

Friday, 20th November, 1931

THE  
LEGISLATIVE ASSEMBLY DEBATES  
(Official Report)

*J.R.R.*

Volume VII, 1931

(4th to 20th November, 1931)

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SECOND SESSION

OF THE

FOURTH LEGISLATIVE ASSEMBLY, 1931



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NEW DELHI  
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1932

# Legislative Assembly.

## *President :*

THE HONOURABLE SIR IBRAHIM RAHIMTOOLA, K.C.S.I., C.I.E.

## *Deputy President :*

MR. B. K. SHANMUKHAM CHETTY, M.L.A.

## *Panel of Chairmen :*

DIWAN BAHADUR T. RANGACHARIAR, C.I.E., M.L.A.

MR. ARTHUR MOORE, M.L.A.,

SIR MUHAMMAD YAKUB, KT., M.L.A.,

RAI SAHIB HARBILAS SARDA, M.L.A.

## *Secretary :*

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

## *Assistants of the Secretary :*

MIAN MUHAMMAD RAFI, BAR.-AT-LAW.

RAI BAHADUR D. DUTT.

## *Marshal :*

CAPTAIN NUR AHMAD KHAN, M.C., I.O.M.

## *Committee on Public Petitions :*

MR. R. K. SHANMUKHAM CHETTY, M.L.A., *Chairman.*

MR. ARTHUR MOORE, M.L.A.

SIR ABDUR RAHIM, K.C.S.I., KT., M.L.A.

RAJA BAHADUR G. KRISHNAMACHARIAR, M.L.A.

MIAN MUHAMMAD SHAH NAWAZ, C.I.E. M.L.A.

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# LEGISLATIVE ASSEMBLY.

Friday, 20th November, 1931.

The Assembly met in the Assembly Chamber of the Council House at a Quarter Past Two of the Clock, Mr. President in the Chair.

## MEMBER SWORN:

Mr. Valangiman Krishnaswami Ayangar Aravamudha Ayangar, C.I.E., M.L.A. (Government of India: Nominated Official).

## THE INDIAN FINANCE (SUPPLEMENTARY AND EXTENDING) BILL.—contd.

MESSAGE FROM H. E. THE VICEROY AND GOVERNOR GENERAL.

**The Honourable Sir George Schuster** (Finance Member): Sir, I have a Message from His Excellency the Governor General.

**Mr. President:** Order, order. A Message from His Excellency the Governor General has been handed over to me now and I propose to read it out to the House.

(The Message was received by the Assembly standing.)

*"The circumstances in which the Legislature has been asked to consider proposals for heavy new taxation in the middle of the financial year are, as Honourable Members are aware, of a most exceptional character. They were such that it appeared to me and my Government that it was essential in the interests of the country and particularly for the protection of its financial stability that the revenue and expenditure should be balanced until the end of the next financial year. The proposals which appeared to us to afford the minimum financial provision necessary for this purpose were embodied in the emergency Finance Bill introduced at Simla on September 29th. The provisions of this Bill have now been altered by the Legislative Assembly in a manner which it is estimated would reduce the expected revenue by a total of about Rs. 4 crores over the period of 18 months which is in question. I have given most careful consideration to the position thus created and I am satisfied that I cannot consistently with my responsibilities allow this deficiency to remain uncovered. I therefore feel it to be my duty to recommend to Honourable Members the acceptance of amendments which will restore the position contemplated when the Bill was introduced. I earnestly hope that Honourable Members will support me in this action.*

(Sd.) WILLINGDON,

Viceroy and Governor-General."

NEW DELHI,

The 20th November, 1931.

[Mr. President.]

In addition to this a Recommended Bill has been handed over to me with the following marginal note by His Excellency the Governor General:

"In pursuance of the provisions of sub-section (1) of section 67-B of the Government of India Act, I, Freeman, Earl of Willingdon, do recommend to the Legislative Assembly that it do pass the Bill to supplement the Indian Finance Act, 1931, and to extend the operation of its temporary provisions, in the form hereto annexed."

**Sir Hari Singh Gour** (Central Provinces Hindi Divisions: Non-Muhammadan): Sir, I rise with a full sense of my responsibilities in making the statement that I am about to make. I make it perfectly clear that it implies no reflection personally upon His Excellency the Governor General. The whole system of the Government of India was altered by the Act of 1919. His Royal Highness the Duke of Connaught when he addressed the first meeting of the Legislative Assembly declared in the name of His Majesty the King that the principle of autocracy was dead. Those of us who believed that the principle of autocracy was really dead countered the opposition we received in the country and came to this House to co-operate with the Government. Sir, I am one of the very few remnants of the first Assembly. I have sat in it continuously from its inception down to date and you will believe me when I say how sad I feel when I pass my mind in retrospect over those 10 or 12 years that I have spent in this House. I had hoped that with the growth of time the conventions which were recommended by the Joint Parliamentary Committee would be given effect to and that the Government of India, if not responsible, would be responsive to the popular section of the House. The Bill that is now to be presented to this House speaks for itself. It is the best refutation of the hopes and aspirations of those who came to this House to inaugurate the reforms and to see that a new order would take the place of the old. Sir, we have sat here since the 4th of this month deliberating day by day upon the various provisions of this Bill. Our verdict is a considered verdict, and we should be stultifying ourselves if we once more acceded to the request that we should pass the unamended Bill now presented to this House merely because the occupants of the Treasury Benches so desire it. Sir, the least we can do and the least my party will do is entirely to dissociate itself from the further progress of this Bill. The responsibility is a responsibility of the executive Government. We the representatives of the people are unable to lend our assistance to place upon the Statute-book the Bill which is recommended for enactment.

**Sir Abdur Rahim** (Calcutta and Suburbs: Muhammadan Urban): Sir, having heard what my Honourable friend, Sir Hari Singh Gour, had to say on this occasion, I must say that the position of the rest of us on this side of the House becomes a difficult one. We have fought the Bill put forward by Government at every stage so far, but we have succeeded only as regards three or four of the items amounting altogether to four crores of rupees. The Government are however not disposed to accept any of the amendments that this House has carried and carried in spite of the solid official block and of others who always vote with Government. The position now is that it has been recommended so that the original Bill without any amendment should be passed by us. We all feel that such a course would be impossible for us to adopt. We should be defying public opinion if we lent our assistance to the original Bill being passed without the amendments which the House carried. It is

not possible for us to go in the teeth of public opinion, about which there cannot be the least doubt. It is quite possible for the Government, constituted as it is, to override public opinion, to say to the public of India, "Our judgment is far superior to yours. Whatever the needs of the country may be, whatever the feelings of the country may be, we are the sole judges of the situation, and we are determined to act as we like." A course of conduct like that is not open to us on this side of the House. We all know that as regards some particular items there might be difference of opinion. But so far as the amendments that have been carried are concerned, we have a very large consensus of opinion, almost the entire elected opinion is with us, except of course the British group. In those circumstances it is a very difficult position for us, who have always been willing to lend our best co-operation and assistance to Government in carrying out all legitimate and just measures, for we have to dissociate ourselves entirely from this proposal and to take up the attitude that we shall not take any further part in the discussion. The decision having been taken, we have to stick to it, especially when the decision we have taken is entirely in accordance with the demands of the country. We do not see that any good result will be achieved by taking any further part in these proceedings. We can talk as much as we like, but what is the good? We may criticise, we may point out what the real defects of the Bill are, but even though our criticisms may be just, they will have no effect whatever. The Bill will be passed. Sir, we have heard a great deal about unrealities and realities. Can there be anything more unreal than the position in which we are placed? A number of countrymen of ours are now sitting at the Round Table Conference in London. I would ask them, if my voice reaches there, to take note of the position, and to devise measures by which a position like this can never be repeated again in this country. I do not think I can take up the time of the House usefully by adding any further words. I would ask the Government to reconsider their position. They will not reconsider their attitude so far as this Finance Bill is concerned. But they must reconsider the whole position as regards the relations between the Government and the people of this country. This state of things cannot last. We have been sent by millions of people to this Assembly in order to help the country, but we find ourselves entirely impotent to do so. We have not got the least power to effect any change in the situation so far as Government measures are concerned. We feel, Sir, in these circumstances that it is not possible for us to take any effective part in the further discussions of this Bill. This is the position, Sir, we are driven to take up by the Government. It is not our choice. They have decided it for us. (Applause.)

**Mr. Muhammad Yamin Khan** (Agra Division: Muhammadan Rural): Sir, this recommendation, I must admit, came as a bolt from the blue to many of the Honourable Members in this House.

**Sir Muhammad Yakub** (Rohilkund and Kumaon Divisions: Muhammadan Rural): Not to you.

**Mr. Muhammad Yamin Khan**: To me also. I expected, Sir, that there would have been a kind of compromise between the Opposition and the Government, but instead, there is a kind of pre-determination that this Bill should be passed in this form. This position has been adopted by the Government in spite of the votes of all the elected Members on one side on certain particular items on which they thought they were truly

[Mr. Muhammad Yamin Khan.]

representing the feelings and the agitation in the country. The Government will think twice before overriding those decisions which have been taken by even the most moderate in this House. Consistently with the position which we took, after due deliberation and giving full thought whether retrenchment was possible or not and how the deficit could be met, we decided to vote in favour of particular amendments where we felt that there was no justification for the additional taxation and where the country felt greatly. We were convinced that retrenchment could be made to meet the amounts sought to be obtained by the items which we cut down. I expected really that there would have been a kind of revision by the House where the Government lost only by a few votes. But where there was a difference of 20 votes, and where all the elected Members had voted on one side, there was not so much scope for the Government to advise His Excellency the Governor General to recommend the Bill in the present form. As it has been recommended, the position taken up at present is that it has come up so suddenly. I think most of the Honourable Members are excited. Whatever attitude has been adopted by my Honourable friends, the Leader of the Opposition and the Leader of the Independent Party, that is mostly due to the excitement which was bound to be created by any recommendation, which comes so suddenly upon the House. We have not had sufficient time to discuss the matter in our own parties and between the parties. We have not given any time also to the Government to reconsider the position. Therefore, Sir, I would make a suggestion, if it could be possible for the Government to accept it, and if it could be possible for the two Honourable gentlemen and their parties to accept it. It is that the Assembly may adjourn till 11 o'clock tomorrow morning. By that time we may come to certain conclusions, and Government also, after knowing what is the attitude of the parties, and how far the Assembly is adopting a particular attitude, and may reconsider our position and try to come to a kind of compromise, rather than that the two sides meet in an uncompromising atmosphere. I make a suggestion, if you are pleased to agree, Mr. President, that this House may be adjourned till tomorrow at 11 o'clock.

**Mr. Arthur Moore (Bengal: European):** Sir, I have not myself ever been able to doubt, in view of the crisis which exists throughout the world and in view of the budgetary situation in nearly every country, the reality of the budgetary crisis which the Honourable the Finance Member had to face; but there have been certain doubts felt, one whether the Government of India were sufficiently in earnest in the pursuit of retrenchment and whether if the House would support them now and give them the supply that they required in this great emergency they would then continue to be equally zealous for retrenchments.

**Mr. President:** The Honourable Member is trying to deal with the question on its merits. The merits of the Bill are not before the House at present.

**Mr. Arthur Moore:** I was not aware that I was attempting to deal with the merits; I was merely trying to explain the reasons why in this quarter of the House we are prepared to support the Government in voting for the recommended Bill.



**Mr. President:** The recommended Bill will come for discussion when amendments are placed before the House. At present leading Members are making statements in regard to the recommendation by the Governor General. When the amendments are placed before the House every Honourable Member will be entitled to give expression to his views.

**Mr. Arthur Moore:** In view of that, Sir, I shall confine myself to stating that whereas objection has been taken to particular portions of the Bill, we in this quarter of the House are now, entirely and unanimously satisfied that the reasons given by His Excellency for the course which he has felt compelled to take are such as warrant us in giving our support to the Finance Member this afternoon.

**Mr. C. S. Ranga Pyer** (Rohilkund and Kumaon Divisions: Non-Muhamadan Rural): Sir, I neither rise to associate myself with the Leader of my Party, Sir Hari Singh Gour, nor to dissociate myself from his observations. Leaving the matter there at present, I should like to say with the responsibility attaching to my position both in my Party and on this side of the House that we are face to face with an extremely difficult situation. I do not propose to go into the merits of the Supplementary Finance Bill at this stage, as I respectfully bow to your suggestion, made when the Honourable the Leader of the European Group was speaking, not to discuss the merits of the Supplementary Finance Bill. I do not propose to discuss either the recommended form in which it has come back to us after our vote on that question. Sir, it is a matter certainly for deep gratification that His Excellency the Viceroy, before recommending this Bill to us in this form, inaugurated the constitutional practice of consultation before certification, which I consider as a mile stone on the road of Montagu Reforms. Sir, the Opposition nominees have had their say on the subject this morning elsewhere. So far as I was concerned I had the pleasure that my suggestion in my Party yesterday as to who should represent my Party in that discussion was unanimously accepted. Sir, it is an extremely difficult position, and opinion will certainly differ whether we should practise a vow of silence on this side of the House when the Finance Bill is taken into consideration, or use our constitutional right of discussing it and voting on it at the remaining stage. Sir, it is very sad, confronted as the Finance Member is with a terrible situation to balance the Budget, so that trade in this country may be balanced and confidence in the stability of our finances restored, it is very painful indeed to think that the Honourable the Finance Member could not find it possible to advise His Excellency the Viceroy to accept the verdict of this House. Had that been done, a greater constitutional right would have been achieved, because we have not practised obstruction from this side. We did not reject his demand for 26 crores of rupees. All that we demanded was "cut down 4 crores". Sir, there is such a thing as bowing to the verdict of the Opposition in this House which would have created greater confidence out in the country in constitutional practice.

**The Honourable Sir George Rainy** (Leader of the House): I rise, Mr. President, out of courtesy to my Honourable friend, Mr. Yamin Khan, and the suggestion which fell from him. As regards the suggested adjournment, Mr. President, I would only say this, that our attitude has always been that, if an adjournment was asked for till tomorrow in order that the Leaders of Parties and Groups might consider what action they would take, there would be no objection from this side. But I should be misleading the House, Mr. President, if I were to give

[Sir George Rainy.]

any encouragement to the suggestion that an adjournment might lead to something in the nature of a compromise or an arrangement. Before I sit down I would add this, that in any action which the Members of the Government have had to take or to advise, they have been very deeply conscious of the responsibility that rests upon them. That is the first thing. They also fully appreciate the difficulties which Members who sit in Benches opposite have to face, and we respect the motives from which they act. Whether we consider the particular course they take is right or not, we do appreciate and respect their motives.

**Mr. President:** The amended Bill and the proposed amendments will now be circulated amongst Honourable Members. I will then call upon the Honourable the Finance Member to move his first amendment.

(The amended Bill and the amendments were then distributed to Honourable Members.)

**Mr. President:** The Honourable Sir George Schuster to move the first amendment as recommended.

**The Honourable Sir George Schuster:** Sir, I beg to move the amendment—and I understand it is necessary for me to read the whole of this rather complicated amendment.

**Mr. President:** It has to be read.

**The Honourable Sir George Schuster:** Sir, I beg to move:

“That in Part I of Schedule I, the following items be inserted as Items Nos 3 and 11, namely:

‘3. In Part I, the heading ‘Machinery’, and Items Nos. 18A, 18B, 18C and 18D shall be omitted.’ and

‘11. After Item No. 59, the following heading and items shall be inserted, namely:

#### ‘ MACHINERY.

59A MACHINERY, namely, such of the following articles as are not otherwise specified:—

- (1) prime-movers, boilers, locomotive engines and tenders for the same, portable engines (including power-driven road rollers, fire engines and tractors), and other machines in which the prime-mover is not separable from the operative parts;
- (2) machines and sets of machines to be worked by electric, steam, water, fire or other power, not being manual or animal labour, or which before being brought into use require to be fixed with reference to other moving parts;
- (3) apparatus and appliances, not to be operated by manual or animal labour, which are designed for use in an industrial system as parts indispensable for its operation and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose;
- (4) control gear, self-acting or otherwise, and transmission-gear designed for use with any machinery above specified, including belting of all materials other than cotton, hair and canvas ply and driving chains, but excluding driving ropes not made of cotton;
- (5) bare hard-drawn electrolytic copper wires and cables and other electrical wires and cables, insulated or not and poles, troughs, conduits and insulators designed as parts of a transmission system, and the fittings thereof.

*Note.*—The term ‘ industrial system ’ used in sub-clause (3) means an installation designed to be employed directly in the performance of any process or series of processes necessary for the manufacture, production or extraction of any commodity.

- 59B The following TEXTILE MACHINERY AND APPARATUS by whatever power operated, namely, healds, heald cords and heald knitting needles; reeds and shuttles; warp and weft preparation machinery and looms; bobbins and pirns; dobbies; Jacquard machines; Jacquard harness linen cards; Jacquard cards; punching plates for Jacquard cards; warping mills; multiples box sleys; solid border sleys; tape sleys; swivel sleys; tape looms; wool carding machines; wool spinning machines; hosiery machinery; coir mat shearing machines; coir fibre willowing machines; heald knitting machines; dobby cards; lattices and lags for dobbies; wooden winders; silk looms; silk throwing and reeling machines; cotton yarn reeling machines; sizing machines; doubling machines; silk twisting machines; cone winding machines; piano card cutting machines; harness building frames; card lacing frames; drawing and denting hooks; sewing thread balls making machines; cumbli finishing machinery; hank boilers; cotton carding and spinning machines; mail eyes, lingoes, comber boards and comber board frames; take-up motions; temples and pickers; picking bands; picking sticks; printing machines; roller cloth; clearer cloth; sizing flannel; and roller skins.
- 59C PRINTING AND LITHOGRAPHIC MATERIAL, namely, presses, lithographic plates, composing sticks, chases, imposing tables, lithographic stone; stereo-blocks, wood blocks, half-tone blocks, electrotypo blocks, process blocks and highly polished copper or zinc sheets specially prepared for making process blocks, roller moulds, roller frames and stocks, roller composition, lithographic nap rollers standing screw and hot presses, perforating machines, gold blocking presses, galley presses, proof presses, arming presses, copper plate printing presses, rolling presses, ruling machines, ruling pen making machines, lead cutters, rule cutters, slug cutters, type casting machines, type setting and casting machines, paper in rolls with side perforations to be used after further perforation for type-casting, rule bending machines, rule mitring machines, bronzing machines, stereotyping apparatus, paper folding machines, paging machines and clarified liquid glue but excluding ink and paper.
- 59D COMPONENT PARTS OF MACHINERY, as defined in Nos. 59A, 59B and 59C, namely, such parts only as are essential for the working of the machine or apparatus and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose :

Provided that articles which do not satisfy this condition shall also be deemed to be component parts of the machine to which they belong if they are essential to its operation and are imported with it in such quantities as may appear to the Collector of Customs to be reasonable."

That is the end of that long amendment. I might possibly take this opportunity of explaining to the House that the amendments are all of them so framed as to restore the Bill to the form in which it was originally introduced, with two small alterations, that is to say, that the amendment moved by my Honourable colleague, Sir George Rainy, as regards printers' ink has been incorporated, together with the amendment which stood in the name of my Honourable colleague, Sir Joseph Bore, as regards postal rates which was not moved because there was no opportunity to move it. Those two amendments have been incorporated and otherwise the effect of these amendments is to restore the Bill to its original form. I am sure that the House will not desire to hear any long speech from me on this occasion, and if I say anything at all on the general attitude of the Government in coming back to the House with these amendments, I do so not because I wish to weary the House but because I could not be silent of this subject without myself feeling that I was not doing justice to the gravity of the occasion and to the serious nature of the action which we are taking. I should like to associate myself with what my Honourable colleague, the Leader of the House, said about the sympathy with which he listened to the remarks of the various party leaders on this subject. I can assure Honourable Members opposite that if they object to this form of procedure, their objections are felt with equal, possibly with even greater strength, by

[Sir George Schuster.]

us on this side of the House. But we feel that we have been forced into this position by the nature of the present constitution. We feel that we have been forced into this action because no other course would be consistent with the responsibility which we at present hold; and I would remind Honourable Members opposite . . . . .

**Mr. President** (Noticing Members audibly conversing in the Chamber): Order, order.

**The Honourable Sir George Schuster:** I think, Sir, seeing that we have throughout listened with courtesy to everything that has fallen from the other side that we are entitled to a certain amount of attention from the opposite Benches. I am grateful to you, Sir, for having called attention to the point.

Reverting to the point which I was making, I would say this. We are not out to make debating points now, and I believe that it has been recognised by all those who have taken part in these debates that we have substantial justice in our case and also—I am referring now to certain definite speeches made on the other side—that the speaking, and perhaps, more than the speaking, the voting has taken place in something of an atmosphere of unreality. Honourable Members opposite have often, or at any rate some of them have, I believe, recorded their votes rather in support of a principle than in opposition to the particular measures on which they voted, and I hope that I am not incorrect in feeling that they have on some occasions been impressed by the arguments which we ourselves advanced in favour of certain proposals, and that the fact they did not vote accordingly is not in itself a condemnation of the course which we recommend.

Sir, the speakers on the Opposition Benches have put some emphasis on the fact that this House has passed almost the whole of our proposals. We feel grateful for that support which has enabled us to secure a majority of the House for the outstanding part of our proposals. But I would remind my Honourable friends who sit directly opposite to us that we have not had very much support from them in this matter, and that if our proposals have got through with the loss of only 4 crores, it has not been on their votes that we have relied for getting the bulk of what we have received votes for in the House. I would refer to one other point, and that is, that the particular measures, which have been rejected, amounting as they do to measures which would produce the substantial sum of 4 crores, were measures which it would have been particularly difficult for us to abandon, because they were those which went outside the ordinary field and which tapped new sources and which gave us some hope of broadening the basis on which we were relying. That made it particularly difficult for us to consider any modification under those heads.

Apart from that, I must come back to our general position which was this, that the only way, in which we could perform that task, which we considered to be necessary in the interest of India, was to provide a balance for the next 18 months, and that if we had accepted these amendments, we should have had to stand before the world as having failed to give effect to that purpose. We do not believe that we should have been justified in accepting that failure. That, Sir, is the ground on which we stand.

I think if I may give expression to the feelings which I and my colleagues entertain, that aspect of the matter which gives us most concern is that, having come to this conclusion, we should appear to be ignoring the whole effect of the past 15 or 16 days' discussion. I wish to assure

Honourable Members that that is not the case, that the discussion which we have had has not been fruitless. I should like to remind Honourable Members of a similar situation which arose in connection with the last Finance Bill, and on that occasion I, speaking on behalf of Government, said that we understood that the main point which had been made by the Opposition, the main principle for which they stood, was that the campaign of retrenchment must be pursued. I would like to put it to Honourable Members that in their action in the discussion of the last Finance Bill they did achieve a very substantial purpose. If we had not had that discussion, if we had not had that expression of public opinion, I doubt very much whether we should have felt we had that support necessary to carry out the measures of retrenchment which we are now introducing. I as Finance Member at any rate can express my gratitude to Honourable Members opposite for the support which I received from them in carrying out what was a very necessary task. I think the same thing holds good to-day, and that even if we find, for the reasons which I have explained, that we cannot give exact effect to the course which stands with the support of the vote of the House, if we cannot give exact effect to that course, we will endeavour to give the fullest possible effect to the spirit which we understand to lie behind what has fallen from Honourable Members opposite. We believe that in their attitude, rather than expressing opposition to particular proposals, they have intended to emphasise to the Government the need for further pursuit of the policy of retrenchment, and I should like to repeat once more on this occasion the assurance which I have already given that the Government fully respect that opinion, and that all that has been said on that subject or any other subject connected with it will not go unheeded.

Sir, I do not propose to say any more on the subject. No doubt Honourable Members opposite would like some more substantial acknowledgment, but I assure them that the acknowledgment which I have given them is a very real one.

On the merits of this particular amendment regarding the question of machinery, it is unnecessary to go over again the ground which has been traversed, but I would like to inform the House that in this case and in the case of some other duties which were in question, the fact that they were in question has elicited from the public or rather from the persons engaged in those particular trades some expression of opinion, and I have been approached now in these last few days by representatives of machinery works in India who have represented that they are doing an important business,—one particular concern has sent up an account of its affairs, it is employing about 2,000 men in Bengal,—that there is an important machinery industry which will be very severely prejudiced by the increased duties on raw materials and other articles which are being imposed in this Finance Bill, and whose difficulties in carrying on will be very great unless they get some sort of protection from countervailing duties on their own products. I do not wish to give the House figures on this subject, because such figures as I have got come from interested parties, and I have not had time to verify them, but, Sir, I think it is worth while to mention the point because it was not made in the earlier discussions that there is a very important machinery industry in India which employs a very large number of men and that, therefore, in imposing this duty there would be achieved some benefit to Indian industry. It is not merely a case of imposing burdens on those industries that use machinery, but there is a very important industry engaged in the manufacture of machinery. Sir, I move.

3 P.M.

**Mr. B. Das** (Orissa Division: Non-Muhammadan): Sir, I think the Honourable the Finance Member, when he moved the recommended Bill, expected that his proposal would meet with the same fate that it met with last March. Sir, for us, there is no other way but to consistently oppose it and vote it down. It does not matter if under the constitution the Governor General has the power to certify. Let it be certified, but the non-officials by a majority have signified their intention, namely, they want to cut down the taxation by four crores. If we analyse the four crores of taxation, one crore would not come to the exchequer in the current year, and if the Honourable the Finance Member thinks that there is some common sense left in the Opposition, he could come back next March if he finds himself in a difficulty and we might be able to consider and revise our opinion. Not only will we give him then the four crores of rupees that we have taken off at present, but there are some of us here who think that the present taxation proposals will not be sufficient to meet the encumbrances of the Government of India. The Government of India will need more, and an emergency may arise as a result of which the Government of India will have to come forward with fresh proposals for taxation in March next. There is the possibility of such an emergency. If the Honourable the Finance Member can be an oracle and say that there will be no such occasion, I can only say, good luck to him. His prophecy of last March did not come true, and he had to summon a special session of this House.

The Honourable Member said that a certain Bengali machinery merchant has wanted protection. I am interested in machinery manufacture, but I am more interested in the industrial development of India. I would ask the Honourable the Finance Member to apply the test which his colleague the Leader of the House applied as the Commerce Member, —whether machinery manufactured at present in India comes up even to  $\frac{1}{2}$  per cent. of the requirements of machinery in India. If that be not the case, then there is no necessity of trying to give protection to machinery when industries will suffer. The Honourable the Finance Member said that his taxation proposals will give protection, which will be an incentive to Indian industries. The Indian industries want to profit, but if there is heavy taxation on machinery, then there is no chance for the industries to supplement new machinery or for a new industry to start. On that consideration alone there should have been no taxation on machinery, but the Honourable the Finance Member thought it advisable, and his colleagues thought it wise that they must advise His Excellency the Governor General to recommend the Finance Bill in its original form to this House. Sir, in spite of this recommendation from a very high quarter, I think that it has been done in haste, and so I oppose it.

**Mr. N. B. Gunjal** (Bombay Central Division: Non-Muhammadan Rural): (Made a speech in Hindustani, a translation of which is printed as an appendix to these proceedings.)

**Mr. C. S. Ranga Iyer**: Sir, I should not have risen to make the speech that I am making now but for several reasons, the most direct of which is the Finance Member's statement that the "Opposition sitting directly against us" contributed so very little in this debate by way of co-operation. I hope I am representing the Finance Member correctly. He is an old Member of this House, even as I am an old Member of this House, and on one historic occasion, both of us happened to co-operate against what I may describe as parliamentary—I was almost going to say Parnelian—obstruction.

We have certainly opposed the Government. The duty of the Opposition is to oppose the Government, and nobody knows this better than the Finance Member himself, who has been not only a close student, but an active student of, an active partaker I should say, in British politics. Sir, I do not believe in being on the Opposition Benches and not opposing. I do not believe in *flight* but *fight*. Perhaps the Finance Member thought that if the direct Opposition had its own way, we would not have cut down only four crores. Sir, it is a question of how much the House has voted, and the House has voted against four crores out of 26 crores. When we had effected such a moderate cut,—the Honourable the Finance Member knows as much as any one on this side of the House, though there do not seem to be many people on this side of the House, (Laughter.)—the Honourable the Finance Member is surely aware that if we had not opposed, even those four crores would not have been voted against.

The Honourable the Finance Member has used that interesting phrase that he proposes to pursue "a campaign of retrenchment" and he said that he has already pursued a campaign of retrenchment. I wish he had pursued that campaign of retrenchment a little further, at any rate to the extent to which the Assembly refused him money. It is only four crores out of 26. What will people out in the country say? I wish there had been some imagination on the side of the Government. I wish that the Honourable the Finance Member had exercised some little imagination, for what will the country say? If what Mahatma Gandhi has stated in his letter to Lord Irwin is true, that the Round Table Conference is crumbling, he and his associates will come to this country to wreck every constitutional movement, and once again proclaim the policy of walk out, obstruction within and destruction outside, and no one has contributed, Sir, more to that policy of obstruction within and destruction outside than the Honourable the Finance Member by advising His Excellency the Viceroy to bring this Bill back in the form in which it has been brought back. I am afraid I am talking with a certain amount of feeling, but it is my duty, representing as I do the feeling in the country, to speak as I feel. I know the Honourable the Finance Member is faced with great difficulties, but surely the Government can borrow four crores, if borrowing was absolutely necessary, but if it was not sound finance to get the four crores by retrenchment, in some way or other. They have appointed Retrenchment Committees and no one repudiated my pessimism more enthusiastically than the Finance Member himself when he said the other day that the Retrenchment Committee's Reports will be of "considerable use" to the Government. That is not my phrase. It is his phrase and he said, "I entirely repudiate the Honourable Member". Yes, he repudiated me and I stand repudiated, but why has he repudiated the Retrenchment Committee itself when he said that the recommendations of the Retrenchment Committee will be of considerable use and not put them to use on this occasion? That is a thing which I cannot understand. I wish the Government had found these four crores by retrenchment.

I do not want to prolong this debate. I am as anxious as others to conclude the deliberations today, being a party to the agreement between you, Sir, and certain Members of the House that we should not prolong the discussion beyond a certain stage. That is the only reason why I have not taken part so much as some Honourable gentlemen on this side during the discussions of this session, and that is also the reason why I do not want to speak further. Lastly, Sir, I wish that the verdict of

[Mr. C. S. Ranga Iyer.]

the Assembly on this particular matter had been accepted by the Government, for that would have been an effective reply to those who say, "Boycott the Legislature".

**Mr. President:** The question is:

'That in Part I of Schedule I, the following items be inserted as Items Nos. 3 and 11, namely:

'3. In Part I, the heading 'Machinery', and Items Nos. 18A, 18B, 18C and 18D shall be omitted,' and

'11. After Item No. 59, the following heading and items shall be inserted, namely:

### ' MACHINERY.

59A MACHINERY, namely, such of the following articles as are not otherwise specified:—

- (1) prime-movers, boilers, locomotive engines and tenders for the same, portable engines (including power-driven road rollers, fire engines and tractors), and other machines in which the prime-mover is not separable from the operative parts;
- (2) machines and sets of machines to be worked by electric, steam, water, fire or other power, not being manual or animal labour, or which before being brought into use require to be fixed with reference to other moving parts;
- (3) apparatus and appliances, not to be operated by manual or animal labour, which are designed for use in an industrial system as parts indispensable for its operation and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose;
- (4) control gear, self-acting or otherwise, and transmission-gear designed for use with any machinery above specified, including belting of all materials other than cotton, hair and canvasly and driving chains, but excluding driving ropes not made of cotton;
- (5) bare hard-drawn electrolytic copper wires and cables and other electrical wires and cables, insulated or not and poles, troughs, conduits and insulators designed as parts of a transmission system, and the fittings thereof.

*Note.*—The term 'industrial system' used in sub-clause (3) means an installation designed to be employed directly in the performance of any process or series of processes necessary for the manufacture, production or extraction of any commodity.

59B The following TEXTILE MACHINERY AND APPARATUS by whatever power operated, namely, healds, heald cords and heald knitting needles; reeds and shuttles; warp and weft preparation machinery and looms; bobbins and pirns; dobbies; Jacquard machines; Jacquard harness linen cards; Jacquard cards; punching plates for Jacquard cards; warping mauls; multiples box sleys; solid border sleys; tape sleys; swivel sleys; tape looms; wool carding machines; wool spinning machines; hosiery machinery; coir mat shearing machines; coir fibre willowing machines; heald knitting machines; dobbie cards; lattices and lags for dobbies; wooden winders, silk looms; silk throwing and reeling machines; cotton yarn reeling machines; sizing machines; doubling machines; silk twisting machines; cone winding machines; piano card cutting machines, harness building frames; card loom frames; drawing and denting books; sewing thread balls making machines; cumbli finishing machinery; hank boilers; cotton carding and spinning machines; mail eyes, lingoes, comber boards and comber board frames; take-up motions, temples and pickers; picking bands; picking sticks; printing machines; roller cloth; clearer cloth; sizing frame; and roller skins.



- 59C. PRINTING AND LITHOGRAPHIC MATERIAL, namely, presses, lithographic plates, composing sticks, chases, imposing tables, lithographic stones, stereo-blocks, wood blocks, half-tone blocks, electrotype blocks, process blocks and highly polished copper or zinc sheets specially prepared for making process blocks, roller moulds, roller frames and stocks, roller composition, lithographic nap rollers, standing screw and hot presses, perforating machines, gold blocking presses, galley presses, proof presses, arming presses, copper plate printing presses, rolling presses, ruling machines, ruling pen making machines, lead cutters, rule cutters, slug cutters, type casting machines, type setting and casting machines, paper in rolls with side perforations to be used after further perforation for type-casting, rule bending machines, rule mitreing machines, bronzing machines, stereotyping apparatus, paper folding machines, paging machines and clarified liquid glue but excluding ink and paper.
- 59D. COMPONENT PARTS OF MACHINERY, as defined in Nos. 59A, 59B and 59C, namely, such parts only as are essential for the working of the machine or apparatus and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose :

Provided that articles which do not satisfy this condition shall also be deemed to be component parts of the machine to which they belong if they are essential to its operation and are imported with it in such quantities as may appear to the Collector of Customs to be reasonable."

The Assembly divided :

AYES 48.

Ahmad Nawaz Khan, Major Nawab.  
 Allah Baksh Khan Tiwana, Khan Bahadur Malik.  
 Ayangar, Mr. V. K. A. Aravamudha.  
 Azizuddin Ahmad Bilgrami, Qazi.  
 Bajpai, Mr. R. S.  
 Banerji, Mr. Rajnarayan.  
 Bhole, The Honourable Sir Joseph.  
 Cosgrave, Mr. W. A.  
 Crerar, The Honourable Sir James.  
 Dafal, Dr. R. D.  
 DeSouza, Dr. F. X.  
 Desanges, Mr. H. C.  
 Dyer, Mr. J. F.  
 Elliott, Mr. C. B.  
 Fox, Mr. H. B.  
 French, Mr. J. C.  
 Graham, Sir Lancelot.  
 Heathcote, Mr. L. V.  
 Hira Singh Brar, Sardar Bahadur Captain.  
 Howell, Mr. E. B.  
 Jawahar Singh, Sardar Bahadur Sardar.  
 Knight, Mr. H. F.  
 Lal Chand, Hony. Captain Rao Bahadur Chaudhri.

Lal, Mr. S.  
 Montgomery, Mr. H.  
 Moore, Mr. Arthur.  
 Morgan, Mr. G.  
 Mukherjee, Rai Bahadur S. C.  
 Noyce, Sir Frank.  
 Parsons, Mr. A. A. L.  
 Rafiuddin Ahmad, Khan Bahadur Maulvi.  
 Rainy, The Honourable Sir George.  
 Rajah, Rao Bahadur M. C.  
 Rama Rao, Rai Bahadur U.  
 Row, Mr. K. Sanjiva.  
 Roy, Mr. S. N.  
 Sahi, Mr. Ram Prashad Narayan.  
 Sams, Sir Hubert.  
 Sarma, Mr. R. S.  
 Schuster, The Honourable Sir George.  
 Scott, Mr. J. Ramsay.  
 Studd, Mr. E.  
 Sykes, Mr. E. F.  
 Tait, Mr. John.  
 Todd, Mr. A. H. A.  
 Yakub, Sir Muhammad.  
 Young, Mr. G. M.  
 Zulfiqar Ali Khan, Sir.

NOES 8.

Anklesania, Mr. N. N.  
 Das, Mr. A.  
 Das, Mr. B.  
 Dumasia, Mr. N. M.

Krishnamachariar, Raja Bahadur G.  
 Maswood Ahmad, Mr. M.  
 Rajah, Raja Sir Veendava.  
 Ranga Iyer, Mr. C. S.

The motion was adopted.

**The Honourable Sir George Schuster:** Sir, I beg to move:

"That in the second proviso to clause 4, after sub-clause (b), the following sub-clause be inserted as sub-clause (c), namely:

'(c) machinery, comprised in Items Nos. 59A, 59B, 59C and 59D'."

The amendments are consequential.

The motion was adopted.

**The Honourable Sir George Schuster:** Sir, I beg to move:

"That the following be inserted as clause 6, namely:

'6. In section 5 of the Indian Finance Act, 1931, the following proviso shall be added, namely:  
Increase of certain inland postage rates.

'Provided that from a date to be appointed in this behalf by the Governor General in Council, by notification in the Gazette of India, each rate specified in the said Schedule in respect of letters and single postcards shall be increased by one quarter of an anna and the rate specified in respect of reply postcards shall be increased by half an anna.'

The motion was adopted.

**The Honourable Sir George Schuster:** Sir, I beg to move:

"That the following be inserted as clause 7, namely:

'7. (1) In part I of Schedule IV to the Indian Finance Act, 1931, for the item—  
Lowering of limits of total income liable to income-tax.

'When the total income is less than Rs. 2,000 . . . . . Nil.'

the following shall be substituted, namely:

'When the total income is Rs. 1,000 or upwards but is less than Rs. 2,000. . . . . Four pies in the rupee.'

Provided that for the year beginning on the 1st day of April, 1931, the rate chargeable on any such total income shall be two pies in the rupee only.

(2) For the purpose of assessing and collecting the tax imposed by the proviso to sub-section (1),—

II of 1922.

(a) the Indian Income-tax Act, 1922, shall be deemed to be subject to the adaptations set out in Part I of Schedule II to this Act, and

(b) the Central Board of Revenue may make rules:

III of 1922.

(i) making such further adaptations in the Indian Income-tax Act, 1922, as may seem to it to be necessary to secure that the tax shall be equitably levied, and

(ii) regulating the procedure of income-tax authorities in securing the assessment and collection of the tax and the granting of refunds arising therefrom."

The motion was adopted.

Part I of Schedule II was added to the Bill.

**The Honourable Sir George Schuster:** Sir, I beg to move:

"That in clause 9 the words 'on all incomes over rupees, ten thousand' be omitted."

The motion was adopted.

**The Honourable Sir George Schuster:** Sir, I beg to move that the Bill, as recommended, be passed.

## The Assembly divided:

AYES 48.

Ahmad Nawaz Khan, Major Nawab.  
 Allah Baksh Khan Tiwana, Khan Bahadur Malik.  
 Ayangar, Mr. V. K. A. Aravamudha.  
 Azizuddin Ahmad Digrami, Qazi.  
 Bajpai, Mr. R. S.  
 Banerji, Mr. Rajnarayan.  
 Bhore, The Honourable Sir Joseph.  
 Cosgrave, Mr. W. A.  
 Crear, The Honourable Sir James.  
 Dalal, Dr. R. D.  
 DeSouza, Dr. F. X.  
 Desanges, Mr. H. C.  
 Dyer, Mr. J. F.  
 Elliott, Mr. C. B.  
 Fox, Mr. H. B.  
 French, Mr. J. C.  
 Graham, Sir Lancelot.  
 Heathcote, Mr. L. V.  
 Hira Singh Brar, Sardar Bahadur Captain.  
 Howell, Mr. E. B.  
 Jawahar Singh, Sardar Bahadur Sardar.  
 Knight, Mr. H. F.  
 Lal Chand, Hony. Captain Rao Bahadur Chaudhri.

Lall, Mr. S.  
 Montgomery, Mr. H.  
 Moore, Mr. Arthur.  
 Morgan, Mr. G.  
 Mukherjee, Rai Bahadur E. C.  
 Noyce, Sir Frank.  
 Parsons, Mr. A. A. L.  
 Rafiuddin Ahmad, Khan Bahadur Maulvi.  
 Rainy, The Honourable Sir George.  
 Rajah, Rao Bahadur M. C.  
 Rama Rao, Rai Bahadur U.  
 Row, Mr. K. Sanjiva.  
 Roy, Mr. S. N.  
 Sahi, Mr. Ram Prashad Narayan.  
 Sams, Sir Hubert.  
 Sarma, Mr. R. S.  
 Schuster, The Honourable Sir George.  
 Scott, Mr. J. Ramsay.  
 Studd, Mr. E.  
 Sykes, Mr. E. F.  
 Tait, Mr. John.  
 Todd, Mr. A. H. A.  
 Yakub, Sir Muhammad.  
 Young, Mr. G. M.  
 Zulfikar Ali Khan, Sir.

NOES 63.

Abdoola Haroon, Seth Haji.  
 Abdur Rahim, Sir.  
 Anklesaria, Mr. N. N.  
 Azhar Ali, Mr. Muhammad.  
 Badi-uz-Zaman, Maulvi.  
 Bagla, Lala Rameshwar Prasad.  
 Chandi Mal Gola, Bhagat.  
 Chetty, Mr. R. K. Shanmukham.  
 Chinoy, Mr. Rahimtoola M.  
 Das, Mr. A.  
 Das, Mr. B.  
 Dumasia, Mr. N. M.  
 Dutt, Mr. Amar Nath.  
 Fazal Haq Piracha, Shaikh.  
 Gour, Sir Hari Singh.  
 Gunjal, Mr. N. R.  
 Harbans Singh Brar, Sirdar.  
 Hari Raj Swarup, Lala.  
 Ibrahim Ali Khan, Lt. Nawab Muhammad.  
 Ismail Ali Khan, Kunwar Hajee.  
 Isra, Chaudhri.  
 Jog, Mr. S. G.  
 Krishnamachariar, Raja Bahadur G.  
 Lahiri Chaudhury, Mr. D. K.  
 Lalchand Navalrai, Mr.  
 Liladhar Chaudhury, Seth.  
 Maswood Ahmad, Mr. M.  
 Misra, Mr. B. N.  
 Mitra, Mr. S. C.  
 Mody, Mr. H. P.  
 Muazzam Sahib Bahadur, Mr. Muhammad.  
 Mujumdar, Sardar G. N.

Murtuza Saheb Bahadur, Maulvi Sayyid.  
 Pandit, Rao Bahadur S. R.  
 Parma Nand, Bhai.  
 Patil, Rao Bahadur B. L.  
 Puri, Mr. B. R.  
 Puri, Mr. Goswami M. R.  
 Raghbir Singh, Kunwar.  
 Rajah, Raja Sir Vasudeva.  
 Rajan Bakhsh Shah, Khan Bahadur Makhdum Syed.  
 Ranga Iyer, Mr. C. S.  
 Rastogi, Mr. Badri Lal.  
 Reddi, Mr. P. G.  
 Reddi, Mr. T. N. Ramakrishna.  
 Sadiq Hasan, Shaikh.  
 Sant Singh, Sardar.  
 Sarda, Rai Sahib Harbilas.  
 Sen, Mr. S. C.  
 Sen, Pandit Satyendra Nath.  
 Shah Nawaz, Mian Muhammad.  
 Singh, Kumar Gupteshwar Prasad.  
 Singh, Mr. Gaya Prasad.  
 Sitaramaraju, Mr. B.  
 Sohan Singh, Sirdar.  
 Sukhraj Rai, Rai Bahadur.  
 Talib Mehdi Khan, Nawab Major Malik.  
 Thampan, Mr. K. P.  
 Uppi Saheb Bahadur, Mr.  
 Wajihuddin, Khan Bahadur Haji.  
 Wilayatullah, Khan Bahadur H. M.  
 Yamin Khan, Mr. Muhammad.  
 Ziauddin Ahmad, Dr.

The motion was negatived.

The Assembly then adjourned *sine die*.