honourable friend can at least get another Rs. 5 lakhs, if not more.

I suggested the other day, and I again suggest, that my friend should put a duty on veneers and match splints. He knows that today the Swedish Trust, which is working in India, is proving to be a dangerous rival to the Indian match industry and that it imports not only planks and logs but also splints and veneers cheap. I think these duties can be doubled and my friend, Mr. Shankar Rao, can tell the Honourable the Finance Member how much extra money will come in thereby. The duty can be doubled or even trebled—I do not mind; but this Swedish Trust is proving to be a menace to the infant Indian match industry into which the Tariff Board was asked to inquire, but no action was taken by the Honourable the Commerce Member.

About kerosene I may say incidentally that I am supported in my suggestion by Sir Walter Layton who does not feel that an equalising duty will be a hardship to the oil industry in India. The subject was thoroughly discussed last year and my friend, Sir George Rainy, said that those oil industries were getting very huge profits—80 per cent. or more on their capital—not the original capital but on those shares which they have got as bonuses

The Honourable Sir George Schuster: Can the Honourable Member tell me exactly what his proposal is, at what figure he proposes to equalise the duty?

Mr. B. Das: I would suggest to equalise both—either at 2 as. 8 p. or at 8 annas because the Honourable Member is hard up: I do not mind which; because as I said, the Congress will come in next year or the year after and any heavy taxation at that time will make them unpopular in the country.

I am grateful to my friend, Mr. Jamal Muhammad, who presented the difficulties about the tanning industry of India. The currency policy of the Honourable Member's predecessor has reduced the 5 per cent. duty on export of hides and skins to nothing; it does not give the tanning industry any protection. If the Honourable Finance Member really wants any money, he could have put 15 per cent. or even 20 per cent. duty on hides and skins and thereby he would get a pretty good sum.

An Honourable Member: You mean an export duty?

Mr. B. Das: Yes.

Another Honourable Member: And kill the industry altogether?

Mr. B. Das: We must protect the Indian tanning industry and shoe industry and that is what the Madras tanning industry is trying to do. I am speaking on behalf of the Indian tanning industry and I am not speaking about the Indian skins merchants who make a little money by exporting skins

Dr. A. Suhrawardy (Burdwan and Presidency Divisions: Muhammadan Rural): The interests of the Madras people or the interests of the Bengal people?

Mr. B. Das: In the interests of Bengal I hope the day will come when my Honourable friend will not appear in a pair of foreign shoes, but put on shoes manufactured in Bengal. I think Bengal is producing a good number of shoes in her own tanneries: there is the Bengal Tanneries and a number of other companies

The Honourable Sir George Schuster: If the exporters make only a little money, as my Honourable friend says, will he tell me how I shall be able to raise a large sum of money by raising the export duty?

Mr. B. Das: I think the Finance Member knows better than I do. At present he is getting 27 lakhs. At 15 per cent. he will get something like three times that or perhaps a little less

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): How much tanned leather do they make against the export of skins?

Mr. B. Das: I am talking on behalf of those who want an export duty levied on Indian hides and skins. We want the Indian tanning industry to be self-supporting. In India there should be sufficient boot and shoe factories and they should not be competed with by foreign shoes imported from America or England. That is what we want.

For this year I have suggested only these five methods of taxation which will not affect the poor man; nor will they affect the lower middle classes, but at the same time they will bring in a large sum—probably a crore and a half or two crores to the Honourable the Finance Member's coffers.

I do not want to discuss anything about the ways and means Budget which my Honourable friend, the Deputy President, discussed the other day so elaborately and so ably. I was not present that day but I read last night the reply of the Finance Member and I am sorry I could not agree with him, although he accused the Honourable the Deputy President that he was biased with the views expressed in the Indian Finance. I do not know whether the Finance Member realises that the situation is getting very alarming. As my friend, the Honourable Mr. Shanmukham Chetty, said, his Paper Currency Reserve has gone down to 5 crores, and I do not know whether he will leave a solvent exchequer to his successor, the Congress Party, when they occupy the Treasury Benches, but, Sir, it is a very alarming position and I entirely agree with every word that fell from the Honourable the Deputy President. The Finance Member has done India a great honour by saying on several occasions that India's credit stands high; but what is the use of talking of India's credit when India's reserve is almost wiped out? Whether the process that Mr. Chetty suggested is right or not, some process must be adopted so that the Paper Currency Reserve should be increased. It is no use leaving an empty exchequer to his successor who will not be an Englishman as he knows right well and then damn him by saying that with the Congress coming into power India's credit went down. That is the charge which the present Finance Member should answer and not his successor.

Sardar Sant Singh (West Punjab: Sikh): Sir, being a new Member of this House and not being accustomed to tackle these vast problems of money, I naturally feel shy to contribute my quota to the discussion on the Budget. There are certain points in the Budget which strike a new man as if the whole of India is out of order. On the very first year of his coming to this Honourable House, one finds that there is a deficit of over 17 crores of rupees. This big figure frightens one away, and one begins to feel as to how it is that this country is being administered. Looking at the thing from this point of view, I find that four things strike me in studying the Budget. These four things are, that the military expenditure of this country is beyond the means of the people of this country. It is a colossal figure,—55 crores to be consumed by the military people of this land where there is no disorder and where there is no fear of any foreign invasion either, and yet a large part of the revenues of this land is being devoured by a giant in the shape of military organisation

Captain Sher Muhammad Khan Gakhar (Nominated Non-Official): Most of it goes to your community.

Sardar Sant Singh: Oh, yes, it does go to them, but if you take up paper and pencil in hand and calculate, you will find that my province and my community and your community combined do not get even a fraction of all the expenditure that is spent on the military. Most of it is devoured by the British troops which are known as the troops of occupation or as some call them, internal security troops. You and I get a very small part of it.

[Sardar Sant Singh.]

The second point which strikes me is that the form of administration which is carried on in this country is highly extravagant. The pay and salaries of officials both on the civil side as well as on the military side are on a scale which cannot be found in any part of the world. I base my conclusion on comparison of the per capita income of an Indian with the per capita expenditure on administration.

The third point which strikes me is that there has been a vast increase in taxation since the reforms were introduced in 1920. During the last decade with the exception of two years, we find that there have been a series of deficit Budgets, and they have all been met by raising taxation to the maximum capacity of the people. Now, my submission is that when the taxation is increased to a great extent, one certainly begins to question whether the administration that is carried on on such a lavish scale does anything to raise the average income of an Indian. Has it raised the average income of an Indian during the last decade? These are questions which require to be considered carefully. With regard to the first point, the chief source of income of an Indian is agriculture. Sir, I do not belong to the agricultural community. My friends who belong to the agricultural community have demonstrated the hollowness of the steps taken by successive Commissions of Inquiry appointed from time to time to increase the productive capacity of the cultivator. Though I am not a cultivator myself, yet my own dealings are with the agriculturists, and I find that the agriculturists are going down economically.

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

I come from a district which is considered to be the most prosperous district of agriculturists where irrigation has made life easy for the cultivators. Even in this district it will be found that during the last year or so the income of the agriculturists has gone down considerably—where at one time prosperity reigned, there is adversity today. People are reduced to much misery, and it is with very great difficulty that they have been able to meet the land revenue demand for the *Kharif*. From my own constituency I have received complaints to the effect that in one case land revenue has been paid by the cultivator by mortgaging his children. I can give the name and address of this person. This is how revenue has been paid this year. In one case there was nothing but an earthen pot left in the house of a cultivator, the rest he was compelled to sell in order to pay the land revenue. Now when such conditions prevail in a part of the country which was the most prosperous in the whole of India, what would be the conditions elsewhere? I do not know why the administration is sitting quiet and is feeling happy, when the whole country is burning. What has the administration done to help the agriculturists? That is the question. The other day when the general discussion on the Budget was going on, pointed references were made to the condition of the agriculturists, and it was expected that the Honourable the Finance Member would say something in his reply as to what he proposed to do to improve the condition of the agriculturists in India, but to the great disappointment of all of us, not a word was said about the agriculturists, not a reference was made in the whole of his speech. The whole complaint was quietly shelved for reasons best known to the Government. Now, my submission is that, unless some help is forthcoming in

the near future for the agriculturists, the conditions in the Punjab at any rate will go from bad to worse. The conditions that prevailed in the Punjab may best be illustrated by quoting a few passages from this book entitled "The Punjab Peasant in Prosperity and in Debt" by Mr. Darling. At page 20, after discussing the condition of the peasantry in the Punjab, he sums up the results of his statistical study as follows:

"It now only remains to sum up the statistical results of this very statistical chapter, and in doing so we should remember that they are essentially tentative. They are as follows:

1. Only 17 per cent. of the proprietors of the province are not in debt.
2. Mortgage debt is probably not more than 45 per cent. of the whole.
3. Average debt per indebted proprietor is Rs. 463.
4. Proprietors' debt amounts to 75 crores or 15½ times the land revenue, and total agricultural debt is 90 crores, or 19 times the land revenue.
5. The larger proprietor is more highly indebted than the smaller, but the latter is more heavily involved."

Now about the tenants he says:

"Debt is almost as widespread amongst tenants as amongst proprietors, but it is much lower in amount, averaging only Rs. 150 per family.

The total agricultural debt of the province averages Rs. 31 per cultivated acre, and Rs. 76 per head of those who are supported by agriculture.

This is probably less than a year's gross income, and in the case of proprietors it is roughly equal to three years' net income of their land.

Annual interest charges amount to over 10 crores, or nearly three times the total land revenue of the province.

Now, Sir, these are the conditions in which the agriculturist is living in the Punjab. With the high indebtedness and with the present low level of prices of agricultural produce, one would not wonder if the administration, which does not care to look to the interests of agriculturists even in the light of all the facts placed before them by their own officers, may find agrarian disturbances breaking out at the next harvest. If no adequate steps are taken to raise the prices of agricultural produce, it will be almost impossible for the peasants to meet the land revenue demand of the next harvest. A modest approach was made by me to His Excellency the Governor General to get His Excellency's sanction to move an amendment in this House for levying an import duty upon wheat which is being dumped into the ports of India by Australia and other countries, but my application has been declined with the remark that His Excellency the Governor General is unable to give sanction to move the amendment. This creates a serious situation, and I will tell the Honourable the Finance Member that, in order to do something for those who are providing him with the sinews for carrying on the administration, some steps should be taken to raise the level of prices of agricultural produce. (Mr. B. V. Jadhav: "And make foodstuffs dearer.") Dear foodstuffs will mean more prosperity and not less, because you cannot change the land revenue system. If you are to reduce the land revenue proportionately, if you are to reduce the prices of other things proportionately, then you can certainly say that a lower level of prices of foodstuffs means prosperity for the general population of the country. But if the land revenue remains the same, if the other taxes remain the same, if the salaries remain the same, in that case, how can you expect any cultivator to meet your demands?

[Sardar Sant Singh.]

Now, coming to the military expenditure, I beg to submit that this has been a complaint of this House for the last ten years, and yet no steps have been taken to remedy the evil. The only thing which gives me some consolation now is that the Honourable the Finance Member has accepted the suggestion that the proposed Retrenchment Committee should go into the question of the military expenditure as well, but with this proviso that the question of policy will not be touched. This is a big proviso, but I hope that, in order to reduce the burden of taxation, some concession, some indulgence will be shown to the Retrenchment Committee to go into the question of policy wherever that does not stand in the way of the security that the country enjoys from foreign aggression or internal disorder.

The next point to which I attach a good deal of importance is the most extravagant system of administration that is still being maintained in India. On this point, I may refer to the speech of the Honourable the Finance Member at the time when he introduced the Budget. In paragraph 50 of that speech he at any rate recognises the prevalence of this complaint. He says:

"A good deal has been said and written on this subject lately, and attention has been directed to reductions in the pay of Government servants which have recently been effected in other countries. The subject has also been ventilated in the discussion on the Railway budget, so that, to that extent, I am not treading on new ground in this House. It is an extremely difficult subject and one on which clear thinking is essential."

Further on, in paragraph 51, he says:

"It is often brought as a charge against British administration that India, a poor country, has been burdened with a heavy load of pay for costly officials at the top, specially British officials, and that the money required for education and other beneficial services, cannot be available until this burden is drastically reduced."

In these two paragraphs the complaint is recognised. The justification offered by the Honourable the Finance Member is in the next sentence. He says:

"If the matter is to be discussed on these lines, it is essential to be clear as to the facts."

And what are those facts on which the Honourable the Finance Member wants us to be clear? Let me read further from the same speech:

"But perhaps at this point, I, as one who brings an outside vision to bear on this subject, may be allowed to express the view that no country has ever had more devoted and self-sacrificing work, or, to descend to material grounds, better value for her money, than India has had from her Civil Services."

Well, the House will excuse me if I demur to that statement of the Honourable the Finance Member. In the old days, when people had not been awakened to their rights and did not complain about repression which was practised here and there, there was no trouble; but as soon as education advanced and the political rights came to be realised, it was discovered that this very Civil Service had entirely failed in discharging its duties towards the people of this land. It is largely writ on every phase

of administration of the country. The great poverty that is prevailing in the country today is the result of its administration. The disturbances of 1919, and later on, of 1923, and the disturbances of last year—are they not due to the inefficiency of the Civil Service in this country? They are. Why go so far back? Take the case of the civil disobedience movement, to which it is being said the present deficit Budget is due. May I ask the Honourable Members opposite, when they have conceded the principle of the Round Table Conference this year, why did they not concede it in 1922, 1923, 1924, when the demand was made by popular leaders like Pandit Madan Mohan Malaviyaji and Pandit Motilal Nehruji from the floor of this House? Why did they not concede that when they knew that the country was discontented with the present system of Government? When the Calcutta Congress gave one year's ultimatum to the administration that they would declare complete independence as their goal if steps were not taken to give a further advance in the reforms, why did the Civil Service wait till November 1929? And why was a halting reply given to Mahatma Gandhiji when he demanded certain assurances before going to the Round Table Conference? If they had vision and imagination, they should have recognised the people's rights in time, and thus I think most of the trouble would have been avoided. Then what happened during the last year—a year which I consider to be a year of Ordinances, when ordinary laws were as a matter of fact put aside and extraordinary laws promulgated? The members of the Civil Services committed blunders in dealing with the situation in the country; why should they not be made to pay for the deficit that has occurred on that account? If the Secretary of State sitting in England, or His Majesty's Government in England, did not realise fully the significance of the movement in India, why, Sir, should not the English exchequers be made to pay for the deficit that has occurred? The Honourable the Finance Member praises the Civil Services and says that they have given a good account of the salaries that they have been getting. Ah! I will illustrate it further by referring to what happened during the last year? A man goes to sleep without being conscious of having committed any offence. He wakes up in the morning to find himself a criminal. He committed no act during the night and was guilty of no omission. Then why and how did he come to be an offender? He is met with the reply that an Ordinance has been issued declaring the Naujawan Bharat Sabha an illegal association and that he was a member of it when it was not illegal to associate with it. Is it not a fact that hundreds, if not thousands, of young men were sent to jail, without knowing that they had been declared to be members of an illegal association. Protest after protest was raised before the trying Magistrates, but thanks to the combination of executive and judicial functions in the same officer—the Magistrate took no notice of legal objections, because a Magistrate in the mufasssil is nothing but a recorder of the decrees of the executive. The judicial officers sentenced men to varying terms of imprisonment, till the High Court pronounced all those convictions to be illegal. May I ask whether the Government of India was sleeping then? May I ask if the members of the Civil Service did not care to issue the necessary instructions, to see that the people understood the position when the Ordinances or the announcements were made? All this suffering was brought about by the lack of grasp of the situation by the members of the Civil Services and the same thing is happening today. After the settlement with Mahatma

[Sardar Sant Singh.]

Gandhi has been brought about, the Provincial Governments are not carrying out the instructions of the Government of India. I recently visited my place, and I found that many *satyagrahis* are still in jail, who are in some cases not guilty of violence at all and in others if they are guilty of violence at all it is technical violence alone. One illustration I want to place before this House. Certain young men got into a court room after the Magistrate had left the court. One young man sat in the chair and they held a mock court. One became a Public Prosecutor, one a defence counsel. The mock trial of the Magistrate was held. The public prosecutor pressed for the sentence of death to be given to the Magistrate who was the accused. The defence counsel argued that, because he was in the pay of the Government, he was bound to carry out the orders of Government. The person sitting in the chair said, "All right. Because he is an Indian, I do not want to give him the extreme penalty of law. I will send him to seven years' imprisonment". This was the mock trial. Then the police came and there was a hue and cry. The room was surrounded, and although the whole thing was only a play and a freak, those persons have been put in jail and they are in jail up to now. There was no violence and yet they have not been released. After all they only wanted to ridicule justice. Whether they did it rightly or wrongly, that is not my concern but one expects to treat it as a political case and those men have not been released in the liberal spirit in which the agreement was to be worked out. I have got five other cases with me in which the settlement has not been worked in the proper spirit. Therefore, I even now say that this praise bestowed on the Civil Service—that they are discharging their duty as public servants—is not the right sort of thing to say. I demur to this. I say that even now, when we are passing through a transition period and a period of negotiation—I do not know what may be the outcome of these negotiations—it is only simple honesty that both sides should keep to the spirit of the agreement and release the prisoners. I am not speaking of Lyallpur alone. I was reading the *Tribune*, the leading paper of my province, and I find that this is the general complaint in the Punjab, that the political prisoners have not been so far released. I bring this to the notice of the Treasury Benches so that they might remedy the evil even now. My friend, Mr. B. Das, tells me that the same complaint prevails in Bihar also. Not only this. There is one case in the North-West Frontier Province. I put a question about Tota Singh, who was interned under the Frontier Regulation Act. Though that question was put on the 11th February, 1931, the reply was only communicated yesterday. The reply is worth perusing. The facts of that case are that one Tota Singh was interned. He was not informed of the charge against him. He was not tried. He was sent away from Peshawar and interned in a village called Lukki in Bannu district. Questions were asked as to what were the charges against him, whether he made several applications to the North-West Frontier authorities, whether his letters were acknowledged, whether he was given any reply. What was the answer? The answer is a typical answer. It was this:

"Four representations were received from Tota Singh, the main object of all of which was to secure an increase in his allowance. In his first petition he made no mention of his ignorance of the offence for which he had been interned and there was no suggestion that the order was unjust,"—

as if it was for him to say that—

"In his later petitions, he protested his innocence but no reply was sent to these as there was no reason to believe that he was not fully aware of it."

Now, this is the sort of answer from the administration which is directly under the supervision of the Government of India. They admit that no reply was sent because the office in the North-West Frontier Province presumes that Tota Singh knows the charge. Now, there are only two ways of knowing it—firstly, by the warrant of arrest, and secondly, by the charge being read over to him. This is not alleged. Then there is a third way of obtaining information surreptitiously. How does the administration know that he knew the charge? Is it not a simple courtesy for any administration to acknowledge the letters received, especially from a person who is being detained without trial? The last portion of the reply is still significant:

"He was interned on the 30th May 1930. The Regulation under which he was interned ceased to be in force with effect from the 9th March 1931. The reply to the third part of the question is in the negative, and the last part does not arise,"—

and the last part was,—

"How long has Tota Singh been interned now, and when do Government intend to release him?"

There was no reply, though the Regulation ceased to have effect from the 9th of March, 1931. The ordinary law is that when a Regulation or Ordinance ceases to have the force of law, then *ipso facto*, automatically, the offence goes away and the person charged is entitled to discharge or acquittal. That is a very simple proposition of law. But in this case the reply is not that he has been released or he has not been released. There is no such reply. The reply is that the Regulation has ceased to exist, and the answer to the third part—whether Tota Singh offered to be tried by a judicial court—is in the negative and certainly the next question did not arise. Now my submission is that even now, whatever Tota Singh's fault is—and the fault stated in this reply is that he tried to interfere with the loyalty of the troops, that he attempted to undermine the loyalty of the troops and at a critical time inflamed feelings against the Government—now without trial, one cannot say how far this accusation is true, and how far it is wrong, but if the Administration has not material enough to put the man on trial, they should take the very first opportunity to release him when the general atmosphere is better and the danger is gone. But nothing of the sort has been done.

Mr. President: Order, order. I should like to ask the Honourable Member how long he proposes to continue.

Sardar Sant Singh: For half an hour or more, Sir.

Mr. President: The House will now adjourn till Eleven of the Clock tomorrow.

The Assembly then adjourned till Eleven of the Clock on Wednesday, the 18th March, 1931.